

92089 CATY 05  
VAL  
SUE JIM

CAT  
VAL  
SUE  
JIM

920/9W (0920 089)

006127

14th June, 1971

NO SECURITIES COMMISSION OR OTHER 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.

RECEIVED  
JUL 26 1971  
BRITISH COLUMBIA  
SECURITIES COMMISSION

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

Incorporated under the laws of the Province of British Columbia

P R O S P E C T U S

FIRST PUBLIC OFFERING OF 250,000 SHARES

DISTRIBUTION SPREAD:

	<u>Price to Public</u>	<u>Commission</u>	<u>Net proceeds to be received by Issuer</u>
Per share	30¢	Not to exceed 7½¢	22½¢
<b>TOTAL:</b>			
250,000 shares	\$75,000.00	\$18,750.00	\$56,250.00

REGISTERED AND HEAD OFFICE:

#1700, 777 Hornby Street,  
Vancouver, B.C..

REGISTRAR AND TRANSFER AGENT:

National Trust Company Limited  
510 Burrard Street  
Vancouver, B.C.

AUDITOR:

D. H. Dunn & Co.  
Chartered Accountant,  
#1604, 1150 Burnaby Street  
Vancouver, B.C.

**PROPERTY FILE**

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 MINERAL ACT" 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.

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

STEFAN DYAKOWSKI

Sworn before me this 21<sup>st</sup> day of

July 1971

A Commissioner for taking Affidavits within British Columbia

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

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SCHEDULES:

- I. Financial Statement as at 28th February, 1971
- II. Report by R. H. D. Philp, P.Eng., dated 10th August, 1970 "San Juan Properties".

INCORPORATION:

PERBELL MINES LTD. (N.P.L.) was incorporated on 13th December, 1966, 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 8th June, 1971.

The head office and registered office of the Company is #1700, 777 Hornby Street, Vancouver, B.C.

MANAGEMENT:

DIRECTORS AND OFFICERS:

<u>Name and Address</u>	<u>Position held with Company</u>	<u>Principal occupation for past five years</u>
Stefan Dyakowski 4190 Balaclava Street Vancouver, B.C.	Secretary & Director	Medical Practitioner
George Frkovich 2221 West 32nd Avenue Vancouver, B.C.	President & Director	Surgeon
Zenon Piaskowski 1059 Nelson Street Vancouver, B.C.	Director	Self-employed Prospector

REMUNERATION:

The Company has paid Zenon Piaskowski, a director of the Company, the sum of \$935.00 for his services connected with preliminary prospecting and exploration of the Company's properties.

The Company does not pay, and does not propose to pay in the future any remuneration directly or indirectly to its directors and officers as such nor does it have any pension, retirement or other like benefits for its directors and officers.

Should any of the directors or officers of the Company be employed by the Company in any capacity, they will be paid salaries commensurate with the services performed by them.

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>
George Frkovich 2221 West 32nd Avenue Vancouver, B.C.	15,001	15,000
Zenon Piaskowski #103, 1059 Nelson Street Vancouver, B.C.	Nil	200,000
Stefan Dyakowski, 4190 Balaclava Street Vancouver, B.C.	10,001	210,000

Zenon Piaskowski and Stefan Dyakowski, two of the promoters of the Company, sold certain mineral claims more particularly described in "Description of Business and Property of the Company" by agreement dated 16th September, 1970. The cost of the VAL, CATY, JIM, SUE and ED claims to Mr. Piaskowski and Dr. Dyakowski was \$1,200.00 and \$2,000.00 respectively.

#### 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 the 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 7½¢ 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 AND FINANCIAL:

The estimated net proceeds to be derived by the Company from the sale of the securities offered hereby will be \$56,250.00. After deduction of legal, audit, printing and administrative expenses estimated not to exceed \$5,000.00, the net proceeds available will be \$51,250.00. Of this amount \$8,550.00 will be used as working capital of the Company, including a reserve for general administration and office expenses, legal, audit and professional and other miscellaneous costs and for prospecting and examination of properties, and the remaining \$42,700.00 will be used to pay the anticipated costs of the exploration programme on the Company's San Juan property, as recommended by R. H. D. Philp P.Eng. in his report dated 10th August, 1970, a copy of which report is attached to and forms part of this Prospectus, as follows:

#### STAGE I:

1. Establish a camp in the area	\$700.00
2. Prospecting and geological mapping of both claim groups, using air photos for control	5,000.00
3. Geochemical soil sampling on a 200 by 400 foot grid pattern. Provide for coverage of a total of 40 claims, testing for copper.	6,400.00
4. Mapping of the underground workings on the Lella group.	500.00
5. Possible magnetometer survey as an aid to geological mapping. Provide for 40 line miles	2,800.00
	15,400.00
Plus 20% contingency	3,100.00
TOTAL (Stage I)	\$18,500.00

#### STAGE 2:

Allowance is made in this stage for detailed investigation of any favourable areas that may be located during Stage I. Provide for a possible 20 line miles of surveys.

