

PROSPECTUS  
82ESW124-05  
DIVIDEND

PROPERTY FILE  
82ESW124-05

001615

HEAD OFFICE: 2162 Naramata Rd., Penticton, B.C.  
REGISTERED OFFICE: 6th Floor BRITISH COLUMBIA  
900 West Hastings Street SEcurities COMMISSION  
Vancouver, B. C.

SECOND PUBLIC OFFERING  
300,000 Common Shares

	Price to Public	Underwriting Commission	Proceeds to Company
Per Share \$	.20	\$ .05	\$ .15
Total	60,000.00	15,000.00	45,000.00 (1)

(1) On the assumption that all shares offered are sold.

THERE IS NO MARKET FOR THE COMPANY'S SECURITIES.

NO SURVEY HAS BEEN MADE OF THE COMPANY'S RECORDED MINERAL CLAIMS AND THEREFORE IN ACCORDANCE WITH THE MINING LAWS OF THE PROVINCE OF BRITISH COLUMBIA, THEIR EXISTENCE AND AREA COULD BE IN DOUBT.

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

THESE SHARES ARE SPECULATIVE.

THE PURCHASE OF THE SHARES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION AS ALL OF THE PROPERTY IN WHICH THE COMPANY HAS AN INTEREST IS IN THE EXPLORATION AND DEVELOPMENT STAGES ONLY. REFERENCE SHOULD ALSO BE MADE TO THE HEADINGS "PRINCIPAL HOLDERS OF SECURITIES" AND "PROMOTERS" HEREIN FOR A COMPARISON OF THE PERCENTAGE OF SECURITIES BEING OFFERED TO THE PUBLIC FOR CASH AND THOSE ALREADY ISSUED BY THE COMPANY TO ACQUIRE ITS PROPERTIES. THE PERCENTAGE OF SHARES TO BE ISSUED AND OUTSTANDING FOR CASH ON COMPLETION OF THIS OFFERING WILL BE 43% AND THAT FOR PROPERTY 57% AND OF THE SHARES TO BE ISSUED AND OUTSTANDING ON COMPLETION OF THIS OFFERING 28% WILL BE ISSUED TO THE PUBLIC FOR CASH AND 72% WILL BE ISSUED TO PROMOTERS, DIRECTORS AND CONTROLLING PERSONS FOR CASH AND PROPERTY.

ON COMPLETION OF THIS ISSUE THE SHARES OFFERED HEREUNDER WILL REPRESENT 23% OF THE ISSUED AND OUTSTANDING SHARES OF THE COMPANY.

THE COMPANY IS OBLIGATED TO RAISE A MINIMUM AMOUNT HEREUNDER WITHIN 120 DAYS OF THE DATE OF THIS PROSPECTUS - DETAILS OF WHICH MINIMUM SUBSCRIPTION ARE SET OUT ON PAGE 2 HEREOF.

THIS PROSPECTUS IS DATED THIS 24TH DAY OF FEBRUARY, 1975.

I N D E X

	<u>PAGE</u>
Name and Incorporation	4
Share Offering and Plan of Distribution	Cover and page 2
Use of Proceeds	2 and 3
Share and Loan Capital Structure	3
Escrowed Shares	7 and 8
Principal Holders of Securities	8
Description of Business and Property of Issuer	4, 5 and 6
Promoters	6
Directors and Officers	6 and 7
Auditors	8
Transfer Agent	8
Purchaser's Right of Withdrawal and Rescission	8 and 9
Engineer's Report	
Auditor's Financial Statements	
Certificates	

PLAN OF DISTRIBUTION

The Company by this Prospectus offers to sell 300,000 of its shares as fully paid and non-assessable at or for the price of 20¢ per share subject to commission in respect of some or all of such shares not exceeding .05¢ per share. The distribution of shares offered pursuant to this Prospectus will be effected through brokers, broker-dealers and will be sold by salesmen of the Company and its trading Directors. No commission or other remuneration will be payable to the trading Directors of the Company in connection with this offering of shares. The Company may allow or pay a commission of up to .05¢ per share to purchasers who purchase shares directly from the Company.

The Company has entered into an arrangement with the Guaranty Trust Company of Canada whereby the Company is obligated to raise the whole of the moneys authorized hereunder (\$45,000.00) within one Hundred and twenty (120) days of the date of this Prospectus. All moneys from the sale of shares are to be deposited in an interest-earning account with Guaranty Trust Company and in the event all of the funds are not raised within the time limited then all moneys for shares purchased under this Prospectus will be returned to the shareholders. If the said funds are raised as aforesaid, same will not be released to the Company without the consent of the Superintendent of Brokers and the Guaranty Trust Company is obligated to hold back \$2,000.00 until such time as the Company makes application for listing on the Vancouver Curb Exchange.

USE OF PROCEEDS TO ISSUER

The net proceeds to be derived by the Company from the sale of the securities hereby offered is \$45,000.00. The principal purpose for which the net proceeds is intended to be used is to carry out the balance of a comprehensive exploration programme on the Company's located mineral claims (designated the Dividend Mountain Project), hereinafter more fully described, as recommended by Mr. D.R. Cochrane, P. Eng., in his reports dated the 15th day of January, 1974 and October, 1974, however, the accounts payable in the sum of \$8,875.68 will be paid in priority to all other items. The recommendations listed below are from Mr. Cochrane's report dated January 15, 1974 which is on file at the Company's head office. The Company has included only Mr. Cochrane's most recent report in this Prospectus (Report dated Oct., 1974). In addition, a maximum of \$12,000.00 of the proceeds of this issue may be used for future administrative expenses and the expenses of this issue. Should the proceeds received from this offering prove insufficient to accomplish the line-cutting, geochemical survey and magnetometer survey outlined below, then the proceeds will be applied in the order of Mr. Cochrane's recommendations set out below and the administrative expenses and the expenses of this issue will be paid as they become due.

