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

**RECEIVED**  
MAY 6 1972  
SOUTH COLUMBIA  
SECURITIES COMMISSION

**PROSPECTUS**

**006168**

**NEW COSMIC INDUSTRIES LTD.**

AN OFFERING OF  
400,000  
Common Shares

**DISTRIBUTION SPREAD**

	Price to Public	Underwriting Discounts or Commissions	Net Proceeds to be received by Issuer
Per Share	.23¢	not to exceed 11.5¢ per share	11.5¢
Total	\$92,000.00	\$46,000.00	\$46,000.00

The shares offered hereunder are a speculative security and should be purchased only by persons aware of the risks involved. The mining business is by nature speculative and the task of locating commercially productive ore bodies presents many uncertainties. In fact, the Company's mining properties are at present without a known body of commercial ore and the proposed program referred to herein is an exploratory search for ore.

NO SURVEY HAS BEEN MADE OF ANY OF THE COMPANY'S PROPERTIES AND THEREFORE IN ACCORDANCE WITH THE MINING LAWS OF THE APPROPRIATE JURISDICTION IN WHICH SUCH PROPERTY IS SITUATED, THE EXISTENCE OF AND AREAS OF SUCH PROPERTIES COULD BE IN DOUBT.

THERE IS NO EXISTING MARKET FOR THE SECURITIES OF THE COMPANY. (See "Prior Sales").

Reference should be made to the caption "Principal Holders of Securities" and "Promoters" herein for a comparison between the number of shares offered by this prospectus and those held by the promoters and directors of the Company for cash, property and services. Of the shares to be issued and outstanding on completion of this offering 39.60% will be issued for cash and 60.40% for properties.

**TRANSFER AGENT & REGISTRAR**  
Guardian Estates and Agencies Limited,  
201 - 569 Howe Street,  
Vancouver, B.C.

**AUDITORS**  
Rose, Gale & Co.,  
1177 West Hastings Street,  
Vancouver 1, B.C.

**PROPERTY FILE**

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## NAME AND INCORPORATION OF ISSUER

The full name of the Company is New Cosmic Industries Ltd. having its head office at 711-543 Granville Street, Vancouver, B.C. and its registered office at 1710-1177 West Hastings Street, Vancouver 1, B.C. The Company was formerly known as Cosmic Nickel Mines Limited (N.P.L.) which was a Company formed as a result of the amalgamation of Malabar Mining Company Limited (N.P.L.) and Cosmic Lode Mines Limited (N.P.L.). The Certificate of Amalgamation of the Registrar of Companies was dated the 23rd day of February, 1970. At the annual meeting in May, 1972, Cosmic Nickel Mines Limited (N.P.L.) resolved to convert from a specially limited to a generally limited Company, expand its objects and change its name to New Cosmic Industries Ltd. The shares were also consolidated on a 1 for 10 basis.

## SHARE AND LOAN CAPITAL STRUCTURE

The Company is authorized to issue 5,000,000 shares without nominal or par value with a maximum price or consideration of \$1.00 each. Of these 841,330 shares have been issued as fully paid and non-assessable. All shares both issued and unissued, are common shares of the same class and rank equally as to dividends, voting powers and participation in assets.

(a)

<u>Designation of Security</u>	<u>Amount Authorized</u>	<u>Amount outstanding as at August 31, 1972</u>	<u>Amount outstanding as at August 31, 1972</u>	<u>Amount to be outstanding if being issued are sold</u>
Common shares	5,000,000	841,330	841,330	1,241,330

(b)

Since amalgamation the Company has sold only 200,000 shares for cash at 25¢ per share. The total cash received was \$50,000.00 and no commission was paid on the sale.

## SHARE OFFERING AND PLAN OF DISTRIBUTION

By an Agreement dated the 14th day of September, 1972, Columbia Securities Limited, as underwriter, and of which James V. San Severino is the principal shareholder and Messrs. Ginnetti and Roman employees, agreed to purchase 400,000 shares of the Company at the price of 11.5¢ per share. The obligation of the underwriter is to take up and pay for these shares within three days after the acceptance of this Prospectus by the British Columbia Securities Commission.

## USE OF PROCEEDS

The net proceeds to be derived by the Company from the sale of the securities offered will amount to \$46,000.00.

These proceeds together with the money presently in the Company's treasury of approximately \$10,000.00 will be used primarily for the purchase of some real estate in the Okanagan, the carrying out of the engineer's recommendations on the Company's mineral claims and to pay legal, audit and administration costs. A breakdown of the estimated expenditures is as follows:

(See following page)

Purchase of real estate	\$41,000.00
Technical reports, surveys, etc. for subdivision of the real estate	2,000.00
Program of exploration and development on the mineral claims	8,000.00
Legal, audit, administration, etc.	5,000.00
	<hr/>
	\$56,000.00

No part of the proceeds will be used to invest, underwrite or trade in securities other than those that qualify as investments in which trust funds may be invested under the laws of the jurisdiction in 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 will be obtained and disclosure will be made to regulatory securities having jurisdiction over the sale of the securities offered by this Prospectus.

#### **DESCRIPTION OF BUSINESS AND PROPERTY OF ISSUER**

A. Prior to the Company converting to a limited Company in May of 1972 and expanding its objects to include other than mining ventures, the Company's business consisted solely of the exploration and development of mining properties. However, since the expansion of the Company's objects, the Company intends to invest in real estate as well as continue to explore mining properties. At the present time the Company is the owner of ten mineral claims situate in the Victoria Mining Division known as the DL 1-10 inclusive, tag numbers 361428 to 361437 inclusive. These claims are located approximately 15 miles north of Port Renfrew on Vancouver Island and access is by road to the northern edge of the property. The property is without any known body of commercial ore and the proposed program is an exploratory search for ore only. There is no known history of these claims. According to the report of S. Radvak Engineering Ltd. dated the 6th of July, 1972 a copy of which is attached hereto and forms part of this Prospectus, the local geology indicates that in the adjacent area to the DL claims the volcanics are in contact with the limestone horizon that contains several known showings of magnetite and copper bearing minerals. The report also indicates that the area has geological environment that is common to several producing and past producing mines that have development ore bodies of a pyrometamorphic nature. At the present time there is no surface or underground plant or equipment on the property.

These claims were acquired from Amar Investments Ltd. by an Agreement dated the 11th of July, 1972, the consideration being the issuance and allotment of 750,000 shares of the Company issued as fully paid and non-assessable. These are the shares referred to under the heading "Escrowed Securities". Amar Investments Ltd. is a private Company owned and controlled by Mr. James V. San Severino, the President of the Company and Amar Investments Ltd. acquired the claims for the cost of staking only.