1. Establish grids in any favourable areas	4,000.00
2. Detailed geological and geochemical surveys	3,000.00
3. Allowance for geophysical surveys as applicable	5,000.00
4. Provision for possible trenching and/or drilling - provide for the equivalent of 1,000 feet of X-Ray drilling	10,000.00
	22,000.00
Plus 10% contingency	2,200.00
TOTAL (Stage 2)	\$24,200.00

Total estimated costs if programme carried to completion: \$42,700.00

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 programmes recommended by R. H. D. Philp, P.Eng. in his said report, then the Company will apply the proceeds to the exploration and development of these properties in order of priority recommended by its consulting engineers from time to time.

If monies become available for use by the Company due to the abandonment of any of its mining properties or variations in the work programme in accordance with the recommendations made by the Company's consulting engineer from time to time, then any monies so available may be used by the Company for the purpose of acquiring, staking, examining, exploring or developing other mining properties, although the Company has no present plans in that direction. If the securities of the Company are in the process of primary distribution to the public, no monies will be expended by the Company on any new mining properties which may be acquired by it until an amendment to this Prospectus has been accepted for filing by the British Columbia Securities Commission.

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 be obtained and disclosure made to the regulatory securities' bodies having jurisdiction over the sale of the securities being 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 properties.

The Company is the recorded and beneficial owner of certain mineral claims subject to the provisions of the Mineral Act R.S.B.C. 1960. These properties are all located in the San Juan area, Western Vancouver Island, in the Victoria Mining Division, Province of British Columbia, and particulars in the mineral claims are as follows:

CATY GROUP (66 Claims)

<u>Name</u>	<u>Record No.</u>
CATY #1 to 24 inclusive	16393 to 16416 inclusive
VAL #1 to 14 inclusive	16432 to 16445 inclusive
SUE #1 to 14 inclusive	16475 to 16488 inclusive
ED #2	16616
ED #4 to 16 inclusive	16617 to 16629 inclusive

LELLA GROUP (7claims)

LELLA #1 to 7 inclusive	16735 to 16744 inclusive
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JIM GROUP (7 claims)

Jim #1 to 7 inclusive	16489 to 16495 inclusive
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The CATY Group lies immediately north of the head of Port San Juan, 3 miles north of Port Renfrew, while the LELLA Group extends immediately south from that centre, on the west coast of Vancouver Island, British Columbia. The JIM Group of claims is situate approximately one mile from the mouth of the Gordon River.

Access to Port Renfrew is by road from either Nanaimo or Victoria, the main road passing through the southern edge of the CATY group. In addition, various secondary logging roads traverse portions of these claims.

The LELLA Group and the JIM Group of Mineral claims were staked by Company employees and were acquired for the cost of staking and recording.

The CATY Group of mineral claims was acquired from Dr. Stefan Dyakowski and Mr. Zenon Piaskowski, promoters and directors of the Company, in consideration for \$2,500.00 in cash paid to each of them, and the allotment and issue of 730,000 shares in the capital stock of the Company as follows:

Stefan Dyakowski, M.D. 4190 Balaclava Street, Vancouver, B.C.	200,000
Zenon Piaskowski #103, 1059 Nelson Street, Vancouver, B.C.	200,000
George E. Scott (in trust) 4526 Connaught Drive, Vancouver 9, B.C.	<u>330,000</u>
TOTAL:	<u>730,000</u>

The shares allotted to George E. Scott were allotted to him in trust for the benefit of the Company, to be assigned or transferred from time to time according to the directions of the Board of Directors of the Company, subject however to the consent of the British Columbia Securities Commission or the Vancouver Stock Exchange and any other regulatory body as may have jurisdiction over such shares.

168,000 of the shares allotted to Mr. Scott have upon the instructions of the Board of Directors been transferred to other shareholders of the Company on the basis of one such share to a shareholder for each share paid for in cash by a shareholder.

