

82KNW095

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

004003

82KNW095-05 GALLANT
BOY
BONANZA KING**PROSPECTUS**

Date: April 15, 1971

FOURTH ISSUE

300,000

COMMON SHARES**PROPERTY FILE**RECEIVED
APR 17 1971
BRITISH COLUMBIA
SECURITIES COMMISSION

	Price to Public	Commission	Proceeds to Issuer If All Shares Sold
Per Unit	50¢	12.5¢	37.5¢
Total	\$150,000.00	\$37,500.00	\$112,500.00

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

A PURCHASE OF THE SHARES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION SINCE THE COMPANY'S MINERAL CLAIMS ARE STILL ONLY IN THE EXPLORATION STAGE. REFERENCE SHOULD ALSO BE MADE TO THE HEADING "PRINCIPAL HOLDERS OF SHARES" AND THE COMPARISON OF THE PERCENTAGE OF SECURITIES BEING OFFERED TO THE PUBLIC FOR CASH AND THOSE ALREADY ISSUED BY THE COMPANY TO ACQUIRE ITS PROPERTIES. IF ALL THE SHARES OFFERED UNDER THIS PROSPECTUS ARE SOLD, THEN THE INSIDERS OF THE COMPANY WILL HOLD 35.6% OF THE SHARES, 40.1% WILL HAVE BEEN ISSUED FOR PROPERTY AND 59.9% WILL HAVE BEEN SOLD TO THE PUBLIC FOR CASH.

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'

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

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NAME AND INCORPORATION OF ISSUER

The name of the Company is BURDOS MINES LTD. (N.P.L.). The address of the Company's Head Office is 515 - 602 West Hastings Street, Vancouver, British Columbia. The address of the Company's Registered Office is 534 - 789 West Pender Street, Vancouver, British Columbia. The Company was incorporated under the laws of the Province of British Columbia on the 18th day of April, 1966 by Memorandum of Association as a public company.

PLAN OF DISTRIBUTION

The Company offers by this Prospectus 300,000 shares of its capital stock at 50¢ per share. Shares of this issue will be sold through salesmen or companies registered under the Securities Act, 1967 and they will be paid a commission by the Company of up to 25% or 12.5¢ per share for each share sold. The Company may also sell its shares directly to the public through trading directors registered under the Securities Act, 1967, in which case it may allow a commission to the purchaser of up to 25% or 12.5¢ per share for each share sold. Trading directors will not be paid any commission.

DIRECTORS AND OFFICERS

Names and Addresses	Principal Occupation For Past Five Years	Office
Peter J. Burjoski 2567 West 4th Avenue Vancouver, B.C.	Mining Executive with Bonnet Mines Ltd. (N.P.L.) Securities Salesman with Holberg Mines Ltd. (N.P.L.) and Texas Creek Mines Ltd. (N.P.L.)	President & Director
Stephen F. Sherman 2759 West 22nd Avenue Vancouver, B.C.	Service Station operator to 1968; Retired	Director
Mary E. Strome 1690 Mathews Avenue Vancouver, B.C.	Owner of Glen Brae Private Hospital	Director
Margaret F. Rendle 336 - 52nd Street Delta, B.C.	Secretary and Bookkeeper	Director & Secretary- Treasurer

CAPITALIZATION

Designation of Security	Amount Authorized to Issue	Amount outstanding at March 31st, 1971 Balance Sheet	Amount outstanding at March 31st, 1971	Amount outstanding if all securities being issued are sold
Common Shares Par Value 50¢ each	5,000,000	1,364,578	1,364,578	1,664,578

SECURITIES SOLD FOR CASH

Number Sold	Price	Total Cash Received	Commission Paid
200,005	50¢	\$100,002.50	\$25,000.00
400,000	25¢	\$100,000.00	\$25,000.00
96,573	70¢	\$ 67,601.10	\$16,900.27

PRIOR SALES

During the twelve months prior to the date of this Prospectus, the following shares were sold:

Number of Shares	Price Per Share	Total Cash Received
96,573	70¢	\$67,601.10

DESCRIPTION OF SHARE CAPITAL STRUCTURE

The share capital of the Company consists of one class of shares only. All shares issued by the Company rank equally as to dividends, voting rights and as to any distribution of assets on winding-up or liquidation. There are no indentures or agreements limiting the payment of dividends and there are no conversion rights, no special liquidation rights, pre-emptive rights or subscription rights. The presently outstanding share capital is not subject to any call or assessment and the shares offered hereby when issued and sold as described in this Prospectus will not be subject to any call or assessment.

USE OF PROCEEDS TO ISSUER

The estimated net proceeds to be derived by the issuer from the sale of the securities being offered hereby is \$112,500.00, which will be expended as follows:

1. Conduct the exploration program in accordance with the recommendations of T.R. Tough, P. Eng., in his report dated January 26, 1971, a copy of which is attached hereto and forms part of this Prospectus, the details of which are described as follows:

Geological Mapping	\$ 4,000.00
Geochemical Survey (20 line miles)	3,000.00
Road Repairs	1,500.00
Stripping and Trenching	5,000.00
Diamond Drilling (1,000 ft. @ \$15/ft.)	15,000.00
Assaying	1,500.00
Engineering and Supervision	3,000.00
Travel and Living Expenses	2,000.00
Contingencies	5,000.00

Total	\$40,000.00	\$ 40,000.00
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- | | |
|--|-----------|
| 2. To satisfy debt owed to Nettie Holdings Ltd. * | 37,628.00 |
| 3. To satisfy shareholders loan by Peter J. Burjoski | 10,219.00 |
| 4. Trading Accounts Payable | 11,874.00 |
| 5. General Administration Expenses | 10,000.00 |
| 6. Legal and Accounting | 2,779.00 |

TOTAL	\$112,500.00
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If the proceeds realized from the sale of the securities are insufficient to pay for all of the above expenditures, then general trading accounts, administration, legal and accounting and the exploration program in that order will be satisfied to the extent that proceeds are available.

The Company may, pursuant to the recommendations of an independent qualified engineer, abandon in whole or in part any of its properties or may alter as work progresses the work program recommended or make arrangements for the performance of all or any portion of such work by other persons or companies and may use any money so diverted for the purpose of conducting work or examining other properties acquired by the Company after the date of this Prospectus although the Company has no present plans in this regard. If any such event occurs during primary distribution of the shares referred to in this Prospectus, an amendment to this Prospectus must be filed and if a substantial portion of the Company's property is abandoned or sold after primary distribution the shareholders shall be notified promptly

* Nettie Holdings Ltd. is a Company controlled by Peter J. Burjoski, a Director of the Company.

No part of the proceeds shall be used to invest, underwrite or trade in securities other than those that qualify as investments in which trust funds may be invested under the laws of the jurisdiction in which securities offered by this Prospectus may be lawfully sold. Should the Company propose to use the proceeds to acquire non-trustee type securities after initial distribution of the securities offered by this Prospectus, approval by the shareholders must first be obtained and prior disclosure must be made to the securities regulatory bodies having jurisdiction over the sale of the securities offered by this Prospectus.

DESCRIPTION OF BUSINESS AND PROPERTY OF ISSUER

The principal business of the Company is the acquisition, exploration and development of mineral claims.