B. The Company has also recently acquired some 480 acres in the Okanagan for the purpose of subdividing and developing the same. The property shown on the plan attached to this Prospectus is more particularly described as follows:

(see following page)

Firstly District Lot 3775,  
Secondly District Lot 3779,  
both of Osoyoos Division, Yale District.

SUBJECT TO: inter alia right-of-way No. 119918E  
in favour of British Columbia Telephone Company.

AND mortgage No. F42105 in favour of Montreal  
Trust Company in trust see 33063E.

The purchase price of this property is \$41,000.00 and it has been agreed that this may be paid out of the proceeds of sale of the shares being offered hereby. The property is being acquired from Amar Investments Ltd. for the same price that Amar paid for it namely \$41,000.00. The Agreement with Amar to acquire the property is dated the 13th of September, 1972 and is subject to this Prospectus being approved by the British Columbia Securities Commission and the proceeds of the underwriting being received by the Company. The property is being purchased free and clear of all encumbrances except as stated above. The mortgage above referred to relates only to the right-of-way of the B.C. Telephone Company.

In anticipation of the proposed purchase of the property the Company has submitted a subdivision plan to the Department of Highways in Kelowna for its approval in principle to the subdivision of the property into 47 ten acre lots. Subject to this subdivision plan being approved the Company then intends to obtain a further underwriting for the development of the subdivision and the sale of the lots as recreational home sites for year round use. However the Company is not in a position to commit itself until such time as the subdivision plans have been approved.

Whilst no development of the property has taken place an engineering report has been obtained from Cantex Engineering & Construction Co. Ltd. of Penticton on the cost of improving the highway to the property and the cost of building a road within the proposed subdivision. Cantex Engineering point out that the total cost of improving the road will be approximately \$90,000.00 but that if the road is a public road the Department of Highways may be prepared to improve it or share in the cost of improvements. The road within the subdivision is estimated to cost approximately \$43,000.00. A copy of Cantex Engineering's Report dated September 7th, 1972 is attached hereto.

In addition a feasibility report has been obtained from Similkameen Survey Services Ltd. dated the 8th of September, 1972, a copy of which is attached hereto. The conclusions in this report indicate that the location of the property in a recreational area noted for its up-to-date skiing facilities and good hunting and fishing adjacent to several fast growing communities in the Okanagan Valley is felt to make it suitable for recreational homesites for year round use. However, the feasibility of such development will depend to a large extent on road construction costs.

## DIRECTORS AND OFFICERS

<u>Name and Address</u>	<u>Office Held</u>	<u>Principal Occupation during past 5 years</u>
James Vincent San Severino 711-543 Granville Street, Vancouver, B.C.	President and Director	Stock Broker and owner of Columbia Securities Ltd.
Robert Ginnetti, 5780 Charles Street, North Burnaby, B.C.	Secretary and Director	Securities Salesman and since 1962 with Columbia Securities Ltd.

## **DIRECTORS AND OFFICERS – (Cont'd.)**

<u>Name and Address</u>	<u>Office Held</u>	<u>Principal Occupation during past 5 years</u>
Robert Roman, 2831 East 1st Avenue, Vancouver, B.C.	Director	Securities Salesman and since 1968 with Columbia Securities Ltd.

## **REMUNERATION OF DIRECTORS AND SENIOR OFFICERS**

The Company has not paid and does not propose to pay in the future any remuneration direct or indirect to its officers or Directors as such, nor does it have any Pensionary, Retirement or other life benefits for its Directors and Officers.

## **PROMOTERS**

Mr. James V. San Severino may be considered to be the Promoter of the Company. He is also the principal shareholder of Columbia Securities Ltd. the Underwriters and to that extent he will be entitled to share in any benefit received by the Underwriters from the sale of any shares sold hereunder.

To the extent that Mr. San Severino is the controlling shareholder of Amar Investments Ltd., he may be said to be the indirect beneficial owner of the 750,000 shares issued for the mineral claims owned by the Company. Apart from this Mr. San Severino has not received from the Company anything else of value.

## **ESCROWED SECURITIES**

By an Agreement dated the 13th day of September, 1972, 750,000 shares are held in escrow by Guardian Estates and Agencies Ltd., 201-569 Howe Street, Vancouver, B.C. subject to the direction or determination of the British Columbia Securities Commission. The escrow restrictions provide that the shares may not be traded in, dealt with in any manner whatsoever, or released, nor may the Company, its Transfer Agent or Escrow Holder make any transfer or record any trading of the shares without the consent of the Commission. These shares represent approximately 90% of the issued shares.

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 escrowed shares, the Company shall declare any such event to the Commission by way of Director's Resolution and the holders of such shares, the Trustee thereof and the Company have agreed that such number of said shares, as the Commission determines shall have become subject to cancellation, shall be surrendered to the Company by way of gift for cancellation. The complete text of the Escrow Agreement is available for inspection at the office of Guardian Estates & Agencies Ltd.

## **PRINCIPAL HOLDERS OF SECURITIES**

As at the 15th day of September, 1972, the number of issued shares of the Company beneficially owned by persons who own of record or of who are known by the Company to own beneficially more than 10% of the total shares is as follows:

(See following page)

<u>Name and Address</u>	<u>Designation of Class</u>	<u>Type of Ownership</u>	<u>Number Shares Owned</u>	<u>Percentage of Class</u>
Amar Investments Ltd. 711-543 Granville Street, Vancouver, B.C.	Common	Of record and beneficial	758,000	90%

The number and percentage of the total issued share capital beneficially owned by all the Directors and Senior Officers as a group is 760,200 shares being approximately 90%.

### **PRIOR SALES**

The shares of Cosmic Nickel Mines Ltd. (N.P.L.) the former name of this Company, were traded on the interim list of the Vancouver Stock Exchange from June 22nd, 1970 to March 9th, 1972. At the time the listing application was made Columbia Securities Ltd. agreed to act as the sponsoring broker. The principal shareholder of Columbia Securities Ltd. and two of its employees are all Directors of the Company. On the 9th of March, 1972 the Directors of the Company requested that the shares of Cosmic Nickel Mines Ltd. (N.P.L.) be delisted from the Stock Exchange.

The volume of shares traded during this period and the prices were as follows:

<u>Date</u>	<u>Volume</u>	<u>High</u>	<u>Low</u>
1970, June 22nd to December 31	238,550	61¢	48¢
1971, January 1 to August 31	260,730	81¢	20¢
September	6,000	35¢	15¢
October	9,870	22.5¢	7¢
November	4,500	12¢	8¢
December	no trading		
1972, January	no trading		
February	no trading		
March 1 - 9	200	13¢	13¢

It should be noted that after the shares were delisted from the Vancouver Stock Exchange the shares of the Company were consolidated on a one for ten basis so that after giving effect to the consolidation, the number of shares traded in March of 1972 would be 20 and the high and low would be \$1.30 and \$1.30 respectively.