For a general history of this area, see the report of R. H. D. Philp, P.Eng., dated 10th August, 1970, which report is attached hereto and forms part of this Prospectus. Mr. Philp states in his said report that the CATY and LELLA groups are underlain by various sedimentary, volcanic and intrusive rock units, and geological mapping will be necessary to determine the extent of the various units. Mr. Philp further states that Pyrite and pyrrhotite are abundant in shales on the CATY group and minor copper mineralization has been noted at several points, most commonly associated with the shales, and notes that extensive underground workings have been driven on the LELLA group but no records were available to him regarding them. He recommends that the workings should be mapped to determine their extent and purpose.

Mr. Philp cautions that overburden is extensive in this region, and this combined with thick underbrush seriously hampers exploration of the claim groups and necessitates the use of geochemical and geophysical exploration methods.

There is no development plant or equipment on the said claims nor underground exploration, 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 work already done on the said claims.

#### ESCROWED SHARES:

Certificates representing 730,000 shares of the Company issued for mining properties and representing approximately 81.32% of the total number of shares issued at the date of this Prospectus, are held in escrow by National Trust Company Limited, 510 Burrard Street, Vancouver, B.C. These shares cannot be sold, assigned or transferred without the prior written consent of the Superintendent of Brokers for the Province of British Columbia ("the Superintendent of Brokers") and are also subject to conditions that if the Company loses or does not obtain a good marketable title to, or abandons or discontinues the development of any of the properties which were or formed part of the consideration for any of the shares so held in escrow, or in the event of any such property not being as represented, the holders of such shares have agreed to advise the Superintendent of Brokers and if so required to surrender by way of gift to the Company for cancellation such number of these escrowed shares as the Superintendent of Brokers may deem fair and equitable.

<u>Designation of Class</u>	<u>Number of shares held in escrow as of the date of this Prospectus</u>	<u>% of class (as of date of this Prospectus)</u>
Common shares	730,000	81.32%

#### SHARE CAPITAL:

The Company is authorized to issue 5,000,000 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 50¢ each, of which 898,005 shares 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 for cancellation or surrender or sinking or purchase funds 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.

<u>Designation of Security</u>	<u>Authorized Capital</u>	<u>Amount outstanding as of 14th June, 1971, the date of this Prospectus</u>	<u>Amount to be outstanding on the completion of this offering</u>
Common shares (without nominal or par value, Maximum price 50\$ each)	5,000,000 shares	898,005	1,148,005

#### PRIOR SALES

##### SHARES SOLD FOR CASH OR OTHERWISE

Particulars of shares sold within the 12 months prior to the date of this Prospectus:

<u>Number of shares sold for cash</u>	<u>Price paid per share</u>	<u>Total cash received</u>	<u>Discount</u>	<u>Commission</u>	<u>Net to Treasury</u>
2	50¢	1.00	Nil	Nil	1.00
168,003	10¢	16,800.30	Nil	Nil	16,800.30
168,005		\$16,801.30	Nil	Nil	\$16,801.30

<u>Number of shares issued to acquire properties</u>	<u>Consideration fixed on allotment</u>	<u>Total cash received</u>	<u>Discount</u>	<u>Commission</u>	<u>Net to Treasury</u>
730,000	10¢ per share	Nil	Nil	Nil	Nil
730,000	\$73,000.00	Nil	Nil	Nil	Nil

#### POOLED SHARES

Certificates representing 168,000 shares of the capital stock of the Company, allotted and issued at 10¢ each, are held in pool by National Trust Company Limited, 510 Burrard Street, Vancouver, B.C. under an agreement that they would not in any event be released before the expiry of a minimum of 30 days after the Company had completed a sale of its first offering of shares to the public.

#### PRINCIPAL HOLDERS OF SECURITIES:

As of the date of this Prospectus, the following persons held more than 10% of the total issued shares of the Company:

<u>Name &amp; Address</u>	<u>Designation of class</u>	<u>Type of ownership (of record, beneficial (restrictions))</u>	<u>Number of shares owned as of 14th June, 1971</u>	<u>% of class</u>
Zenon Piaskowski 1059 Nelson Street Vancouver, BC.	Common	of record & beneficial (all escrowed)	200,000	22.27%
Stefan Dyakowski 4190 Balaclava Street Vancouver, B.C.	Common	of record & beneficial (210,000 escrow 10,000 free)	220,000	24.5 %

PRINCIPAL HOLDERS OF SECURITIES: Cont'd

Name & Address	Designation of class	Type of ownership (of record, beneficial restrictions)	Number of shares owned as of 14th June, 1971	% of Class
George E. Scott (in trust) #1700, 777 Hronby St Vancouver, B.C.	Common	of record only (all escrowed) (held for the benefit of the Company)	162,000	18.03%