1. Recommendations

For Reconnaissance Work and Follow-Up:

25 line miles of linecutting, including two tie lines and cross lines at 200 foot line separation, station intervals at 50 feet @ \$155/line mile.	3,750.00
25 line miles of a soil geochemical survey (including orientation and analysis for Cu and Au) @ \$475/line mile.	11,875.00
25 line miles of a ground magnetometer survey (50 foot intervals) 2 \$200/line mile.	5,000.00
Reconnaissance geological mapping	<u>1,375.00</u>
	<u>\$22,000.00</u>

2. Accounts Payable

On account of exploration and development  
and administrative costs incurred to date \$ 8,875.68

3. Administrative Costs and Expenses

(a) Costs of issue (estimated) (including  
legal, audit fees, printing, Trustee's  
fees and transfer agency) \$ 3,124.32

(b) General administrative and company  
expense - allow 9,000.00

(c) Vancouver Curb Exchange Listing Fee 2,000.00

\$14,124.32

Total Use of Proceeds \$45,000.00

NO PART OF THE PROCEEDS OF THIS ISSUE SHALL BE USED TO INVEST, UNDERWRITE OR TRADE IN SECURITIES OTHER THAN THOSE THAT QUALIFY AS INVESTMENTS IN WHICH TRUST FUNDS MAY BE INVESTED UNDER THE LAWS OF THE JURISDICTION IN WHICH THE SECURITIES OFFERED BY THIS PROSPECTUS MAY LAWFULLY BE SOLD.

SHOULD THE ISSUER PROPOSE TO USE THE PROCEEDS TO ACQUIRE NON-TRUSTEE TYPE SECURITIES AFTER THE INITIAL DISTRIBUTION OF THE SECURITIES OFFERED BY THIS PROSPECTUS, APPROVAL BY THE SHAREHOLDERS MUST FIRST BE OBTAINED AND PRIOR DISCLOSURE MADE TO THE REGULATORY SECURITIES BODIES HAVING JURISDICTION OVER THE SALE OF THE SECURITIES OFFERED BY THIS PROSPECTUS.

CAPITALIZATION

The Company is authorized to issue 3,000,000 common shares without nominal or par value. There is only one kind and class of share and each share ranks equally as to dividends, voting rights, participation in assets and in all other respects.

Authorized Common Share Capitalization	Outstanding at date of last balance Sheet - Sept. 31/74	Outstanding at Dec. 31, 1974	Outstanding at Completion of Offering
3,000,000	1,003,995	1,003,995	1,303,995

Particulars of Shares sold for Cash

Number of Shares	Price per Share	Cash Received	Commission Paid
5	50¢	\$ 2.50	NIL
63,500	15¢	9,525.00	NIL
190,490	10¢	19,049.00	NIL
<u>253,995</u>		<u>\$28,576.50</u>	

NAME AND INCORPORATION OF ISSUER

Southcan Mining Limited (N.P.L.) was incorporated on July 6th, 1973 as a specially limited company under the laws of the Province of British Columbia by Memorandum of Association. The address of its registered office and records office is 6th Floor, 900 West Hastings Street, Vancouver, B. C. Its head office is situate at 2162 Naramata Road, Penticton, B. C. The Company is a reporting company.

DESCRIPTION OF BUSINESS AND PROPERTY OF ISSUER

The Company was incorporated as a mining exploration company and for the foreseeable future it intends to carry on business as such. Reference is made to the statement on the outside front cover page of the Prospectus setting forth, inter alia, factors which make the offering a speculation.

The Company is the holder of the following located mineral claims centered on Dividend Mountain, approximately 6 air miles north of Olalla, 14 air miles southwest of Penticton and 1½ miles east of Apex Peak, in Southcentral British Columbia.

<u>Recorded Mineral Claims</u>	<u>Record Numbers</u>	<u>Expiry Date</u>
JO #3 and #4	27130 and 27131	Sept. 29, 1975
KIM #1 to #4 (incl.)	27001-04	Sept. 15, 1975
* KIM #5 and #6	31154-55	Sept. 16, 1975
SEL #1 to #25 (incl.)	29427-51	August 8, 1975
SEL #26 and #27	29651-52	Sept. 27, 1975
SEL #28 to #32	29653-57	Sept. 22, 1975
* SEL #33 to #37	31223-31227	Oct. 31, 1975
SEL #39	30581	Oct. 10, 1975
SEL #41	30582	Oct. 10, 1975
SEL #38	30585	Oct. 10, 1975
SEL #40	30584	Oct. 10, 1975
SEL #42	30583	Oct. 10, 1975

(hereinafter collectively called "the Dividend Mountain Claims").

- \* KIM #5 and #6 are held in the name of John Clinton Hord in trust for the Company.
- \* SEL #33 to #36 are held in the name of Elroy Melville Wallin in trust for the Company.

The claims are accessible by truck via a recently constructed 4 x 4 access road which proceeds northerly from the Town of Olalla which is located on Highway No. 3 between Keremeos and Penticton.

The general Dividend Mountain region has been prospected since the early eighteen nineties, however, local mineral production has been limited to small tonnages of copper and molybdenum from producers near Olalla. The Minister of Mines report for 1900 reports progress on the Dividend Crown grant as consisting of a 20-foot deep shaft and 30-foot cross cut intersecting "good ore" chiefly copper sulphides and pyrrhotite. Early in the 1900's several claims were Crown granted and partially developed on Dividend Mountain.

Apparently, exploration work was suspended on the Dividend just prior to the First World War, and only intermittent prospecting has continued to the present until the acquisition of the Dividend Mountain claims as reported herein. John Clinton Hord, the promoter herein, has bulldozed a 4-wheel drive access road to the Dividend Mountain claims and has opened up some of the claims by trenching.

