

92F289 PROPERTY FILE

TORO, MIKE 92F/16W (092F 290)
DOE, COOT 92F/16W (092F 289)
007533 FILE

CARACAS MINING CO. LTD. (N.P.L.)

Incorporated Under the Laws of the Province of British Columbia

P R O S P E C T U S

DATE: October 6, 1970

NEW ISSUE
300,000
COMMON SHARES

PROPERTY FILE

	Price to Public	Commission	Proceeds to Issuer If All the Shares Are Sold
Per Unit	40¢	10¢	30¢
TOTAL	\$120,000.00	\$30,000.00	\$90,000.00

THERE IS NO EXISTING MARKET FOR THE COMPANY'S SECURITIES.

A PURCHASE OF THE SHARES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION SINCE THE COMPANY'S MINERAL CLAIMS ARE STILL ONLY IN THE EXPLORATION STAGE. IF ALL THE SHARES OFFERED UNDER THIS PROSPECTUS ARE SOLD, THEN THE INSIDERS OF THE COMPANY WILL HOLD 62% OF THE SHARES, 57.1% WILL HAVE BEEN ISSUED FOR PROPERTY AND HELD SUBJECT TO ESCROW RESTRICTIONS AND 42.8% WILL HAVE BEEN SOLD FOR CASH.

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

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

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NAME AND INCORPORATION OF ISSUER

The name of the Company is CARACAS MINING CO. LTD. (N.P.L.). The head office of the Company is 1086 West 17th Street, North Vancouver, British Columbia. The address of the Registered Office of the Company is Suite 534 - 789 West Pender Street, Vancouver, British Columbia. The Company was incorporated under the laws of the Province of British Columbia on the 20th day of June, 1967 by Memorandum and Articles of Association. The Company was incorporated as a Private Company and converted to a Public Company on the 5th day of October, 1970.

PLAN OF DISTRIBUTION

The Company offers by this Prospectus 300,000 shares of its capital stock at 40¢ per share. Shares of this issue will be sold through salesmen or companies registered under the Securities Act 1967, and they will be paid a commission of up to 25% or 10¢ per share for each share sold. The Company may also sell its shares directly to the public through trading directors registered under the Securities Act 1967, in which case it may allow a commission of up to 25% or 10¢ per share for each share subscribed for. Trading directors of the Company will not be paid any commission for shares sold under this prospectus.

DIRECTORS AND OFFICERS

<u>Names and Addresses</u>	<u>Principal Occupations for Past Five Years</u>	<u>Office</u>
Christian Pfeiffer 1086 W. 17th Street North Vancouver, B.C.	Mutual Funds Distributor and Securities Salesman	President
George A. Woodbury 772 Blythwood Drive North Vancouver, B.C.	Manager, General Accounting Department, B.C. Hydro and Power Authority, Vancouver, B.C.	Secretary
Mark A. Toews 29 Clovermeadows Cres. R.R. 7, Langley, B.C.	Controller, Lamb-Cargate Industries Ltd., New Westminster, B.C.	Vice-President

CAPITALIZATION

<u>Designation of Security</u>	<u>Amount Authorized To Issue</u>	<u>Amount out- standing at July 6, 1970 Balance Sheet</u>	<u>Amount out- standing at October 6th, 1970</u>	<u>Amount out- standing if all securities being issued are sold</u>
Common Shares Par Value 50¢	5,000,000	998,000	1,013,000	1,313,000

SECURITIES SOLD FOR CASH

Particulars of shares sold for cash and issued for property are as follows:

<u>Number of Shares</u>	<u>Price Per Share</u>	<u>Net Cash Received</u>	<u>Commission Paid</u>
102,000 shares	10¢	\$10,200.00	Nil
* 161,000 shares	25¢	\$41,250.00	Nil

* 30,000 of the above shares sold at 25¢ per share were issued within the last 12 months.

750,000 shares were issued for property at a deemed price of 10¢ per share (see caption "Description of Business and Property of Issuer"). Christian Pfeiffer, a director of the Company, has agreed to surrender 75,000 escrowed shares held by him to the Company at its next annual meeting. The aforesaid surrender is subject to the approval of the shareholders.

DESCRIPTION OF SHARE CAPITAL STRUCTURE

The share capital of the Company is divided into one class of shares only. All shares issued by the Company rank equally as to dividends, voting rights and as to any distribution of assets on winding up or liquidation. There are no agreements limiting the payment of dividends and there are no conversion rights, special liquidation rights, pre-emptive rights or subscription rights.

USE OF PROCEEDS TO ISSUER

The estimated net proceeds to be derived by the Company from the sale of the securities offered hereby is \$90,000.00 and such proceeds will be expended as follows:

1. Conduct the exploration program recommended by R.W. Phendler, P. Eng., of Bacon & Crowhurst Ltd., in his report dated June 9th, 1970, on the Dodd Lake Properties, a copy of which is attached hereto and forms part of this prospectus, particulars of which are as follows:

PHASE I

Bruce Group

Linecutting — 12 miles @ \$150/mi.	\$ 1,800.00	
Induced polarization — 12 miles @ \$500/mi.	6,000.00	
Engineering and geology	1,500.00	

Coot and Doe Group

Linecutting — 25 miles @ \$150/mi.	3,750.00	
300 soil samples — collection @ \$1.50/sample	450.00	
300 soil samples — analyzing @ \$1.50/sample	450.00	
Geological mapping	1,500.00	

Mike Group

Linecutting — 21 miles @ \$150/mi.	3,150.00	
200 soil samples — collection @ \$1.50/sample	300.00	
200 soil samples — analyzing @ \$1.50/sample	300.00	
Geological mapping	1,600.00	

Toro Group

Geological reconnaissance and prospecting	1,500.00	\$ 22,300.00
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PHASE II

Bruce Group

Diamond drilling — 3,500' of BQ @ \$12/ft.	42,000.00	
Engineering and geology control	2,000.00	44,000.00
Consulting fees and supervision for Phase I & II		2,000.00
Plus 10% contingencies for Phase I & II		<u>6,830.00</u>

Total		\$ 75,130.00
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2. Legal, audit, administration and miscellaneous contingencies 7,370.00
3. Property payments 7,500.00

GRAND TOTAL		<u>\$ 90,000.00</u>
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If the proceeds realized from the sale of the securities are insufficient to satisfy all the payments of the above expenditures, then the work described in Phase I of Bacon & Crowhurst Ltd.'s report dated June 9, 1970 and satisfaction of the property payments on the Bruce Group will take priority.

