

92P/2W VIBETTE/2P 086) 82L/6w AU (082LSW007) 82L/2E Kettle
82L/5W ALEPLHI (082LSW) 92I/10E HAPPY DAYS
(was called JIM) MEXLOT
EATING STAR
082LSE009)

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.

004564

This is Exhibit "B" referred to in the affidavit of JAMES DAWSON sworn before me at KAMLOOPS in the Province of British Columbia this 25 day of MARCH 1977

SECOND PROSPECTUS

KEDA RESOURCES (1973) LIMITED (N.P.L.)
(the "Company")

Commissioner for taking Affidavits
for British Columbia

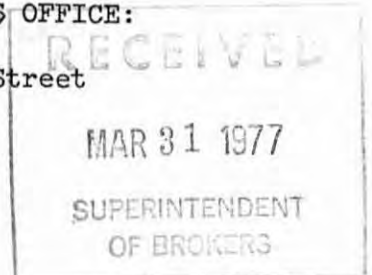
Incorporated under the laws of the Province of British Columbia

HEAD OFFICE:

#1-219 Victoria Street
KAMLOOPS, B.C.

REGISTERED & RECORDS OFFICE:

#200 - 124 Seymour Street
KAMLOOPS, B.C.



Total Offering
250,000 shares at 25¢ per share

Date: February 28, A.D. 1977

	Price to Public	*Commission	**Net Proceeds to Company if all shares are sold
Per Unit	25¢	5¢	.20¢
Total	\$62,500.00	\$12,500.00	\$50,000

*On the basis that all the shares will be sold and subject to such commission.

**Before deduction of expenses of the issue payable by the Company and estimated at \$3,000.00.

250,000 shares are offered by this Prospectus at a price of 25¢ per share. If the Company does not receive subscriptions totalling the amount of \$50,000 within a period of 120 days following the date of the issuance by the Superintendent of Brokers of a final receipt for this Prospectus, the Company will withdraw the offering in its entirety and all subscription monies will be fully refunded to the subscribers. Reference is made to the Heading "Plan of Distribution" on Page 2 for details of minimum subscription.

THERE IS NO MARKET FOR THE SHARES OF THIS COMPANY.

PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION AS THE COMPANY'S PROPERTIES ARE IN THE EXPLORATION AND DEVELOPMENT STAGES ONLY. REFERENCE IS MADE TO THE HEADING "MINING PROPERTIES" FOR PARTICULARS OF EXPLORATION WORK DONE TO DATE.

NO SURVEY HAS BEEN MADE OF THE COMPANY'S MINERAL PROPERTIES AND THEREFORE, IN ACCORDANCE WITH THE APPLICABLE MINING LAWS, THE EXISTENCE AND AREA COULD BE IN DOUBT.

THE NUMBER OF SHARES ISSUED TO THE COMPANY'S PROMOTERS, DIRECTORS, OFFICERS AND CONTROLLING PERSONS FOR CASH, PROPERTY AND SERVICES IS 795,000 SHARES WHICH IS EQUAL TO 63% OF THE SHARES THAT WILL BE OUTSTANDING UPON COMPLETION OF THIS OFFERING. IF ALL THE SHARES OFFERED BY THIS PROSPECTUS ARE SOLD, 37% SHARES THEN OUTSTANDING WILL HAVE BEEN ISSUED TO THE PUBLIC FOR CASH.

No person is authorized by the Company to give information or to make any representation other than those contained in this Prospectus in connection with the issue and sale of the securities offered by the Company.

PROPERTY FILE

I N D E X

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INTRODUCTORY STATEMENT

KEDA RESOURCES (1973) LIMITED (N.P.L.) (the "Company") is a natural resource oriented company engaged in the exploration and development of mineral properties.

THE COMPANY

The Company was incorporated under the laws of the Province of British Columbia by Memorandum dated April 5th, 1973. Under the provisions of the "Companies Act" the Company is deemed to be a reporting Company.

PLAN OF DISTRIBUTION

The Company offers, by this Prospectus, 250,000 shares of its capital stock at 25¢ per share. The Company will sell its shares through brokers, broker-dealers or its own salesmen and will pay a commission of up to 20% or 5¢ per share to such brokers, broker-dealers or its own registered salesmen, for each such share sold. The Company may also sell its shares directly to the public through its trading directors and it may allow under these circumstances a commission to the purchasers of such shares of up to 20% or 5¢ per share. No commission will be paid by the Company to its directors for selling any shares.

The minimum subscription (and the minimum amount) that, in the opinion of the Directors of the Company, is necessary to be raised by the issuing of shares offered in this Prospectus is \$50,000 exclusive of any commission which may be payable. The gross proceeds derived from this offering shall be deposited with and held in trust by National Trust Company Ltd., 510 Burrard Street, Vancouver, B.C., and will not be released to the Company until the minimum subscription has been obtained by the sale of shares sold pursuant to this Prospectus in British Columbia or in any other jurisdiction in which these shares have been qualified for sale and the Superintendent of Brokers has consented to the release of funds and only with the consent of the Superintendent of Brokers and certificate be issued and delivered until then. If the minimum subscription is not reached within 120 days from the date a receipt is issued for this Prospectus by the Superintendent of Brokers, all the funds then received shall be refunded to the subscribers, the Company being liable for all commissions and other costs.

SHARE CAPITAL AND CAPITALIZATION

The Company is authorized to issue 3,000,000 shares without nominal or par value. There is only one class of shares and all shares rank equally as to dividends, voting rights, and participation in assets on the liquidation or winding up. None of the shares issued are subject to a call or assessment and there is no pre-emptive and conversion right and no provisions for redemption, purchase, cancellation or surrender other than those allowed by the British Columbia Companies Act.

Designation of Security	Amount Authorized	Amount Outstanding at Dec.31/76	Amount Outstanding at Jan.31/77	Amount Outstanding if all securities being issued are sold
Common Shares	3,000,000	831,500	1,019,000	1,269,000
Consideration deemed as received		85,025	115,025	166,275

PARTICULARS OF SHARES SOLD FOR CASH

Prior to the date of this Prospectus particulars of shares sold for cash are as follows:

<u>Number Sold</u>	<u>Price</u>	<u>Net Cash Received</u>	<u>Commission Paid</u>
119,000	10¢	\$11,900.	Nil
150,000	15¢	\$16,875.	3.75¢ per share discount

ESCROWED SHARES

As of the 1st day of February, A.D. 1977, 750,000 shares are held in escrow by National Trust Company Ltd. subject to the direction or determination of the Superintendent of Brokers for British Columbia (the "Superintendent"). 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 Superintendent.

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 Superintendent 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 Superintendent 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 records office.

<u>Designation of Class</u>	<u>Number of Shares held in Escrow at date of Prospectus</u>	<u>Percentage of Class</u>
Common Shares N.P.V.	750,000	73%

PRINCIPAL HOLDERS OF THE COMPANY'S SECURITIES

As of the date of the Prospectus, the following table sets forth the particulars with respect to the issued common shares of the Company owned directly or indirectly by persons known to the Company to own more than 10% of the shares of the Company.

<u>Name & Address</u>	<u>Designation of Share</u>	<u>Type of Ownership</u>	<u>Number of Shares Owned</u>	<u>Percentage of Class</u>
JAMES M. DAWSON 1523 Robinson Cres. KAMLOOPS, B.C.	Common	Beneficial	230,000	22.6%
JOHN R. KERR 295 Greenstone KAMLOOPS, B.C.	Common	Beneficial	225,000	22%
DAVID RAHT 6387 Chatham WEST VANCOUVER, BC	Common	Beneficial	125,000	12.3%

As of the date of the Prospectus, the following table sets forth the particulars with respect to the percentage of the shares of the Company owned directly or indirectly by all directors and senior officers of the Company as a group.