### **MATERIAL CONTRACTS AND OTHER MATERIAL FACTS**

There are no material contracts or other material facts relating to the Securities offered hereby that are not disclosed elsewhere in this Prospectus. However, reference is made to the fact that Mr. J.V. San Severino is the owner of the Underwriters, Columbia Securities Ltd.

The two contracts referred to under item "Description of Business and Property of Issuer" on page 4 made between the Company and Amar Investments Ltd. may be inspected at the Registered Office of the Company at any time during normal business hours.

## **STATUTORY RIGHTS OF RESCISSION AND WITHDRAWAL**

Sections 61 and 62 of the "Securities Act," R.S.B.C. 1967 (British Columbia) provide in effect, that where a security is offered to the public in the course of primary distribution:

- (a) A purchaser has a right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last Prospectus, together with financial statements and reports as filed with the B.C. Securities Commission, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice.
- (b) A purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the Prospectus, or any amended Prospectus, offering such security, contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after expiration of 90 days from the later of the date of such contract or the date on which such Prospectus or amended Prospectus is received or is deemed to be received by him or his agent.

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

## **CERTIFICATE**

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of the Securities Act, 1967, and the regulations thereunder.

DATED the 30th day of September, 1972.

**"J.V. SAN SEVERINO"**  
James Vincent San Severino  
President and Director

**"R. GINETTI"**  
Robert Ginetti  
Secretary and Director

**"R. ROMAN"**  
Robert Roman  
Director



To the best of our knowledge information and belief the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part 8 of the Securities Act 1967 and the Regulations thereunder.

DATED the 30th day of September, 1972.

COLUMBIA SECURITIES LTD.

Per:

“J.V. SAN SEVERINO”

PROPERTY SUBMISSION ON  
THE DL MINERAL CLAIMS  
VICTORIA MINING DIVISION

FOR

NEW COSMIC INDUSTRIES LTD.

BY

A.L. DeBRISKI, B.Sc.  
under the supervision of  
S. RADVAK, P.Eng.

Vancouver, B.C.

July 6, 1972.

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## **SUMMARY**

The property is located within a geological setting comprising intrusive, volcanic and sedimentary rocks. Pyrometasomatic alteration occurs in the general area that often yields copper sulfides and iron oxides.

It is very likely that the favorable geological horizons of an adjacent property that contains many iron-copper showings continues into the DL claims. Magnetite float was encountered at one locality on the DL claims while claim staking was in progress.

Acquisition of the property is recommended at this time in order to finance and plan a basic exploration program for the DL claims.

## **GENERAL STATEMENT**

This report involves a description of the general area where mineral claims DL 1 to 10 are situated. Included within the report is a description of the regional geology of the area as well as brief observations of the local geology.

## **LOCATION AND ACCESS**

The property is located approximately fifteen miles northeast of the village of Port Renfrew on Vancouver Island. The approximate co-ordinates of the area are latitude 48° 30' and longitude 124° 20'.

Access is gained by road to the northern edge of the property. Public highway exists to Port Renfrew, then private logging roads of B.C. Forest Products are available to the property.

## **HISTORY**

Exploration activities on Vancouver Island have been intermittent and sporadic over the past sixty years. Early activities centered around gold-silver occurrences in shear zones and quartz veins with or without base metal values. Although a good many prospects received physical work in the way of surface cuts and adits, small shipments of high grade ore were made but no significant producers resulted.

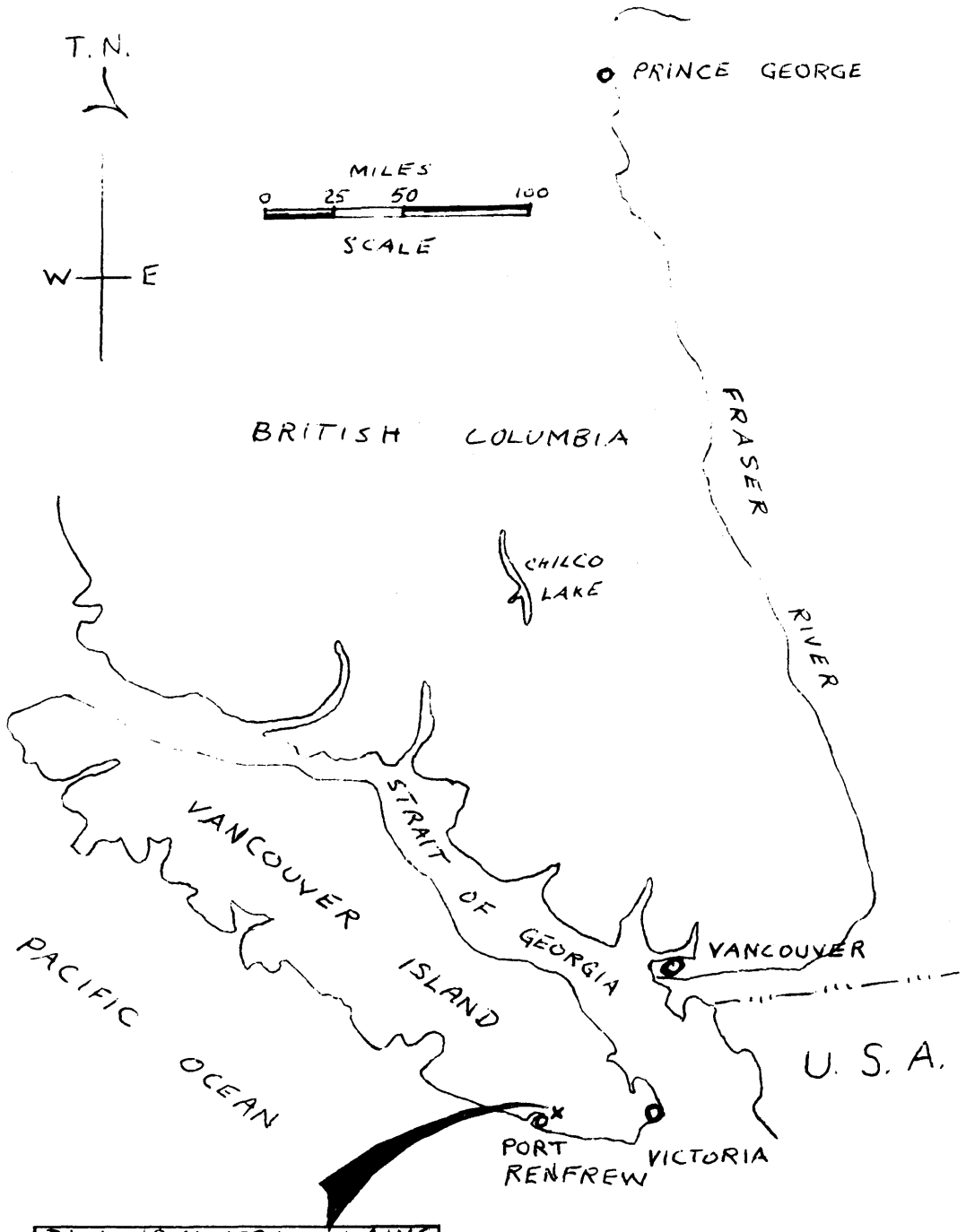
Exploration was never really at a high level on the west coast until the post-war years when Japan emerged as an important market for iron and base metals. A number of small to medium sized relatively high grade iron and copper deposits were placed in production. Among these were Brynnor, Sunro, Coast Copper, Texada, Yreka, Nimkish, Zeballos and Mt. Washington. Most of these deposits are of the contact pyrometasomatic type.