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

No part of the proceeds 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 which securities offered by this Prospectus may be lawfully sold. Should the Company propose to use the proceeds to acquire non-trustee type securities after initial distribution of the securities offered by this Prospectus, approval by the shareholders must be obtained and disclosure must be made to the securities regulatory bodies having jurisdiction over the sale of the securities offered by this Prospectus.

DESCRIPTION OF BUSINESS AND PROPERTY OF ISSUER

The business of the Company is the acquisition, exploration and development of mineral claims and properties. It has carried on this business since its incorporation.

Dodd Lake Claims

The Company is the recorded owner of the following located mineral claims, all of which are situate in the Vancouver Mining Division, Province of British Columbia:

<u>Claim Name</u>	<u>Record Number</u>	<u>Expiry Date</u>
Mike 1 - 12	16651 - 16662	December 4, 1970
Mike 13 - 15	16849 - 16851	January 12, 1971
Coot 1 - 25	16586 - 16610	December 4, 1970
Toro 1 - 12	16611 - 16622	December 4, 1970
Doe 1 - 28	16623 - 16650	December 4, 1970
Bruce 1 - 6	12178 - 12183	August 2, 1972

The Company acquired all of the aforementioned claims by staking, except the Bruce 1 - 6 and Mike 1 - 12 claims. The Mike 1 - 12 claims were purchased outright from Christian Pfeiffer, a director of the Company, of 1086 West 17th Street, North Vancouver, British Columbia, by agreement dated December 23rd, 1969, for 750,000 escrowed shares of the Company and \$12,000.00. The Company acquired the right to purchase the Bruce 1 - 6 claims from Mary V. Boylan, 3600 Marine Drive, Powell River, British Columbia, for \$1,000,000.00 pursuant to an agreement dated May 6th, 1970 and amended September 2nd, 1970. \$1,500.00 has been paid under the said agreements and the Company must pay \$5,000.00 on or before February 5th, 1971, \$2,500.00 on or before November 5th, 1971 and a further \$2,500.00 every 6 months thereafter until May 5th, 1975. In addition, \$10,000.00 must be paid on May 5th, 1976 and each year thereafter the Company must pay either \$10,000.00 or 5% of the net smelter returns derived from the claims, whichever is the greater sum, until \$1,000,000.00 has been paid.

The Dodd Lake claims are located 70 miles northwest of Vancouver and 10 miles northeast of Powell River, British Columbia. Access to the claims is by logging road which leaves Highway 101 at Lang Bay, approximately 13 miles southeast of Powell River. The Bruce, Coot and Doe claims are contiguous while the Mike and Toro claims are separate and lie approximately 3 and 4 miles southwest and northwest respectively of the other group of claims.

In 1967 Falconbridge Nickel Mines Ltd. did geological mapping, soil sampling, magnetic surveys, self potential and electromagnetic surveys, trenching and diamond drilled 9 holes on the Bruce claims.

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

The Company must do \$100.00 worth of work each year on each claim or pay \$100.00 in lieu thereof and

make the aforementioned option payments to keep the claims in good standing.

The Company has done prospecting work on the claims and has employed Bacon & Crowhurst Ltd. to prepare a report dated June 9th, 1970, a copy of which is attached hereto and forms part of this prospectus.

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

Balsam Claims

The Company is the recorded holder of the following located mineral claims, all of which are situate approximately 16 miles north of Kamloops in the Kamloops Mining Division, Province of British Columbia:

<u>Claim Name</u>	<u>Record Number</u>	<u>Expiry Date</u>
Balsam 1 - 27	84948 - 84974	October 29, 1970

The Company acquired the Balsam claims from Larry R.H. Sostad, 205 - 130 West 17th Street, North Vancouver, British Columbia, for \$2,500.00 by Bill of Sale dated October 29th, 1969.

The Company does not intend to spend any of the proceeds from this offering on the Balsam claims with the exception of completing assessment work.

PROMOTERS

Christian K.H. Pfeiffer, a director of the Company, may be considered the promoter of the Company. Reference is made to the caption "Description of Business and Property of Issuer" wherein the interests of Christian K.H. Pfeiffer in a property acquired by the Company is disclosed. Mr. Pfeiffer received 750,000 escrowed shares and \$12,000.00 for his interest in the Mike 1 - 12 claims and \$5,600.00 for managerial services rendered since the incorporation of the Company. The cost of the Mike 1 - 12 claims to Mr. Pfeiffer was \$375.00 together with approximately 4 visits to the area at a cost of \$150.00 per visit.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

Christian Pfeiffer has received \$5,600.00 for managerial services since the incorporation of the Company. The Company will not pay any remuneration to its Directors and Senior Officers during the current fiscal year ending July 6th, 1971.

ESCROWED SHARES

Certificates representing 750,000 shares referred to below are held in escrow by the Guaranty Trust Company of Canada, 540 Burrard Street, Vancouver, British Columbia, subject to release only with the written consent of the Superintendent of Brokers for the Province of British Columbia. The shares may not be traded in or dealt with in any manner without the consent of the Superintendent of Brokers and in the event of the Company abandoning or discontinuing development of the property for which the shares were issued, the Superintendent of Brokers may require all or part of the escrowed shares to be surrendered to the Company.

