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MOLY

82L/15W

82LNE012

DATE: NOVEMBER 15, 1972

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

DARVA RESOURCES AND DEVELOPMENT LTD.

Incorporated under the Laws of the Province of British Columbia

P R O S P E C T U S

FIRST PUBLIC OFFERING OF 300,000 COMMON SHARES
WITHOUT NOMINAL OR PAR VALUE

DISTRIBUTION SPREAD

	<u>Price to Public</u>	<u>Commission</u>	<u>Proceeds to Company if all shares sold</u>
Per unit:	25¢	5¢	20¢
TOTAL:	\$75,000	\$15,000	\$60,000

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION, AS THE COMPANY'S MINING PROPERTIES (AS SET OUT UNDER THAT HEADING IN THIS PROSPECTUS) ARE IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY.

NO SURVEY OF ANY MINERAL CLAIMS HELD BY THE COMPANY HAS BEEN MADE AND THEREFORE IN ACCORDANCE WITH THE MINING LAWS OF BRITISH COLUMBIA, THE EXISTENCE OF AND THE AREA OF SUCH CLAIMS COULD BE IN DOUBT.

A COMPARISON IN PERCENTAGE FIGURES OF THE SECURITIES BEING OFFERED HEREBY FOR CASH WITH THOSE ACQUIRED BY DIRECTORS, OFFICERS AND PROMOTERS FOR CASH AND PROPERTY, IS SET OUT IN THIS PROSPECTUS UNDER ITEM ENTITLED "PRINCIPAL HOLDERS OF SECURITIES".

THE SHARES OF THE COMPANY HAVE NOT PREVIOUSLY BEEN OFFERED TO THE PUBLIC AND ARE NOT AT PRESENT TRADED ON ANY STOCK EXCHANGE OR OTHER RECOGNIZED SECURITY MARKET.

PROPERTY FILE

82LNE012-05

RECEIVED

- 1 -

This is the paper writing referred to as Exhibit "C" in the affidavit of

ARDIN N. SOUDI

Sworn before me this 23rd day of

NOVEMBER 1972


A Commissioner for Taking Affidavits
within British Columbia

82LNE012 PROSPECTUS

DARVA RESOURCES AND DEVELOPMENT LTD.

TABLE OF CONTENTS

	<u>Page Number</u>
Distribution Spread	1
Incorporation	3
Management:	
Directors and Officers	3
Remuneration.....	3
Promoters	4
Plan of Distribution	4
Use of Proceeds and Financial	4, 5, 6
Description of Business and Property of Issuer...	6, 7, 8
Escrowed Shares	8
Share Capital:	
Shares sold for cash	9
Pooled shares	10
Principal Holders of Securities	10
Pending Legal Proceedings	9
Interest of Management and Others in Material Transactions	9
Auditors	10
Transfer Agent and Registrar	10
Material Contracts	10, 11
Other Material Facts	11
Statutory Rights of Withdrawal and Rescission ...	11

SCHEDULES:

- I Financial Statement as at September 15, 1972
- II Report by R. H. D. Philp, P.Eng., dated August 16, 1971 on the MOLY Group, Malakwa, B. C.

INCORPORATION

Darva Resources and Development Ltd. was incorporated on July 28, 1971 as a private mining company by Memorandum of Association under the Companies Act of the Province of British Columbia and was converted into a public company on November 14, 1972.

The head office and registered office of the Company are #1155 - 555 Burrard Street, Vancouver, B.C. and #1700 - 777 Hornby Street, Vancouver, B.C. respectively.

MANAGEMENT

Directors and Officers

<u>Name and Address</u>	<u>Position held with Company</u>	<u>Principal occupation for past five years</u>
Ardin Norman Sovdi 1575 Edgewater Lane,	President and Director	Owner-Manager of St. Clair Shirt Salon Ltd. (St. Clair Cleaners)
Arthur Quan 378 Rosamond Avenue, Richmond, B. C.	Vice-President and Director	Securities Salesman since 1969 Real Estate Salesman prior thereto.
Douglas Thompson, 296 North Springer, North Burnaby, B. C.	Secretary and Director	Self-employed prospector and director of Suburban Holding Co.

REMUNERATION

No remuneration has been paid by the Company to its directors and senior officers as a group from the date of incorporation to the date of this Prospectus, however since incorporation the aggregate sum of \$1800 has been paid to Fernco Management Ltd. ("Fernco") for office rent, secretarial, bookkeeping and supervisory services. The principals of Fernco are Ardin N. Sovdi and Douglas Thompson, both insiders of the Company, and Arthur Clemis, Mining Executive, of 1872 Greenock Place, North Vancouver, B.C.