The percentage of shares of each class of equity shares of the Company beneficially owned, directly or indirectly, by all directors and senior officers of the Company as a group at the date hereof is as follows:

Designation of Class	Percentage of Class
Common Shares	52.34%

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:

Dr. Stefan Dyakowski, and Zenon Piaskowski, promoters and directors of the Company as Vendors of mineral claims to the Company each received 200,000 shares of the capital stock of the Company as consideration, in addition to which they directed that an additional 330,000 shares to which they were entitled be allotted in trust to the Company's Solicitor, George E. Scott, of 4526 Connaught Drive, Vancouver B.C. to be used for the benefit of the Company.

168,000 of such shares allotted and issued to Mr. Scott have been transferred by Mr. Scott to other shareholders of the Company. (See Item "Description of Business & Property of Issuer").

AUDITOR:

D. H. Dunn & Co., Chartered Accountant, of #1604, 1150 Burnaby Street, Vancouver, B.C. is the auditor for the Company.

TRANSFER AGENT AND REGISTRAR:

The transfer agent and registrar for the Company is National Trust Company Limited, having a branch office at 510 Burrard Street, Vancouver, B.C.

MATERIAL CONTRACTS:

The only 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, B.C.

OTHER MATERIAL FACTS:

There are no other material facts not disclosed in this Prospectus.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Section 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 has a right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last prospectus, together with financial statements and reports and summaries of reports relating to the securities as filed with the British Columbia Securities Commission, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice;

(b) A purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact, or omits to state a material fact necessary in order to make 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 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.

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 Vancouver, British Columbia, this 14th day of June, 1971.

George Frkovich, M.D.  
President and Director

Stefan Dyakowski, M.D.  
Secretary & Director

Zenon Piaskowski  
Director.

*D. H. Dunn & Co.*  
 CHARTERED ACCOUNTANT  
 VANCOUVER, B. C.

To the Shareholders,  
 Perbell Mines Ltd. (N.P.L.),  
 Vancouver, B. C.

AUDITOR'S REPORT

I have examined the Balance Sheet of Perbell Mines Ltd. (N.P.L.) as at February 28, 1971, and the Statements of Exploration and Administrative Expenses and Source and Application of Funds from incorporation on December 3, 1966 to February 28, 1971. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

I have received confirmation from the Solicitor of the Company that the Company has good title to its mineral claims and that all such claims are in good standing.

In my opinion, these Financial Statements present fairly the financial position of the Company as at February 28, 1971 and the results of its operations and the source and application of its funds for the period then ended in accordance with generally accepted accounting principles.

*D. H. Dunn*  
 CHARTERED ACCOUNTANT.

March 3, 1971.

PERBELL MINES LTD. (N.P.L.)  
 (INCORPORATED UNDER THE LAWS OF BRITISH COLUMBIA)  
BALANCE SHEET AS AT FEBRUARY 28, 1971

ASSETS

CURRENT:

Cash in bank \$ 7,023.19

MINERAL PROPERTIES: - at cost

Mineral claims in the Victoria Mining Division acquired for \$5,000.00 and 730,000 shares valued at \$.10 per share (held in escrow)	\$ 78,000.00	
Mineral claims acquired by staking and recording	<u>178.00</u>	78,178.00

DEFERRED:

Incorporation expense	\$ 1,034.61	
Exploration and Administrative Expenses Per "Exhibit A"	<u>3,750.11</u>	<u>4,784.72</u>
		<u>\$ 89,985.91</u>

LIABILITIES

CURRENT:

Accounts payable \$ 184.61

SHARE CAPITAL:

Authorized -

5,000,000 common no par value shares

Issued -

		<u>Values</u>	
For cash @ 10¢ per share	168,003	\$ 16,800.30	
For cash @ 50¢ per share	2	1.00	
For mineral claims	<u>730,000</u>	<u>73,000.00</u>	89,801.30
	<u>898,005</u>		

\$ 89,985.91

APPROVED ON BEHALF OF THE BOARD

*George Falconer* Director  
*Stephen D. Woodcock* Director

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

EXHIBIT "A"

STATEMENT OF EXPLORATION AND ADMINISTRATIVE EXPENSES

FOR THE PERIOD FROM DECEMBER 3, 1966

TO FEBRUARY 28, 1971

EXPLORATION:

Directors field work	\$ 680.00	
Other field work	1,000.00	
Engineering fees and expenses	572.20	
Free miner's licence	200.00	
Sampling	185.75	
Supplies	<u>38.91</u>	\$ 2,676.86

ADMINISTRATION:

Accounting and audit	\$ 150.00	
Legal expenses	919.95	
Office expenses	<u>3.30</u>	1,073.25

TOTALS TO DATE -

\$ 3,750.11

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

EXHIBIT "B"

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE PERIOD DECEMBER 3, 1966, (DATE OF

INCORPORATION) TO FEBRUARY 28, 1971

SOURCE OF FUNDS:

Proceeds of shares issued for cash \$ 16,801.30

APPLICATION OF FUNDS:

Mineral claims	\$ 78,178.00	
Less - Properties acquired for shares	<u>73,000.00</u>	
Incorporation expense	\$ 5,178.00	
	1,034.61	
Exploration and Administrative expenses	<u>3,750.11</u>	<u>9,962.72</u>

WORKING CAPITAL, February 28, 1971

\$ 6,838.58

REPRESENTED BY:-

Current Assets	\$ 7,023.19
Current Liabilities	<u>184.61</u>
	<u>\$ 6,838.58</u>



REPORT ON THE  
SAN JUAN PROPERTIES  
OF  
PERBELL MINES LTD. (NPL)

August 10, 1970  
Vancouver, B.C.

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PROPERTY LOCATION MAP.....	Scale: 1 inch = 1 mile

REPORT ON THE

SAN JUAN PROPERTIES

INTRODUCTION:

Perbell Mines Ltd. (NPL) holds two properties in the Port San Juan area of western Vancouver Island. The largest, the Caty Group, consists of 66 contiguous claims situated immediately north of the head of Port San Juan. The second group, referred to as the Lella, extends south from Port Renfrew.

Copper mineralization has been reported from several points on the former group and very old underground workings are present on both claim groups, although no records are available regarding this early exploration.

Company personnel have conducted preliminary prospecting including a limited amount of soil sampling.

The writer visited the property on July 2, 1970 in the company of Mr. Z. Piaskowski. The following report is based on this visit plus a review of available maps and reports on the area.

LOCATION AND ACCESS:

The Caty Group lies immediately north of the head of Port San Juan, 3 miles north of Port Renfrew, while the Lella Group extends immediately south from that center, on the west coast of Vancouver Island, British Columbia.

Co-ordinates of Port Renfrew are 124°25' west longitude, 48°33' north latitude.

Access to Port Renfrew is by road from either Nanaimo or Victoria, the main road passing through the southern edge of the Caty Group. In addition, various secondary logging roads traverse portions of these claims.

PHYSIOGRAPHY:

Topographic relief is low to moderate in the region of the Caty Group and low on the Lella Group. Elevations on the former range from sea level to 2,000 feet above sea level, and on the Lella claims up to a maximum of 600 feet above sea level.

The region is heavily forested and logging operations have been conducted in some areas. Thick windfalls and underbrush make travel difficult in much of the area.

Temperatures are moderate although rainfall is heavy. Snow may be present for short periods at the higher elevations during the winter months.

Water for exploration purposes is available from several creeks.

PROPERTY:

The properties consist of the following two groups of mineral claims, both located in the Victoria Mining Division of British Columbia.

Caty Group (66 claims)

<u>NAME</u>	<u>RECORD NO.</u>
Caty 1 - 24	16393 - 16416
Val 1 - 14	16432 - 16445
Sue 1 - 14	16475 - 16488
Ed 2, 4 - 16	16616 - 16629

Lella Group (10 claims)

Lella 1 - 10	Not available.
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The writer has not conducted a title search of the above claims. While on the property, however, certain claims in the Caty Group were checked and were found to be staked in accordance with the regulations set forth in the Mineral Act for the Province of British Columbia.

#### GEOLOGY:

Reconnaissance geological mapping of the region is available at a scale of 1 inch = 8 miles by the Geological Survey of Canada, and is referred to as Geological Sketch Map of Vancouver Island by J.E. Muller, 1967.

This indicates the Caty Group is underlain by Middle Pennsylvanian clastic sediments in the south, in fault contact with units of the Island Intrusions of Middle Jurassic age in the north and older metamorphosed rocks in the western section. These latter have been mapped as gneiss, migmatite and metadiorite.

The fault separating the Pennsylvanian sediments from the other units trends east-west through the northeast corner of Port San Juan.