For this development work, the Company agreed to reimburse Mr. Hord the sum of \$11,000.00. In addition, the Company agreed to reimburse the said John Clinton Hord the sum of \$3,700.00 on account of assessment work in order to keep and bring the said Dividend Mountain claims in good standing, and the sum of \$329.00 on account of recording and grouping the said claims. These amounts were contra-accounted when Mr. Hord subscribed for shares in the Company.

By an agreement dated for reference the 1st day of August, 1973, the Company purchased the Dividend Mountain claims for a total of 750,000 escrow shares in the capital of the Company, such shares being issued at a discounted price of 1¢ per share:

<u>Names and Addresses</u>	<u>Mineral Claims</u>	<u>No. of Escrowed Shares</u>
Mike Streber R.R. #1, Carter Rd. Penticton, B. C.	JO #3 and #4	37,500
Elroy Wallin 1607 Fairford Dr. Penticton, B. C.	KIM #1 to #6	37,500
Fred C. McNeill 126 West Bench Penticton, B. C.	SEL #39 & #41	75,000
Manning Lee 954 Creston Ave. Penticton, B. C.	SEL #38, #40 & #42	75,000
John Clinton Hord 2162 Naramata Rd. Penticton, B. C.	SEL #1 to #26 (incl.) SEL #26 to #37 (incl.)	525,000

John Clinton Hord and Elroy Wallin are Insiders and Promoters of the Company as defined by the Securities Act, 1967.

The Company is the sole beneficial owner of the 50 recorded mineral claims herein referred to as, and making up, the Dividend Mountain claims.

The Company has carried out further bulldozing work for the benefit of the property but otherwise there has been no underground or surface exploration or development and there is no surface or underground plant or equipment on the property.

The cost of acquisition of the Dividend Mountain claims by the said Mike Streber, Elroy Wallin, Fred C. McNeill, John Clinton Hord and Manning Lee is estimated at approximately \$1,000.00.

Grab samples and soil sampling taken and performed by D. R. Cochrane, P.Eng., indicates the presence of silver, gold and copper values. There is not a known body of commercial ore on the Dividend Mountain claims and the proposed programme is an exploratory search for commercial concentration of copper, gold and silver.

In the Fall of 1974, the Company set out ground marker stations, carried out an airphoto survey and completed 50 line miles of aeromagnetic survey. This work has been reported on in the report of D.R. Cochrane dated October 5, 1974.

#### PROMOTERS

John Clinton Hord and Elroy Wallin, acting in the capacity as Directors of the Company may be considered promoters of the Company. John Clinton Hord has received 525,000 escrow shares in the capital of the Company and has been credited with \$11,000.00 on account of bulldozer and trenching work on the Dividend Mountain claims and has also been credited with the sum of \$4,049.00 on account of assessment, recording and grouping expenses, all of which is referred to in the agreement dated for reference the 1st day of August, 1973 with the Company, which amounts have been offset by the subscription by Mr. Hord in shares.

Elroy Wallin has received 37,500 escrow shares in the capital of the Company on account of the sale of mineral claims KIM #1 to #8 to the Company referred to in the agreement dated for reference the 1st day of August, 1973.

#### ISSUANCE OF SHARES

The Company has only one kind and class of share and 300,000 of the 3,000,000 common shares which the Company is authorized to issue are being offered pursuant to this Prospectus. Each share ranks equally as to dividends, voting rights, participation in assets and in all other respects. The shares of the Company carry no pre-emptive rights or conversion rights and are not subject to redemption or to calls or assessments. No dividends have been paid by the Company since the date of incorporation.

#### DIRECTORS AND OFFICERS

<u>Name and Position with Company</u>	<u>Principal Occupations during the past Five Years</u>
John Clinton Hord 2162 Naramata Road Penticton, B. C. President and Director	Self-employed Prospector since September, 1968 and prior to that, self-employed heavy construction contractor, 1307 - 38th Street S.E., Calgary, Alberta.
Elroy Melville Wallin 1607 Fairford Drive Penticton, B. C. Secretary and Director.	Self-employed part owner of auto wrecking and tow truck service, A-1 Towing, Penticton, B.C.; prior to that truck driver and mechanic with Canadian Pacific Transport.

Herbert Edward Dennis  
Atkinson  
1050 Redlands Road  
Penticton, B. C.  
Director.

Car salesman since February, 1973  
with Valley Ford Sales, Penticton,  
B.C., and prior to that since May,  
1971 partner in Amadeus Management  
Company in mining exploration and  
prior to that since November, 1968  
Property Manager with various  
mining exploration companies.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

Since the 1st day of March, 1974, the Company agreed to pay John Clinton Hord, the Company's President, the sum of \$500.00 per month on account of providing the administration and management for the Company of which \$3,350.00 has been paid and \$2,650.00 is payable otherwise no direct remuneration has been paid by the Company to the Directors and senior officers of the Company since its incorporation. In addition, the Company has paid for exploration and development work performed by the said John Clinton Hord at the request of the Company on the Company's properties and in accordance with the Company's program for the said property in that \$1,200.00 was paid on account of setting out the ground marker stations and surveying. The Company also paid D7 Cat rental to John Clinton Hord in the sum of \$1,320.00 on account of improving the access road to the Company's property to enable the exploration and development program to be proceeded with. Save as aforesaid, it is not proposed to pay any future sums to the Directors or senior officers save and except those expenses approved by the Board of Directors.

ESCROWED SECURITIES

The information given under this heading is as of the date of this Prospectus.