<u>Designation of Class</u>	<u>Number of Shares Beneficially Owned</u>	<u>Percentage of Class</u>
Common Shares	460,000	45%

DIRECTORS AND OFFICERS

<u>Names & Addresses</u>	<u>Position with Company</u>	<u>Chief Occupation for the last five years</u>
JOHN R. KERR 295 Greenstone KAMLOOPS, B.C.	President & Director	Professional engineer, President of Kerr, Dawson & Associates Ltd.
JAMES M. DAWSON 1523 Robinson Cres. KAMLOOPS, B.C.	Vice-President & Director	Professional engineer, Secretary of Kerr, Dawson & Associates Ltd.
JAMES R. BOOTH S.S. #1 Cherry Creek, B.C.	Director	Life Insurance and Business Consultant

REMUNERATION

No remuneration has been paid to any of the Company's directors or officers in the capacity as such. If, however, any of the directors of the Company will be employed by the company in some capacity other than as a director per se remuneration commensurate with the services rendered will be paid. The consulting firm of Kerr, Dawson & Associates Ltd. of which the President and Secretary are Directors will perform Mining Explorations services for the Company and will be remunerated commensurate with such services rendered.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The interest of management and others in material transactions is fully described under the headings of "Promoters" and "Material Contracts".

PROMOTERS

Under the definition of "Promoters" the directors may be considered the Promoters of the Company. By an agreement dated the 1st day of April, A.D. 1973, which agreement was modified and ratified by an agreement in writing dated March 19, 1976, the Company acquired the MONASHEE PASS GROUP from James Dawson and John Kerr by issuing to them and allotting to them as fully paid up and non-assessable 562,500 Common shares in the capital stock of the Company. On January 27, 1977, the Company approved the purchase of the Adelphi Claims consisting of twenty (20) units located in the Westwold area in the Kamloops Mining Division from David Raht, Dal S. Brynelsen and John Neelin by issuing to each of them and allotting to them as fully paid up and non assessable 100,000 common shares in the capital stock of the Company. On January 27, 1977 the Shareholders of the Company also approved the return to the Treasury by their cancellation 56,250 shares from each of Messrs. James Dawson and John Kerr, all of which transactions have resulted in the following persons holding escrowed shares of the Company as follows:

<u>Name & Address</u>	<u>Number of Shares Held</u>
JAMES M. DAWSON 1523 Robinson Crescent KAMLOOPS, B.C.	225,000
JOHN R. KERR 295 Greenstone KAMLOOPS, B.C.	225,000
DAVID RAHT 6387 Chatham West Vancouver, B.C.	100,000
JOHN NEELIN 2446 Lloyd Avenue North Vancouver, B.C.	100,000
DAL S. BRYNELSEN 6478 Bay Street West Vancouver, B.C.	100,000

Note: The costs of the acquisition of the Monashee Pass Group, paid by Messrs. Dawson and Kerr was the approximate sum of \$1,000.00. The cost of the acquisition of the Adelphi Claims by David Raht, John Neelin and Dal S. Brynelsen was approximately \$1,100.00.

MINING PROPERTIES

Monashee Pass Group

The Company is the legal and beneficial owner of Mineral Lease M-37 aggregating 326.52 acres and consisting of the following seven claims:

<u>Claim Name</u>	<u>Date of Lease</u>	<u>Record No.</u>	<u>Expiry Date</u>
Rossland	June 6, 1972	Lot #3766	June 6, 1977
Mascot	"	Lot #3767	"
Evening Star	"	Lot #3768	"
Number Four	"	Lot #3913	"
Number Three	"	Lot #3916	"
Number Two	"	Lot #3915	"
Snowshoe	"	Lot #3914	"

The Mineral Lease is located in the Vernon Mining Division, O.D.Y.D. All annual rental payments, annual work commitments and fees are paid and the leases are therefore in goodstanding. For details of acquisition and consideration paid for the acquisition of the said Mineral Lease, reference should be made to the heading "Promoters". The cost of keeping this mineral lease in good standing is the sum of \$2.00 per acre per year.

Access

The Property is located in the South Eastern British Columbia, about 35 miles East of the City of Vernon and 24 miles West of Needles Ferry on Lower Arrow Lake. Access can be had by driving on Highway No. 6 to the divide of Monashee Pass. At a point about 1/2 north of the actual divide, some of the claims are adjacent to the Western side of the highway. Access to the individual parts of the property is slow because of steep terrain and dense bush.

Underground and Surface Exploration

There are several underground tunnels on the property but since most of the underground work was undertaken prior to 1915, they are mostly inaccessible. There is no surface plant or equipment on the property.

Mineral Deposit and History

The Monashee Pass property consists of seven surveyed claims in one Mineral Lease lying adjacent and to the west of the main highway near Monashee Pass.

Mining activity in this region commenced in the late 1800's and the subject property was actively worked in the first years of this century when approximately 800 feet of drifting and raising was done on three of the mineralized veins. In 1914 - 15 an ambitious programme to delineate appreciable ore by driving a long tunnel about 1,000 feet down dip from the known showings was begun. Unfortunately the First World War caused the termination of this venture when the exploratory tunnel had advanced only 800 feet. No appreciable work has been done since that time.

A series of west - northwesterly trending quartz veins outcrop on portions of the Rossland and Evening Star Claims. Three of these are in excess of 1 - 3 feet wide and have been drifted on. They are mineralized with scattered bunches of fine grained pyrite, galena, sphalerite, and lesser chalcopyrite and tetrahedrite.

Soil geochemistry has outlined a possible extension of the mineralized veins system.

No part of the proceeds to be derived by the Company from sale of Shares under this Prospectus will be spent on the Monashee Pass Group.

THE Au GROUP

The Company at the cost of recording claims only of approximately \$100.00, obtained a Group referred to as the Au Group and is consequently the registered owner of claims located in Kamloops Mining Division as follows:

<u>Name</u>	<u>Record Number</u>	<u>Expiry Date</u>
Au #1-#5	124480 to 124484	March 8, 1979
Au #7	125727	June 7, 1977
Au #12	125732	June 7, 1977
Au #19	125847	June 15, 1977

The above claims are held by right of location under the provisions of the Mineral Act of the Province of British Columbia and are at the date hereof in goodstanding. The Company obtained these claims for the cost of staking the same by expending approximately \$100.00, in recording fees only.

Access:

The property can be reached via Highway 97 W from either Vernon or Kamloops by taking the Irish Creek road that leads west about 1 mile south of O'Keefe station. From the highway it is approximately 5 miles to the property by dirt road easily travelled by a four-wheel-drive vehicle.

Underground and Surface exploration.

There is no underground or surface plant or equipment on the property.

Mineral Deposits and History

The ground covered by the Au Group of Claims was apparently first worked in and around 1899. The Group has been owned by numerous individuals and Companies since that time. Development work has consisted of a few short tunnels and bulldozer trenching. During 1969 a geochemical survey was carried out on the property. Keda Resources located the Au claim group in 1973 to cover the known showings and carried out additional geochemical soil sampling as well as geological mapping and geophysical surveys. Mr. Gordon C. Gutrath, P. Eng., in his report on the property dated March 3rd, 1976, states on pages 2 and 3 of his report as follows:

Sulphide mineralization, consisting of pyrite, arsenopyrite, sphalerite and traces of chalcopyrite and galena is associated with quartz veining and minor calcite in a strong westerly trending shear zone cutting argillites and tuffs. The economic value of this mineralization is in its gold content. The mineralized zone can be observed in two locations 1,400 feet apart. The intervening area and the extensions of the zone are masked by overburden.

