

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

92F289 PROPERTY FILE

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

007534

Incorporated Under the Laws of the Province of British Columbia

PROSPECTUS

DATE: June 8th, 1971

NEW ISSUE
350,000
COMMON SHARES

PROPERTY FILE

	Price to Public	Commission	Proceeds to Issuer If All the Shares Are Sold
Per Unit	20¢	5¢	15¢
TOTAL	\$70,000.00	\$17,500.00	\$52,500.00

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 ONLY IN THE EXPLORATION STAGE. IF ALL THE SHARES OFFERED UNDER THIS PROSPECTUS ARE SOLD, THEN THE INSIDERS OF THE COMPANY WILL HOLD 56.8% OF THE SHARES, 54.9% WILL HAVE BEEN ISSUED FOR PROPERTY AND HELD SUBJECT TO ESCROW RESTRICTIONS AND 45.1% 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.

INDEX

	Page No.
Name and Incorporation of Issuer	3
Plan of Distribution	3
Directors and Officers	3
Capitalization	3
Securities Sold for Cash	3
Description of Share Capital Structure	4
Use of Proceeds to Issuer	4
Description of Business and Property of Issuer	5
Promoters	5
Remuneration of Directors and Senior Officers	6
Escrowed Shares	6
Principal Holders of Shares	6
Interest of Management and Others in Material Transactions	6
Auditors, Transfer Agents and Registrars	6
Purchaser's Statutory Rights of Rescission	6
Other Material Facts	7
Certificate	7
Financial Statements	8 – 13
Engineer's Report by W. M. Sharp, P. Eng., dated May 8th, 1971	14 – 18

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 29 Clovermeadows Crescent, Langley, 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 350,000 shares of its capital stock at 20¢ 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 5¢ 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 to the purchaser of up to 25% or 5¢ per share for each share subscribed for. Trading directors of the Company will not be paid any commission for shares sold under this prospectus.

4,000 shares were sold to the public at a price of 40¢ per share pursuant to a prospectus dated October 6th, 1970. The Company will allot one additional share for each share so purchased at 40¢ in order to equitably reduce the price per share paid by such purchasers.

DIRECTORS AND OFFICERS

<u>NAME 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
Mark A. Toews 29 Clovermeadows Cres., R.R. No. 7, Langley, B.C.	Controller, Lamb-Cargate Industries Ltd., New Westminster, B.C.	Secretary

CAPITALIZATION

<u>Designation of Security</u>	<u>Amount Authorized To Issue</u>	<u>Amount outstanding at April 23, 1971 balance sheet</u>	<u>Amount outstanding at June 8th, 1971</u>	<u>Amount outstanding if all securities being issued are sold</u>
Common Shares Par Value 50¢	5,000,000	1,017,000	1,017,000	1,367,000

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
4,000 shares	40¢	\$ 1,200.00	\$400.00

* 15,000 of the above shares sold at 25¢ per share and 4,000 shares sold at 40¢ 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").

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 \$52,500.00 and such proceeds will be expended as follows:

1. Conduct the exploration program recommended by W. M. Sharp, P. Eng., dated May 8th, 1971 on the Company's Dodd Lake properties, a copy of which is attached hereto and forms part of this Prospectus, particulars of which are as follows:

Doe Group

Grid preparation	\$ 2,100
Soil Sampling	1,700
I.P. Survey	7,700
Bulldozer stripping	1,250
Geological mapping	750
	<u>13,500</u>

Coot Group

Grid preparation	2,250
Soil sampling	1,700
I.P. Survey	8,250
Bulldozer stripping	1,250
Geological mapping	750
	<u>14,200</u>

Mike Group

Grid preparation	1,200
Soil sampling	930
I.P. Survey	3,300
Bulldozer stripping	1,000
Geological mapping	500
	<u>6,930</u>

Administration and supervision	2,500	
Contingencies	3,000	
	<u>40,130</u>	<u>40,130</u>

2. Repayment of shareholders loan 3,000
 3. Legal, audit, administration and miscellaneous contingencies 9,370
- TOTAL \$52,500

If the proceeds realized from the sale of the securities are insufficient to satisfy all the payments of the above expenditures, then the grid preparation, soil sampling, bulldozer stripping and geological mapping on all of the groups 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 must 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, 1971
Mike 13 – 15	16849 – 16851	January 12, 1972
Coot 1 – 25	16586 – 16610	December 4, 1971
Toro 1 – 12	16611 – 16622	December 4, 1971
Doe 1 – 28	16623 – 16650	December 4, 1971

The Company acquired all of the aforementioned claims by staking, except Mike 1 – 12 claims which were purchased 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 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 roads which are open 9 to 10 months of the year and depart from near Lang Bay, approximately 13 miles southeast of Powell River. The 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.