## **MINERAL DEPOSITS AND REGIONAL GEOLOGY**

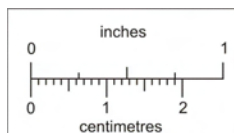
Most of the pyrometasomatic copper-iron deposits of Vancouver Island are associated with, but not necessarily in an Upper Triassic limestone unit known as the Quatsino formation where it occurs close to an igneous intrusion. The deposits rarely occur in the limestone horizon itself but in the basal part of the overlying younger sedimentary and volcanic series.

The following are some of the general characteristics of the deposits:

- nearly all deposits are at or near a contact of the Quatsino limestone.
- most of the deposits are close to intrusions of diorite or granodiorite.
- deposits are localized in areas of above average deformation.
- deposits are accompanied by alteration to skarn.
- mineralization is in relatively massive bodies.
- near every ore body, there are abundant porphyry dykes.



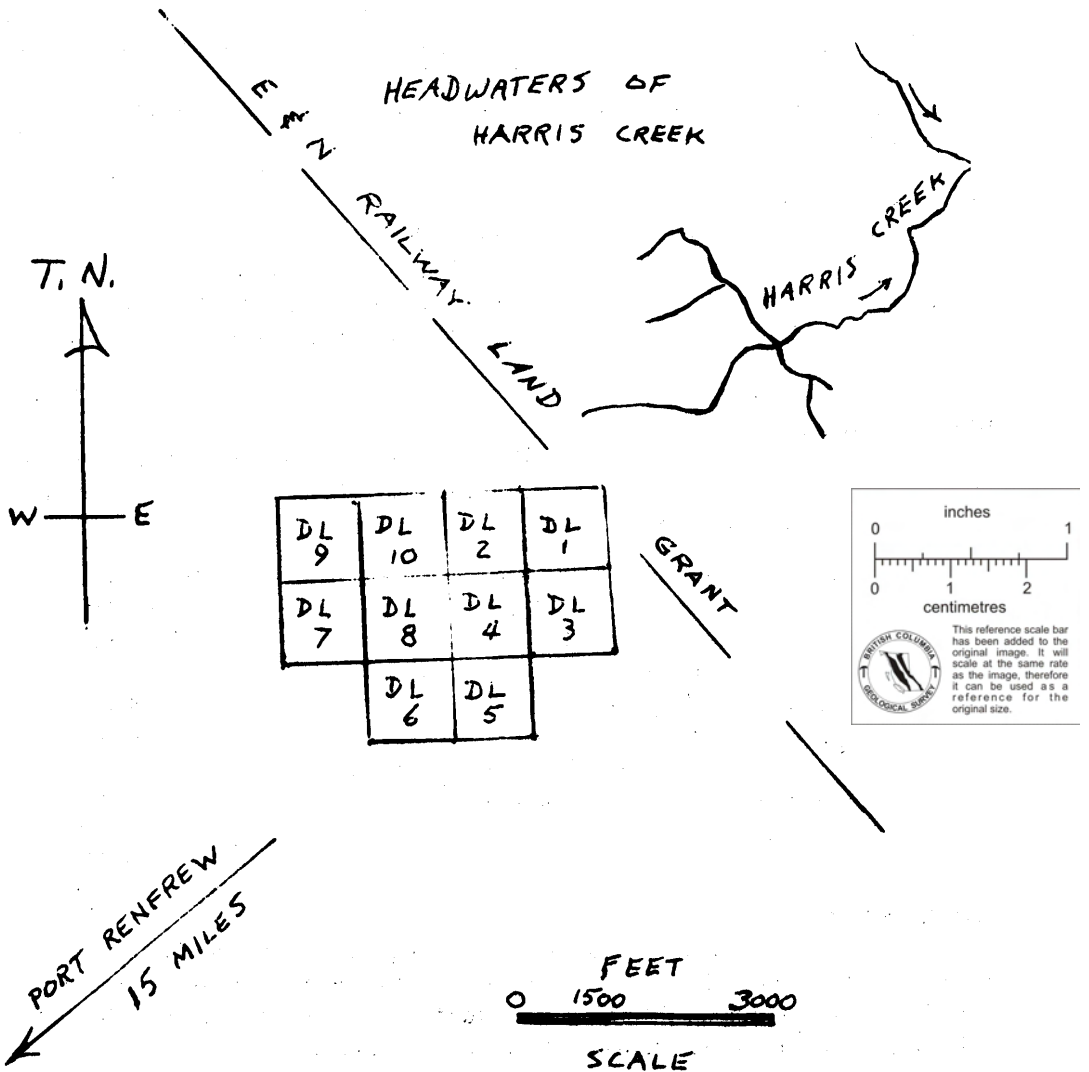
**DL 1-10 MINERAL CLAIMS**



This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.

Fig 1  
CLAIM LOCATION MAP  
DL CLAIMS  
PORT RENFREW AREA, B.C.

48.43  
124.15



NOTE: CLAIM LOCATIONS APPROXIMATE

Fig 2  
CLAIM MAP  
DL CLAIMS  
PORT RENFREW AREA, B.C.

A government geological reconnaissance map of Vancouver Island has been published and revised to July, 1971 by J.E. Muller. This map is used as a reference in describing the regional geology of the area surrounding the DL claims.

The area is underlain by sedimentary, volcanic and igneous rocks. There is a volcanic assemblage of lower Jurassic and possibly younger age known as the Bonanza Volcanics, a sedimentary assemblage of Upper Triassic age known as the Quatsino Limestone and Parson Bay Formation which overlies another volcanic assemblage of Upper Triassic and possibly older age known as the Karmutsen Volcanics. The Island Intrusions of an acidic nature are of Middle and possibly Upper Jurassic age and intrude the Bonanza Volcanics.

### LOCAL GEOLOGY

A volcanic assemblage consisting of altered andesites and tuffs is known to exist in the area of the DL claims. In the adjacent area to the DL claims the volcanics are in contact with a limestone horizon that contains several known showings of magnetite and copper bearing minerals. Intrusive rocks consisting of diorite, minor amounts of diabase and porphyry dykes exist within the volcanics of the adjacent area.