The East showing is exposed for 150 feet along a westerly strike, dips at 45° to the southwest and has an average width of 10 to 12 feet with a maximum width of 20 feet. The weighted grade of 9 samples taken by various people across an average sample width of 7 feet is 0.34 oz./Ton gold with minor values in silver, zinc and copper. One sample taken over a width of 15.4 feet assayed 0.48 oz./Ton gold.

The West showing is poorly exposed in a sloughed pit and a short adit. One sample taken across the footwall of the zone over a width of 4 feet assayed 0.47 oz./Ton gold.

The results of the geochemical survey indicates that the mineralized shear zone extends to the east and west beyond the known showing. A strong linear shaped zinc anomaly subparallels the sulphide-gold mineralized zone 200 to 300 feet to the south.

The geophysical surveys outline a number of parallel westerly trending conductors which could be mineralized shears or fault zones.

During the summer and fall of 1976, the Company expended approximately \$10,000.00 carrying out the major part of the recommendations of Gordon C. Gutrath, P. Eng. The results of these expenditures is now being evaluated but no funds from the proceeds of the sale of shares under this Prospectus will be spent on the AU Group.

Vidette Lake Group

The Company obtained for the cost of recording only of approximately \$100.00 Mineral Leases M-32 to 35 both inclusive and Mineral Lease M-38, all of which are located in a contiguous group in the Kamloops Mining Division near Vidette Lake. The Mineral Leases consist of the following claims:

<u>Name</u>	<u>Lease Date</u>	<u>Record No.</u>	<u>Expiry Date</u>
Argentia No. 1	May 4, 1972	Lot No. 4766	May 4, 1977
New Hope	May 4, 1972	Lot No. 4751	May 4, 1977
T.F. Fraction	May 4, 1972	Lot No. 4762	May 4, 1977
Pioneer	May 4, 1972	Lot No. 4746	May 4, 1977
Searcher No. 3	May 4, 1972	Lot No. 4745	May 4, 1977
Valley No. 1	July 19, 1972	Lot No. 4747	July 19, 1977
Valley No. 2	July 19, 1972	Lot No. 4748	July 19, 1977

The group comprises approximately 220 acres and the cost of keeping the Lease in good standing is the sum of \$2.00 per acre per year.

Access

Access to the property is gained by travelling west along Trans-Canada Highway from Kamloops for 30 miles. At this point the gravelled Dead Man Creek Road leads north for approximately 31 miles to Vidette Lake. Several jeep roads traverse the property and access to most of the property is not difficult. It is necessary to traverse on foot to the area on the South west side of Vidette Lake.

Underground and Surface Exploration

The property is located adjacent to the old Vidette Mine which produced gold, silver and copper from underground workings between 1933 and 1940. On the property of the Company there are also underground workings known as the Savona Mine and the Hamilton Creek Mine, but there is no recorded production from either of these workings nor are these underground workings now accessible. There is no surface Plant or equipment on the property.

Mineral Deposit and History

In the years between 1930 and 1940, extensive exploration and development of narrow high grade gold quartz veins took place in the Vidette Lake area. The Vidette Lake Mine produced about 40,000 ounces of gold, 30,000 ounces of silver, and 100,000 pounds of copper between 1933 and 1940 from 50,000 tons of rock. Other operators explored the ground held by the Company, both underground and surface, but no production was achieved.

Soil chemistry over a portion of the property as outlined, a number of anomalous values near the main Vidette valley and along yard creek.

No part of the proceeds to be derived by the Company by the sale of shares under this Prospectus will be spent on the Vidette Lake Group.

ADEPLHI CLAIM

The Company is the recorded owner under Record #599 in the Kamloops Mining Division of the Adelphi 20 Unit Claim which group of claims covers the Old Jim molybdenum-tungsten property on Adelphi Creek 9 km south of Westwold. The Adelphi 20 unit Claim Group is easily accessible by way of gravel road from Vernon. The property is not now a producing mining property nor has it ever produced in the past. There is no mining machinery on the property, nor is there any underground openings on the property. The property therefore represents a prospect which the Company acquired for its potential. The consultant of the Company K.L. Daughtry, P. Eng., in a letter dated January 15, 1977 describes the property as follows:

"The Adelphi 20 unit claim was staked to cover the old Jim molybdenum-tungsten property on Adelphi Creek, 9 km south of Westwold. Sporadic exploration by several different operators in the past 12 years had indicated the presence of low-grade molybdenum-tungsten mineralization at different parts of the property. This work included prospecting, trenching and stripping, geological and geochemical surveys and at least two short diamond drill holes.

I directed exploration work on the property in the spring of 1968. Detailed geological mapping and geochemical sampling on one of the showings, followed by diamond drilling, indicated the presence of low-grade mineralization associated with a small granitic pluton intruding metamorphosed volcanic and sedimentary rocks, and overlain by Eocene (?) volcanic and sedimentary rocks of the Kamloops Group.

No comprehensive exploration of the property and various showings has been conducted in the past. In view of the recent rise in the price of molybdenum, further exploration of the Adelphi property is definitely warranted. Attention should be directed to the exploration for (a) porphyry-type mineralization in and near the stock and (b) contact deposits on the margin of the pluton. The possibility of the presence of sedimentary uranium mineralization in the overlying Tertiary rocks should also be considered, since similar granitic rocks in the region are considered to be source rocks for Tertiary uranium deposits"

The Company intends only to undertake assessment work on this property this year. The claims expire on the 8th. day of November, A.D. 1977.

HAPPY DAYS CLAIM

The Company is the recorded owner of 100% interest in the Happy Days property consisting of the 20 unit Happy Days Claim. The 20 unit claim was recorded under Number 161 in the Kamloops Mining Recorder's Office on December 30, 1975 and was purchased by the Company for the cost of staking the same and assessment work performed on January 27, 1977 at an approximate total of \$3,000.00. The claims expire on December 30th., 1977. The claims were offered for sale to the company in the fall of 1976 and offered for purchase on January 27th., 1977.

Access

Access to the property is gained by travelling south from either Cherry Creek or Savona on good gravel roads for approximately ten miles. Several logging trails criss-cross the property.

Underground and Surface Exploration

There is no surface plant or equipment on the property. There is no known production from the property in the past, nor are there any underground workings on the property.

Mineral Deposit and History

There has been intermittent primary exploration undertaken on the Happy Days Claim since the early 1950s'. For further information about the Happy Days Claim Group see the report of K.L Daughtry, P. Eng., dated January 13, 1977, hereto attached.

It is intended to carry out the exploration recommended by K.L. Daughtry in the report above described at a cost of approximately \$37,000.00 with the proceeds of the sale of the shares under this Prospectus.

KETTLE PROPERTY

The Company is the recorded owner under Record No. 540 in the Greenwood Mining Division in the Province of British Columbia of Kettle No. 1 which claim consists of 20 units. The Kettle claim was acquired by the Company for the cost of staking same for approximately \$1,000.00. The claims expire on October 19, 1977.

Access

Access to the property is by all-weather road of approximately 93 miles from Kelowna or 91 miles from Vernon. The last three miles of the access is by rough road which may require 4 x 4, four wheel drive vehicle in wet weather. This access road crosses the south-east corner of the property.

Underground and Surface Exploration

There is no surface plant or equipment on the property. There is no known production from this property in the past, nor are there any underground workings on the property.

Mineral Deposit and History

There is no record of a previous exploration on the Kettle Group. For a further description of the Kettle Group please refer to the report of K.L. Daughtry, P. Eng., dated January 13, 1977, hereto attached and forming part of this prospectus.