<u>Designation of Class</u>	<u>Number of Shares Held in Escrow at October 6th, 1970</u>	<u>Percentage of Class</u>
Common Shares	750,000	* 74%

Christian K.H. Pfeiffer, the holder of 706,000 escrowed shares, all of which were issued as consideration for the Mike 1 - 12 claims, (reference is made to the caption "Description of Business and Property of Issuer") has agreed to surrender 75,000 of his escrowed shares. The surrender, which is subject to the consent of a majority of the members of the Company, will reduce the escrowed shares to 675,000.

259,000 shares sold for cash have been pooled with the Guaranty Trust Company, 540 Burrard Street, Vancouver, British Columbia, not to be transferred or sold until 60 days after the sale of the shares offered by this Prospectus or without the consent of the Superintendent of Brokers.

* calculated on the basis of there being 1,013,000 shares issued and outstanding.

PRINCIPAL HOLDERS OF SHARES

To the knowledge of the Company, only the following person owns more than 10% of any class of shares of the Company as at October 6th, 1970:

<u>Name and Address</u>	<u>Type of Ownership</u>	<u>Class and No. of Shares Owned</u>	<u>Percentage of Class</u>
Christian Pfeiffer 1086 W. 17th Street North Vancouver, B.C.	Direct	781,000 Common	* 77%

The following table shows the respective percentage holdings of the Directors and Senior Officers of the Issuer as a group:

<u>Designation of Class</u>	<u>Percentage of Class</u>
Common Shares	* 80.4%

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Reference is made to the caption "Description of Business and Property of Issuer" for the shares issued to Directors for property.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The Auditors of the Company are Gunderson, Stokes, Walton & Co., 475 Howe Street, Vancouver, British Columbia.

The Company's Registrar and Transfer Agent is the Guaranty Trust Company of Canada, 540 Burrard Street, Vancouver, British Columbia.

PURCHASER'S STATUTORY RIGHTS OF RESCISSION

Section 61 and 62 of the Securities Act, 1967 (British Columbia) provide in effect, that where a security is offered to the public in the course of primary distribution:

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

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

OTHER MATERIAL FACTS

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

* calculated on the basis of there being 1,013,000 shares issued and outstanding.

CERTIFICATE

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

DATED at Vancouver, British Columbia this 6th day of October, A.D. 1970.

"CHRISTIAN PFEIFFER"

Director and Promoter

"M. A. TOEWS"

Director

"G. A. WOODBURY"

Director

GUNDERSON STOKES WALTON & CO.

CHARTERED ACCOUNTANTS

VANCOUVER – VICTORIA – PENTICTON
BRITISH COLUMBIA

AUDITORS' REPORT

To the Directors of
Caracas Mining Co. Ltd. (N.P.L.)

We have examined the balance sheet of Caracas Mining Co. Ltd. (N.P.L.) as at July 6, 1970 and the statements of deferred exploration, development and administration costs and source and application of working capital for the period June 20, 1967 to July 6, 1970. 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.

Our verification in respect to mineral claims was limited to verification of the registered title at the British Columbia Department of Mines and Petroleum Resources.

In our opinion, subject to the limited scope of our examination with respect to mineral claims, these financial statements present fairly the financial position of the company as at July 6, 1970 and the results of its operations and the source and application of its working capital for the period June 20, 1967 to July 6, 1970 in accordance with generally accepted accounting principles.

“GUNDERSON STOKES WALTON & CO.”
Chartered Accountants

Vancouver, B.C.
July 17, 1970

CARACAS MINING CO. LTD. (N.P.L.)
VANCOUVER, B.C.
BALANCE SHEET AS AT JULY 6, 1970

ASSETS

CURRENT ASSETS		
Cash in bank	\$ 1,383.54	
Advances	102.06	\$ 1,485.60
MINERAL CLAIMS, at cost (Note 1)		91,355.00
MINERAL CLAIMS UNDER OPTION TO PURCHASE (Note 2)		1,500.00
OFFICE FURNITURE AND EQUIPMENT, at cost	275.63	
Deduct accumulated depreciation	55.13	220.50
DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATION COSTS		26,026.17
ORGANIZATION COSTS		1,664.74
		\$122,252.01

LIABILITIES AND SHAREHOLDERS' EQUITY

ACCOUNTS PAYABLE		\$ 552.01
SHAREHOLDERS' EQUITY		
Share capital		
Authorized		
5,000,000 shares with a nominal or par value of 50 cents each	\$2,500,000.00	
Issued and fully paid		
750,000 shares issued for mineral claims	\$375,000.00	
Deduct discount	300,000.00	\$ 75,000.00
248,000 shares issued for cash	124,000.00	
Deduct discount	77,300.00	46,700.00
<u>998,000</u>		<u>121,700.00</u>
		<u>\$122,252.01</u>

APPROVED ON BEHALF OF THE BOARD

"CHRISTIAN K.H. PFEIFFER" Director

"M.A. TOEWS" Director

The accompanying notes to the financial statements are an integral part thereof

This is the balance sheet referred to in the accompanying report of
Gunderson Stokes Walton & Co., Chartered Accountants,
dated July 17, 1970

CARACAS MINING CO. LTD. (N.P.L.)

VANCOUVER, B.C.

STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATION COSTS

FOR THE PERIOD JUNE 20, 1967 TO JULY 6, 1970

	June 20/67 to June 30/68	July 1/68 to June 30/69	July 1/69 to July 6/70	Total
EXPLORATION AND DEVELOPMENT				
Licences and fees	\$ —	\$ —	\$ 400.00	\$ 400.00
Prospecting, surveys, reports, plans and maps	283.32	655.60	4,321.69	5,260.61
Supplies and equipment	—	24.22	122.43	146.65
Travel	2,005.78	1,442.32	3,116.36	6,564.46
	2,289.10	2,122.14	7,960.48	12,371.72
ADMINISTRATION				
Advertising and promotion	65.65	199.41	455.89	720.95
Automobile	818.75	203.00	425.02	1,446.77
Depreciation — furniture and fixtures	—	—	55.13	55.13
Legal and audit	—	180.32	731.18	911.50
Miscellaneous	—	8.76	207.22	215.98
Office	334.09	337.10	603.96	1,275.15
Rent	1,300.00	1,200.00	1,200.00	3,700.00
Salary and benefits	—	800.00	4,882.80	5,682.80
Loss on sale of automobile	—	—	390.00	390.00
	2,518.49	2,928.59	8,951.20	14,398.28
Less interest earned	—	—	743.83	743.83
	2,518.49	2,928.59	8,207.37	13,654.45
	\$ 4,807.59	\$ 5,050.73	\$16,167.85	\$26,026.17

The accompanying notes to the financial statements are an integral part thereof

This is the statement of deferred exploration, development and administration costs
referred to in the accompanying report of Gunderson Stokes Walton & Co.,
Chartered Accountants, dated July 17, 1970

CARACAS MINING CO. LTD. (N.P.L.)
VANCOUVER, B.C.
STATEMENT OF SOURCE AND APPLICATION OF WORKING CAPITAL
FOR THE PERIOD JUNE 20, 1967 TO JULY 6, 1970

	<u>June 20/67</u> to <u>June 30/68</u>	<u>July 1/68</u> to <u>June 30/69</u>	<u>July 1/69</u> to <u>July 6/70</u>
SOURCE OF WORKING CAPITAL			
Proceeds from issue of shares	\$ -	\$39,950.00	\$ 6,750.00
Interest received	-	-	743.83
Proceeds from sale of automobile	-	-	1,300.00
	<hr/>	<hr/>	<hr/>
	-	39,950.00	8,793.83
	<hr/>	<hr/>	<hr/>
APPLICATION OF WORKING CAPITAL			
Administration expenses	2,518.49	2,928.59	8,506.07
Exploration and development expenses	2,289.10	2,122.14	7,960.48
Purchase of automobile	-	-	1,690.00
Purchase of mineral claims	-	-	91,355.00
Deduct shares issued as partial consideration therefor	-	-	(75,000.00)
Payment made under option to purchase mineral claims	-	-	1,500.00
Purchase of office furniture and equipment	-	-	275.63
Organization costs	1,500.00	164.74	-
	<hr/>	<hr/>	<hr/>
	6,307.59	5,215.47	36,287.18
	<hr/>	<hr/>	<hr/>
INCREASE OR (DECREASE) IN WORKING CAPITAL	(6,307.59)	34,734.53	(27,493.35)
WORKING CAPITAL AT BEGINNING OF PERIODS	-	(6,307.59)	28,426.94
	<hr/>	<hr/>	<hr/>
WORKING CAPITAL AT END OF PERIODS	<u>\$ (6,307.59)</u>	<u>\$28,426.94</u>	<u>\$ 933.59</u>

The accompanying notes to the financial statements are an integral part thereof

This is the statement of source and application of working capital referred to in
the accompanying report of Gunderson Stokes Walton & Co.,
Chartered Accountants, dated July 17, 1970

CARACAS MINING CO. LTD. (N.P.L.)

VANCOUVER, B.C.

NOTES TO THE FINANCIAL STATEMENTS

JULY 6, 1970

1. MINERAL CLAIMS \$91,355.00

The company is the recorded and beneficial owner of 107 mineral claims situated in the Vancouver and the Kamloops Mining Divisions of the Province of British Columbia. These claims were acquired for the undernoted consideration:

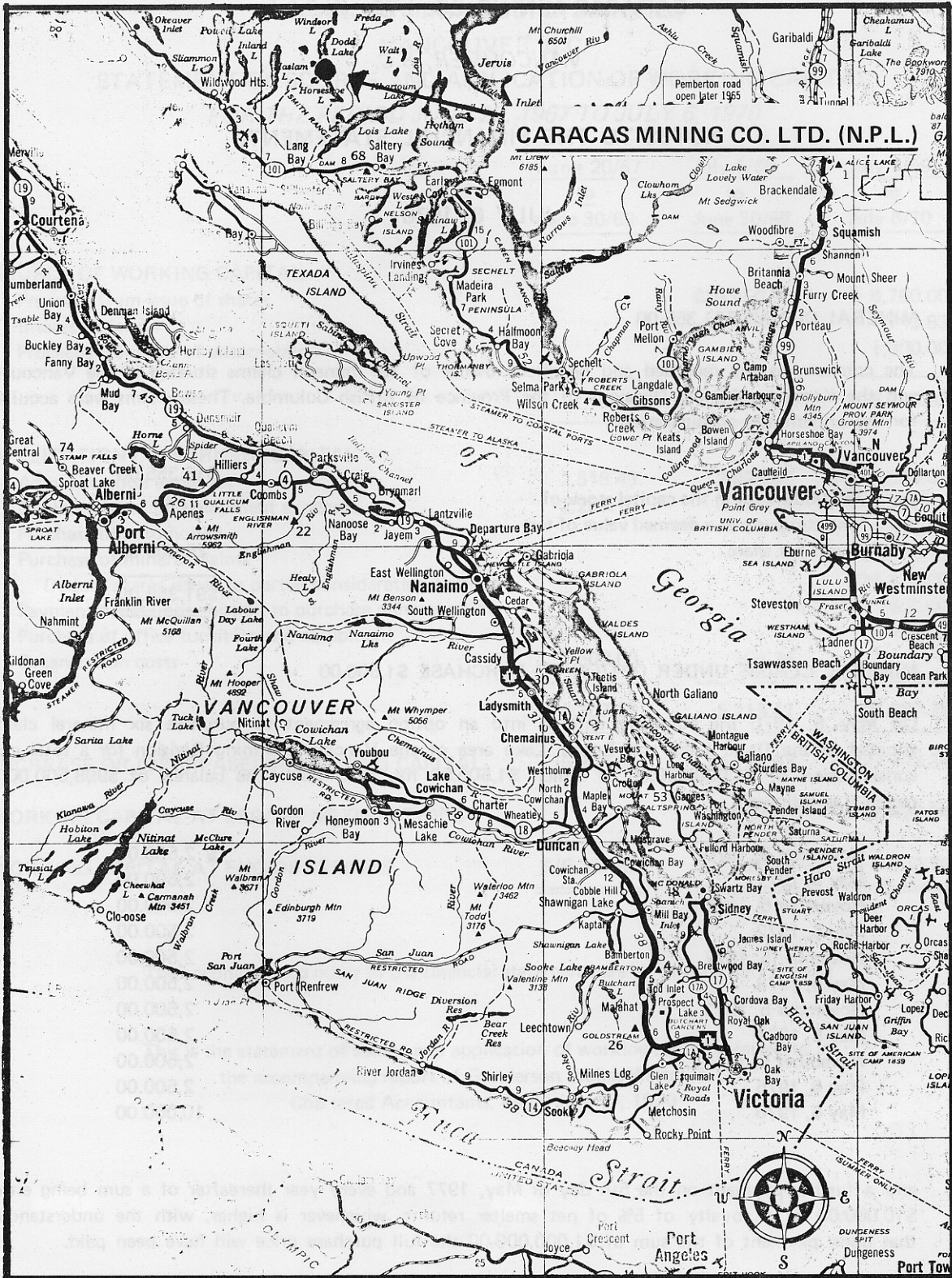
Cash	\$16,355.00
750,000 shares in the capital stock of the company at a deemed value of ten cents per share	75,000.00
	<u>\$91,355.00</u>

2. MINERAL CLAIMS UNDER OPTION TO PURCHASE \$1,500.00

On May 6, 1970 the company entered into an option agreement to purchase six mineral claims situated in the Dodd Lake and Beaver Lake area of the Vancouver Mining Division for a total cash consideration of \$1,000,000.00 of which \$1,500.00 has been paid. The balance of \$998,500.00 is payable as follows:

November 5, 1970	\$ 2,500.00
May 5, 1971	2,500.00
November 5, 1971	2,500.00
May 5, 1972	2,500.00
November 5, 1972	2,500.00
May 5, 1973	2,500.00
November 5, 1973	2,500.00
May 5, 1974	2,500.00
November 5, 1974	2,500.00
May 5, 1975	2,500.00
May 5, 1976	10,000.00

and a further payment on the 5th day of May, 1977 and every year thereafter of a sum being either \$10,000.00 or a royalty of 5% of net smelter returns, whichever is higher, with the understanding that upon payment of the sum of \$1,000,000.00 the full purchase price will have been paid.



BACON & CROWHURST LTD.

REPORT ON
THE DODD LAKE PROPERTIES
POWELL RIVER, BRITISH COLUMBIA
for
CARACAS MINING CO. LTD. (N.P.L.)
by
R.W. PHENDLER, B.Sc., P.Eng.

Vancouver, B.C.

June 9th, 1970.

SUMMARY AND CONCLUSIONS

The properties of Caracas Mining Co. Ltd. consist of five claim groups in the Dodd Lake area, ten miles northeast of Powell River, British Columbia. They are accessible by logging roads from Highway 101.

The claims are underlain by granitic rocks of the Coast Range intrusive complex. An earlier investigation, in 1967, by Falconbridge Nickel Mines Ltd. showed that within the granodiorite and monzonite on the Bruce group of claims a fracture zone occurs that strikes N 80° E. The zone contains a late phase, feldspar porphyry dyke that underwent fracturing, associated silica flooding and sulphide mineralization. This silicification with accompanying mineralization is also found in the granodiorite, up to 800' south of the dyke.

The dyke has been followed for more than 2000' along strike. Chalcopyrite mineralization has been found in appreciable quantities in three locations where trenching and sampling has been done. In one trench an assay of 2.40% copper was obtained across 100'. (See Fig. 2 — Main trench). These samples were taken by the writer.

Geochemical investigation by Falconbridge disclosed the presence of a copper anomaly in the area of the chalcopyrite showings on the Bruce claims and the anomaly remains open to the west. Magnetometer, EM and self-potential geophysical methods were employed and are considered to have been rather ineffective in outlining other than already obvious targets. Induced polarization was not used and it is considered that, until this is done, little will be known regarding depth possibilities of the mineralization.

The east and west extensions of the mineralized dyke on the Bruce group should be investigated into the Doe and the Coot claim groups (See Fig. 2).

A strong (copper) soil anomaly discovered by Falconbridge Nickel Mines Ltd. on the south limit of the Mary V claims (See Fig. 2) is thought to extend into the Mike claim group. Sulphide mineralization is reported on these claims and a reconnaissance geochemical survey is warranted.

During the four months of the Falconbridge Nickel Mines Ltd. option of the Bruce claims, some geological, geochemical and geophysical work was carried out. Diamond drilling of self-potential anomalies, which method has limited penetration to approximately the depth of the water table, disclosed the presence of widespread, low grade (0.10%) mineralization. Only one hole (#8) crossed the feldspar-porphyry dyke with associated quartz veins and sulphide mineralization.