Trout Lake Claims

The Company is the recorded holder of the following located mineral and Crown granted claims, which are situate in the Province of British Columbia:

Claim Name	Record Number	Expiry Date
Fi 1 - 24 inc.	8809 - 8832 inc.	April 30, 1971
Trout 6 & 8	6894 & 6896	May 19, 1971
Trout 1 - 4 inc.	6689 - 6692 inc.	May 19, 1971
B.B. 1 & 2	8807 & 8808	May 2, 1971
Tr. No. 1 Fr.	9574P	November 6, 1971
Tr. No. 2 Fr.	9573P	November 6, 1971
(situate in the Revelstoke Mining Division)		
American	12575	November 6, 1971
(situate in the Slocan Mining Division)		
Mineral Lease No. 219		Work done to April 29, 1972 and rental paid to April 29, 1971
(situate in the Slocan Mining Division)		

The vendor of the Trout Lake claims is Peter J. Burjoski, a director of the Company. The consideration received by Mr. Burjoski was the covenant of the Company to reimburse him the sum of \$2,000.00 for monies paid by him in acquiring the claims and the assumption by the Company of the covenant of Peter J. Burjoski to pay George Powell of Lillooet, B.C. the sum of \$10,000.00 out of the net profits should the Fi Nos. 1 - 24 inclusive and Trout Nos. 6 and 8 claims become productive and 2% of net smelter returns derived from the remainder of the said claims until the further sum of \$50,000.00 has been paid to George Powell. Mr. Burjoski expended approximately \$4,000.00 in acquiring the said claims.

The claims are situate 3,000 feet north of Gerrard in Southeastern British Columbia on the south shore of Trout Lake. Gerrard is approximately 65 miles due north of Nelson, British Columbia and is accessible from Nelson by approximately 90 miles of paved highway. Access to the claims is from Gerrard by the Galena Bay-Gerrard Highway to a point about 2 miles North of Gerrard, from there by a good new gravel switch-back logging road for approximately 6 miles and then by road, a distance of 8 miles by four-wheel drive vehicle.

For a history of the area, reference may be made to the report of Thomas R. Tough, P. Eng., dated January 26th, 1971, a copy of which is attached hereto and forms part of this Prospectus. Various tunnels, drifts and open paths have been excavated. Most of the work done on the property was completed prior to 1907. Adits on Mineral Lease No. 219 have been cleaned out and detailed mapping has been done on adit No. 5. In addition, the Company also carried out a limited program of road building, stripping, prospecting and sampling in 1969. During 1970, the Company built access roads, carried out a plane-table survey and did topographic and geological mapping. A reconnaissance geochemical survey was also done on the Fi 3 to 6, 8, 10 to 14 and 21 to 23 claims.

Except as aforesaid, there is no underground exploration or development work on the property and there is no underground or surface plant or equipment on the property.

There is no known body of commercial ore on the claims and the proposed program is an exploratory search for ore.

The report of T.R. Tough, P. Eng., dated January 26, 1971 relating to the Trout Lake claims has been reproduced in full except for the deletion of the following maps:

- (a) Geological Plan Map
- (b) Geochemical Soil Sample Survey map
- (c) Surface Plan of Geology map
- (d) Trout Lake Property Area map

The complete report, including the aforementioned maps are on file at the Company's head office at 515 - 602 West Hastings Street, Vancouver, B.C.

Lynn Claims

The Company is the recorded holder of the following located mineral claims situate in the McKenzie Mining District, Northwest Territories and located approximately 26 miles East of Pine Point Settlement which itself is located on the road to Ft. Resolution:

Claim Name	Record Number	Expiry Date
Lynn 1 - 17	N97741 - N97757	February 20, 1977
Lynn 18 - 27	N97758 - N97767	February 20, 1976

The Vendor of the Lynn claims was John A. Tregilges, 12632 - 23rd Avenue, Ocean Park, B.C., who received 750,000 shares of the capital stock of the Company and \$9,000.00 as consideration for the claims.

Hydraulic Area Property

The Company is the recorded holder of 20 mineral claims situate in the Cariboo Mining Division, Province of British Columbia, located approximately 8 miles east of Likely British Columbia, and described as follows:

Claim Name	Record Number	Expiry Date
W.P. 1 - 17 inc.	33694 - 33710 inc.	March 8, 1972
W.P. 18 - 20 inc.	33711 - 33713 inc.	March 8, 1972

In consideration of the transfer of these claims to the Company, the Vendor, John A. Tregilges, received a covenant from the Company to pay a further sum of \$11,500.00 to him in addition to the 750,000 shares and \$9,000.00 referred to under the heading "Lynn claims".

The overall indebtedness of the Company to Mr. Tregilges in respect to the Lynn claims and the Hydraulic Area property was transferred to Nettie Holdings Ltd. and the balance owing to Nettie Holdings Ltd. in respect to the property is \$4,348.94.

The Company does not intend to spend any of the proceeds derived hereunder on the Lynn claims or the Hydraulic Area property.

PROMOTERS

Peter J. Burjoski is the promoter of the Company and has received 89,300 escrowed shares from John A. Tregilges for management services rendered to the Company. Mr. Burjoski subsequently surrendered 82,000 escrowed shares back to the Company. During the period from October 1st, 1969 to March 31st, 1971, Nettie Holdings Ltd., a company controlled by Peter J. Burjoski, a director of the Company, rendered accounts amounting to \$19,872.00 for management services and management and office facilities.

PENDING LEGAL PROCEEDINGS

The only legal proceedings pending or contemplated in an action in the County Court of Vancouver instituted by Geo Cal Ltd., against the Company on June 12th, 1969, claiming the sum of \$2,400.00, which action is defended by the Company.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

During the period from October 1st, 1969 to March 31st, 1971, Nettie Holdings Ltd., a company controlled by Peter J. Burjoski, a director of the Company, rendered accounts amounting to \$19,872.00 for management services and management and office facilities. The Company intends to pay Nettie Holdings Ltd. \$300.00 per month for management salary and reimburse it for all expenses incurred for office services and facilities during the next twelve month period.

ESCROWED SHARES

Certificates representing \$593,000 shares referred to below are held in escrow by the National Trust Company, Limited, 510 Burrard Street, Vancouver, British Columbia, subject to release only with the written consent of the Superintendent of Brokers for the Province of British Columbia. The shares may not be traded in or dealt with in any manner without the consent of the Superintendent of Brokers and in the event of the Company losing or not obtaining a good and marketable title to, or abandoning or discontinuing development of the property for which the shares were issued, the Superintendent of Brokers may require all or part of the escrowed shares to be surrendered to the Company.

Designation of Class	Number of Shares Held in Escrow	Percentage of Class
Common Shares	593,000	* 43.4%

Of the 750,000 shares originally issued for property, 75,000 have been released from escrow and 82,000 have been surrendered back to the Company by Peter J. Burjoski, a director of the company.

PRINCIPAL HOLDERS OF SHARES

To the knowledge of the Company only the following persons own directly or indirectly more than 10% of any class of shares of the Company as at March 31st, 1971:

Name and Address	Type of Ownership	Class and No. of Shares Owned	Percentage of Class
Peter J. Burjoski 2567 W. 4th Avenue Vancouver, B.C.	Recorded & Beneficial	537,700	* 39.4%
Peter J. Burjoski 2567 W. 4th Avenue Vancouver, B.C.	Beneficial	8,750	* .6%

* Calculated on the basis of there being 1,364,578 shares issued and outstanding.