Should any of the directors or officers of the Company be employed by the Company in any capacity during the current fiscal year, they will receive remuneration commensurate with the services performed by them, which remuneration is not expected to exceed \$6,000.

PROMOTERS

Under the definition of Promoters contained in Section 2 of the Securities Act, 1967 of British Columbia, all the present directors of the Company acting in their capacity as such may be considered to be the promoters of the Company. No shares have been issued or are to be issued and no cash has been paid or is to be paid to the directors for promotional services.

Shares have been allotted and issued to the promoter directors of the Company as follows:

<u>Name of Director or Promoter</u>	<u>Shares issued for cash</u>	<u>Shares issued for properties (escrow)</u>
Ardin Norman Sovdi	5	242,334
Douglas Thompson	5	242,333

Ardin N. Sovdi and Douglas Thompson, two of the three promoters of the Company, sold to the Company certain mineral claims more particularly described in "Description of Business and Property of the Company" by agreement dated July 28, 1971. The cost of the MOLY 1 to 18 inclusive mineral claims to these promoters was \$2,400.

PLAN OF DISTRIBUTION

The Company proposes to sell the shares offered hereunder directly to the public through its trading directors without commission or alternatively to sell these shares through the facilities of persons and companies registered for trading in securities within the Province of British Columbia, in which case a commission will be paid or allowed not exceeding 5¢ per share. No commission shall be paid to the trading directors of the Company.

The Company reserves the right to accept applications for these shares in whole or in part and to reject any application and withdraw this offer at any time without notice. Subject as aforesaid, the Company intends to issue and allot the said shares from time to time as applications are received until the issue becomes fully subscribed.

USE OF PROCEEDS

The estimated net proceeds to be derived by the Company from the sale of the securities offered hereby is \$60,000.

The proceeds from the sale of the securities will be used to conduct the exploration programme recommended in the report of R.H.D. Philp, P.Eng. on the MOLY group of mineral claims, Revelstoke Mining Division, which report is dated August 16, 1971, a copy of which report is attached hereto and forms part of this Prospectus. The total expenditure recommended by Mr. Philp was \$47,000, however the Company has completed part of Stage I of the programme at a cost of approximately \$8,000.

The Company will expend the proceeds as follows:

1. Exploration Programme:

Stage I:

Establish a camp	\$1,000
Establish a grid (200 x 400 foot pattern) (20 miles @ \$150/mile)	3,000
Geological mapping and prospecting	2,500
Claims boundary survey	1,000
Complete geochemical survey	1,500
Magnetometer survey as an aid to geological mapping	1,500
Detailed grid (100 x 200 foot pattern) plus geochemical and geological survey in known mineralized area - approximately 5 line miles	2,000
Bulldozer stripping and trenching	5,000
Supervision, engineering	2,000
	\$19,500
+ 20% contingency	3,900
Total (Stage I)	\$23,400

Stage 2

Detailed grids, geological and geochemical surveys - allow for possible 10 line miles	\$4,000
Induced polarization survey as warranted - allow for 7 line miles	3,500
Trenching and/or X-Ray drilling - allow for equivalent of 1000 feet of drilling	10,000
Engineering, Supervision	4,000
	21,500
+ 10% contingency	2,100
Total (Stage 2)	\$23,600

TOTAL ESTIMATED COSTS: 47,000

Amount spent to date on Stage I 8,000

Balance of estimated costs: \$39,000

2. Payment of current liabilities 2,500

3. Legal and accounting 5,000

4. Administration and working capital 13,500

TOTAL: \$60,000

The programmes proposed by the Company are exploratory searches for ore and may be varied as the results of each step of the programme are obtained. If the actual net proceeds received from the sale of shares offered hereunder prove insufficient to carry out the entire programme recommended by R. H. D. Philp, P.Eng. in his said report, then the Company will apply the proceeds to pay current liabilities, legal and accounting costs and perform Stage I of the exploration programme, or part thereof as recommended by an independent qualified engineer, in that order.

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 programme recommended or may 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 the primary distribution of the shares referred to in this Prospectus, an amendment to this Prospectus will be filed and if a substantial portion of the Company's property is abandoned or sold after primary distribution, the shareholders will be notified promptly.

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 the securities offered by this Prospectus may lawfully be sold. Should the Company 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.

DESCRIPTION OF BUSINESS AND PROPERTY OF ISSUER

The Company was incorporated as a mining and mineral exploration company and is engaged and intends to engage in the business of acquiring, exploring and developing mineral claims and properties.