### RECOMMENDATIONS

A magnetometer and geochemical survey is recommended for the property that should not be in excess of \$8,000.00 as a preliminary study to evaluate the potential of the DL claims. This sum should be distributed as follows:

Line cutting – 13 mi. @ \$100/mile	\$1,300.00
Magnetometer survey – @ \$100/mile	1,300.00
Geochemical survey – @ \$100/mile	1,300.00
Soil analyses – 676 samples @ \$1.25/sample	844.00
Supervision and Expediting	1,000.00
Equipment (rental and purchase)	1,000.00
Board and room (2 men – 30 days @ \$10/man/day)	600.00
Contingencies (consulting, reports, etc.)	656.00
	<hr/>
Total	\$8,000.00

### CONCLUSIONS

The local area about the DL claims has a geological environment that is common to several producing and past producing mines that have developed orebodies of a pyrometasomatic nature.

The physical setting of the property is attractive in that road access is available to the property and a deep sea port is located approximately thirty miles distant by road.

Respectfully submitted

“S. RADVAK”  
S. Radvak, P.Eng.

## **CERTIFICATE OF QUALIFICATION**

I, STEVE RADVAK, Certify as follows:

1. I am a practising Mining Engineer with an office at No. 1635-555 Burrard Street, Vancouver, British Columbia.
2. I am a graduate of the University of British Columbia with a degree of Bachelor of Science in Mining Engineering.
3. I have practised my profession in exploration, development and production as a Mining Engineer for 15 years.
4. I am a member of the Association of Professional Engineers of British Columbia, Certificate Number 6078.
5. I have no interest direct or indirect in the properties or securities of New Cosmic Industries Ltd. nor do I expect to receive any.

**"S. RADVAK"**

Steve Radvak, P.Eng.

Vancouver, B.C.

July 6, 1972.

## **CERTIFICATE OF QUALIFICATION**

I, ARTHUR LEONARD DeBRISKE, Certify as follows:

1. I am a practising geologist and reside at 625 Dickens Street, Trail, B.C.
2. I am a graduate of the University of British Columbia with a degree of Bachelor of Science in Geology and Zoology.
3. I have practised my profession in exploration, development and production as a Geologist for 6 years.
4. I have no interest direct or indirect in the properties or securities of New Cosmic Industries Ltd. nor do I expect to receive any.
5. The claims were properly staked and recorded under my supervision.

**"A.L. DeBRISKE"**

A.L. DeBriske, B.Sc.

Vancouver, B.C.

July 6, 1972.

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**Rose, Gale & Co.**  
CHARTERED ACCOUNTANTS

To the Shareholders,  
New Cosmic Industries Ltd.  
(formerly Cosmic Nickel Mines Ltd. (N.P.L.))

We have examined the balance sheet of New Cosmic Industries Ltd. as at August 31, 1972 and statement of deferred exploration, development and administration expenses and source and application of funds for the period then ended. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at August 31, 1972 and the results of its operations and source and application of its funds for the period then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

**"ROSE, GALE & CO."**  
Chartered Accountants

Vancouver, Canada  
September 13, 1972.

**NEW COSMIC INDUSTRIES LTD.**  
(formerly Cosmic Nickel Mines Ltd. (N.P.L.))

**BALANCE SHEET AS AT AUGUST 31, 1972**  
(with comparative figures as at February 29, 1972)

**ASSETS**

	<u>August 31</u> <u>1972</u>	<u>February 29</u> <u>1972</u>
<b>CURRENT</b>		
Cash	\$ 11,331.84	\$ 13,835.18
<b>MINERAL PROPERTIES (Note 1)</b>	7,500.00	1.00
<b>EQUIPMENT, at cost</b>	286.53	286.53
<b>DEFERRED EXPENSES</b>		
Exploration, development and administration	18,558.10	16,078.16
Incorporation and re-organization costs	<u>584.00</u>	<u>584.00</u>
	<u>19,142.10</u>	<u>16,662.16</u>
	<u><u>\$ 38,260.47</u></u>	<u><u>\$ 30,784.87</u></u>

**LIABILITIES**

<b>CURRENT</b>		
Accounts payable	\$ —	\$ 23.40
<b>SHAREHOLDERS' EQUITY</b>		
Share Capital (Note 2)	77,315.93	78,015.93
Deficit:		
Balance, beginning of period	(47,254.46)	—
Cost of mineral properties and options abandoned and expenditures applicable thereto	(1.00)	(47,254.46)
Less: Shares surrendered to the company by way of gift	<u>8,200.00</u>	<u>—</u>
	<u>(39,055.46)</u>	<u>(47,254.46)</u>
	<u><u>\$ 38,260.47</u></u>	<u><u>\$ 30,784.87</u></u>

**ON BEHALF OF THE BOARD:**

“J.V. SAN SEVERINO”                      Director  
“R.J. GINNETTI”                              Director

**NEW COSMIC INDUSTRIES LTD.**  
**(formerly Cosmic Nickel Mines Ltd. (N.P.L.))**

**NOTES TO FINANCIAL STATEMENTS**  
**AS AT AUGUST 31, 1972**

**1. Mineral Properties**

The company has acquired a number of mineral claims in the Victoria Mining Division for 750,000 escrow shares. As at August 31, 1972 the claims were not registered in the company's name and the shares were not issued.

**2. Share Capital**

Authorized: 5,000,000 shares without nominal or par value

Issued and fully paid:

	<u>Number</u>	<u>Value</u>
Balance, beginning of period	1,733,306	\$ 78,015.93
Less: Shares surrendered to the company by way of gift	<u>830,000</u>	<u>8,200.00</u>
	<u>913,306</u>	<u>\$ 69,815.93</u>
Consolidation of all share capital on the basis of one new share of the company for ten old shares of Cosmic Nickel Mines Ltd. (N.P.L.)	91,330	69,815.93
Shares subscribed by way of consideration of mineral property but not issued	<u>750,000</u>	<u>7,500.00</u>
	<u><u>841,330</u></u>	<u><u>\$ 77,315.93</u></u>