<u>Description and Class</u>	<u>Number of Shares held in Escrow</u>	<u>Percentage of Class</u>
Common	750,000	74%

750,000 shares are held in escrow by Escrow Agreement with Guaranty Trust Company of Canada dated October 1st, 1973 subject to the direction or determination of the British Columbia Securities 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 leaves 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 shares as the Commission may determine shall have become subject to cancellation which 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 the registrar and transfer agent of the Company.



Of the balance of 253,995 shares, all were issued for cash and these shares are held in a pool by Guaranty Trust Company of Canada. Such shares may not be released from the pool until thirty days after completion of the primary distribution to the public of the shares offered by this prospectus.

#### PRINCIPAL HOLDERS OF SECURITIES

The information given under this heading is as of the date of this Prospectus.

(a) Persons holding 10% or more of the issued and outstanding shares of the Company, either beneficially or of record and either directly or indirectly, are as follows:

<u>Name</u>	<u>Designation of Class</u>	<u>Type of Ownership</u>	<u>Number of Shares Owned</u>	<u>Percentage</u>
John Clinton Hord	Common	Record and Beneficially	668,823	67%

(b) The directors and senior officers of the Company beneficially own directly or indirectly 73% of the issued and outstanding shares of the Company.

#### MATERIAL CONTRACTS

There are no other material contracts relating to the securities offered hereby that are not disclosed elsewhere in the Prospectus. Such contracts may be examined at the registered office of the Company at any reasonable time during the period of primary distribution of the shares hereby offered.

#### AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are Messrs. Michael E. Jorgensen and Company, Chartered Accountants, of Suite 204, 3540 West 41st Avenue, Vancouver, B.C. The Registrar and Transfer Agent is Guaranty Trust Company of Canada, 540 Burrard Street, Vancouver, B.C. None of the directors of the Company have any interest, directly or indirectly in Guaranty Trust Company of Canada.

#### PURCHASERS' RIGHT OF RESCISSION AND WITHDRAWAL

Sections 61 and 62 of the Securities Act, (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 Prospectus, together with financial statements and reports and summaries of reports relating to the securities as filed with the Superintendent of Brokers 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 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 the 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.

MICHAEL E. JORGENSEN AND CO., *Chartered accountants*  
204-3540 WEST 41ST AVENUE, VANCOUVER, B.C. V6N 3E6  
TELEPHONE: 263-0937 AREA CODE 604

AUDITORS' REPORT

To the Shareholders of  
Southcan Mining Limited (N.P.L.)

We have examined the balance sheet of Southcan Mining Limited (N.P.L.) as at 30th November, 1974 and the statements of deficit, deferred exploration and development costs and source and use of working capital for the period from 6th July, 1973 (date of incorporation) to 30th November, 1974. 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 30th November, 1974 and the results of its operations and the source and use of its working capital for the period then ended, in accordance with generally accepted accounting principles applied on a consistent basis.

13th January, 1975

*Michael E. Jorgensen & Co*  
Chartered Accountants

SOUTHCAN MINING LIMITED (N.P.L.)

Balance Sheet  
As at 30th November, 1974

Assets			
Current			
Cash		\$	32.92
Mineral claims (notes 1 and 2)			
Acquisition costs including the amount ascribed to shares issued therefor	\$22,549.00		
Deferred exploration and development costs	<u>10,424.58</u>	32,973.58	
		<u>\$33,006.50</u>	
Liabilities			
Current			
Accounts payable		\$	7,225.68
Accrued management fees			<u>1,150.00</u>
		\$	8,375.68
Shareholders' equity			
Capital stock (note 4)			
Authorized			
3,000,000 common shares of no par value			
Issued and fully paid			
253,995 shares for cash	\$28,576.50		
<u>750,000 shares for mineral claims</u>	<u>7,500.00</u>		
<u>1,003,995</u>	\$36,076.50		
Deficit	<u>11,445.68</u>	24,630.82	
		<u>\$33,006.50</u>	

APPROVED ON BEHALF OF THE BOARD:

Director  
 Director

See accompanying notes to the financial statements.

SOUTHCAN MINING LIMITED (N.P.L.)

Statement of Deficit  
For the Period from 6th July, 1973 (date of incorporation  
to 30th November, 1974

Administrative expenses for the period from 6th July, 1973 to 30th November, 1974	
Accounting and audit	\$ 450.00
Legal	4,159.49
Management fees	2,250.00
Organization expenses	1,500.00
Registration fees	350.00
Telephone, office and printing	1,005.87
Transfer agent fees	300.00
Travel and promotion	<u>1,430.32</u>
Balance of deficit at 30th November, 1974	<u>\$11,445.68</u>

See accompanying notes to the financial statements.

SOUTHCAN MINING LIMITED (N.P.L.)

Statement of Deferred Exploration and Development Costs  
For the Period from 6th July, 1973 (date of incorporation)  
to 30th November, 1974

Mineral claims - Osoyoos Mining Division,  
British Columbia

Airphoto survey and base map preparation	\$ 1,896.03
Aeromagnetic survey	1,513.40
Baseline survey	1,200.00
Engineering reports	500.00
Management fees	2,250.00
Roadwork and bulldozing	1,995.15
Recording fees and licences	<u>1,070.00</u>

\$10,424.58

See accompanying notes to the financial statements.

SOUTHCAN MINING LIMITED (N.P.L.)

Statement of Source and Use of Working Capital  
For the Period from 6th July, 1973 (date of incorporation)  
to 30th November, 1974

Source of working capital		
Shares issued for cash		\$28,576.50
Shares issued for mineral claims at an ascribed amount of 1¢ per share (note 2)		<u>7,500.00</u>
		\$36,076.50
Use of working capital		
Purchase of mineral claims (note 2)	\$22,549.00	
Deferred exploration and development costs	10,424.58	
Administrative expenses	<u>11,445.68</u>	<u>44,419.26</u>
Working capital deficiency at 30th November, 1974		<u>\$ 8,342.76</u>

See accompanying notes to the financial statements.