Priority of Use of Funds

It is intended to fully carry out the recommendations of K.L. Daughtry, P. Eng., in the amount of \$37,000.00, being the estimated cost of the program on the Happy Days Claim. This program will be carried out first in time. The recommended program on the Kettle Group of claims at an estimated cost of \$7,000.00, will only be undertaken if the company reaches the conclusion that it can complete the recommended program on the Happy Days claim within budget.

USE OF PROCEEDS

With the estimated net proceeds of this issue of \$50,000.00 the Company proposes to conduct the exploration program outlined by K.L. Daughtry, P. Eng., in his reports of January 13, 1977 and defray general corporate expenses as follows:

- | | | |
|----|--|-------------|
| 1. | To pay cost of this issue | \$ 2,000.00 |
| 2. | To complete the recommendations of K.L. Daughtry, P. Eng., contained in his report of January 13, 1977 | \$44,000.00 |

3. Reserved for general corporate purposes	\$ 2,000.00
4. To be held in trust and to be used to defray expenses of listing applications to Vancouver Curb Exchange	\$ 2,000.00
	<u>\$50,000.00</u>

The Company presently has in its treasury approximately \$2,000.00 having prepaid the estimated cost of this issue, which amount remaining in Treasury will be used for general corporate purposes.

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 jurisdictions 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 disclosure made to the regulatory securities bodies having jurisdiction over the sale of the securities offered by this prospectus.

In the event that only the minimum subscription will be obtained the Company will apply the proceeds to pay the necessary costs of this Prospectus, secondly to pay the cost of the recommendations of K.L. Daughtry, P. Eng. in the reports dated January 13, 1977, which are included with and form part of this Prospectus.

MATERIAL CONTRACTS

Contracts materially affecting the Company and current at the date hereof are as follows:

Agreements dated the 1st day of April, A.D. 1973, and 19th day of March, 1976 whereunder the Company acquired the Monashee Pass Group.

This material contract may be inspected at the Company's records office during normal office hours while primary distribution of the securities offered hereunder is in progress.

AUDITOR AND TRANSFER AGENT

The Company's auditors are the firm of Munro, Kent, Almond & Company, Chartered Accountants, of Suite 700, 235 First Avenue, Kamloops, B.C. and Transfer Agent is National Trust Company Ltd., 510 Burrard Street, Vancouver, B.C.

PRELIMINARY EXPENSES

Since its incorporation as of April 5th, 1973, the Company incurred the following preliminary expenses:

Exploration	\$15,000.00
Administration	\$ 2,500.00
Claim Acquisition and Assessment work	\$ 5,000.00
Incorporation and cost of first Prospectus	<u>\$ 3,500.00</u>
Total	<u>\$26,000.00</u>

It is not anticipated that any further preliminary expenses will be incurred by the Company.

STATUTORY RIGHTS OF WITHDRAWAL AND RECISSION

Sections 61 and 62 of the Securities Act, (British Columbia) provides in effect that where a security is offered to the public in the course of primary distribution.

- (a) a purchaser, while still the owner thereof, has the right to rescind a contract for the purchase of a security if a copy of the last prospectus together with financial statements and reports and summaries of reports relating to the securities, as filed with the Superintendent of Brokers, was not delivered to him or his agent prior to the delivery of the written confirmation of the sale of the securities to either of them. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell the security 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, while still the owner thereof, has the right to rescind a contract for the purchase of such security if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after the expiration of 90 days from (1) the date of such contract, or (2) the date in which such Prospectus or amended Prospectus is received or is deemed to be received by the Purchaser or his agent, whichever date is the later.

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

REPORT ON THE
HAPPY DAYS PROPERTY
GREENSTONE MOUNTAIN AREA
KAMLOOPS MINING DIVISION
BRITISH COLUMBIA

Latitude: $50^{\circ}35'$ North

Longitude $120^{\circ}39'$ West

for

KEDA RESOURCES (1973) Limited (N.P.L.)

#1 - 219 Victoria Street, Kamloops, B.C.

Vernon, B.C.
January 15, 1977

By: K.L. Daughtry, P.Eng.

K. L. Daughtry & Associates Ltd.

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INTRODUCTION

This report on the HAPPY DAYS claim was prepared at the request of Mr. J.M. Dawson of Keda Resources (1973) Limited (N.P.L.). The writer visited the property on December 7, 1976 in the company of Mr. Dawson.

This report describes the regional and local geology, mineralization, previous work, and exploration potential. A programme of exploration for porphyry-type molybdenum mineralization is recommended and a proposed budget is presented.

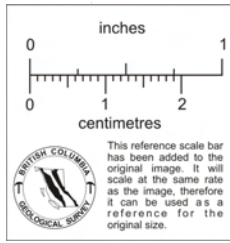
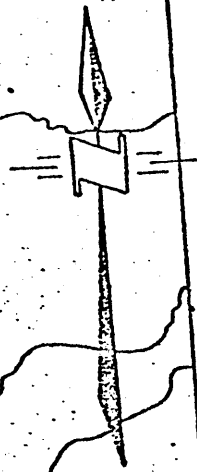
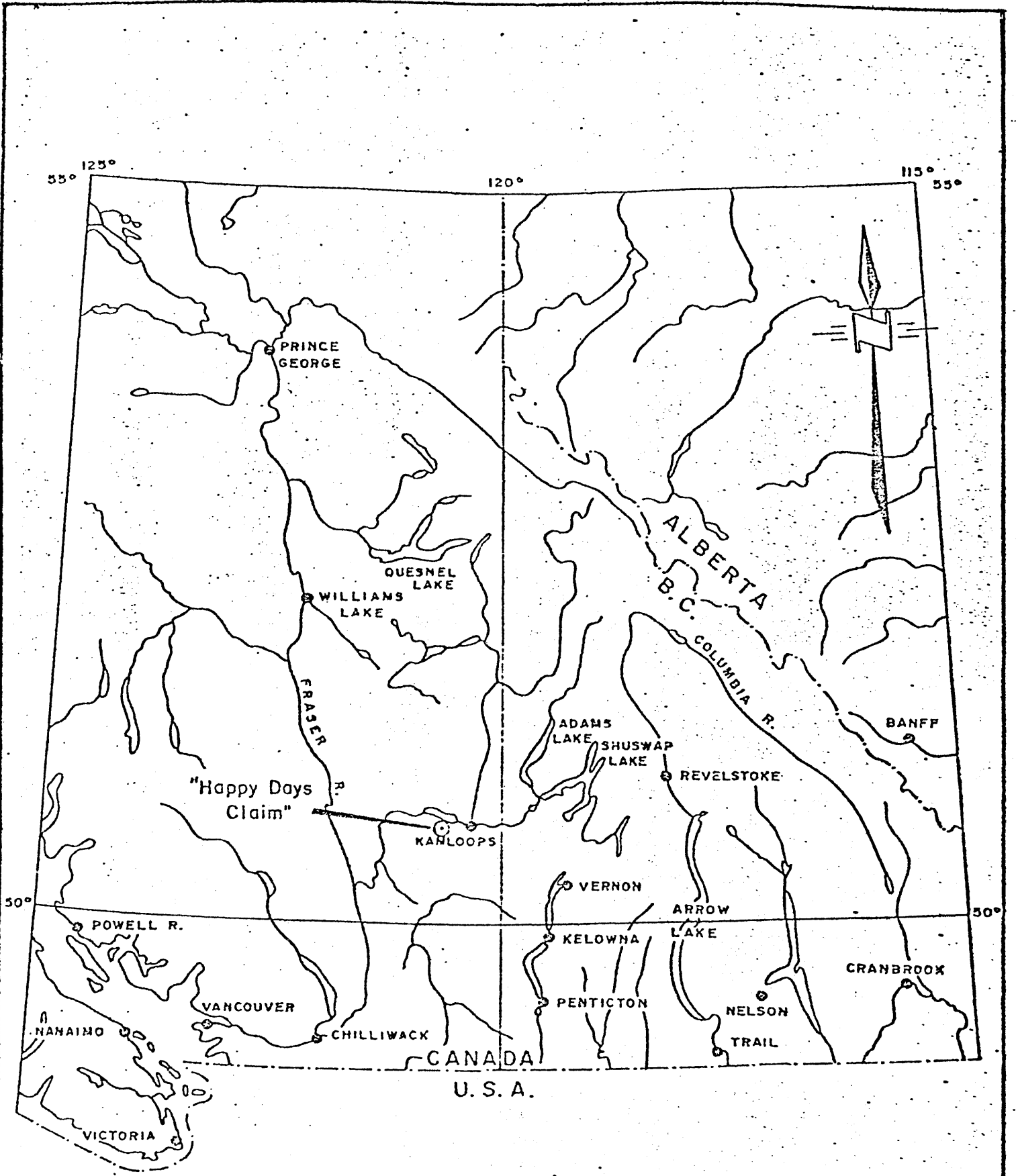
LOCATION, ACCESS, TOPOGRAPHY