The following table shows the respective percentage of shares of the Company beneficially owned either directly or indirectly by the Directors and Senior Officers of the Issuer as a group:

Designation of Class	Percentage of Class
Common Shares	* 43.9%

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Reference is made to the captions "Promoters" and "Remuneration of Directors and Senior Officers" for shares issued to Peter J. Burjoski and monies paid to Nettie Holdings Ltd., a company controlled by Mr. Burjoski.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The Auditors of the Company are John C. Oswald & Co., Chartered Accountants, of 789 West Pender Street, Vancouver, British Columbia.

The Company's Registrar and Transfer Agent is the National Trust Company, Limited, 510 Burrard Street, Vancouver, British Columbia.

PURCHASER'S STATUTORY RIGHTS OF 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 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 British Columbia Securities Commission, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice.
- (b) A Purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the Prospectus or any amended Prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to 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.

* Calculated on the basis of there being 1,364,578 shares issued and outstanding.

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

OTHER MATERIAL FACTS

There are no other material facts relating to the securities offered by this Prospectus which are not disclosed under the foregoing captions.

CERTIFICATE

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.

DATED at Vancouver, British Columbia, this 15th day of April, 1971.

Peter J. Burjoski

Director and Promoter

Stephen F. Sherman

Director

Mary E. Strome

Director

Margaret F. Rendle

Director

T. R. TOUGH & ASSOCIATES LTD.

CONSULTING GEOLOGISTS
302 - 475 HOWE STREET,
VANCOUVER 1, B. C.

GEOLOGICAL REPORT

on

TROUT LAKE PROPERTY

of

BURDOS MINES LTD (N. P. L.)

Revelstoke and Slocan Mining Division

"LARDEAU AREA"

January 26, 1971

Thomas R. Tough, P. Eng.,
Consulting Geologist

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MAPS

LOCATION MAP.....	1" = 150 miles
PROPERTY MAP.....	1" = 1500 feet
GEOLOGICAL SKETCH MAP.....	1" = 1/2 mile
GEOLOGICAL PLAN (Gallant Boy Adit #5).....	1" = 40 feet
SURFACE PLAN OF GEOLOGY.....	1" = 100 feet
GEOCHEMICAL.....	1" = 330 feet

SUMMARY

Burdos Mines Ltd (N. P. L.) owns 35 mineral claims and fractions and Mineral Lease M219 which consists of six crown-granted claims. The property is located in the "Lardeau" silver-lead district of south-eastern British Columbia. The claims lie between the elevations of 4500 and 8200 feet in the rugged Selkirk Mountain Range about 3000 feet immediately north of Gerrard, British Columbia, on the south shore of Trout Lake. The claims lie in both the Revelstoke and Slocan Mining Divisions and are accessible by road.

Railroad facilities are available in both Revelstoke and Nelson, British Columbia, 50 and 90 miles respectively from the property. The smelter in Trail, B. C. is approximately 50 miles southwest of Nelson.

Heavy snow is common during the winter months and the summer has moderate temperatures and rainfall.

Elevations in the mountains reach 9200 feet with a relief of 6800 feet.

Timberline is about 6500 feet elevation and there is sufficient timber and water for all phases of exploration and development.

The most productive veins of the Central Mineral Belt of the Lardeau camp are relatively short, narrow, 1 to 2 feet wide, and carry high-grade silver-lead-zinc-copper values. The minerals present are of freibergite, galena, sphalerite and lesser chalcopyrite. Most veins

are conformable to the bedding present in the metamorphosed Pre-Cambrian schists, phyllites, slates, quartzites and limestones of the Lardeau group. Some veins cut the bedding at rather steep angles.

The Lardeau camp was first prospected in 1890 and the prospects have been worked intermittently over the years.

Important mineral controlling structures are the Silver Cup anticline, Silver Cup fault and a diorite dyke. These structures are parallel, trend northwest and should extend through the Burdos Mines Ltd (N. P. L.) property. Eighty-five per cent of the Lardeau camp production was related to those structures.

The depth persistence of ore-shoots at the Silver Cup Mine was up to 1200 feet.

Several mineral occurrences are located on the Burdos Mines Ltd (N. P. L.) property, but they have not been fully assessed at present day metal prices.

Most portals of the underground workings have caved.

Due to a short field season during 1970 only portions of previously recommended programs were carried out consisting of road building, geological mapping, topographic survey, limited renovation to some of the portals, and a reconnaissance geochemical survey over a portion of the claims at lower elevations.

CONCLUSIONS

Old published reports indicate that some of the properties of the Central Mineral Belt, which had records of production or mineralization with grades comparable to samples from the property of Burdos Mines Ltd (N. P. L.) did develop into mining situations with diligent work. Such endeavours by Burdos Mines Ltd (N. P. L.) may develop economic deposits of gold-silver-lead-zinc mineralization.

The presence of limestone reported on the property may have provided the environment which would produce replacement sulphide mineralization. Wherever veins may cut or parallel the limestone replacement bodies may occur.

The major structures that localize mineralization in other areas of the Central Mineral Belt should be on the Burdos Mines Ltd (N. P. L.) property.

Some consideration should be made by the company to acquire additional properties in the area.

RECOMMENDATIONS

It is recommended that geological mapping and sampling of all known mineral occurrences be undertaken in conjunction with soil sampling bulldozer stripping and trenching, road repair and diamond drilling.

It is also recommended that Burdos Mines Ltd (N. P. L.) allocate the sum of \$40,000.00 to implement and execute the recommended exploration and development programme.

Upon the completion and success of the recommended programmes
a study of the results should be made and further work
recommended.

Respectfully submitted,

Thomas R. Tough, P. Eng.
Consulting Geologist

INTRODUCTION

The following report is based on information compiled from the writer's personal experiences gained through examinations of properties in the general area of the property of Burdos Mines Ltd (N. P. L.), from various government geological reports and from a report written by M. D. Kierans, P. Eng., for Burdos Mines Ltd (N. P. L.) dated January 14, 1969.

The property was visited by the writer on September 10 and 11, 1970 and an examination was made of all accessible workings, both surface and underground. A fairly heavy snowfall hampered a thorough investigation of the surface workings.

The purpose of the study was to assess the potential of developing economic deposits of silver, lead and zinc mineralization on the property.

PROPERTY

The property consists of 35 located mineral claims and fractions and Mineral Lease M219 which is comprised of six crown-granted claims. They are as follows:

<u>Claim Name</u>	<u>Record Number</u>	<u>Expiry Date</u>
Fi 1 - 24 incl.	8809 - 32 incl.	April 30, 1972
Trout 1 - 4 incl.	6889 - 92 incl.	May 19, 1972
Trout 6	6884	May 19, 1972
Trout 8	6896	May 19, 1972
B. B. 1 - 2	8807 - 08	May 2, 1972
TR 1 - 2 Fractions	9573 - 74	Nov. 6, 1971
American	12575	Nov. 6 1972

Mineral Lease M 219 - Slocan Mining Division

<u>Crown Grants</u>	<u>Lot Number</u>	<u>Expiry Date</u>
Butte No. 1 Fraction	L 14176	April 29, 1972
Butte No. 2 Fraction	L 14177	April 29, 1972
Bonanza King	L 14178	April 29, 1972
Gallant Boy	L 14179	April 29, 1972
Harlock	L 14180	April 29, 1972
Butte	L 14902	April 29, 1972

OWNERSHIP

The claims are owned by Burdos Mines Ltd (N. P. L.) of Vancouver, British Columbia.