**NEW COSMIC INDUSTRIES LTD.**  
**(formerly Cosmic Nickel Mines Ltd. (N.P.L.))**

**STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT  
AND ADMINISTRATION EXPENSES**

**FOR THE PERIOD ENDED AUGUST 31, 1972**

**(with comparative figures for the period ended February 29, 1972)**

	February 29 <u>1972</u>	Expenditures for Period	August 31 <u>1972</u>
<b>EXPLORATION AND DEVELOPMENT</b>			
Assays	\$ 922.34	\$ —	\$ 922.34
Licences and fees	1,349.00	250.00	1,599.00
Wages and benefits	2,432.55	—	2,432.55
Engineering fees	5,610.62	—	5,610.62
Accommodation and meals	908.37	—	908.37
Travel	361.50	—	361.50
Equipment rental	878.58	—	878.58
Drilling	11,328.01	—	11,328.01
Bulldozing	851.96	—	851.96
General expense	111.53	—	111.53
	<u>24,754.46</u>	<u>250.00</u>	<u>25,004.46</u>
<b>ADMINISTRATION</b>			
Advertising	116.24	—	116.24
Legal and audit	5,970.05	1,510.22	7,480.27
Listing fees	2,350.00	—	2,350.00
Office expenses	3,112.55	41.03	3,153.58
Printing and stationery	3,970.37	393.63	4,364.00
Transfer agency fees	1,086.44	603.66	1,690.10
	<u>16,605.65</u>	<u>2,548.54</u>	<u>19,154.19</u>
Less: Interest earned	527.49	318.60	846.09
	<u>16,078.16</u>	<u>2,229.94</u>	<u>18,308.10</u>
	40,832.62	2,479.94	43,312.56
Less: Expenditures applicable to mineral properties and options abandoned, transferred to deficit	<u>24,754.46</u>	—	<u>24,754.46</u>
	<u>\$ 16,078.16</u>	<u>\$ 2,479.94</u>	<u>\$ 18,558.10</u>

**NEW COSMIC INDUSTRIES LTD.**  
(formerly Cosmic Nickel Mines Ltd. (N.P.L.))

**STATEMENT OF SOURCE AND APPLICATION OF FUNDS**  
**FOR THE FIVE MONTHS ENDED AUGUST 31, 1972**  
(with comparative figures for the year ended February 29, 1972  
and the period ended February 28, 1971)

	<u>August 31</u> 1972	<u>February 29</u> 1972	<u>February 28</u> 1971
<b>SOURCE OF FUNDS</b>			
Working capital transferred from Malabar Mining Co. Ltd. (N.P.L.)	\$ —	\$ —	\$ 7,716.89
Cosmic-Lode Mines Ltd. (N.P.L.)	—	—	(2,488.49)
	<u>—</u>	<u>—</u>	5,228.40
Proceeds from sale of shares	—	—	50,000.00
Interest earned	318.60	527.49	—
	<u>318.60</u>	<u>527.49</u>	<u>55,228.40</u>
<b>APPLICATION OF FUNDS</b>			
Exploration and development expense	250.00	15,198.09	9,556.37
Administration expense	2,548.54	3,255.18	13,350.47
Incorporation and re-organization expense	—	—	584.00
	<u>2,798.54</u>	<u>18,453.27</u>	<u>23,490.84</u>
<b>INCREASE (DECREASE) IN WORKING CAPITAL</b>	(2,479.94)	(17,925.78)	31,737.56
<b>WORKING CAPITAL, beginning of period</b>	<u>13,811.78</u>	<u>31,737.56</u>	—
<b>WORKING CAPITAL, end of period</b>	<u>\$ 11,331.84</u>	<u>\$ 13,811.78</u>	<u>\$ 31,737.56</u>

**C A N T E X**  
**ENGINEERING & CONSTRUCTION**  
CO. LTD.

**PH. 492-5931**

R.R. No. 1, Naramata Rd.,  
Penticton, B.C.  
September 7, 1972

Amar Investments Ltd.,  
c/o Mr. Jim San Severino,  
Suite 711, 543 Granville St.,  
Vancouver, B.C.

Dear Sirs:

Reference is made to our recent telephone conversation wherein you requested that I inspect D.L. 3775 and the southerly half of D.L. 3779, O.D.Y.D. with a view to determining road construction costs.

The area was inspected on September 4, 1972. It is approximately 10 miles west of Summerland. The first 4 miles of road leaving Summerland are known to be public roads which are maintained by the Department of Highways. The status of the remaining 6 miles of road is not known. This section of road is single lane and varies from fair to very rough. It would have to be improved in order that the proposed subdivision have adequate all weather access. The cost of improving this road to a 24' width, with maximum 10% grades, and an all weather pit run gravel surface will be approximately \$15,000.00 per mile for a total cost of approximately \$90,000.00. If this is a public road the Department of Highways may be prepared to improve the road or share in the cost of improvements.

The length of road which will have to be built within the proposed subdivision as shown on Chapman and Associates Plan No. 2718 is approximately 8,000' of new road and 3,200' of reconstruction of the existing road. It is not known at this time what the Department of Highways requirements for road construction will be, but it is probable that they will require a 24' wide pit run gravel surface built for all-weather conditions. The cost of clearing and construction of this section of roadway is estimated to be approximately \$20,000.00 per mile for a total cost of approximately \$43,000.00.

The cost of R/W acquisition, should this be required, is not included in the above cost approximations.

The above cost approximations are derived from an on-site inspection coupled with extensive past experience in this field of work. No surveys were carried out nor exact quantities established.

September 7, 1972

Provided these limitations are realized, the cost approximations provided should serve as a useful guide in establishing the economic feasibility of subdivision. Once the Department of Highways reply to the tentative subdivision proposal and stipulate their exact requirements with respect to access and road construction it will be possible to make a more accurate estimate of road development costs.

Trusting the above information will be of some assistance to you.

Yours very truly,

CANTEX ENGINEERING & CONSTRUCTION  
CO. LTD.

"J.H. PANKIW"  
J.H. Pankiw, P.Eng.,  
President.

JHP:fp

**C A N T E X**  
**ENGINEERING & CONSTRUCTION**  
CO. LTD.

**PH. 492-5931**

R.R. No. 1 Naramata Rd.,  
Penticton, B.C.  
October 16, 1972.

New Cosmic Industries Ltd.,  
c/o Shulman, Tupper & Co.,  
1710 - 1177 W. Hastings,  
Vancouver 1, B.C.

Dear Sir:

Reference is made to my report dated September 7, 1972 which provided cost estimates and related information on road improvements relative to the subdivision of D.L. 3775 and the southerly half of D.L. 3779, O.D.Y.D.

As per the telephoned request of Mr. Walker of Shulman, Tupper and Co., this letter constitutes my consent for this report dated September 7, 1972 and addressed to Amar Investments Ltd., to be used in the prospectus of New Cosmic Industries Ltd.

Regarding my professional qualifications, I am a graduate of the University of Alberta in Civil Engineering, and I am a member in good standing of the Association of Professional Engineers of B.C.

Regarding the property referred to above, this certifies that I have no interest therein, and I have no interest in nor hold any securities of New Cosmic Industries Ltd.

Trusting the above statement fulfill your requirements with respect to your prospectus.

Yours very truly,

CANTEX ENGINEERING & CONSTRUCTION  
CO. LTD.,

"J.H. PANKIW"  
J.H. Pankiw, P.Eng.,  
President.