There is no history as such on the 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 and limited trenching on the claims and has employed W. M. Sharp, P.Eng. to prepare a report dated May 8th, 1971, the summary and conclusion of which have been reproduced and included in this Prospectus. The complete report and the following maps are available for inspection at the Company's head office:

1. Photo – geological detail map.
2. Geological map of Dodd Lake properties.
3. Composite geological map.

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

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 interest 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 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 until the end of the current calendar year.

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 June 8th, 1971</u>	<u>Percentage of Class</u>
Common Shares	750,000	* 73.7%

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

PRINCIPAL HOLDERS OF SHARES

To the knowledge of the Company, only the following person owns directly or indirectly more than 10% of any class of shares of the Company as at June 8th, 1971.

<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	Direct	757,000 Common	* 74.5%

The following table shows the respective percentage of shares of the Company beneficially owned directly or indirectly by the Directors and Senior Officers of the Issuer as a group:

<u>Designation of Class</u>	<u>Percentage of Class</u>
Common Shares	* 76.4%

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

* calculated on the basis of there being 1,017,000 shares issued and outstanding.

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.

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 8th day of June, A.D. 1971.

"CHRISTIAN PFEIFFER"

Director and Promoter

"MARK A. TOEWS"

Director

GUNDERSON STOKES WALTON & CO.
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Shareholders,
Caracas Mining Co. Ltd. (N.P.L.)

We have examined the balance sheet of Caracas Mining Co. Ltd. (N.P.L.) as at April 23, 1971, the statement of deferred exploration, development and administration costs for the period July 7, 1970 to April 23, 1971 and the statement of source and application of working capital for the period June 20, 1967 to April 23, 1971. 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 obtaining confirmation of the registered title from 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 April 23, 1971 and the results of its operations for the period July 7, 1970 to April 23, 1971 and the source and application of its working capital for the period June 20, 1967 to April 23, 1971 in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

"GUNDERSON STOKES WALTON & CO."
Chartered Accountants

Vancouver, B.C.
May 11, 1971.

CARACAS MINING CO. LTD. (N.P.L.)
BALANCE SHEET AS AT APRIL 23, 1971
(With Comparative Figures for July 6, 1970)

	APRIL 23 /71	JULY 6/70
ASSETS		
CURRENT ASSETS		
Cash in bank	\$ 2,786.33	\$ 1,383.54
Petty cash	415.38	102.06
	3,201.71	1,485.60
MINERAL CLAIMS, at cost (Note 1)	88,825.00	91,355.00
MINERAL CLAIMS UNDER OPTION TO PURCHASE (Note 2)	—	1,500.00
OFFICE FURNITURE AND EQUIPMENT, at cost	275.63	275.63
Deduct accumulated depreciation	90.29	55.13
	185.34	220.50
DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATION COSTS	36,221.67	26,026.17
OTHER ASSETS		
Organization costs	1,664.74	1,664.74
Commission on issue of shares	400.00	—
	2,064.74	1,664.74
	\$ 130,498.46	\$ 122,252.01
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,869.86	\$ 552.01
Loans payable (Note 3)	6,000.00	—
	7,869.86	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	\$2,500,000.00
Issued and fully paid (Note 4)		
750,000 shares issued for mineral claims	375,000.00	375,000.00
Deduct discount	300,000.00	300,000.00
	75,000.00	75,000.00
267,000 shares issued for cash	133,500.00	124,000.00
Deduct discount	81,450.00	77,300.00
	52,050.00	46,700.00
	1,017,000	121,700.00
Deficit (Note 5)	4,421.40	—
	122,628.60	121,700.00
	\$ 130,498.46	\$ 122,252.01

APPROVED ON BEHALF OF THE BOARD:

"Christian 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 May, 11, 1971

CARACAS MINING CO. LTD. (N.P.L.)
STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATION COSTS
 FOR THE PERIOD JULY 7, 1970 TO APRIL 23, 1971