LOCATION (50° 117° N. E.)

The south end of the property is located approximately 3,000 feet north of the Village of Gerrard, British Columbia, on the south east end of Trout Lake in the Selkirk Mountain Range of southeastern British Columbia. Gerrard is fifty miles southeast of Revelstoke via

the newly constructed Arrowhead Highway, which is paved, the Galena Bay ferry crossing and gravel roads. Alternatively, Gerrard may be reached by 90 miles of paved highway north from the City of Nelson, British Columbia.

The mine access road is located approximately one mile northwest of Gerrard and is about 12 miles long with several switch backs.

There is sufficient water available for all phases of exploration and development, mining, milling and domestic use.

Railroad facilities exist in both Revelstoke and Nelson. The smelter in Trail is about 50 miles south of Nelson, British Columbia.

Winters are fairly long with heavy snows whereas the summer months are warm and rainfall moderate.

The area is one of rugged mountains and high relief with elevations reaching 9200 feet with a relief of about 6,800 feet.

Timber line is about 6500 feet elevation above which are many precipitous cliffs and peaks.

The area is traversed by youthful stream valleys and fast-flowing mountain streams.

At the higher elevations cirques and hanging valleys occur along with some alpine glaciers.

HISTORY

The first recorded prospecting in the Lardeau District was about 1890 and by 1900 most of the principal mineral occurrences were discovered. After 1907 most mining activity had ceased. Some work was carried out during 1914, 1927 and 1952 and access to the area has been improved considerably in recent years.

There are three mineralized belts in the Lardeau District, namely, the west, central and eastern belts. The three zones parallel the general northwest trend of rock formations and structure. There has not been any report of mineralization found between the belts. The Burdos Mines Ltd (N. P. L.) property lies in the central belt; the most productive area of the district. The Silver Cup, Triune, Nettie L., Spider, Oyster-Criterion and True Fissure claims accounted for most of the production.

The deposits on these claims are veins and lodes containing galena, sphalerite, freibergite, pyrite and chalcopyrite. Initially the properties were worked for their silver content which ranged up to 150 ounces per ton.

PRESENT WORK

During 1969 Burdos Mines Ltd (N. P. L.) carried out a limited programme of road building, stripping, prospecting and sampling. A log cabin was constructed at the 6500 foot level. In the brief 1970 field season which remained after access roads were put in, a plane-table survey, topographic and geological mapping were undertaken over a limited portion of the property. The plane-table and topographic surveys were undertaken by Geotronics Surveys

Ltd while the geological mapping was done by Mr. E. P. Sheppard, P. Eng., and the writer. Due to adverse weather conditions the exploration programme was terminated near the end of September. In addition to the above work, a limited reconnaissance geochemical survey was carried out in November, 1970 over the Fi 3-6, 8, 10-14 21-23 mineral claims. The method used was the Holman which gives readings in terms of milliliters of indicator. Readings of 4 ml or greater are considered anomalous. Two anomalies were detected and are both 600 to 700 feet long with readings as high as 8 ml. The test was made for copper because of its association with the lead-zinc mineralization.

GENERAL GEOLOGY

The following description of the general geology of the Lardeau-Trout Lake area is taken from Bulletin No. 45, British Columbia Department of Mines and Petroleum Resources by James T. Fyles and G. E. P. Eastwood (1962):

"The oldest rocks are found in the northeastern part of the map area. They strike northwest and are complexly folded into tight and isoclinal synclines and anticlines with low plunge. The folds produce a cumulative dip to the southwest and regionally the stratigraphic top is to the southwest. Rocks of the Hamill Group, which outcrop at the head of Gainer Creek, include white quartzite overlain by micaceous quartzite and phyllite containing minor limestone in the upper part. The rocks above the white quartzite are divided into two formations which total more than 3000 feet thick.

The Hamill Group is overlain by massive grey limestone of the Badshot Formation, which forms the prominent peaks of Badshot and Mohican Mountains. The limestone is several hundred feet thick.

The Badshot formation is succeeded by a thick sequence of phyllites containing a few beds of limestone. These rocks make up the Index formation, the oldest in the Lardeau Group. Parts of the Index formation are repeated several times by isoclinal folds in a belt 2 1/2 miles wide, southwest of Badshot and Mohican Mountains. The rocks are greatly deformed, and correlation of rock units from one fold to the next is hampered by the deformation and by the fact that sedimentary facies appear to change across the strike. The exact stratigraphic relationship between the Index and the Badshot formations is not entirely certain, but the Index is the younger. Anticlines within the Index expose a limestone called the Lade Peak formation beneath the Index phyllites that probably is equivalent to the Badshot formation. Green phyllitic volcanic rock a few hundred feet thick forms the uppermost member of the Index formation and is conformably overlain by the Triune formation.

The Triune formation consists of dark-grey thin-bedded cherty slates and argillites. It is overlain by a lighter-grey, somewhat coarser-grained quartzite named the Ajax formation. The Ajax quartzite in turn is overlain by a dark-grey to black siliceous argillite and phyllite named the Sharon Creek formation. These three formations constitute a distinctive stratigraphic succession a few thousand feet thick. The Ajax quartzite is a particularly useful marker.

Volcanic rocks of the Jowett formation conformably overlie the Sharon Creek formation in the northeastern part of the map area. The Jowett formation includes a few thousand feet of mafic volcanic rocks with a predominance of amygdaloids and pillow lavas near the base and pyroclastic rocks towards the top.

The Jowett formation is overlain by a thick succession of grey and green grits, and phyllites known as the Broadview formation. The formation occurs between the Jowett formation and the Cup Creek fault zone in the northeastern part of the area and between the Sharon Creek formation and Trout Lake on the southwestern limb of the Silvercup anticline. Very few distinctive lithologic units are found within the formation, and only a general stratigraphic sequence is recognized.

Between the Cup Creek fault and the Trout Lake-Lardeau Valley, the uppermost part of the Index formation and rocks stratigraphically above it are exposed. They lie on a major anticline, the Silvercup anticline, the axis of which is nearly parallel to the Cup Creek fault and no more than a few thousand feet southwest of it. The axial plane of the anticline dips steeply to the northeast and the axis plunges at a low angle to the northwest. The Triune formation and, near the southeast edge of the map area, the underlying Index formation are exposed in the core of the anticline, and the Ajax, Sharon Creek, and Broadview formations are repeated on the limbs. The Jowett formation is not found on the Silvercup anticline.

The Broadview formation is overlain by the Milford group on the northeast side of the Lardeau Valley. It is uncertain from evidence within the Ferguson area whether the contact between the Broadview at the top of the Lardeau group and the Milford group is one of conformity or disconformity. The Milford group consists of grey and black argillite and slate and grey, pink, or green chert. Argillaceous limestone near the base contains Mississippian fossils.