JHP:fp



***SIMILKAMEEN SURVEY SERVICES LTD.***

IN ASSOCIATION WITH —  
RICHARD CHAPMAN & ASSOCIATES, B.C. LAND SURVEYORS  
ALAN R. COLBY, B.SC., P.ENG., CONSULTING ENGINEER

TELEPHONE 492-5903  
264 WESTMINSTER AVENUE WEST  
PENTICTON, B.C.

FILE 2718<sup>S</sup>.

September 8th, 1972.

New Cosmic Industries Ltd.  
543 Granville Street  
Vancouver, B.C.

Attention: Mr. San Severino

Dear Sir;

RE: Feasibility Report on Proposed Subdivision of  
District Lot 3775 and South 1/2 of District  
Lot 3779, Osoyoos Division Yale District

At the invitation of Mr. Brant Howard, P.Eng., of Interior Contracting Ltd., the writer accompanied Mr. Howard, the property owners and their representatives on an inspection tour of the above property on August 22nd with a view to assessing its suitability for development into recreational homesites. This report is based on ground observations at that time and subsequent records office searches.

1) GENERAL DESCRIPTION

The property comprises 480 acres and is located astride the road to Isintok Lake, south of Trout Creek and approximately 10 miles by road west of Summerland, B.C.

It lies at an average elevation of 3750 feet above sea level with a total elevation differential of 500 feet between the northeast and southwest corners. The larger part of the property is open woodland sloping gently to the northeast, with an area of heavier woodland towards the southeast corner in the vicinity of Liddell Creek. The timber is mostly second-growth fir and aspen having little commercial value.

2) ACCESS

The property is served by a gravel road leading to Isintok Lake and the B.C. Telephone Company's microwave station on Isintok Mountain. The road runs generally westward from a turnoff on the Shingle Creek Road approximately one mile west of Trout Creek and four miles north of the Brent Mountain Ski Road junction. The status of the Isintok Road is presently being ascertained from the District Highways Department in Kelowna.

3) **ZONING**

The land lies within the Regional District of Okanagan-Similkameen, Electoral Area 'D', and its present zoning classification is "FG" (Forestry Grazing). Zoning By-law No. 100 Sec. 12 (4) permits minimum site areas of 10 acres in "FG" Districts.

4) **SUBDIVISION DEVELOPMENT APPROVALS**

As the land lies outside Municipal boundaries the agency responsible for approving a subdivision development will be the Department of Highways. This Department also sets the standards for new road construction and any access requirements. Approvals are generally based on recommendations from the Regional Planning Officer and are not unreasonably withheld.

5) **CONCLUSIONS**

The location of this property in a recreational area noted for its up-to-date skiing facilities and good hunting and fishing adjacent to several fast-growing communities in the Okanagan Valley is felt to make it suitable for recreational homesites for year-round use. The feasibility of such development will depend to a large extent on road construction costs, which as envisaged will involve approximately two miles of new interior service road together with some improvements on the Isintok Road leading to the property. The existence of a power line along this present access road may mean that power could be made available quite easily to the proposed development; however, this would have to be negotiated with the B.C. Hydro, who we understand are the owners.

In accordance with your instructions a subdivision proposal totalling 47 - Ten Acre lots has been prepared and submitted to the District Engineer for the Department of Highways of Kelowna for their approval in principle. Four copies of the plan are enclosed herewith for your records.

Respectfully submitted for your consideration.

"R. CHAPMAN"  
Richard Chapman

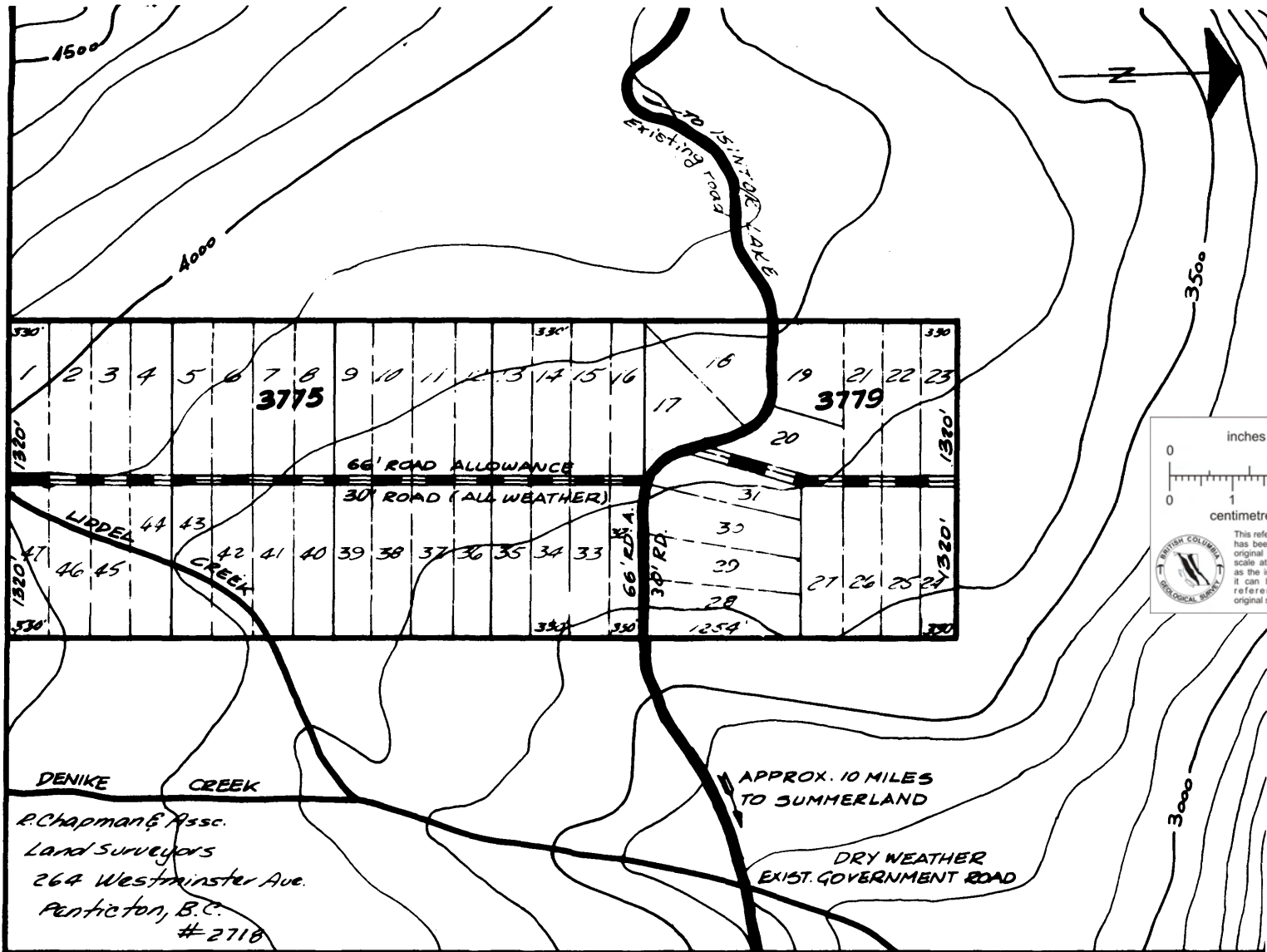
**CERTIFICATE OF QUALIFICATION**

I, Richard Chapman, CERTIFY THAT:

- 1) I am a duly authorized Land Surveyor for the Province of British Columbia, residing at Penticton, B.C.
- 2) I am a member in good standing of the Corporation of British Columbia Land Surveyors. A Professional Associate of the Royal Institution of Chartered Surveyors, London, England. A Professional Member of the Real Estate Institute of British Columbia.
- 3) I have practised my profession as a Surveyor for the past 25 years with: -  
The Government of Kenya from 1947 to 1953,  
Mr. J.W. Hill, D.L.S., A.L.S., Edmonton, Alberta in 1954,  
McElhanney & Associates, Vancouver, from 1955 to 1959,  
and in private practice in Penticton since 1960.
- 4) During the last 10 years I have specialized in land-use planning and residential and recreational subdivision design and developments in the Southern Okanagan.
- 5) I hold no interest in shares or assets of New Cosmic Industries Ltd. nor in the lands being purchased by the Company and referred to in my report dated September 8th, 1972.

"R. CHAPMAN"  
Richard Chapman, B.C.L.S.

Dated this 12th day of October, 1972.



inches  
0 1  
0 1 2  
centimetres

This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.

R. Chapman & Assc.  
Land Surveyors  
264 Westminister Ave.  
Penticton, B.C.  
#2710

APPROX. 10 MILES  
TO SUMMERLAND

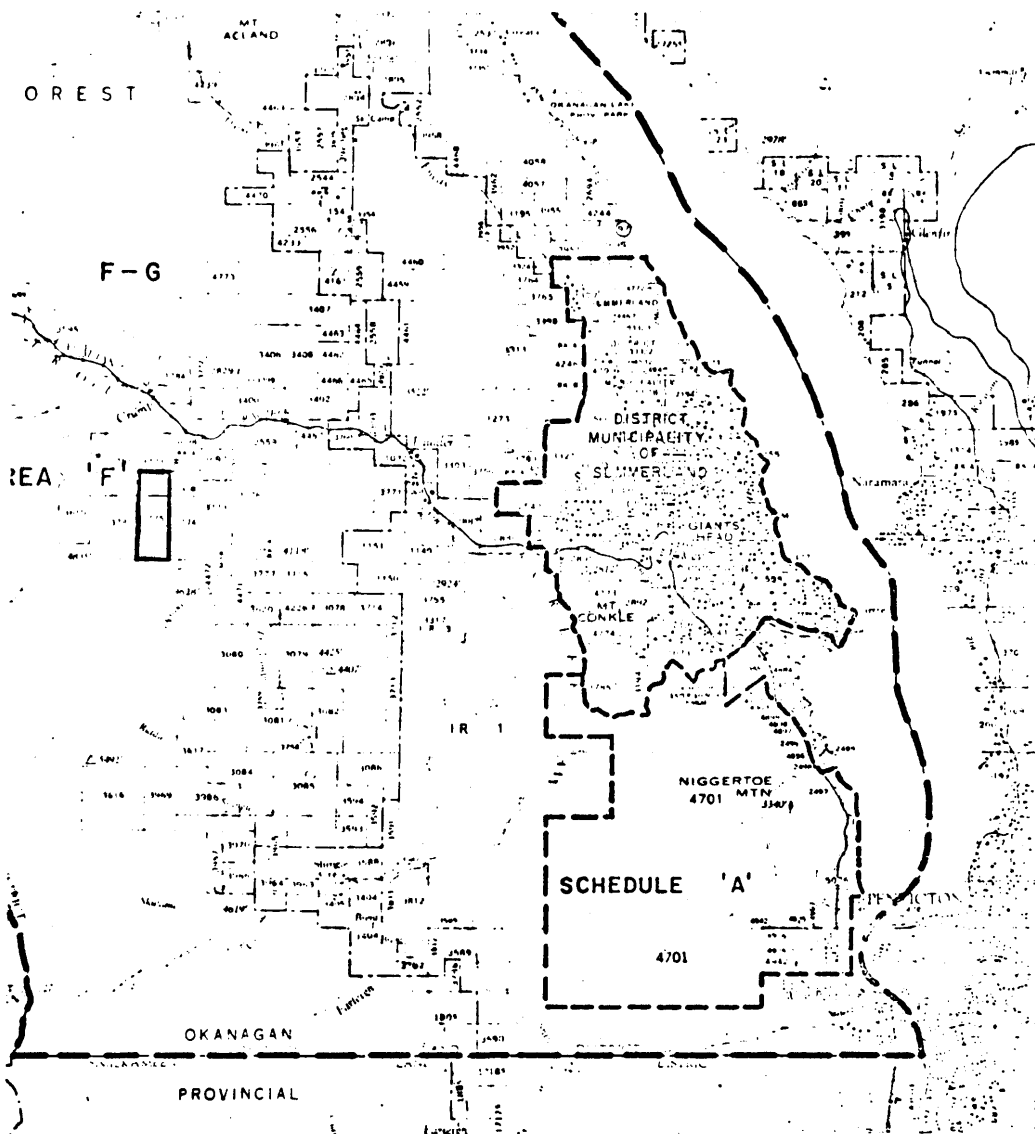
DRY WEATHER  
EXIST. GOVERNMENT ROAD

**PROPOSED SUBDIVISION OF D. L.'S 3775 & SOUTHERLY HALF OF 3779**

Scale: 1" = 750'

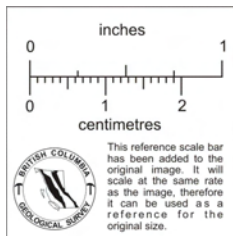
Note: Minimum Lot size 10 Acres

**O.O.Y.O.**



**BYLAW N° 68**  
**AMENDMENT BYLAW N° 120**  
**SCHEDULE "B"**

This is the Official Zoning Map of the  
 Regional District of Okanagan-Similkameen  
 referred to in By-law No. 120, the Electoral  
 Area "F" Zoning By-law No. 68, Amendment  
 By-Law No. 120, 1971.



**NEW COSMIC  
INDUSTRIES LTD.**

**PROSPECTUS**