The HAPPY DAYS claim is on the southwest slope of Greenstone Mountain, 26 kilometres (16 miles) southwest of Kamloops and immediately east of Dominic Lake (Figure 1). The Legal Post is 1000 metres (3300 feet) south of the east end of Dominic Lake. The co-ordinates of the centre of the claim are $50^{\circ}35.1'$ North and $120^{\circ}39.2'$ West.

Good access to the property is provided by the Dominic Lake road. The centre of the claim is about 26 kilometres (16 miles) by this road from a point on the Trans-Canada Highway 18 kilometres (11 miles) west of Kamloops (Figure 2).

The topography is gently sloping with low rolling hills. Elevations vary from 1500 metres (4900 feet) at the southwest corner of the claim to 1600 metres (5300 feet) at the northeast corner. Glacial overburden, generally between 3 and 5 metres thick, mantles the property. Outcrops are scarce, and most exposures are in road cuts and trenches.

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<i>K.L. DAUGHTRY & ASSOC. LTD.</i>	
LOCATION MAP	
HAPPY DAYS CLAIM	
KAMLOOPS MINING DIVISION, B.C.	
Date: <i>15/1/77</i>	Scale: 1" = 84 Miles
Dwn by: <i>WRG</i>	Dwg no: <i>1</i>

CLAIM OWNERSHIP AND HISTORY

The HAPPY DAYS 20-unit claim, Record Number 169 in the Kamloops Mining Division, was staked by John R. Kerr of Kamloops on December 19 and 20, 1975, and recorded on December 30, 1975. The claim covers part of the former TC and SPUR claims of Tro-Buttle Exploration Limited. Mr. Kerr is the registered owner of the claim at the time of writing, but an agreement with Keda Resources is pending.

Mineralization was reportedly discovered in the area in the 1950's but no work was recorded until 1966 when Tro-Buttle carried out geochemical and magnetometer surveys, trenching and road building on a 250-claim property.

In 1967, Dominic Lake Mining Limited acquired an interest in the property (196 claims) with Tro-Buttle, and geological mapping, magnetometer and geochemical surveys, road work, and percussion and diamond drilling were carried out.

Topographic and geological mapping and magnetometer survey were conducted in 1969 on the property, which had been further reduced to 89 claims and fractions. In 1971 a geochemical survey was carried out by Tro-Buttle on part of the remaining 58 claims and 8 fractions.

Dominic Lake Mining conducted geological mapping and geochemical and geophysical surveys in 1972 over part of the property, which had been enlarged to 127 claims and fractions.

The Claims were allowed to lapse in 1975 and the ground was open until staked by Kerr in 1976.

A total of 3052 feet of drilling was completed by Tro-Buttle and Dominic Lake Mining, with 15 diamond drill holes (2447 feet) and 9 percussion holes (1005 feet). The deepest hole was 207 feet. Surface exploration indicated the presence of a zone of sub-economic molybdenite 1800 metres long by 900 metres wide (Figure 3).

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GEOLOGY

The Greenstone Mountain area is underlain by volcanic and sedimentary rocks of the Upper Triassic Nicola Group which are intruded by alkaline and calc-alkaline plutons ranging in age from Upper Triassic to Tertiary.

Nicola rocks in the area of the property include predominately medium to coarse-grained greenish grey andesites and basalts with some tuffaceous sediment.

At least three small stocks intrude the Nicola rocks near Greenstone Mountain. The Gilbert Lake calc-alkaline stock bears copper-molybdenum mineralization, the Dairy Lakes alkaline stock has only copper mineralization, and the Roper Lake calc-alkaline stock on the HAPPY DAYS claim has associated molybdenum mineralization.

The age of the plutons is problematical. W.J. McMillan (personal communication) believes some to be relatively contemporaneous with the Nicola rocks (+ 200 m.y.), and others, including the nearby Rey Lake pluton, to be approximately 67 m.y. The Roper Lake stock may belong to this younger group.

On the HAPPY DAYS property, small plugs related to the Dairy Lakes stock occur near the northern boundary of the claim. The Roper Lake stock occupies most of the southern part of the claim (Figure 4). A contact zone of hornfelsic, pyritic Nicola rocks borders the stock.

The Roper Lake stock is a northwesterly-trending elliptical intrusion about 1600 metres long by 300 metres wide. A smaller outlier to the east of the stock is thought by Dawson to be a faulted part of the main body. The composition of the stock varies according to a rude concentric pattern. A central circular zone of quartz-eye porphyry about 500 metres in diameter is surrounded by a pinkish-grey, equigranular medium-to fine-grained quartz

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monzonite. Occasional phenocrysts of quartz and potassium feldspar occur, and in places the rock displays a porphyritic texture. Hydrothermal alteration of the original rock has produced a bleached white to light buff-grey, aplitic rock in places. Euhedral fine-grained disseminated pyrite and quartz veining are common features throughout the stock.

MINERALIZATION

The HAPPY DAYS property is considered to be a porphyry-type molybdenum occurrence. Pyrite and molybdenite are widespread in both Nicola and intrusive rocks; pyrite is more common in the Nicola rocks near the intrusive contact, and molybdenite occurs mainly as (a) fine-grained paint along the margins of quartz veins and on fractures within quartz veins or within the host rock, (b) disseminated fine-grained rosettes on fractures and the margins of veins, and (c) disseminated grains in the wall rock of quartz veins.

Molybdenite mineralization occurs throughout the area underlain by the Roper Lake stock. Previous drilling and trenching indicated values of .01 to .05% MoS₂ over sections of from 50 to 200 feet.

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EXPLORATION POTENTIAL

The lithology of the Roper Lake stock, the hydrothermal alteration, and the quartz veining and fracturing all suggest that the mineralization is of the porphyry molybdenum type. The nature and distribution of this mineralization, and the geological setting, indicate that the molybdenite is related to the Roper Lake stock and that only the apex of the stock has been exposed by erosion.

Previous exploration has tested the mineralized zone over a length of 1800 metres and a width of 900 metres, but only a maximum of 60 metres of depth has been explored. A programme exploring this zone to depth is certainly warranted.

RECOMMENDED EXPLORATION PROGRAMME

The geometry of both the Roper Lake stock and the mineralized zone should be defined by detailed geological studies, including mapping, fracture and quartz vein studies, and alteration studies. Previous magnetometer data should be compiled and an induced polarization survey is recommended. Following this at least two diamond drill holes, each not less than 300 metres deep, should be drilled to test the depth potential of the mineralized zone.