Little is known of the structure and stratigraphy of the southwestern part of the map area because the structure is exceedingly complex and large areas contain only scattered outcrops. The Milford group is followed to the southwest by black slates and argillites with minor bands of carbonaceous limestone along the Lardeau Valley, and these rocks are succeeded to the southwest by monotonous grey and black grits and phyllites. White crystalline dolomite and limestone underlain by phyllitic green pillow lavas lie southwest of the grits and phyllites and constitute the only traceable markers in the southwestern part of the area. They are isoclinally folded about axes plunging 20 to 40 degrees to the northwest and are followed to the southwest by grey and black argillite. Rocks in the southwestern part of the map area cannot be correlated directly with any rocks northeast of the Lardeau valley. It is possible that some of them belong to the upper Lardeau or Milford groups, but it may be that they are younger than the Milford."

Several intrusive rocks of varying sizes occur in the area. The dioritic rocks are generally massive, medium to coarse grained, and light to dark green or greenish-grey and take the form of small stocks or dykes. The acidic Kuskanax batholith lies to the southwest.

There are several faults in the area, the main one which is called the Cup Creek fault zone. The zone strikes northwest parallel to the structural trend, dips 75 to 80 degrees to the northeast and separates the Silver Cup anticline and the Finkle Creek syncline to the northeast.

LOCAL GEOLOGY

The claims are underlain by rocks of the Lardeau group namely, the Broadview, Sharon Creek, Ajax, Truine and Index formation. Most

exposures reveal thinly bedded phyllite and argillite. An altered dioritic dyke also occurs. The general strike of the rocks is northwesterly with a dip of approximately 45° to the northeast with some minor flexures. The beds appear to form part of the western limb of the Silver Cup anticline.

Many large discontinuous masses of white quartz occur on Silver Cup Ridge and appear to fill tension fractures.

Early descriptions of the prospects on the claims by Gunning mention quartz veins which are conformable to the bedding, are up to two feet wide, and carry galena, pyrite, freibergite, minor sphalerite and chalcopyrite. Some of the veins were noted to be at right angles or larger angles to the attitudes of the enclosing sediments.

MINERAL DEPOSITS

All of the underground workings on the claims are caved at the portal and are inaccessible. The descriptions of the mineral occurrences are taken from Annual Reports of the Minister of Mines of British Columbia.

Lanax:

The Lanax workings are located on Fi 9 mineral claim and the Minister of Mines Report for 1905 states that an 80-foot tunnel was driven.

Blue Grouse:

The Blue Grouse showing is located on Fi 9 mineral claim near the Lanax tunnel and in the Minister of Mines Report (1905) it is stated that "a tunnel was driven on the lead for a distance of 100 feet."

Butte, Bonanza King, Gallant Boy, Harloch, Butte Fraction No 1
and Butte Fraction No 2:

The showings are located on the crown granted mineral claims which comprise the Mineral Lease M 219 and are described in the Minister of Mines Report for 1924 and in Memoir 161 "Lardeau Map Area, British Columbia" by H. C. Gunning (1929).

"This property, consisting of the Butte, Bonanza King, Gallant Boy, Harloch, Butte Fraction No 1 and Butte Fraction No 2, owned by J. G. Jenkins, of Gerrard, is situated in the Bonanza basin at the head of the Middle fork of Haskins Creek, just over the divide from American Creek, which flows westerly into Trout Lake a little above Gerrard, from which place the property is distant about six miles by Trail. The elevation of the summit crossed by the trail is 7,400 feet and the elevation of the cabin in Bonanza basin is 6,800 feet.

The formation is composed of schists containing bands of limestone and quartzite, the strike of the rocks being north-westerly, with steep dips to the north-east. There are several veins on the claims, some of them fissure-veins and others veins conforming to the stratification of the enclosing rocks. The ore is chiefly galena, with associated zinc-blende and iron pyrites, the latter mineral containing appreciable gold values. Clean zinc ore occurs in places and at other points the mineralization consists of lead, zinc, and iron sulphides disseminated through the gangue, which is quartz and altered country-rock. A streak of grey copper in quartz occurs on the Butte Fraction No. 2 claim.

The workings, consisting of short tunnels and open-cuts, are scattered over a considerable area and some surveying would be

required to show the relations between the different showings. Briefly, it may be said that there are several small showings of ore of shipping grade in the fissure-veins and some showings of undetermined width of ore of milling grade in the bedded deposits.

Further work is required before any definite opinion can be formed as to the character and continuity of the deposits, but the following samples taken by the writer give some idea of the values obtainable."

	Gold	Silver	Lead	Zinc
	oz/t	oz/t	oz/t	oz/t
6-inch pay-streak on foot-wall on Butte claim (fissure-vein).....	0.46	4.0	8.0	10.0
6-inch pay-streak on hanging-wall, same cut.....	0.32	50.0	64.0	nil
Sacked carbonates from hanging-wall streak, same cut.....	1.24	22.5	24.0	0.5
Grab sample from milling-ore in formation lead just east of above open-cut.....	0.02	18.0	26.0	12.0
6-inch pay-streak quartz and grey copper in open-cut on Butte Frac. No. 2.....	0.06	116.0	nil	0.5
Zinc ore from "Red Fissure" on Butte claim.....	0.04	0.8	nil	37.0

"The Butte, Bonanza King, Gallant Boy, Harloch, Butte fractions No. 1 and No. 2 mineral claims compose the Butte group. In 1926 they were bought by R.H. Graves of Kaslo, the original owner being the late J. C. Jenkins of Gerrard. The group is on the southeast side of Bonanza basin, opposite the Bonanza group, at an elevation of 6,700 feet. The old workings consist of two short adits, a shallow shaft, and numerous open cuts. In 1927, the Lardeau Gold-Silver Mining Company, organized by Mr. Graves to operate the property, erected a serviceable cabin in the basin just below the workings.

Black slates or carbonaceous schists, light to dark green chlorite schists, and thin bands of crystalline limestone are exposed on the claims. They strike north 40 degrees west and dip about 70 degrees northeast. A large dyke of grey rock spotted green by altered hornblende crystals, appears in a small gulch immediately southwest of the upper adit. It follows the strike of the neighbouring sediments and is probably a continuation of the greenstone dyke which appears at the Silver Cup mine and continues southeast across Brown and Ottawa creeks. It is greatly altered to chlorite and calcite.

Originally it perhaps approached a diorite in composition. Numerous open-cuts have exposed a series of quartz veins. Most of them are true fissure veins cutting the bedding of the sediments at large angles. The most easterly open-cuts show a banded vein, striking north 60 degrees east, dipping 60 degrees southeast, up to 8 inches wide, and composed of quartz, pyrite, arsenopyrite, sphalerite, and galena. An old shaft on the same lead is flooded. These showings merit a little more development work. Two hundred feet southwest of the shaft is another open-cut on what may be a continuation of the same vein. The vein is about 8 inches wide and cuts across from slates on the west through a few limestone bands to chlorite schist on the east. Small amounts of pyrite and sphalerite occur in the vein, but in several places, particularly in bands of limestone, narrow bodies of

galena and sphalerite with some pyrite, chalcopyrite, and grey copper replace the rocks along the bedding. In these cases the sulphides are almost devoid of gangue.

The upper adit has been driven 20 feet on a large quartz vein, slightly mineralized with pyrite and zinc blende and following a strong fault. A bedded quartz vein is exposed in a small cut a few feet west of the portal. Numerous other open-cuts expose quartz veins, several of which are more or less mineralized, but sufficient surface work has not been done to prove the continuity of individual veins.