The Company acquired from Ardin N. Sovdi, Douglas W. Thompson and Arthur Clemiss as Vendors and is the recorded and beneficial owner of a 100% interest in certain mineral claims subject to the provisions of the Mineral Act, R.S.B.C. 1960. These properties are all located in the Malakwa area in the Revelstoke Mining Division, Province of British Columbia and consist of:

<u>Claim Name</u>	<u>Record Number</u>	<u>Expiry Date</u>
MOLY 1 to 18 inclusive	10108 to 10125 incl.	July 20, 1973

The Company issued 742,000 shares of its capital and paid \$2,000 to the vendors as consideration for the mentioned claims pursuant to an agreement dated July 28, 1971, such shares being allotted and issued to the following persons:

<u>Names and Addresses</u>	<u>Number of Shares</u>
Ardin N. Sovdi 1575 Edgewater Lane, North Vancouver, B.C.	242,334
Douglas W. Thompson 296 North Springer, North Burnaby, B.C.	242,333
Arthur Clemiss 1872 Greenock Place, North Vancouver, B.C.	242,333
(herein referred to as the "Vendors") and	
Mike P. Stadnyk 11625 Cory Drive, North Delta, B.C.	15,000

The Vendors acquired the MOLY claims at a cost of \$2,400 from Mike P. Stadnyk, who also received 15,000 of the shares issued for such claims.

The claims lie approximately one mile northwest of the settlement of Malakwa, twenty-six miles west of Revelstoke, British Columbia. Co-ordinates of the claim group are 50° 58' north latitude, 118° 48' west longitude.

Access is by foot and four-wheel-drive vehicles along bulldozer roads and trails a distance of approximately one mile from the end of a gravel road reached from Malakwa. Malakwa lies immediately north of the Trans-Canada Highway, between Revelstoke to the east and Kamloops, ninety-eight miles by road to the west. The latter is served daily by commercial airline service from Vancouver, British Columbia.

The Company must perform assessment work at the rate of \$100 per claim or pay \$100 in lieu per claim in order to keep the mineral claims in good standing.

For a general history of this area, see the report of R.H.D. Philp, P.Eng. dated August 16, 1971, which report is attached hereto and forms part of this Prospectus.

Mr. Philp in his report states that a molybdenum mineralization, sometimes in appreciable quantities, occurs mainly in sheared and altered pink granodiorite in the vicinity of MOLY #3 and 5. This is bounded by schists and gneissic quartz diorite, but insufficient work has been conducted to determine the extent of either the molybdenum mineralization or the favourable granodiorite.

The Company subsequent to the date of Mr. Philp's report completed part of Stage I of the programme recommended by Mr. Philp, including establishing a camp, establishing a grid, geological mapping and prospecting, claims boundary survey and completing geochemical survey.

There is no development plant or equipment on the said claim, nor underground explorations, other than as referred to in Mr. Philp's report, which should be referred to for a brief description of the surface exploration development and other work already done on the said claims.

ESCROWED SHARES

As of the date of this Prospectus, 742,000 shares are held in escrow by National Trust Company, Limited, subject to the direction or determination of the British Columbia Securities Commission ("Commission"). The escrow restrictions provide that the shares may not be traded in, dealt with in any manner whatsoever, or released, nor may the Company, its transfer agent or escrow holder make any transfer or record any trading of the shares without the consent of the Commission. In the event the Company loses or abandons or fails to obtain title to all or part of the property or assets for which it allotted all or part of the escrow shares, the Company will declare any such event to the Commission by way of directors' resolution and the holders of such shares, the trustee thereof and the Company, have agreed that such number of said shares, as the Commission determines shall have become subject to cancellation, shall be surrendered to the Company by way of gift for cancellation. The complete text of the escrow agreement is available for inspection at the Company's offices.

Designation of Class	Number of shares held in escrow as of date of Prospectus	Percentage of class (as of the date of this Prospectus)
Common shares	742,000	73.2%

SHARE CAPITAL

The Company is authorized to issue 3,000,000 shares without nominal or par value, all of one class known as Common and the maximum price or consideration at or for which such shares may be sold is \$1 each, of which 1,013,025 have been issued as fully paid and non-assessable. No dividends have been paid by the Company. There are no agreements, existing or proposed, limiting the payment of dividends.

All issued shares rank equally as to dividends, voting rights and as to any distribution of assets on winding-up or liquidation. No shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights and the shares of the Company are not subject to any provisions for redemption, purchase or cancellation or surrender or sinking or purchase fund arrangements. The rights attached and the provisions relating to the shares of the

Company may only be modified under the relevant provisions of the Companies' Act of British Columbia, and the Company's Articles of Association.

Designation of Security	Authorized Capital	Amount outstanding as of November 15, 1972, the date of this Prospectus	Amount to be outstanding on the completion of this offering
Common shares (without nominal or par value, maximum price \$1 each)	3,000,000 shares	1,013,025 shares	1,313,025 shares

PENDING LEGAL PROCEEDINGS

To the knowledge of the signatories, no legal proceedings are pending in which the Issuer is a party, or in which any of its property is subject.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Reference is made to the captions "Promoters" and "Description of Business and Property of Issuer" for details of consideration received by the directors of the Company for property sold to the Company.