SOUTHCAN MINING LIMITED (N.P.L.)

Notes to the Financial Statements  
As at 30th November, 1974

1. Significant accounting policy

The undernoted accounting policy followed by the company is set forth to facilitate an understanding of the accompanying financial statements.

It is the company's accounting policy to capitalize the acquisition cost of a mineral property and to defer related exploration and development costs until such time as the property is brought into production or is abandoned. During production, costs would be amortized against income. If the property is abandoned, costs would be written off to deficit.

Under this accounting policy, costs relating to mineral properties aggregating \$32,973.58 are shown as assets in the balance sheet. These costs are not intended to reflect present or future values.

2. Mineral claims

At 30th November, 1974 the company is the beneficial owner of fifty recorded mineral claims situate in the Osoyoos Mining Division, Province of British Columbia. These mineral claims were acquired by the company for the following consideration:

a) The issuance of 750,000 shares in the capital stock of the company at an ascribed amount of 1¢ per share. 562,500 of these shares have been issued to directors of the company	\$ 7,500.00
b) The reimbursement to a director of the company of the sum of \$15,090.00 for exploration and development work previously carried out on the mineral claims (see note 4)	<u>15,090.00</u>
	<u><u>\$22,590.00</u></u>

3. Remuneration of directors

During the period from 6th July, 1973 (date of incorporation) to 30th November, 1974 aggregate remuneration paid or payable to directors of the company was \$4,500.00.

4. Capital stock

Included in shares issued for cash are 150,900 shares subscribed by a director of the company to contra the sum of \$15,090.00 due him as a reimbursement for exploration and development work previously carried out on the company's mineral claims (see note 2).



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GEOPHYSICAL REPORT  
on the  
AEROMAGNETIC SURVEY  
of the  
DIVIDEND GROUP OF CLAIMS  
(KIM NO. 1 to NO. 6, JO NO. 3 and 4, SEL NO. 1 to NO. 42)

Located 6 air miles North of  
OLALLA  
in the  
Osyoos Mining Division  
N.T.S. 82E/5 (W $\frac{1}{2}$ )  
Latitude 49°22'N: Longitude 119°52'W

on behalf of  
SCOUTCAN MINING LTD. (N.P.L.)

Report by:

D. R. Cochrane, P. Eng.

October 5, 1974

Delta, B.C.



**Cochrane Consultants Limited**  
4882 Delta Street, Delta, B.C. (604) 946-9221  
Geotechnical Consulting / Exploration Services

geology  
geophysics  
geochemistry

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TABLE OF CONTENTS

	<u>Page</u>
PART A:	
A-1 INTRODUCTION	1
A-2 SUMMARY AND CONCLUSIONS	1
PART B: SETTING	
B-1 LOCATION AND ACCESS	4
B-2 PROPERTY	4
B-3 GENERAL SETTING	5
B-4 HISTORY	5
PART C: METHODS	
C-1 EQUIPMENT AND FIELD PROCEDURES	7
C-2 DATA PROCESSING	7
PART D: DISCUSSION OF RESULTS	9

FIGURES

1. Location Map
2. Claims Map
3. Aeromagnetics and Flight Lines

APPENDIX

- I Certificates
  - II Assessment Details
  - III Costs
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PART A:

A-1 INTRODUCTION

On January 15, 1974 the author prepared a report on the Dividend Property for Southcan Mining Ltd. In that report recommendations were made for additional exploration work on the Sel, Jo and Kim claims. Recommended work included an aeromagnetic survey of the claims and the field portion of the survey was completed on September 6, 1974. This report describes the procedures used and discusses the results of the survey.

A-2 SUMMARY AND CONCLUSIONS

1. Southcan Mining Ltd. hold title to a block of claims situated on Dividend Mountain, six (6) air miles north of Olalla and fourteen (14) air miles southwest of Penticton, in the Southern Interior of British Columbia.

2. The claims cover old workings which expose irregular skarn type deposits characterized by the presence of pyrrhotite, magnetite and copper sulphides. These occurrences often lie close to the contact of dikes and or larger intrusives with limey metasedimentary rocks of the Triassic Independence Formation.

3. In order to determine the extent of the skarn deposits and in an attempt to locate additional ones (if such do occur) a helicopter borne aeromagnetic survey was completed over the property on September 6, 1974.



4. Approximately fifty (50) line miles were flown in twenty-seven (27) lines directed northwesterly across the claim group. Cross lines are spaced about 400 feet apart and navigation was visual with the aid of an air photo enlargement.

5. A proton procession magnetometer and analog chart recorder were used and installed in a Jet Ranger helicopter. Terrain clearance was 300 feet

6. Data processing of the field data took place in the office of Cochrane Consultants Ltd. and field work was completed by Mr. S. Moyer of Sabre Electronics and Mr. C. Hord of Southcan.

7. Magnetic response ranged from a low of 57240 gammas to a high of 58130, a total of about 900 gammas.

8. The dominant isomagnetic feature is a large broad positive magnetic feature centered in the northerly survey area. This is believed to be response from an apophysis of the Main Penask Lake Batholith (granodiorite)

9. Several smaller and isolated magnetic highs occur along the southern edge of the large positive feature, and within a band trending northeasterly across the property.

10. The most prominent isolated magnetic feature is designated anomaly "A", and it is a thumbprint shape which peaks at 57950 gammas and is about 500 feet in diameter. Similar anomalies lie close by.