On the whole, the veins vary from mere stringers to a width of 2 feet and are mineralized rather irregularly with pyrite, arsenopyrite, sphalerite, and galena. Small amounts of chalcopyrite are present and some grey copper, the latter generally associated with the galena in microscopic quantities. The possibility of replacement extending along the bedding, particularly in the limestone, should not be neglected. Microscopic examination of the limestone shows it to be a siliceous marble, containing about 25 per cent quartz. Bands of chlorite and sulphides follow the bedding, accounting for the dark colour. Assays quoted by the provincial resident mining engineer indicate that the gold is associated with the pyrite and arsenopyrite and that good silver values may be expected where much grey copper is present. "

A sample was cut from the hanging wall of a vein on the Butte claim on July 21, 1969 by D. Mark which ran 40.8 oz Ag and 0.51% Pb across 30 inches.

200 feet below the above vein another working was sampled across 8 inches which assayed 0.44 oz Au, 6.90 oz Ag and 1.39% Pb.

The Galant Boy #1 adit was examined by the writer over its short distance. The drift was along a bedding vein which intersected a cross vein at a sharp angle. The veins are banded with sulphides and are up to two feet wide. The bedding vein strikes 020° and dips -50° NE. The cross vein strikes 040° and dips -50° NE whereas the beds strike 140° and dip -50° NE.

Gallant Boy #2, 3 and 4 adits are all caved at the portal. #2 adit was driven 20 feet below #1 to intersect the veins exposed in #1 adit. #3 adit was driven along a bedding vein whereas #4 was driven at 295° along a graphitic shear. The bedding strikes 295° and dips at -45° NE.

Between Gallant Boy #4 and #5 adits jointing was noted to occur in conjugated sets, one set parallel to the strike of the beds and one at right angles to the dip and along the dip direction. Several horizontal faults with negligible displacements occur between the adits.

Gallant Boy #5 adit is not caved and was examined and mapped by the writer. The zone drifted on was a graphite shear with minor occurrences of malachite and azurite stain. No sulphide minerals were observed. A large portion of the drift was coated with calcite precipitated from ground waters, the source, a limestone member above the drift.

EXPLORATION AND DEVELOPMENT PROGRAM

Of primary importance is that the entire claim group be mapped geologically using the planetable method.

Wherever possible a bulldozer should be utilized to reopen caved

portals to allow access for mapping and sampling. Old trenches and cuts should be cleared out, enlarged, mapped and sampled.

All located mineral showings should be sampled and mapped both on surface and underground.

Systematic soil sampling should be carried out over the claims located below timberline namely the Fi 1-24 and BB 1-2 claims. The survey should be contracted and samples taken every 200 feet. The survey will cover approximately 20 line miles.

The existing roads will have to be repaired and rendered passable by four-wheel drive vehicles.

Diamond drilling should be undertaken to test continuity of the stronger veins and to test such veins at depth.

Estimate of Costs of Exploration and Development Programs:

Geological mapping	\$ 4,000.00
Geochemical Survey 20 line miles - 600 samples @ \$5/sample	3,000.00
Road repairs	1,500.00
Stripping and Trenching	5,000.00
Diamond Drilling 1000 ft @ \$15/ft.	15,000.00

Assaying	1,500.00
Engineering and supervision	3,000.00
Travel and Living Expenses	2,000.00
Contingencies	5,000.00
	<hr/>
	\$40,000.00

It is estimated that the above recommended programs should take approximately 4 months to complete.

Respectfully submitted,

Thomas R. Tough, P. Eng.
Consulting Geologist

CERTIFICATE

I, Thomas R. Tough, do hereby certify that I am a Consulting Geologist and President of T. R. Tough and Associates Ltd. with offices at #302-475 Howe Street, Vancouver 1, British Columbia.

I further certify that:

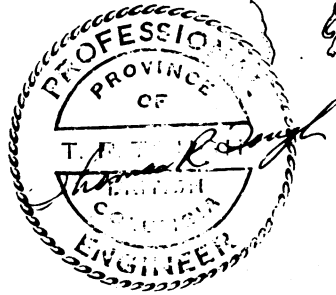
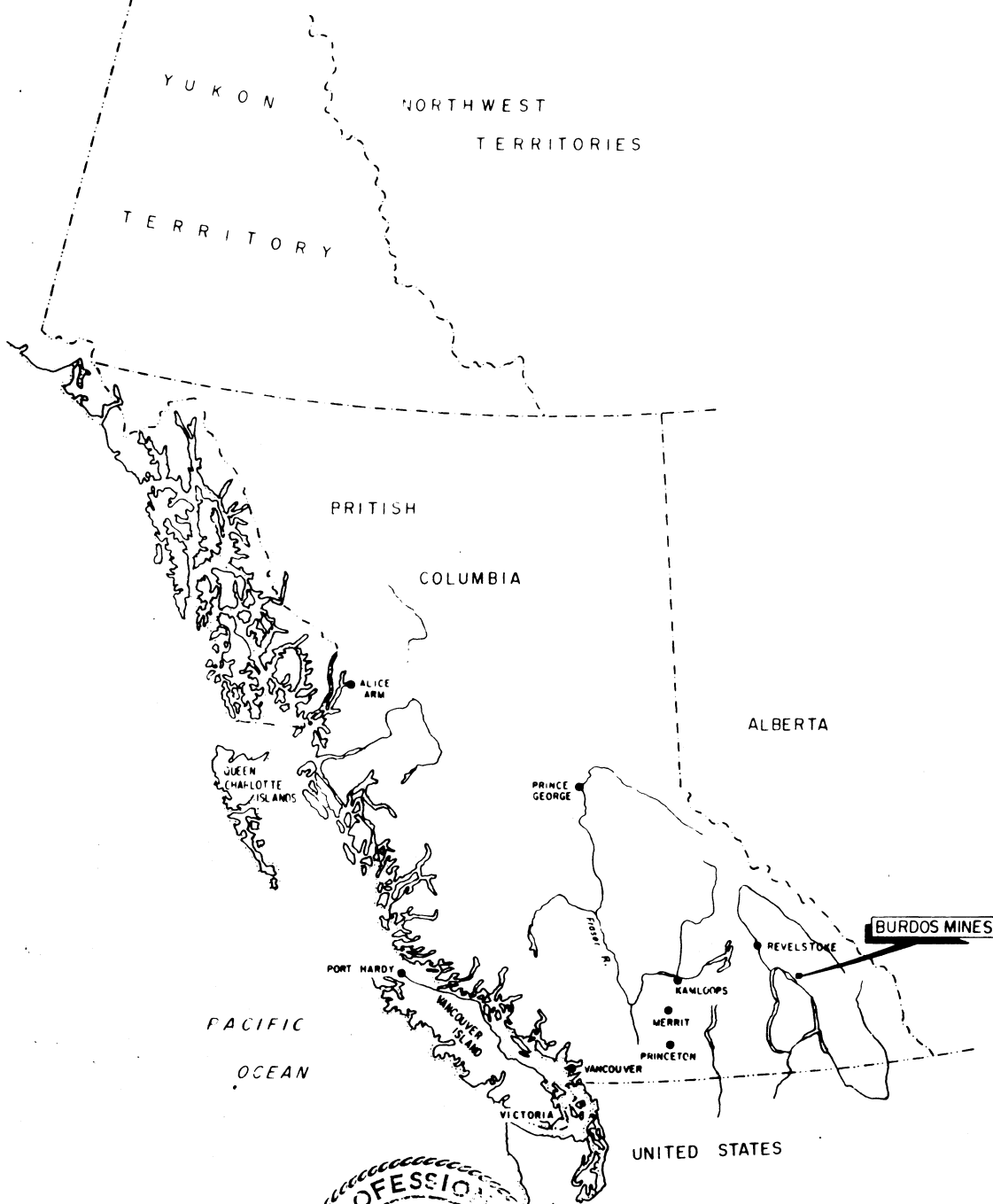
1. I am a graduate of the University of British Columbia. (B. Sc., 1965).
2. I have been active in the mining industry for the past eleven years and as a professional for the past six years.
3. I am a registered member of the Association of Professional Engineers of British Columbia.
4. The information for the accompanying report was obtained from a study of previously written reports by the Geological Survey of Canada, the Annual Reports of the Minister of Mines of British Columbia, Geological reports by M. D. Kierans, P. Eng., N. G. Cornish, P. Eng., and D. Mark, B. Sc., geophysicist, and from personal knowledge of the area. The property was examined by the writer on the 10th & 11th of September, 1970.
5. I further certify that I have no direct or indirect interest in the property described herein nor in the securities of Burdos Mines Ltd. (N. P. L.) and do not expect to receive any interest therein.