PRIOR SALES

SHARES SOLD FOR CASH

Particulars of shares sold within the twelve months prior to the date of this Prospectus:

Number of shares sold for cash	Price paid per share	Total cash received	Discount	Commission	Net to Treasury
25	10¢	\$2.50	Nil	Nil	\$2.50
271,000	10¢	\$27,100	Nil	Nil	\$27,100

POOLED SHARES

271,025 shares of the capital of the Company, allotted and issued at 10¢ each have been voluntarily pooled with National Trust Company, Limited, not to be released until 30 days after the completion of the sale of the 300,000 shares offered by this Prospectus.

PRINCIPAL HOLDERS OF SECURITIES

To the knowledge of the Company, the following persons own, directly or indirectly, more than 10% of any class of shares of the Company as at November 15, 1972:

Name and Address	Type of Ownership	Class and number of shares owned	Percentage of class
Ardin N. Sovdi 1575 Edgewater Lane North Vancouver, B.C.	Of Record and Beneficial	242,339 Common	23.92%
Arthur Clemiss 1872 Greenock Place North Vancouver, B.C.	Of Record and Beneficial	242,333 Common	23.92%
Douglas Thompson 296 North Springer North Burnaby, B.C.	Of Record and Beneficial	242,338 Common	23.92%

The following table shows the respective percentage of shares of the Company beneficially owned directly or indirectly by the directors and senior officers of the Company as a group:

<u>Designation of Class</u>	<u>Percentage of Class</u>
Common Shares	47.84% *

* Calculated on the basis of there being 1,013,025 shares issued and outstanding.

AUDITORS

Hedden, Chong & Company, Chartered Accountants, of 5655 Cambie Street, Vancouver, British Columbia, are the auditors for the Company.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Company is National Trust Company, Limited, 510 Burrard Street, Vancouver, British Columbia.

MATERIAL CONTRACTS

An agreement dated for reference March 15, 1972 between Raines Engineering Ltd. of #909, 304 8th Avenue S.W., Calgary, Alberta and the Company, whereby the Company had the option to acquire interests in certain oil and gas properties has been terminated by a mutual release signed by the parties and dated as of September 13, 1972.

The only other material contracts which may be considered outside the normal course of business are all disclosed in this Prospectus, and copies of these contracts may be inspected during normal business hours at the Company's registered office at #1700, 777 Hornby Street, Vancouver, British Columbia.

OTHER MATERIAL FACTS

There are no other material facts relating to the securities offered hereby that are not disclosed elsewhere in this Prospectus.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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 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 sixty (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 a 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 ninety (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.

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 and the regulations thereunder.

DATED at the City of Vancouver, British Columbia, this 15th day of November, A.D. 1972.


Ardin N. Sovdi
Director and Promoter


Arthur Quán
Director and Promoter


Douglas Thompson
Director and Promoter

DARVA RESOURCES AND DEVELOPMENT LTD.

Auditors' Report	
Balance Sheet at 15th September 1972	Statement I
Statement of Source and Application of Funds For the period 28th July 1971 (date of incorporation) to 15th September 1972	Statement II
Schedule of Deferred Costs for the period 28th July 1971 (date of incorporation) to 15th September 1972	Schedule A
Notes to the Financial Statements at 15th September 1972	

HEDDEN, CHONG & CO.

355 - 5655 CAMBIE ST
VANCOUVER 15, B.C.
TELEPHONE 261-1391

AUDITORS' REPORT

To The Shareholders,
Darva Resources and Development Ltd.

We have examined the balance sheet of Darva Resources and Development Ltd. as at 15th September 1972 and the statement of source and application of funds for the period then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at 15th September 1972 and the source and application of its funds for the period then ended, in accordance with generally accepted accounting principles.

Vancouver, B. C.
September 25, 1972

Hedden Chong & Co.

CHARTERED ACCOUNTANTS

**DARVA RESOURCES AND DEVELOPMENT LTD,
BALANCE SHEET at 15th September 1972**

Statement I

Assets

Current		
Cash		\$ 1,976
Mineral claims and deferred costs		
Mineral claims (Note 1)	\$ 76,200	
Deferred costs	17,426	
		<u>93,626</u>
		<u>\$ 95,602</u>

Liabilities

Current		
Accounts payable		\$ 2,413

Shareholders' Equity

Share capital - authorized 3,000,000 shares of no par value		
Issued (Note 2)		
271,025 shares for cash		27,102
742,000 shares for properties		74,200
		<u>\$101,302</u>
1,013,025		
Deficit		
Costs associated with option on petroleum and natural gas leases (Note 3)		(8,113)
		<u>\$ 95,602</u>

Signed on Behalf of the Board

Arthur J. Lodge Director
William J. ... Director

DARVA RESOURCES AND DEVELOPMENT LTD.