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PROPOSED BUDGET

Geological studies and
IP Survey (\$250/line km) \$ 9,000

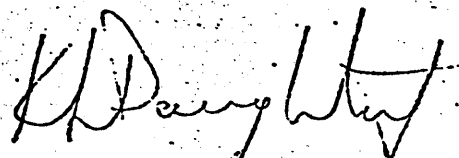
Diamond Drilling
600 metres (2000 feet)
@ \$46/metre 27,600

36,600

say 37,000

Respectfully submitted,

K.L. DAUGHTRY & ASSOCIATES



K.L. Daughtry, P.Eng.

Vernon, B.C.
January 15, 1977

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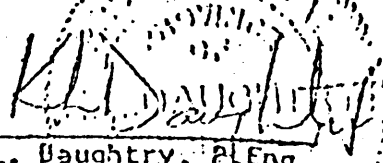
STATEMENT OF QUALIFICATIONS

I, Kenneth L. Daughtry, of Tronson Road, R.R. 4, Vernon British Columbia, DO HEREBY CERTIFY THAT:

1. I am a consulting geologist in mineral exploration.
2. I have been practising my profession in Canada, the United States, and Ireland for twelve (12) years.
3. I am a graduate of Carleton University with a Bachelor of Science degree in geology and chemistry.
4. I am a member of the Association of Professional Engineers of British Columbia and Ontario, and a Fellow of the Geological Association of Canada.
5. This report is based on a personal examination of the HAPPY DAYS property, and reference to various publications and data relevant to the subject.
6. I have no interest, direct or indirect, in the shares or property of Keda Resources (1973) Limited (N.P.L.), nor do I expect to receive any such interest at any time.
7. Permission is hereby granted to Keda Resources (1973) Limited (N.P.L.) to use this report to satisfy requirements of Securities Commissions and/or Stock Exchanges.

K.L. DAUGHTRY & ASSOCIATES LTD

January 15, 1977


K.L. Daughtry, P.Eng.

K. L. Daughtry & Associates Ltd.

REPORT ON THE
KETTLE PROPERTY,
RENDELL CREEK AREA,
GREENWOOD MINING DIVISION,
BRITISH COLUMBIA

Latitude: $49^{\circ} 42.4'$ North
Longitude: $118^{\circ} 44.0'$ West

for

KEDA RESOURCES (1973) LIMITED (N.P.L.)

#1-219 Victoria St., Kamloops, B.C.

Vernon, B.C.

By: K. L. Daughtry, P.Eng.

January 13, 1977

K. L. Daughtry & Associates Ltd.

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LIST OF ILLUSTRATIONS

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Figure 2	Miocene Geology and Uranium Occurrences, South -Central B.C.	In Pocket
Figure 3	Kettle Property	In Pocket

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INTRODUCTION

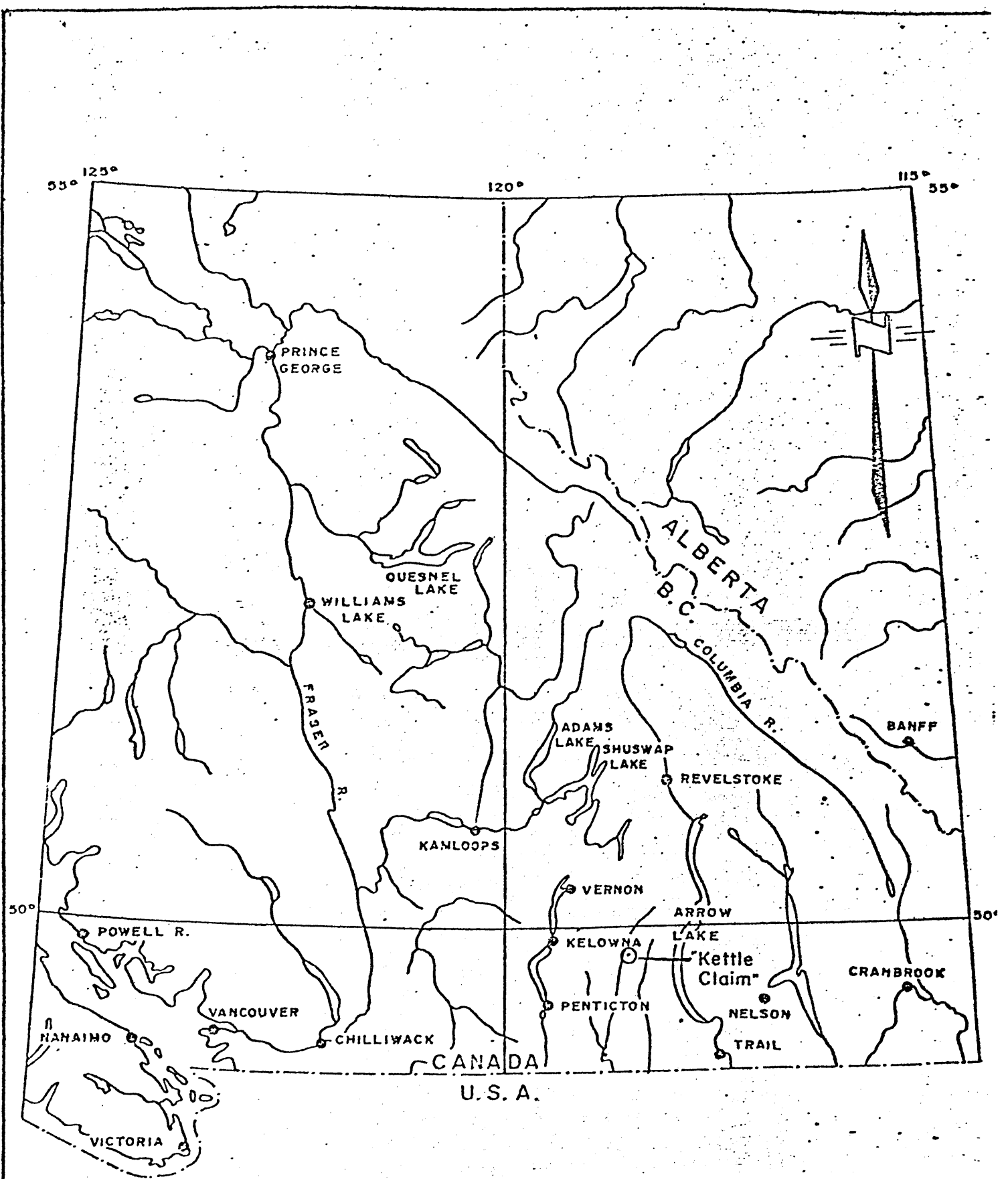
This report on the KETTLE # 1 claim is prepared at the request of Mr. J.M. Dawson of Keda Resources (1973) Limited (N.P.L.) of #1 - 219 Victoria Street, Kamloops, B.C. This Company staked and owns the KETTLE # 1 claim.

The writer visited and examined the area of the property on August 10, 1976. The report describes the regional and local geology in the area of the claim, and discusses the exploration potential. A programme is recommended in two phases to explore the property for uranium mineralization of the type found at several deposits in the area known to have a similar geological setting.

LOCATION, ACCESS, TOPOGRAPHY

The KETTLE # 1 property is 37 miles (59 km) southeast of Kelowna on the north-northwesterly trending ridge between the Kettle River and Rendell Creek, (Figure 1). The Legal Corner Post, at the north-east corner of the claim, is on the west side of Rendell Creek one-half mile (0.8 km) west of the end

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LOCATION MAP

KETTLE CLAIM

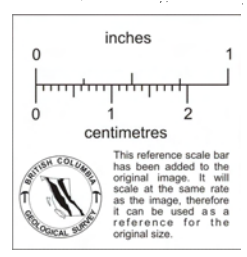
GREENWOOD MINING DIVISION, B.C.