The Toro group on the west side of the area (See Fig. 2) has received little attention. Recent prospecting on the adjoining VI claims has disclosed the presence of pyrite-chalcopyrite mineralization in granodiorite. Some reconnaissance geological work is warranted on these claims.

RECOMMENDATIONS

It is recommended that an induced polarization survey be conducted over the Bruce group of claims. Two hundred and four hundred foot electrode spacing is the recommended interval and consequently the approximate depth of penetration. Follow-up drilling should investigate the anomalous areas.

On the Doe claims, which lie along strike to the south-west of the Bruce zone, reconnaissance soil sampling is recommended. This should be done every 400 feet on lines 400' apart.

Similarly, reconnaissance soil sampling is recommended for the Coot claims which adjoin the Bruce claims on the east and south; and for the Mike group south of where Falconbridge obtained strong geochemical indications.

The Toro group of claims is close to recently discovered outcrops of medium grained granodiorite with disseminated pyrite and chalcopyrite on the VI group of claims. Thirteen trenches over an area of 200 feet square were recently dug and were examined by the writer in November 1969. The Toro group warrants some geological reconnaissance work.

It is recommended that the sum of \$75,130 be provided in order to carry out the above program.

COST ESTIMATE

PHASE I

Bruce Group

Linecutting – 12 miles @ \$150/mi.	\$1800	
Induced polarization – 12 miles @ \$500/mi.	6000	
Engineering and geology	<u>1500</u>	\$9300

Coot and Doe Group

Linecutting – 25 miles @ \$150/mi.	3750	
300 soil samples – collection @ \$1.50/sample	450	
300 soil samples – analyzing @ \$1.50/sample	450	
Geological mapping	<u>1500</u>	6150

Mike Group

Linecutting – 21 miles @ \$150/mi.	3150	
200 soil samples – collection @ \$1.50/sample	300	
200 soil samples – analyzing @ \$1.50/sample	300	
Geological mapping	<u>1600</u>	5350

Toro Group

Geological reconnaissance and prospecting		<u>1500</u>	\$22,300
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PHASE II

Bruce Group

Diamond drilling – 3500' of BQ @ \$12/ft.	\$42,000	
Engineering and geology control	<u>2,000</u>	44,000

Consulting fees and supervision 2,000

Plus 10% contingencies 6,830

\$75,130

INTRODUCTION

On November 17th, 1969, the writer examined the Dodd Lake properties that Caracas Mining Co. Ltd. was considering optioning from Mary V. Boylan of Powell River, British Columbia. At that time the VI, Mary V and Bruce claim groups were examined but negotiations to option the ground were not completed.

The Bruce group was later optioned on May 6th, 1970.

The examination was made in the company of Mr. C. Pfeiffer, President of Caracas Mining Co. Ltd. (N.P.L.)

LOCATION AND ACCESS

The Dodd Lake properties are located seventy miles northwest of Vancouver and ten miles northeast of Powell River. They are on the western slope of the Coast Mountains at elevations of 1000' or less.

Access is by a logging road which leaves Highway 101 at Lang Bay thirteen miles southeast of Powell River. Dodd Lake is 18 miles north of the highway and is accessible by sedan. The area is wooded and water is available most of the year.

PROPERTY AND OWNERSHIP

The holdings of Caracas Mining Co.Ltd. in the Dodd Lake area are as follows:

Bruce Claim Group	Numbers 1- 6
Coot Claim Group	Numbers 1-25
Doe Claim Group	Numbers 1-28
Mike Claim Group	Numbers 1-15
Toro Claim Group	Numbers 1-12

The six Bruce claims are under option from Mary V. Boylan, Powell River, British Columbia. The Bill of Sale is on record as of May 6th, 1970. Of the other 80 mineral claims, 77 claims were staked between December 1-3, 1969 and the Mike 13, 14 and 15 claims were staked on January 10th, 1970.

The Bruce, Coot and Doe claim groups are contiguous, whereas the Mike and the Toro groups are separate and lie about three to four miles southwest and northwest of the other groups.

HISTORY

In March 1967, Falconbridge Nickel Mines Ltd. optioned the Bruce and the Mary V claim groups from Mary V. Boylan and partners. The property was under option for 4½ months and, during the first three months, both properties were geologically mapped, soil sampled, surveyed by magnetometer, self potential and electromagnetic units. Some trenching was also done and, during the last month, diamond drilling was carried out. Induced polarization work was not undertaken.

Since 1967, some prospecting has been done in the area.

GEOLOGY AND MINERALIZATION

The area of the claims under discussion is largely covered by overburden. It is underlain by granitic rocks of the Coast Range intrusive complex. They include granodiorite, monzonite, feldspar porphyry and diorite. Contacts between the various phases of the granitic rocks are gradational; they probably represent facies changes rather than normal intrusive contacts.

Widespread silica flooding has taken place in the vicinity of the mineral showings on the Bruce group; quartz occurs interstitially and in well defined veins that frequently contain chalcopyrite.

On the Bruce group, a very strong zone of fracturing is present, striking N80°E. This zone is coincident with a feldspar porphyry dyke. Intense quartz veining with associated sulphide mineralization occurs sporadically in the zone. Most of the quartz stringers strike N80°E and dip near vertical. They vary from hairline, discontinuous veinlets to strong veins up to 6 inches in width which may be followed for ten feet or more. The veining decreases in intensity outward from the feldspar porphyry dyke.

Two areas of massive mineralized quartz are exposed on the Bruce group, one in the area of the main trench (See Fig. 2) and the other 600 feet to the east along strike. These consist of intergrowths of glassy vein quartz, and granular quartz with pyrite and chalcopyrite. Visible chalcopyrite mineralization is confined to a total area of about 800 feet square.