Statement II

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
For the period 28th July 1971 (date of incorporation)
to 15th September 1972

SOURCE OF FUNDS	
Sale of shares for cash	\$ 27,102
APPLICATION OF FUNDS	
Purchase of mineral claims	\$ 2,000
Expenditure on deferred costs	17,426
Expenditures pursuant to option on petroleum and natural gas leases	<u>8,113</u>
	<u>27,539</u>
WORKING CAPITAL DEFICIT AT 15th September 1972	<u>\$ 437</u>

DARVA RESOURCES AND DEVELOPMENT LTD.

Schedule A

SCHEDULE OF DEFERRED COSTS
For the period 28th July 1971 (date of incorporation)
to 15th September 1972

EXPLORATION	
Engineering fees	\$ 1,175
Geochemical survey and property examination	9,950
Wages	413
Recording fees and licences	<u>680</u>
	\$ 12,218
ADMINISTRATION	
Advertising and public relations	\$ 104
Legal and organization	2,712
Management, rent and secretarial services	1,800
Office and miscellaneous	90
Travel	<u>502</u>
	5,208
	<u>\$ 17,426</u>

DARVA RESOURCES AND DEVELOPMENT LTD.

NOTES TO THE FINANCIAL STATEMENTS
at 15th September 1972

Note 1. Mineral Claims

The company owns 18 mineral claims in the Revelstoke Mining Division acquired for \$2,000.00 cash plus the issue of 742,000 shares at a deemed price of 10¢ per share.

Note 2. Share Capital

The 742,000 shares issued for properties are held in escrow subject to the order of the British Columbia Securities Commission and the 271,025 shares sold for cash have been pooled until 30 days after the completion of a proposed offering of shares.

Note 3. Deficit

An agreement dated 15th March 1972 whereby the company had the option to acquire interests in certain oil and gas properties has been terminated and the costs associated therewith have been written off to deficit.

REPORT ON THE MOLY GROUP,

MALAKWA, B.C.

FOR

DARVA RESOURCES LTD.

August 1971.

CERTIFIED a true photocopy
of original

Solicitor

TABLE OF CONTENTS

	Page
INTRODUCTION.....	1
LOCATION AND ACCESS.....	1
PHYSIOGRAPHY.....	1
HISTORY.....	2
PROPERTY.....	2
GEOLOGY.....	3
General.....	3
Local Geology.....	3
GEOCHEMICAL SURVEY.....	4
CONCLUSIONS.....	4
RECOMMENDATIONS AND ESTIMATED COSTS.....	5
Stage 1.....	5
Stage 2.....	5
CERTIFICATE.....	7

REPORT ON THE MOLY GROUP,
MALAKWA, B.C.
FOR DARVA RESOURCES LTD.

INTRODUCTION:

The Moly Group consists of 18 contiguous mineral claims located 26 miles west of Revelstoke in the Revelstoke Mining Division of British Columbia.

Staked in July of 1970 the group is a restaking of earlier expired claims covering molybdenum occurrences that had been explored by minor trenching, a short adit, and limited soil sampling.

The writer visited the former property and examined the exploration workings in October, 1968. This report is based on observations made at that time, a study of available maps and reports on the area, and the results of recent work conducted on the Moly claims under the supervision of the writer.

LOCATION AND ACCESS:

The claims lie approximately 1 mile northwest of the settlement of Malakwa, 26 miles west of Revelstoke, British Columbia. Co-ordinates of the claim group are 50° 58' north latitude, 118° 48' west longitude.

Access is by foot and 4-wheel drive vehicles along bulldozer roads and trails a distance of approximately 1 mile from the end of a gravel road reached from Malakwa. Malakwa lies immediately north of the Trans Canada Highway, between Revelstoke to the east and Kamloops, 98 miles by road to the west. The latter is served daily by commercial airline service from Vancouver, British Columbia.

PHYSIOGRAPHY:

The property is situated on the lower flank of the moderate to steep southeasterly facing slopes of Queest Mountain,

lying within the Shuswap Range of the Monashee Mountains. Elevations vary between approximately 2000 and 4000 feet above sea level.

The area is heavily wooded and logging operations have been carried out within portions of the claims. Underbrush is present although not generally thick.

Climate is moderate. Snow will be present throughout the winter months and would hamper surface exploration during this period.

Both sufficient water and timber are available for exploration purposes.