11. Investigation as to the cause of these isolated magnetic anomalies is recommended.

Respectfully submitted,

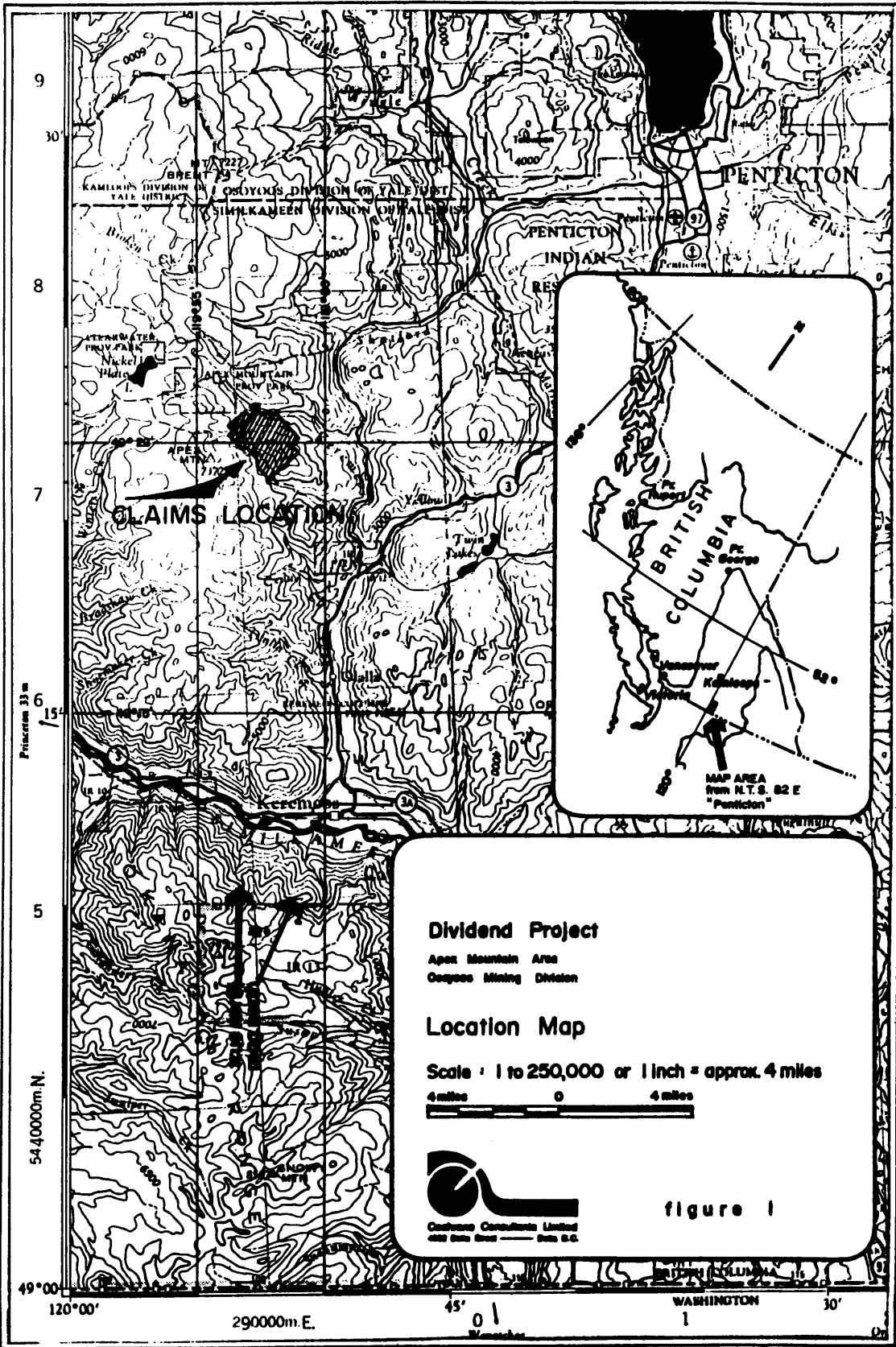
A circular seal for the Provincial Association of Professional Engineers of British Columbia. The seal contains the text "PROFESSIONAL ENGINEERS OF BRITISH COLUMBIA". A signature, "D. R. Cochrane", is written across the seal. A paperclip is visible to the left of the seal.

D. R. Cochrane, P. Eng.,

October 5, 1974,

Delta, B.C.





PART B: SETTING

B-1 LOCATION AND ACCESS

The KIM, SEL and JO claims are centered on Dividend Mountain, approximately six (6) air miles north of Olalla, fourteen (14) air miles southwest of Penticton and one and one half (1.5) miles east of Apex Peak, in Southcentral British Columbia. The claims are accessible by truck via a recently constructed 4 X 4 access road which proceeds northerly from the town of Olalla which is located on highway #3 between Keremeos and Penticton.

The National Topographic System code for the claims area is 82E/5 (West Half); the latitude is 49°22'N and longitude 119°52'W ( see figure 1 ).

B-2 PROPERTY

The mineral claims under consideration lie on the Osoyoos Mining Division and are shown on B.C. Department of Mines Mineral Claim Map 82E/5W (m). They form a contiguous almost rectangular block approximately two (2) miles long and one and one half (1 1/2) miles wide. Title to the claims is held by Southcan Mining Ltd.