Thomas R. Tough
Consulting Geologist

January 26, 1971

REFERENCES

1. Gunning, H. C. (1929); "Lardeau Map-area, British Columbia" Memoir 161
2. Fyles, J. T. and Eastwood, G. E. P. (1962); "Geology of the Ferguson Area" Bulletin No. 45, Department of Mines and Petroleum Resources of Province of B. C.
3. Annual Reports, Minister of Mines, B. C. 1895 - 1967.
4. G. C. S. Annual and Summary Reports 1900-1908
5. M. D. Kierans, P. Eng., "Mineral Exploration Report Trout Lake Property Revelstoke - Slokan Mining Division Gerrard, British Columbia, Canada for Burdos Mines Ltd (N. P. L.) January, 1969.
6. N. G. Cornish, P. Eng., Report on Examination of Trout Lake Claims of Burdos Mines Ltd (N. P. L.) August, 1969.
7. D. Mark, geophysicist. Preliminary Report on Trout Lake Claims of Burdos Mines Ltd (N. P. L.) July, 1969.



TR TOUGH & ASSOCIATES LTD
 BURDOS MINES LTD. (N.P.L.)

LOCATION MAP

1" = 150 MI

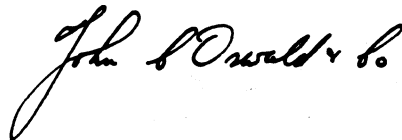
April 14, 1971.

Auditors' Report

To the Shareholders of
Burdos Mines Ltd. (N.P.L.)

We have examined the accompanying balance sheet of Burdos Mines Ltd. (N.P.L.) as at March 31, 1971 and the related statements of deferred exploration and other expenditures and source and use of funds for the six months then ended. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements, when read in conjunction with the notes thereto, present fairly the financial position of the company as at March 31, 1971 and the results of its operations and the source and use of its funds for the period then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



Chartered Accountants

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

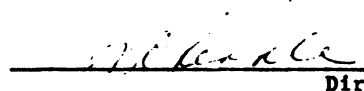
Balance sheet, March 31, 1971

(with comparative figures for year ended September 30, 1970)

	<u>Mar.31/71</u>	<u>Sep.30/70</u>
<u>ASSETS</u>		
CURRENT :		
Cash	\$ 30	\$ 2,885
Receivables	-	<u>350</u>
	<u>30</u>	<u>3,235</u>
MINERAL CLAIMS, at cost (Note 1)	<u>397,500</u>	<u>397,500</u>
DEFERRED CHARGES :		
Exploration and other expenditures, per statements attached -		
Exploration	123,634	116,373
Other expenditures	<u>115,463</u>	<u>100,014</u>
	239,097	216,387
Incorporation and organization expenditures	<u>1,197</u>	<u>1,197</u>
	<u>240,294</u>	<u>217,584</u>
	\$ <u>637,824</u>	\$ <u>618,319</u>
<u>LIABILITIES</u>		
CURRENT :		
Payables (Note 2)	\$ 14,274	\$ 14,882
Owing to private company controlled by a director	37,628	36,033
Owing to a director	<u>10,219</u>	<u>10,219</u>
	<u>62,121</u>	<u>61,134</u>
<u>SHAREHOLDERS' EQUITY</u>		
CAPITAL STOCK (Note 3) :		
Authorized -		
<u>5,000,000</u> shares, par value 50¢ each		
Issued -		
<u>1,364,578</u> shares (1,329,305 shares - Sept.30/70)	534,703	516,185
CAPITAL SURPLUS	<u>41,000</u>	<u>41,000</u>
	<u>575,703</u>	<u>557,185</u>
	\$ <u>637,824</u>	\$ <u>618,319</u>

Approved on behalf of the Board :


Director


Director

To be read in conjunction with our report to
the Shareholders dated April 14, 1971.


Chartered Accountants

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

Statement of deferred exploration
for the period from April 18, 1966 (date of incorporation) to March 31, 1971

EXPLORATION :	6 mos. ended <u>Mar.31/71</u>	Year ended <u>Sep.30/70</u>	Year ended <u>Sep.30/69</u>	Year ended <u>Sep.30/68</u>	Apl.18/66 to <u>Sep.30/67</u>	<u>Total</u>
Northwest Territories -						
Pine Point area (MacKenzie Mining District)						
Management salary & services	\$ -	\$ -	\$ 1,325	\$ 1,500	\$ -	\$ 2,825
Field salary	-	-	323	-	-	323
Prospecting, restaking, Government fees	-	162	59	59	4,300	4,580
Geological surveys	-	-	25,054	6,041	-	31,095
Soil sampling	420	-	-	-	-	420
Engineering	-	-	100	374	-	474
	<u>420</u>	<u>162</u>	<u>26,861</u>	<u>7,974</u>	<u>4,300</u>	<u>39,717</u>
British Columbia -						
Hydraulic area (Cariboo Mining District)						
Management salary & services	-	-	-	1,500	-	1,500
Prospecting, restaking, Government fees	85	116	410	3,113	4,225	7,949
Diamond drilling	-	-	-	170	6,951	7,121
Geological surveys	-	-	-	3,621	4,640	8,261
Line cutting and soil sampling	-	-	-	-	1,875	1,875
Trenching	1,491	-	-	-	-	1,491
Engineering	-	-	100	925	-	1,025
Miscellaneous	-	-	199	27	1,744	1,970
	<u>1,576</u>	<u>116</u>	<u>709</u>	<u>9,356</u>	<u>19,435</u>	<u>31,192</u>
Trout Lake area (Revelstoke Mining District)						
Management salary & services	500	1,000	2,000	-	-	3,500
Prospecting, restaking, Government fees	442	1,468	508	-	-	2,418
Drilling preparation	-	-	4,049	-	-	4,049
Road building	-	4,715	7,885	2,924	-	15,524
Geological surveys	3,430	8,335	-	-	-	11,765
Stripping & trenching	199	7,018	-	-	-	7,217
Engineering	369	2,222	1,929	788	-	5,308
Assaying	-	102	13	-57	-	172
Travel, board and Miscellaneous	325	2,447	-	-	-	2,772
	<u>5,265</u>	<u>27,307</u>	<u>16,384</u>	<u>3,769</u>	<u>-</u>	<u>52,725</u>
Total exploration	<u>\$ 7,261</u>	<u>\$ 27,585</u>	<u>\$ 43,954</u>	<u>\$ 21,099</u>	<u>\$ 23,735</u>	<u>\$123,634</u>