HISTORY:

The date when molybdenum was first discovered in the area is not known. A description of the workings, including the adit, is given in the report "Molybdenum Deposits of B.C." by John S. Stevenson, 1940, the author having investigated the property the previous year.

It was reported that some diamond drilling was carried out in more recent years although the amount and location is not known to the writer.

Bulldozer trenching was conducted southwest of the known showings for assessment purposes in 1967 but in most cases trenches failed to reach bedrock.

During July, 1971 a geochemical survey was conducted over approximately 8 claims within the group.

PROPERTY:

The property consists of the Moly #'s 1-18 mineral claims, record numbers 10108 - 10125, recorded in the Revelstoke Mining Division of British Columbia.

The writer has not conducted a title search of the above claims nor checked them in the field. However, claims within the area of the recent survey have been tied into the grid.

GEOLOGY:

General:

Geological Survey of Canada Map 1059A, at a scale of 1 inch=4 miles, outlines the regional geology for the area. This shows a large area of metamorphosed and folded rocks belonging to the Monashee Group situated within the Shuswap Terrane. These consist of gneisses and schists with minor slate, limestone, and quartzite.

Bedding is generally obscured. Attitudes of schistosity vary considerably although dips are commonly shallow. Molybdenum mineralization occurs in Shuswap and related intrusive rocks on Mt. Copeland, 20 miles to the northeast where exploration and mining is being carried out. Numerous copper, lead, zinc occurrences have also been found within rocks of the Shuswap Terrane.

Local Geology:

In the vicinity of Moly # 3 - 5 outcrop consists of gneissic quartz diorite, quartz mica schist, granodiorite and lamprophyre and diabase dikes. Schist and gneissic quartz diorite are the most extensive, the latter being coarse-grained, grey and strongly foliated.

Pinkish colored, medium to fine grained, often aplitic textured granodiorite occurs in the vicinity of the adit on Moly #3 and appears to occupy a northerly trending mass. This is bounded on the east by quartz diorite and on the west by schist. Similar rock occurs on an old dump from trenching about 750 feet south-southwest of the adit.

Molybdenite occurs scattered throughout the granodiorite by the adit and as a few specks in the adjoining quartz-diorite to the east.

A short adit has been driven for approximately 20 feet in a S 85° W direction in strongly fractured granodiorite, main fracturing being N 15° W/ 15° - 35° W. Scattered, generally coarse grained molybdenite occurs throughout the adit with strong mineralization in a N 15° W/ 35° W shear near the portal.

Samples, which have been taken by the writer, assayed 0.133% MoS₂ for 20 feet along the north wall and 0.266% MoS₂ across 1 foot near the portal.

Immediately across the creek from the adit appreciable molybdenite occurs in simmlar strongly sheared granodiorite, main shearing here being N 45° E/ 50° NW. Immediately east of this, gneissic quartz diorite contains traces of pyrite, chalcopyrite and molybdenite. Minor molybdenite also occurs in the granodiorite for approximately 200 feet upstream of the adit.

Traces of molybdenite also occur in the granodiorite on the dump to the southwest.

GEOCHEMICAL SURVEY:

The recent geochemical survey was conducted over approximately 8 claims of the group on a 200 by 400 foot grid pattern.

In addition to several spot highs throughout the area, two anomalous zones were indicated in the southeast portion of the gridded section, south and southwest of the adit. The main anomaly has not been fully outlined, extending off the grid to the south and east.

CONCLUSIONS:

Available regional maps indicate that the Moly Group is underlain mainly by metamorphic rocks of the Shuswap Terrane.

Molybdenum mineralization, sometimes in appreciable quantities, occurs mainly in sheared and altered pink granodiorite in the vicinity of Moly #'s 3 and 5. This is bounded by schists and gneissic quartz diorite.

Insufficient work has been conducted to determine the extent of either the molybdenum mineralization or the favorable granodiorite.

Soil sampling has indicated two areas anomalous for molybdenum, although the principal one has not been fully outlined, extending off the surveyed area.

Overburden cover is extensive thus further geochemical and geophysical exploration methods are required to assess the potential of the property.

RECOMMENDATIONS AND ESTIMATED COSTS:

The following exploration program, with estimated costs, is recommended to further explore the Moly claims of Darva Resources Ltd.

Stage 1:

Establish a camp.	\$ 1,000.00
Establish a grid (200x400 foot pattern) - 20 miles @ \$150.00/mile.	3,000.00
Geological mapping & prospecting.	2,500.00
Claims boundary survey.	1,000.00
Complete geochemical survey.	1,500.00
Magnetometer survey as an aid to geological mapping.	1,500.00
Detailed grid (100x200 foot pattern) plus geochemical and geological survey in known mineralized area - approximately 5 line-miles.	2,000.00
Bulldozer stripping and trenching.	5,000.00
Supervision, engineering.	<u>2,000.00</u>
	\$19,500.00
+ 20% contingency	<u>3,900.00</u>
Total (stage 1)	<u>\$23,400.00</u>

Stage 2:

Provision should also be made to explore in detail further anomalous areas likely to be located during stage 1.