TABLE A CLAIMS DATA

<u>Name</u>	<u>Record No.(s)</u>
JO #3 and #4	27130 and 27131
KIM #1 to #4 (incl.)	27001 - 04
KIM #5 and #6	28078 & 28079
SEL #1 - #25 (incl)	29427 - 51
SEL #26 - #37	29651 - 62
SEL #38, #40, #42	29663 - 65 - 67
SEL #39 and #41	29664 & 66



# Dividend Project

Figure 2

Apex Mountain Area  
Osoyoos Mining Division  
NTS 82 E / 5 W

## CLAIMS MAP



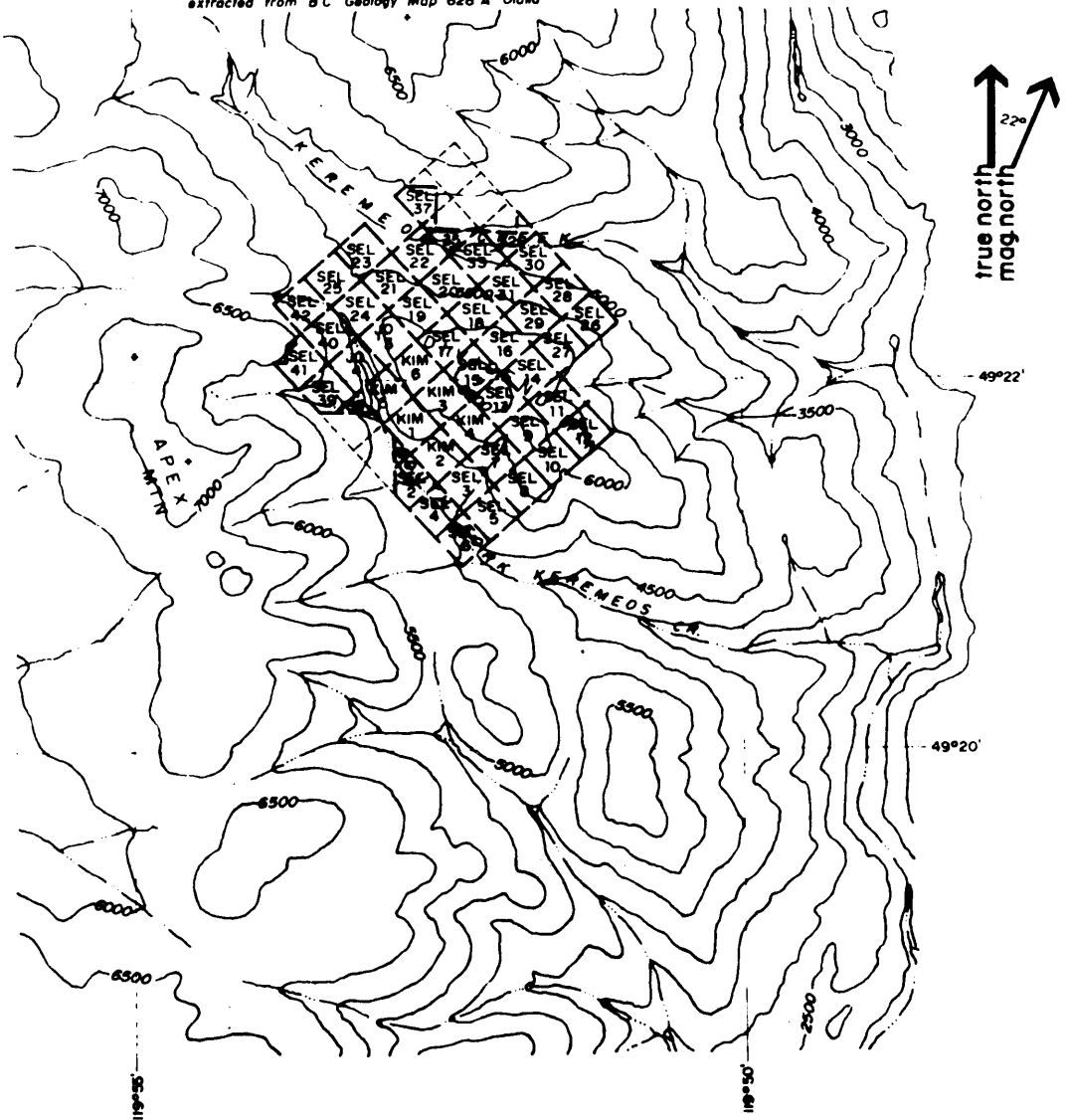
to accompany a report  
by D.R. COCHRANE P.Eng.  
dated January 15, 1974



Cochran Consultants Limited  
1111 11th Street  
Osoyoos, B.C. V2Z 1G1



extracted from BC Geology Map 628 A "Otaika"





The relative locations of these claims are shown on accompanying figure #2.

### B-3 GENERAL SETTING

The claims lie in the South Fraser Plateau section of the interior plateau division of British Columbia, and lie immediately east of the Okanagan Trench. It is a region of relatively high and moderately steep upland relief and the summit of Dividend Mountain lies just over 6,500 feet above sea level. Apex Peak immediately to the west is 7,372 feet above sea level and the upland surface rises fairly sharply from Olalla in the Keremeos valley at an elevation of 1700 feet. The area lies within a Triassic (or older) metasedimentary and metavolcanic sequence which has been intruded by post triassic intermediate to plutonic rocks and this sequence was later cut by small diorite and gabbro dikes, sills and plugs.

An apophysis of the Penask Batholith intrudes the Independence Formation in the northern property sector, and the Shoemaker formation lies in the southern claims area.

The region was glaciated during the Pleistocene era, and a widespread but relatively thin mantle of glacial drift covers the bedrock at higher elevations, and in general drift thickness increases in the valleys at lower elevations. Vegetation at the higher elevations is subalpine and the climate is dry and moderately cool.

### B-4 HISTORY

The general region has been prospected since the early nineties however local mineral production has been limited to small tonnages of copper and molybdenum from producers near Olalla



(principally the GOLCONDA Mine, of Trent Resources Ltd.). The Minister of Mines Report for 1900 reports progress on the Dividend crown grant as consisting of a 20 foot deep shaft and 30 foot cross cut intersecting "good ore" chiefly copper sulphides and pyrrhotite. Early in the 1900's several claims were crown granted and partially developed on Dividend Mountain, and these included the several Dividend claims, the Selkirk, Maple Leaf, Longshot, Manouth, Iron Mask, Juno, Diana, and lower down on the north slope of Dividend Mt., the Scotia and LeRoi #2. Work on the latter two claims was reported in the 1905 Minister of Mines Report and states:

"During last season a tunnel and cross cut therefrom were run.....this work disclosed an extensive body of high grade copper gold ore, running about 5% copper and several dollars in gold. The property is well situated for operation through tunnels."