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

Statement of other expenditures

for the period from April 18, 1966 (date of incorporation) to March 31, 1971

	6 mos. ended <u>Mar.31/71</u>	Year ended <u>Sep.30/70</u>	Year ended <u>Sep.30/69</u>	Year ended <u>Sep.30/68</u>	Apr.18/66 to <u>Sep.30/67</u>	<u>Total</u>
ADMINISTRATION :						
Management salary and services	\$ 7,245	\$ 11,127	\$ 3,250	\$ 3,934	\$ 12,315	\$ 37,871
Office salaries and benefits	16	44	5,785	-	5,811	11,656
Telephone	1,359	2,179	3,620	3,076	5,119	15,353
Printing, stationery and supplies, less recovered	2,631	2,863	1,869	1,757	5,144	14,264
Equipment rental	-	-	1,100	975	150	2,225
Office rent	-	-	2,571	2,015	3,198	7,784
Postage	1,529	2,295	417	302	1,147	5,690
Legal, audit and accounting	884	1,575	1,600	1,830	3,225	9,114
Travel and promotion	344	114	600	648	1,894	3,600
Licences and taxes	580	170	867	785	706	3,108
Share issue	739	553	632	648	359	2,931
Miscellaneous	122	201	181	201	1,162	1,867
	<u>\$ 15,449</u>	<u>\$ 21,121</u>	<u>\$ 22,492</u>	<u>\$ 16,171</u>	<u>\$ 40,230</u>	<u>\$115,463</u>

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

Notes to financial statements
for the six months ended March 31, 1971

1. MINERAL CLAIMS :

The company owns the following mineral claims -

- a) Pine Point area (MacKenzie Mining District) :
This property, located on the southeast shore of Great Slave Lake, Pine Point Camp, Northwest Territories, consists of 27 located claims acquired for 450,000 shares of capital stock valued at 50¢ per share and \$9,000 cash \$ 234,000
- b) Hydraulic area (Cariboo Mining District) :
This property, located approximately 8 miles east of Likely, British Columbia, now consists of 20 located claims which were acquired for 300,000 shares of capital stock valued at 50¢ per share and \$11,500 cash 161,500
- c) Trout Lake area (Revelstoke Mining District) :
This property, located approximately 3 miles due north of Gerrard, British Columbia, at the south end of Trout Lake, consists of 33 located claims, 2 fractional claims and 6 crown-granted claims acquired from the company's President in consideration for the reimbursement to him of \$2,000 paid by him in acquiring the claims, and the assumption by the company of his covenant to pay the original vendor of the property \$10,000 out of the net profits from 26 of the claims, should they become productive, and sums equivalent to 2% of the net smelter returns derived from the remainder of the claims until the further sum of \$50,000 has been paid 2,000
- \$ 397,500

2. CURRENT LIABILITIES :

Included in payables is the sum of \$2,400 in dispute for which action has been taken against the company.

3. CAPITAL STOCK :

(a) Capital stock has been issued for the following consideration -

	<u>No. of shares</u>	<u>Par value</u>	<u>Discount</u>	<u>Commission</u>	<u>Net</u>
For cash	696,578	\$ 348,289	\$ 80,686	\$ 66,900	\$ 200,703
For mineral claims	<u>668,000</u>	<u>334,000</u>			<u>334,000</u>
	<u>1,364,578</u>	<u>682,289</u>	<u>80,686</u>	<u>66,900</u>	<u>534,703</u>

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

Notes to financial statements
for the six months ended March 31, 1971

3. CAPITAL STOCK : (continued)

- (b) During the six months 35,273 shares were issued for cash at 70¢ per share, netting the company \$18,518.
- (c) Of the issued shares, 593,000 are held in escrow subject to the order of the British Columbia Superintendent of Brokers.

4. DIRECTORS' REMUNERATION :

During the six months the directors did not receive any remuneration as such but under a management contract \$7,745 was paid to a company controlled by one of this company's directors.

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

Statement of source and use of funds
for the period from April 18, 1966 (date of incorporation) to March 31, 1971

	6 mos. ended <u>Mar.31/71</u>	Year ended <u>Sep.30/70</u>	Year ended <u>Sep.30/69</u>	Year ended <u>Sep.30/68</u>	Apl.18/66 to <u>Sep.30/67</u>	<u>Total</u>
SOURCE OF FUNDS :						
Sale of shares of capital stock	\$ 24,691	\$ 42,910	\$ 61,350	\$ 46,955	\$ 91,697	\$267,603
Less commission paid	<u>6,173</u>	<u>10,727</u>	<u>15,338</u>	<u>11,731</u>	<u>22,931</u>	<u>66,900</u>
	<u>18,518</u>	<u>32,183</u>	<u>46,012</u>	<u>35,224</u>	<u>68,766</u>	<u>200,703</u>
USE OF FUNDS :						
Deferred exploration and other expenditures -						
Exploration -						
Pine Point area	420	162	26,861	7,974	4,300	39,717
Hydraulic area	1,576	116	709	9,356	19,435	31,192
Trout Lake area	<u>5,265</u>	<u>27,307</u>	<u>16,384</u>	<u>3,769</u>	-	<u>52,725</u>
	7,261	27,585	43,954	21,099	23,735	123,634
Administration	<u>15,449</u>	<u>21,121</u>	<u>22,492</u>	<u>16,171</u>	<u>40,230</u>	<u>115,463</u>
	22,710	48,706	66,446	37,270	63,965	239,097
Incorporation costs					1,197	1,197
Acquisition of mineral claims	-	-	2,000	-	20,500	22,500
	<u>22,710</u>	<u>48,706</u>	<u>68,446</u>	<u>37,270</u>	<u>85,662</u>	<u>262,794</u>
INCREASE IN WORKING CAPITAL DEFICIENCY	4,192	16,523	22,434	2,046	16,896	62,091
WORKING CAPITAL DEFICIENCY, beginning of period	<u>57,899</u>	<u>41,376</u>	<u>18,942</u>	<u>16,896</u>	-	-
WORKING CAPITAL DEFICIENCY, end of period	<u>\$ 62,091</u>	<u>\$ 57,899</u>	<u>\$ 41,376</u>	<u>\$ 18,942</u>	<u>\$ 16,896</u>	<u>\$ 62,091</u>
REPRESENTED BY :						
Current liabilities	\$ 62,121	\$ 61,134	\$ 41,544	\$ 21,612	\$ 17,233	
Less current assets	<u>30</u>	<u>3,235</u>	<u>168</u>	<u>2,670</u>	<u>337</u>	
As above	<u>\$ 62,091</u>	<u>\$ 57,899</u>	<u>\$ 41,376</u>	<u>\$ 18,942</u>	<u>\$ 16,896</u>	