Date: 13/1/77

Scale: 1" = 64 Miles

Dwn by: WRG

Dwg no. 1



of the access road opposite the mouth of Goatskin Creek. The co-ordinates of the Legal Corner Post are $49^{\circ} 42.8'$ North and $118^{\circ} 42.4'$ West.

The settlement of Westbridge at the junction of the Kettle and West Kettle rivers is 38 miles (61 km) south of the property. Access is by the Kettle River road from Highway 33 at Beavertown or Westbridge, or from Highway 6 at the Monashee Pass, north to the junction of Rendell Creek and Kettle River, thence northerly along Rendell Creek to near the mouth of Goatskin Creek. The last three miles (4.8 km) of this road are rough and may require a 4 x 4 vehicle in wet weather. The access road crosses the southeast corner of the claim.

The nearest major service centres are Kelowna and Vernon, 93 miles (149 km) and 91 miles (146 km) respectively by road from the property.

The ridge on which the KETTLE # 1 claim is located is relatively flat-topped with steep slopes on the west and east into the Kettle River and Rendell Creek respectively. The southeast corner is at an elevation of 2800 feet (850 m) and the top of the ridge is at an elevation of 4800 feet (1450 m).

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CLAIM OWNERSHIP and HISTORY

The KETTLE # 1 claim, Record No. 540 in the Greenwood Mining Division, was staked by Werner Gruenwald of Kamloops, B.C., as agent for Keda Resources (1973) Limited (N.P.L.) on October 5, 6, and 7, 1976 and recorded on October 7, 1976. There is no record of previous exploration of the area of the KETTLE # 1 property. Two other claims, the REN and the DELL, were staked immediately north of the KETTLE #1 in June, 1976.

REGIONAL GEOLOGY AND URANIUM OCCURRENCES

The Kettle River region is underlain by a complex of volcanic, sedimentary and plutonic rocks ranging in age from Precambrian (?) to late Tertiary. Pre-Tertiary rocks are predominantly regionally metamorphosed volcanic and sedimentary rocks of Palaeozoic and Mesozoic age, intruded by Mesozoic batholiths and stocks. Pre-Tertiary uranium mineralization occurs in pegmatites and granitic rocks and constitutes a widespread source for reconcentration into Tertiary sedimentary deposits.

Tertiary rocks in the area can be conveniently grouped into two divisions: Eocene/Oligocene volcanic and sedimentary rocks unconformably overlies all of the above pre-Tertiary rocks in old valleys and basins controlled by block faulting.

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Contemporaneous syenitic and granitic plutons, often with related high uranium content, intrude all of the above rocks. Uranium mineralization occurs in sedimentary rocks of Eocene/Oligocene age in at least two places in the area.

Unconformably overlying all rocks is the Miocene "Plateau Basalt" formation, comprising basalt, olivine basalt and generally poorly consolidated sediments deposited in old channels and troughs beneath the basalts. Several significant uranium deposits have been discovered in these Miocene sedimentary channels throughout the Kettle River area, including the Fuki/Donen and both PB properties of Nissho-Iwai Canada Ltd., and the recent discovery by Tye Lake Resources Ltd. (Figure 2).

The distribution of the "Plateau Basalt" formation is widespread throughout the Kettle River region, but nowhere do the areas underlain by these rocks exceed 20 square miles. Apparently the rocks were deposited locally in valleys, possibly related to areas of block faulting. Significant uranium deposits occur in the sedimentary channels which are capped by nearly flat-lying basalt flows.

One of the largest of the Miocene "Plateau Basalt" areas is that on the ridge on which the KETTLE #1 claim is located.

PROPERTY GEOLOGY

Most of the KETTLE # 1 property is underlain by the "Plateau Basalt" formation, comprising basalt, olivine basalt, tuff and agglomerate, (Figure 3). Beneath the Miocene rocks is a basement of Mesozoic Valhalla granitic rocks and gneissic rocks of the Monashee Group. Eocene/Oligocene volcanic feldspar porphyry overlies the basement and is overlain by the "Plateau Basalt".

The Miocene rocks occur in a long narrow belt along the top of the ridge between Rendell Creek and Kettle River. Presumably this belt represents part of a once larger area of valley deposits which extended southerly along the present Kettle River valley. The geological setting of the KETTLE # 1 property is thus very similar to that at the various known Tertiary uranium deposits. Good exploration potential is considered to exist if an old channel structure with sedimentary deposits can be shown to be present under the basalt capping.

At the time of the writer's visit to the area, a rapid ground radiometric survey was conducted using a McPhar TV-1A portable spectrometer. Widely varying background radiation levels were noted over various lithologies.

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The Valhalla granitic rocks exhibited a background of 400 - 4800 c.p.m. (counts per minute) with variations of about $\pm 10\%$. The Eocene/Oligocene feldspar porphyry had a much higher background, 5500 - 8000 c.p.m., with local variations of about $\pm 25\%$. The basaltic rocks generally have low background count, 1800 - 2400 c.p.m., but several areas showed a contrast to background of 100% or more. Some of these areas occurred on flat benches between cliffs of basalt or tuff, and may represent layers of relatively easily weathered rock, possibly sediments. Also anomalous uranium counts were noted a short distance north of the property.

It is therefore concluded that the property definitely warrants further exploration for uranium mineralization of the type found at the various nearby Miocene deposits.

RECOMMENDED EXPLORATION PROGRAMME

A two-phase exploration programme is recommended. Initially, surface exploration should be carried out to delineate the Miocene rocks, search for exposed sediments or indications of a buried channel, and prospect for occurrences of uranium mineralization. This first phase should comprise geological mapping, a radiometric survey and geo-chemical sampling.

Contingent upon favourable results from this first phase, a diamond drill programme of at least 2000 feet would be required to explore beneath the basalt capping.

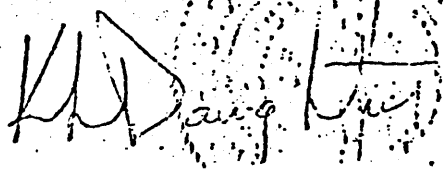
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PROPOSED BUDGET

<u>Phase I</u>	Geological mapping	\$3,000	
	Radiometric survey	1,500	
	Geochemical survey	2,500	
		<hr/>	
		7,000	<u>\$7,000</u>

Respectfully submitted,

K.L. DAUGHTRY & ASSOCIATES LTD



K.L. Daughtry, P.Eng.

K. L. Daughtry & Associates Ltd.

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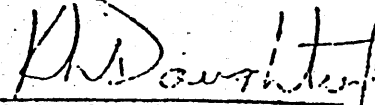
STATEMENT OF QUALIFICATIONS

I, Kenneth L. Daughtry, of Tronson Road, R.R. 4, Vernon British Columbia, DO HEREBY CERTIFY THAT:

1. I am a consulting geologist in mineral exploration.
2. I have been practising my profession in Canada, the United States, and Ireland for twelve (12) years.
3. I am a graduate of Carleton University with a Bachelor of Science degree in geology and chemistry.
4. I am a member of the Associations of Professional Engineers of British Columbia and Ontario, and a Fellow of the Geological Association of Canada.
5. This report is based on a personal examination in the area of the KETTLE # 1 property, considerable experience in the geology of the area, and reference to various publications relevant to the subject.
6. I have no interest, direct or indirect, in the shares or property of Keda Resources (1973) Limited (N.P.L.), nor do I expect to receive any such interest at any time.
7. Permission is hereby granted to Keda Resources (1973) Limited (N.P.L.) to use this report to satisfy requirements of Securities Commissions and/or Stock Exchanges.