The writer observed tuffaceous andesites and breccia and minor shale in a road quarry on Caty #2. Scattered pyrite and pyrrhotite are common, being most abundant in and near the shales which trend 245°, dipping steeply north. Minor, very fine chalcopyrite was also noted at several points.

On Val #2 (?) a very old tunnel, for which no records are available, has been driven 20 feet in a 312° direction, with a sand filled inclined shaft extending down to the west. Calcite veining is present in tuff (?) at the shaft. The only sulphides noted were minor pyrite and a trace of chalcopyrite in cherty sediments on the dump.

Thin banded friable shales with abundant pyrite and pyrrhotite in lenses and along cleavage planes are exposed in a road cut along Fairy Creek in the vicinity of Caty #23 and #24. Traces of chalcopyrite and malachite were also noted here. The shales trend 260° with variable dips but generally to the north and are bounded by tuffaceous andesites and diorite.

Copper assays have also been reported by Mr. Piaskowski from various points in the western portion of the Caty Group but this area was not investigated by the writer.

Available mapping indicates the Lella Group is underlain by the Middle Pennsylvanian clastic sediments.

Old underground workings, for which no records are available, are present near the shoreline. These were not investigated in detail by the writer at the time of his visit but appear extensive, with several tunnels present. At the portal, shale and schist trend 270°, dipping 70° north. Considerable quartz and calcite veining is present, with minor pyrite. No records are available to the writer as to what minerals were being explored for or mined from these workings.

#### CONCLUSIONS:

The Caty and Lella Groups are underlain by various sedimentary, volcanic and intrusive rock units. Geological mapping is necessary to determine the extent of the various units.

Pyrite and pyrrhotite are abundant in shales on the Caty Group, and minor copper mineralization has been noted at several points, most commonly associated with the shales.

Extensive underground workings have been driven on the Lella Group but no records are available to the writer regarding these. The workings should be mapped to determine their extent and purpose. In investigating these, care should be taken due to poor rock conditions and possible bad air.

Overburden is extensive in the region, and this combined with thick underbrush seriously hampers exploration of the claim groups and necessitates the use of geochemical and geophysical exploration methods.

RECOMMENDATIONS:

The following exploration program with estimated costs, divided into 2 stages, is recommended for the Caty and Lella Groups of claims.

Stage 1:

1. Establish a camp in the area.	\$ 700.00
2. Prospecting and geological mapping of both claim groups using airphotos for control.	5,000.00
3. Geochemical soil sampling on a 200 by 400 foot grid pattern. Provide for coverage of a total of 40 claims, testing for copper.	6,400.00
4. Mapping of the underground workings on the Lella Group.	500.00
5. Possible magnetometer survey as an aid to geological mapping. Provide for 40 line miles.	<u>2,800.00</u>
	15,400.00
Plus 20% contingency	<u>3,100.00</u>
TOTAL (Stage 1)	\$18,500.00

Stage 2:

Allowance is made in this stage for detailed investigation of any favorable areas that may be located during stage 1. Provide for a possible 20 line-miles of surveys.

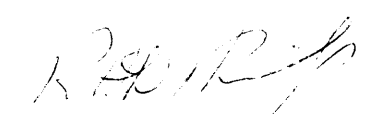
1. Establish grids in any favorable areas.	\$ 4,000.00
2. Detailed geological and geochemical surveys.	3,000.00
3. Allowance for geophysical surveys as applicable.	5,000.00
4. Provision for possible trenching and/or drilling-provide for the equivalent of 1,000 feet of X-Ray drilling.	<u>10,000.00</u>
	22,000.00
Plus 10% contingency	<u>2,200.00</u>
TOTAL (Stage 2)	\$24,200.00

Total estimated costs if program carried to completion:

\$42,700.00

Should results from the above program prove favorable a more extensive drilling program will likely be required.

Respectfully Submitted

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

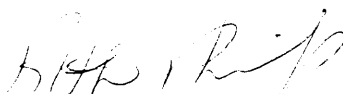
August 10, 1970

Vancouver, B.C.

CERTIFICATE

I, Ronald H. D. Philp of 201-714 West Hastings 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 Exploration Limited, and Agilis Exploration Services Ltd.
4. My report is based on an examination of the Perbell Mines Ltd. (NPL) claims on July 2, 1970, plus a review of available maps and reports pertaining to the region.
5. 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.
6. I have no interest, nor do I expect to receive any interest, either directly or indirectly, in the property described herein or securities of Perbell Mines Ltd. (NPL) or any affiliate of that company.

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

August 10, 1970

Vancouver, B.C.