The writer took the following samples:

<u>Sample No.</u>	<u>Width</u>	<u>% Cu</u>	<u>Oz. Ag</u>	<u>% Mo</u>	<u>Location</u>
17331	15'	1.00	0.16	*0.001	Lower showing – 200' W of access road
17332	50'	3.40	-	"	Main trench - 0-50' North
17333	50'	1.40	0.17	"	Main trench - 50-100' North
17334	50'	0.13	-	"	Main trench - 100-150' North
17335	30'	0.05	-	"	Main trench - 150-180' North
17336	5'	0.04	-	"	D.H. 5 - 280-285'
17337	7'	0.11	-	"	Near D.H. 8

* Less than

These samples were analyzed by Chemex Labs Ltd., North Vancouver, British Columbia – certificate of analysis No. 7933.

Samples No. 17332-17335 were adjacent through the main trench. The first two averaged 2.40% Cu across 100M

Copper-molybdenum mineralization has been reported from the Mike group of claims but was not seen by the writer. Sulphide mineralization is also reported from the Doe group of claims.

GEOCHEMISTRY

Soil sampling carried out on the Bruce group by Falconbridge Nickel Mines Ltd. disclosed an area of anomalous copper values roughly covering the area of quartz veining. The higher values within the anomalous area (greater than 150 ppm copper) tend to form linear zones. Background is considered to be 50 ppm copper. The anomalies occur on the hill tops rather than in the drainage depressions and cover a considerable area on the western end of the Bruce claims.

The geochemical survey carried out on the Mary V group, which lies immediately north of the Mike group, showed a very strong copper anomaly on the southern margin of the claims and it was considered possible that it extended southward off the Mary V group. This southern extension is now covered by the Mike claim group and warrants geochemical investigation. It was considered a target area by Falconbridge.

GEOPHYSICS

Magnetometer

A magnetometer survey was carried out in 1967 over most of the Bruce group. Results could not be correlated with any of the known geologic data.

EM 16

The electromagnetic survey carried out by Falconbridge in 1967 indicated a broad, weak conductor extending several hundred feet south of the main trench on the Bruce group. A number of narrow, weak conductors were also detected and are thought to represent faults.

Self Potential

The self potential or spontaneous polarization method is a rapid reconnaissance technique that is often used by the prospector in the preliminary examination of a property where the overburden is expected to be thin. The method involves measurements on the surface of electric potentials developed in the earth by electro-chemical action between mineral and solutions with which they are in contact. When different portions of an orebody are contiguous with solutions of different compositions, chemical reactions take place which result in different solution pressures at the respective areas of contact. The difference in solution pressure gives rise to a potential difference which causes current flow in the ground.

The most usual reason for the difference in composition of the solutions surrounding an orebody is differential oxidation of the ore. All near surface sulphide bodies do not exhibit anomalous potentials, since there are many surface conditions that inhibit oxidation. Oxidation is virtually absent below the water table.

The self potential survey on the Bruce group indicated small anomalous zones around the two mineralized quartz masses previously described in this report. These quartz masses outcropped at surface and were thus easily picked up by the self potential method. In short, little was known after the survey that was not known before the survey.

The writer concludes that an induced polarization survey is advisable to outline properly the mineralized area.

DIAMOND DRILLING

In 1967 nine holes were drilled on the Bruce group of claims as follows. The first two were drilled near the main trench.

D.H. No. 1 was drilled vertical for 308' close to the steeply dipping mineralized quartz stringers. The first 10.5' assayed 0.20% Cu and the following 52' assayed 0.10% Cu. The remainder of the hole averaged 0.09% Cu.

D.H. No. 2 was drilled south at -60° for 290' from the same location as D.H. No. 1. The first 54' assayed 0.25% Cu and the remainder of the hole averaged 0.10% Cu. The entire 290' averaged 0.14% Cu.

D.H. No. 3 was drilled vertical for 302' from a point 200' south of Holes 1 and 2.

From 5' to 98'	assayed 0.16% Cu
From 98' to 197'	assayed 0.10% Cu
From 197' to 302'	assayed 0.13% Cu

D.H. No. 4 was drilled vertical for 299' - 200' south of D.H. No. 3. The entire hole averaged 0.11% Cu.

D.H. No. 5 and D.H. No. 6 were drilled north and south at -45° from a point 400' southeast of D.H. No. 4. Hole No. 5 intersected 0.05% Cu for the last 360' (144'-504') and D.H. No. 6 continued in 0.03% Cu from 25' to 137'. Total depth was 501'.

D.H. No. 7 was drilled north at -45° for 507'. Most of the hole was in 0.07% Cu. Location is 400' southwest of D.H. No. 4.

D.H. No. 8 was located 600' northeast of holes 1 and 2 and was drilled north at -45° for 300'. The first 105' assayed 0.08% cu and the remainder of the hole averaged 0.05% Cu.

D.H. No. 9 was drilled under Beaver Lake from the east shore to explore an EM anomaly under the lake. Nothing of interest was encountered.

In summary, several of the holes intersected widespread but low grade (0.10% Cu) mineralization. However, much of the strike length of the mineralized zone on the Bruce group remains untested.

Respectfully submitted,
BACON & CROWHURST LTD.

"R. W. PHENDLER, P.Eng."
R.W. Phendler, B.Sc., P.Eng.

BIBLIOGRAPHY

1. S.H. Pilcher – “Report on the Dodd Lake Property (Boylan-Mickle Option)” - December 1967
Falconbridge Nickel Mines Ltd.
2. Milton B. Dobrin – “Introduction to Geophysical Prospecting” – McGraw-Hill Book Company, 1952.