Apparently exploration work was suspended on the Dividend just prior to the first world war and only intermittent prospecting has continued to the present. To the author's knowledge no thorough modern exploration program has been conducted within the claims area to date. Mr. Clinton Hord bulldozed a 4 wheel drive access road to Dividend peak in the 1971 and 1972 field seasons and approximately \$16,000 was spent by Mr. Hord on the road work.



PART C METHODS

C-1 FIELD EQUIPMENT AND PROCEDURES

An Elsec (Model 592) proton precession magnetometer with a digital to analog converter was used on the project. This was interfaced with an Esterline Angus (Model T117B) potentiometric type chart recorder. The Jet Ranger towed a sensing head (bird) on 40 feet of cable during the survey. Installation of equipment, and the instrument operator during the survey was Mr. S. Moyer of Sabre Electronics. Navigation was done by Mr. C. Hord and the pilot, by plotting the chopper position on an air photo enlargement (scale approximately 1":700 feet). The aircraft terrain clearance was 300 feet, and an air speed of 60 miles per hour was attempted on all lines.

The recorder was set for a full scale deflection of 1400 gammas, (57260 to 58660 gammas) and the chart speed was set at 60 m.m. per minute. An event marker recorded start and end line, and two visual check points (topographic features) on each line. Lines were flown northwest then southeast and the line separation was approximately 400 feet. A tie line runs northerly across the property. The total flying time was just in excess of one hour.

C-2 DATA PROCESSING

The chart records and line positions were forwarded to the office of Cochrane Consultants Ltd. where all data processing was completed. Work included:

- (a) slight adjustments of the line lengths to fit in



with the two check point features on each line.

(b) conversion of the analog data to digital form with a sample interval varying from 50 feet or so over complex areas to about 300 feet in flat areas.

(c) contouring of the data.

(d) preparation of all maps and this report.



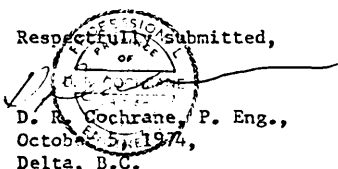
PART D DISCUSSION OF RESULTS

Aeromagnetic response ranged from a low of 57240 to a high of 58130 gammas. The primary modal range was in the 57300 to 57400 group and the data is multimodal, with a secondary mode in the plus 57700 range. The two modes are believed to represent response from two distinct rock types, the lower response range indicative of sedimentary and metasedimentary rocks and the higher response range of acidic intrusives and "unexplained" anomalies.

The dominant feature on the isomagnetic plan is a large positive response zone centered in the northerly survey area and "dying" out to the south east. This is believed to be response from an apophysis of the Penask Batholith. Lying along the southern margin of this large magnetic positive feature are a series of small, isolated magnetic anomalies with peak amplitudes several hundred gammas above background. The south eastern portion of the survey area is a gentle magnetic plateau.

Mineral exploration attention must be directed to the isolated anomalies designated A to H inclusive. (see accompanying maps). These anomalies may be investigated on the ground with ground magnetometer equipment and then further inspected by a geologist or with geochemical soil sampling if the anomalies are over burdened.

Respectfully submitted,

  
D. R. Cochrane, P. Eng.,  
October 5, 1974,  
Delta, B.C.



APPENDIX I

CERTIFICATES

I, D. R. Cochrane, of the Municipality of Delta, Province of British Columbia, do hereby certify that:

1. I am a consulting geological engineer with an office at 4882 Delta Street, Delta, B.C.
2. I am a graduate of the University of Toronto (B.A.Sc. 1962) and a graduate of Queen's University (M.Sc.Eng. 1964).
3. I have practiced my profession since 1962 while employed with such companies as U.S. Steel, Noranda Exploration and Meridian Syndicate.
4. I am a member of the Association of Professional Engineers of British Columbia and also of the Association of Professional Engineers of Ontario, Saskatchewan and the Yukon Territories.
5. I have no interest, direct or indirect in the property or securities of Southcan Mining Company Limited nor do I expect to acquire or receive any such interest.

D. R. Cochrane  
4882 Delta Street  
Delta, B.C.  
October 5, 1974

S. Moyer, Sabre Electronics Ltd. Design, construction and field geophysical surveys.

B. A. Cochrane, Data processing, drafting, AOCa diploma (Toronto, 1969).

C. Hord, President, Southcan Mining. - many years prospecting experience, navigator.

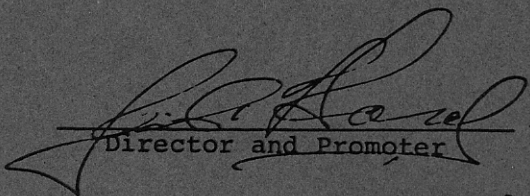


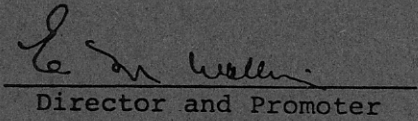
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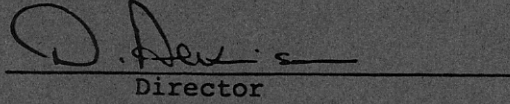
CERTIFICATE OF THE DIRECTORS AND PROMOTORS OF THE COMPANY

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

DATED at Vancouver, British Columbia, this 24th day of February, 1975.

  
Director and Promoter

  
Director and Promoter

  
Director