1. Detailed grids, geological and geochemical surveys - allow for possible 10 line - miles.	\$ 4,000.00
2. Induced polarization survey as warranted - allow for 7 line-miles.	3,500.00

3. Trenbning and/or X-Ray drilling - allow for equivalent of 1000 feet of drilling.	\$10,000.00
4. Engineering, supervision.	<u>4,000.00</u>
	\$21,500.00
+ 10% contingency	<u>2,100.00</u>
Total (stage 2)	<u>\$23,600.00</u>
 Total estimated costs	 <u>\$47,000.00</u>

Respectfully submitted,


R.H.D. Philp, P. Eng.

August 16, 1971

Vancouver, B.C.

CERTIFICATE

I, Ronald H.D. Philp of 107-325 Howe Street, Vancouver, British Columbia, do hereby certify that:

1. I am a registered Professional Engineer of the Province of British Columbia.

2. I am a graduate from the University of British Columbia (B.A. Sc. 1961).


3. I have practiced my profession since 1961 while employed with Caseco Consultants Ltd., Asbestos Corporation (Explorations) Ltd., Alrae Explorations Limited, and Agilis Exploration Services Ltd.

4. My report is based on a study of available maps and reports on the area, an examination of the area on October 31, 1968, and the results of the recently completed work.

5. I have no interest, nor do I expect to receive any interest, in the property described herein or securities of Darva Resources Ltd.

6. I consent to the use of my report in any prospectus or Statement of Material Fact of Darva Resources Ltd.

7. While on the property I examined the staking of certain claims and found them to be staked in accordance with the regulations set forth in the Mineral Act for the Province of British Columbia.


R.H.D. Philp, P. Eng.

August 16, 1971

Vancouver, B.C.

82L/13W

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REPORT ON THE MOLY GROUP,

MALAKWA, B.C.

FOR

DARVA RESOURCES LTD.

3/6/71

PROPERTY FILE

August 1971.

CERTIFIED a true photocopy
of original

Solicitor

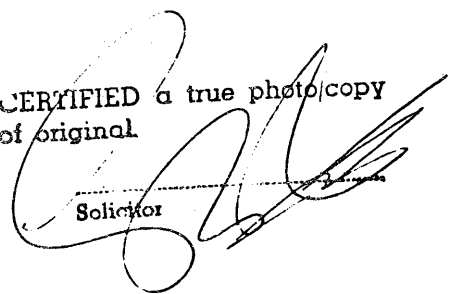


TABLE OF CONTENTS

	Page
INTRODUCTION.....	1
LOCATION AND ACCESS.....	1
PHYSIOGRAPHY.....	1
HISTORY.....	2
PROPERTY.....	2
GEOLOGY.....	3
General.....	3
Local Geology.....	3
GEOCHEMICAL SURVEY.....	4
CONCLUSIONS.....	4
RECOMMENDATIONS AND ESTIMATED COSTS.....	5
Stage 1.....	5
Stage 2.....	5
CERTIFICATE.....	7

REPORT ON THE MOLY GROUP,
MALAKWA, B.C.
FOR DARVA RESOURCES LTD.

INTRODUCTION:

The Moly Group consists of 18 contiguous mineral claims located 26 miles west of Revelstoke in the Revelstoke Mining Division of British Columbia.

Staked in July of 1970 the group is a restaking of earlier expired claims covering molybdenum occurrences that had been explored by minor trenching, a short adit, and limited soil sampling.

The writer visited the former property and examined the exploration workings in October, 1968. This report is based on observations made at that time, a study of available maps and reports on the area, and the results of recent work conducted on the Moly claims under the supervision of the writer.

LOCATION AND ACCESS:

The claims lie approximately 1 miles northwest of the settlement of Malakwa, 26 miles west of Revelstoke, British Columbia. Co-ordinates of the claim group are $50^{\circ} 58'$ north latitude, $118^{\circ} 48'$ west longitude.

Access is by foot and 4-wheel drive vehicles along bulldozer roads and trails a distance of approximately 1 mile from the end of a gravel road reached from Malakwa. Malakwa lies immediately north of the Trans Canada Highway, between Revelstoke to the east and Kamloops, 98 miles by road to the west. The latter is served daily by commercial airline service from Vancouver, British Columbia.