CERTIFICATE

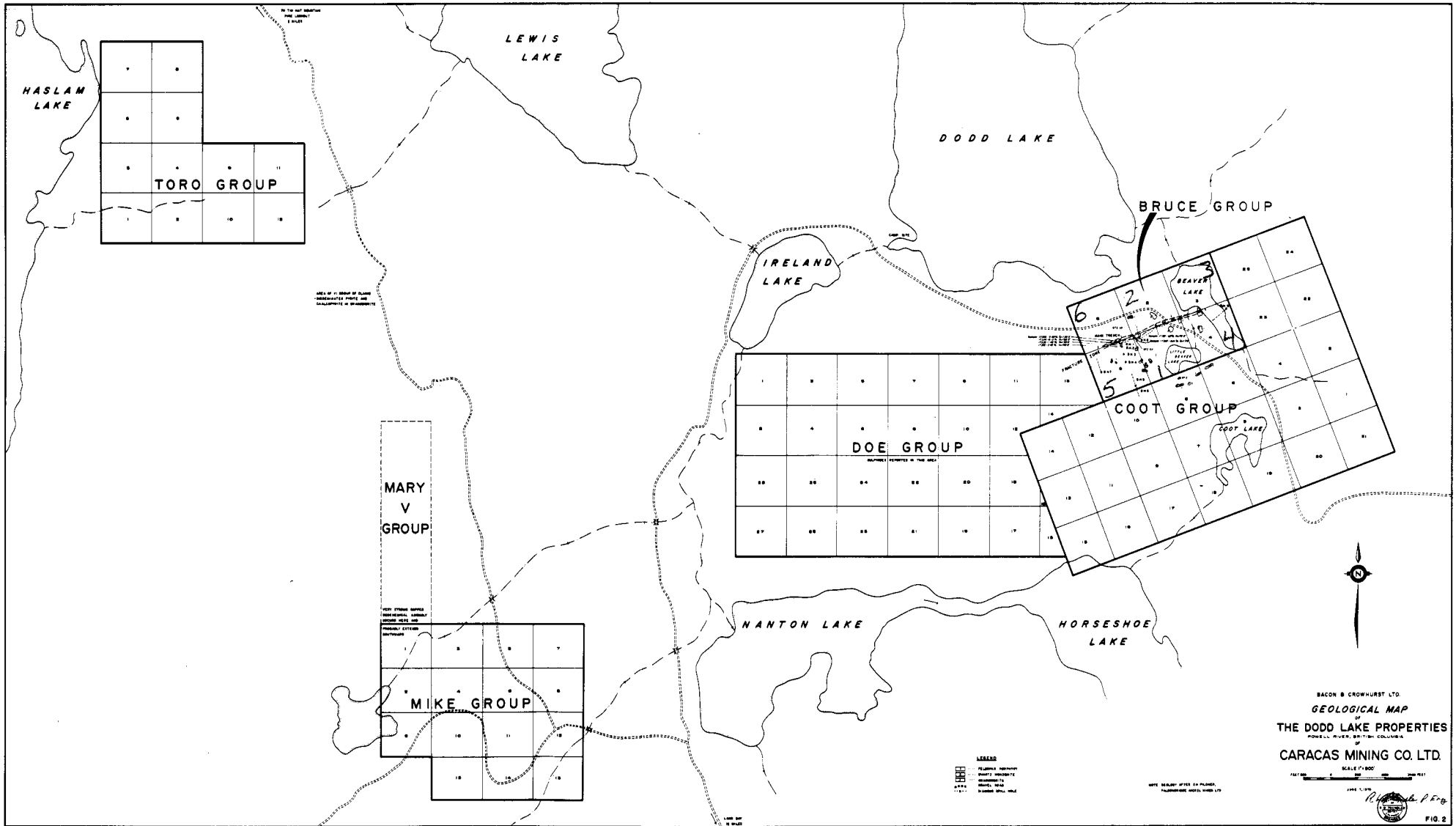
I, Roy William Phendler, of the City of Vancouver in the Province of British Columbia hereby certify as follows:

1. That I am a registered Professional Engineer in the Province of British Columbia, No. 4421.
2. That I am a graduate of McGill University, Montreal, Quebec, with a Bachelor of Science degree in geology.
3. That I have practiced my profession as geologist continuously for the past seventeen years in Quebec, Ontario, Saskatchewan and British Columbia in Canada; in some of the western U.S.A.; Mexico; and Peru and Colombia in South America.
4. That I have no interest directly or indirectly in the mineral claims of Caracas Mining Co. Ltd., nor do I expect to receive any.
5. That the information contained herein was compiled as a result of an examination of the ground on November 17th, 1969.

“R. W. PHENDLER, P. Eng.”

R.W. Phendler, B.Sc., P.Eng.

Vancouver, B.C.
June 9th, 1970.



CARACAS MINING CO. LTD. (N.P.L.)

Amendment No. 1 to Prospectus

dated October 6, 1970

The caption "Description of Business and Property of Issuer" is amended by deleting all reference to the Balsam Claims as it now reads and substituting the following therefor:

Balsam Claims

The Company was the recorded holder of the following located mineral claims, all of which were situate approximately 16 miles north of Kamloops in the Kamloops Mining Division, Province of British Columbia:

<u>Claim Name</u>	<u>Record Number</u>	<u>Expiry Date</u>
Balsam 1 – 27	84948 – 84974	October 29, 1970

The Company acquired the Balsam claims from Larry R.H. Sostad, 205 – 130 West 17th Street, North Vancouver, British Columbia, for \$2,500.00 by Bill of Sale dated October 29th, 1969.

The Company has abandoned the Balsam 1 – 27 claims and will not spend any of the proceeds from this offering on such claims.

In all other respects the prospectus will remain the same.

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 4th day of November, A.D. 1970.

"CHRISTIAN PFEIFFER"
Director and Promoter

"M.A. TOEWS"
Director

"G.A. WOODBURY"
Director