January 13, 1977

K.L. DAUGHTRY & ASSOCIATES LTD


K.L. Daughtry, P.Eng.

K. L. Daughtry & Associates Ltd.

MUNRO, KENT, ALMOND & COMPANY

CHARTERED ACCOUNTANTS

*Suite 700,
235 First Avenue,
Kamloops, B.C. V2C 3J4*

Telephone 372-9321

KEDA RESOURCES (1973) LIMITED (N.P.L.)

FINANCIAL STATEMENTS

December 31, 1976

AUDITORS' REPORT

BALANCE SHEET

STATEMENT OF CHANGES IN FINANCIAL POSITION

NOTES TO FINANCIAL STATEMENTS

**SCHEDULE OF DEFERRED EXPLORATION, DEVELOPMENT
AND ADMINISTRATION COSTS**

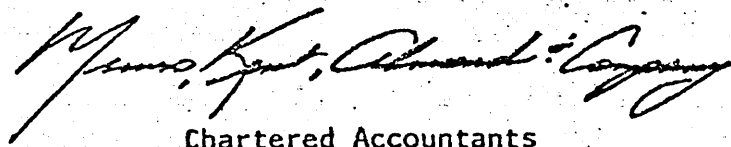
Suite 700,
235 First Avenue,
Kamloops, B.C. V2C 3J4
Telephone 372-9321

AUDITORS' REPORT

To the Shareholders,
Keda Resources (1973) Limited (N.P.L.),
Kamloops, B.C.

We have examined the balance sheet of Keda Resources (1973) Limited (N.P.L.) as at December 31, 1976, and the statement of changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1976 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.


Chartered Accountants

January 3, 1977

KEDA RESOURCES (1973) LIMITED (N.P.L.)

(Incorporated under the laws of British Columbia)

BALANCE SHEET

December 31, 1976

(with comparative figures for 1975)

	<u>ASSETS</u>	
	<u>1976</u>	<u>1975</u>
CURRENT ASSETS:		
Cash	\$ 6,080	\$ 4,772
Prepaid expenses	391	350
	<u>6,471</u>	<u>5,122</u>
MINING PROPERTIES, at cost (Notes 1 and 2)	57,629	56,365
DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATION COSTS (SCHEDULE) (NOTE 2)	21,170	6,741
	<u>85,270</u>	<u>68,228</u>

APPROVED ON BEHALF OF THE BOARD:

John R. Kerr Director
James M. Dawson Director
Yvonne Booth Director

KEDA RESOURCES (1973) LIMITED (N.P.L.)

(Incorporated under the laws of British Columbia)

BALANCE SHEET

December 31, 1976

(with comparative figures for 1975)

	<u>1976</u>	<u>1975</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ <u>245</u>	\$ <u>78</u>
TOTAL LIABILITIES	<u>245</u>	<u>78</u>
<u>SHAREHOLDERS' EQUITY</u>		
SHARE CAPITAL:		
Authorized:		
3,000,000 common shares, no par value, maximum selling price \$.50		
Issued:		
562,500 common shares, for mineral claims (Note 1)	<u>56,250</u>	<u>56,250</u>
269,000 common shares, for cash (Note 3)	<u>28,775</u>	<u>11,900</u>
TOTAL SHAREHOLDERS' EQUITY	<u>85,025</u>	<u>68,150</u>
	<u>\$ 85,270</u>	<u>\$ 68,228</u>

KEDA RESOURCES (1973) LIMITED (N.P.L.)

(Incorporated under the laws of British Columbia)

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 1976

SOURCE OF FUNDS:

Issuance of common shares \$ 16,875

APPLICATION OF FUNDS:

Acquisition of mining properties \$ 1,264

Deferred exploration, development and
administration costs 14,429 15,693

INCREASE IN WORKING CAPITAL 1,182

WORKING CAPITAL, beginning of year 5,044

WORKING CAPITAL, end of year \$ 6,226

WORKING CAPITAL REPRESENTED BY:

Current assets \$ 6,471

Less current liabilities 245

\$ 6,226

KEDA RESOURCES (1973) LIMITED (N.P.L.)

SCHEDULE OF DEFERRED EXPLORATION, DEVELOPMENT

AND ADMINISTRATION COSTS

Period from April 5, 1973 (date of incorporation)

to December 31, 1976

	<u>During the</u> <u>Year</u>	<u>To</u> <u>December 31,</u> <u>1975</u>	<u>Total</u> <u>to Date</u>
EXPLORATION AND DEVELOPMENT COSTS:			
Assaying	\$ 2,189	\$ 399	\$ 2,588
Contract physical services	3,601	250	3,851
Drafting	-	310	310
Geologist services	1,959	-	1,959
Recording, assessment and rental fees	1,224	2,986	4,210
Mining licenses	200	800	1,000
Supplies and field expenses	633	28	661
	<u>9,806</u>	<u>4,773</u>	<u>14,579</u>
ADMINISTRATION COSTS:			
Accounting	855	450	1,305
Bank charges	-	13	13
Corporation capital tax	-	101	101
Legal fees	3,768	1,681	5,449
Bank interest income	-	(277)	(277)
	<u>4,623</u>	<u>1,968</u>	<u>6,591</u>
TOTAL DEFERRED COSTS	\$ 14,429	\$ 6,741	\$ 21,170

KEDA RESOURCES (1973) LIMITED (N.P.L.)

(Incorporated under the laws of British Columbia)

NOTES TO FINANCIAL STATEMENTS

December 31, 1976

NOTE 1: MINING PROPERTIES:

Monashee Pass Property:

Mineral lease #37 (in good standing until June 6, 1977), Vernon Mining Division.

Acquired for 562,500 common shares (Note 3).

Au Property:

Mineral claims Au #1 to #5 (in good standing until March 8, 1979), #7 and #12 (in good standing until June 7, 1977), #19 (in good standing until June 15, 1977), and Au #100 - a 6 unit claim (in good standing until June 9, 1977), Kamloops Mining Division.

Acquired for staking costs.

Vidette Lake Property:

Mineral leases #32, #33 and #34 (in good standing until May 4, 1977), #35 and #38 (in good standing until July 19, 1977), Clinton Mining Division.

Acquired for staking costs.

Kettle Property:

Mineral claim Kettle #1 - a 20 unit claim (in good standing until October 19, 1977), Greenwood Mining Division.

Acquired for staking costs.

NOTE 2: VALUES:

The amounts shown for mining properties and deferred costs represent costs to date and are not intended to reflect present or future values.

NOTE 3: SHARE CAPITAL:

During the year, the company issued 150,000 common shares for cash at 11¼¢ each.

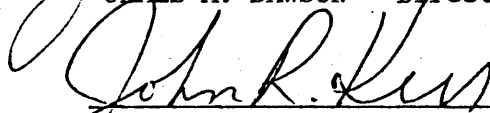
CERTIFICATE

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, and the regulations thereunder.

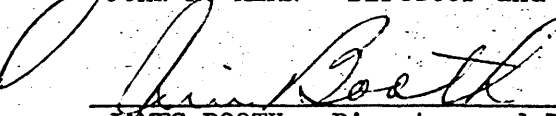
DATED this 28th. day of February, A.D. 1977.



JAMES M. DAWSON - Director and Promotor



JOHN B. KERR - Director and Promotor



JAMES BOOTH - Director and Promotor

MINISTRY OF MINES
AND PETROLEUM RESOURCES

Rec'd JUN 28 1978

asB		