PHYSIOGRAPHY:

The property is situated on the lower flank of the moderate to steep southeasterly facing slopes of Queest Mountain,

lying within the Shuswap Range of the Monashee Mountains. Elevations vary between approximately 2000 and 4000 feet above sea level.

The area is heavily wooded and logging operations have been carried out within portions of the claims. Underbrush is present although not generally thick.

Climate is moderate. Snow will be present throughout the winter months and would hamper surface exploration during this period.

Both sufficient water and timber are available for exploration purposes.

HISTORY:

The date when molybdenum was first discovered in the area is not known. A description of the workings, including the adit, is given in the report "Molybdenum Deposits of B.C." by John S. Stevenson, 1940, the author having investigated the property the previous year.

It was reported that some diamond drilling was carried out in more recent years although the amount and location is not known to the writer.

Bulldozer trenching was conducted southwest of the known showings for assessment purposes in 1967 but in most cases trenches failed to reach bedrock.

During July, 1971 a geochemical survey was conducted over approximately 8 claims within the group.

PROPERTY:

The property consists of the Moly #'s 1-18 mineral claims, record numbers 10108 - 10125, recorded in the Revelstoke Mining Division of British Columbia.

The writer has not conducted a title search of the above claims nor checked them in the field. However, claims within the area of the recent survey have been tied into the grid.

GEOLOGY:

General:

Geological Survey of Canada Map 1059A, at a scale of 1 inch=4 miles, outlines the regional geology for the area. This shows a large area of metamorphosed and folded rocks belonging to the Monashee Group situated within the Shuswap Terrane. These consist of gneisses and schists with minor slate, limestone, and quartzite.

Bedding is generally obscured. Attitudes of schistosity vary considerably although dips are commonly shallow. Molybdenum mineralization occurs in Shuswap and related intrusive rocks on Mt. Copeland, 20 miles to the northeast where exploration and mining is being carried out. Numerous copper, lead, zinc occurrences have also been found within rocks of the Shuswap Terrane.

Local Geology:

In the vicinity of Moly # 3 - 5 outcrop consists of gneissic quartz diorite, quartz mica schist, granodiorite and lamprophyre and diabase dikes. Schist and gneissic quartz diorite are the most extensive, the latter being coarse-grained, grey and strongly foliated.

Pinkish colored, medium to fine grained, often aplitic textured granodiorite occurs in the vicinity of the adit on Moly #3 and appears to occupy a northerly trending mass. This is bounded on the east by quartz diorite and on the west by schist. Similar rock occurs on an old dump from trenching about 750 feet south-southwest of the adit.

Molybdenite occurs scattered throughout the granodiorite by the adit and as a few specks in the adjoining quartz-diorite to the east.

A short adit has been driven for approximately 20 feet in a S 85° W direction in strongly fractured granodiorite, main fracturing being N 15° W/ 15° - 35° W. Scattered, generally coarse grained molybdenite occurs throughout the adit with strong mineralization in a N 15° W/ 35° W shear near the portal.

Samples, which have been taken by the writer, assayed 0.133% MoS₂ for 20 feet along the north wall and 0.266% MoS₂ across 1 foot near the portal.

Immediately across the creek from the adit appreciable molybdenite occurs in similar strongly sheared granodiorite, main shearing here being N 45° E/ 50° NW. Immediately east of this, gneissic quartz diorite contains traces of pyrite, chalcopyrite and molybdenite. Minor molybdenite also occurs in the granodiorite for approximately 200 feet upstream of the adit.

Traces of molybdenite also occur in the granodiorite on the dump to the southwest.

GEOCHEMICAL SURVEY:

The recent geochemical survey was conducted over approximately 8 claims of the group on a 200 by 400 foot grid pattern.

In addition to several spot highs throughout the area, two anomalous zones were indicated in the southeast portion of the gridded section, south and southwest of the adit. The main anomaly has not been fully outlined, extending off the grid to the south and east.

CONCLUSIONS:

Available regional maps indicate that the Moly Group is underlain mainly by metamorphic rocks of the Shuswap Terrane.

Molybdenum mineralization, sometimes in appreciable quantities, occurs mainly in sheared and altered pink granodiorite in the vicinity of Moly #'s 3 and 5. This is bounded by schists and gneissic quartz diorite.

Insufficient work has been conducted to determine the extent of either the molybdenum mineralization or the favorable granodiorite.

Soil sampling has indicated two areas anomalous for molybdenum, although the principal one has not been fully outlined, extending off the surveyed area.

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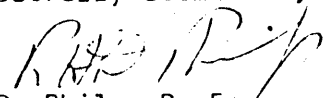
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Respectfully submitted,



R.H.D. Philp, P. Eng.

August 16, 1971

Vanvouver, B.C.