	Balance at July 6/70	Expenditure for the Period	Balance at April 23/71
EXPLORATION AND DEVELOPMENT			
Licences and fees	\$ 400.00	\$ 435.00	\$ 835.00
Prospecting, surveys, reports, plans and maps	5,260.61	—	5,260.61
Supplies and equipment	146.65	—	146.65
Travel	6,564.46	254.78	6,819.24
Trenching	—	2,500.00	2,500.00
	<u>12,371.72</u>	<u>3,189.78</u>	<u>15,561.50</u>
ADMINISTRATION			
Advertising and promotion	720.95	235.20	956.15
Automobile expense and allowance	1,446.77	1,097.25	2,544.02
Depreciation — furniture and fixtures	55.13	35.16	90.29
Interest and bank charges	22.16	126.22	148.38
Legal and audit	911.50	3,562.39	4,473.89
Miscellaneous	193.82	32.53	226.35
Office expense	1,275.15	326.41	1,601.56
Office rent	3,700.00	1,000.00	4,700.00
Printing	—	981.96	981.96
Salary and benefits	5,682.80	—	5,682.80
Loss on sale of automobile	390.00	—	390.00
	<u>14,398.28</u>	<u>7,397.12</u>	<u>21,795.40</u>
	<u>26,770.00</u>	<u>10,586.90</u>	<u>37,356.90</u>
Less:			
Interest earned	743.83	—	743.83
Exploration expenditures written off in respect of mineral claims abandoned	—	391.40	391.40
	<u>743.83</u>	<u>391.40</u>	<u>1,135.23</u>
	<u>\$26,026.17</u>	<u>\$10,195.50</u>	<u>\$36,221.67</u>

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 May 11, 1971

CARACAS MINING CO. LTD. (N.P.L.)
STATEMENT OF SOURCE AND APPLICATION OF WORKING CAPITAL
 FOR THE PERIOD JUNE 20, 1967 TO APRIL 23, 1971

	June 20/67 to June 30/68	July 1/68 to June 30/69	July 1/69 to July 6/70	July 7/70 to April 23/71
SOURCE OF WORKING CAPITAL				
Proceeds from issue of shares	\$ —	\$39,950.00	\$ 6,750.00	\$ 5,350.00
Interest received	—	—	743.83	—
Proceeds from sale of automobile	—	—	1,300.00	—
	<u>—</u>	<u>39,950.00</u>	<u>8,793.83</u>	<u>5,350.00</u>
APPLICATION OF WORKING CAPITAL				
Administration expenses	2,518.49	2,928.59	8,506.07	7,361.96
Exploration and development expenses	2,289.10	2,122.14	7,960.48	3,189.78
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	—	—
Commission paid on issue of shares	—	—	—	400.00
	<u>6,307.59</u>	<u>5,215.47</u>	<u>36,287.18</u>	<u>10,951.74</u>
INCREASE OR (DECREASE) IN WORKING CAPITAL	(6,307.59)	34,734.53	(27,493.35)	(5,601.74)
WORKING CAPITAL (DEFICIENCY) AT BEGINNING OF PERIODS	<u>—</u>	<u>(6,307.59)</u>	<u>28,426.94</u>	<u>933.59</u>
WORKING CAPITAL (DEFICIENCY) AT END OF PERIODS	<u>\$ (6,307.59)</u>	<u>\$28,426.94</u>	<u>\$ 933.59</u>	<u>\$ (4,668.15)</u>
WORKING CAPITAL (DEFICIENCY) REPRESENTED BY:				
Current assets			\$ 1,485.60	\$ 3,201.71
Current liabilities			552.01	7,869.86
			<u>\$ 933.59</u>	<u>\$ (4,668.15)</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 May 11, 1971

CARACAS MINING CO. LTD. (N.P.L.)
NOTES TO THE FINANCIAL STATEMENTS
 APRIL 23, 1971

1. MINERAL CLAIMS \$88,825.00

The company is the recorded and beneficial owner of 80 mineral claims (107 mineral claims as at July 6, 1970, of which 27 situated in the Kamloops Mining Division have been abandoned) situated in the Vancouver Mining Division 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	<u>75,000.00</u>
	91,355.00
 Deduct Balsam mineral claims No. 1 – 27 acquired for cash, abandoned October 29, 1970, charged to deficit account	 <u>2,530.00</u>
	<u><u>\$88,825.00</u></u>

2. MINERAL CLAIMS UNDER OPTION TO PURCHASE

On February 5, 1971 the company relinquished all purchase option rights to six mineral claims, known as Bruce No. 1 – 6, situated in the Dodd Lake and Beaver Lake area of the Vancouver Mining Division. The total amount paid under the option agreement, namely, \$1,500.00 has been written off to the deficit account.

3. LOANS PAYABLE \$6,000.00

The balance of this account comprises the following advances from shareholders and/or directors:

Mr. George A. Woodbury	\$ 1,000.00
Mr. Mark A. Toews	1,000.00
Dr. Lynton Ngui	1,000.00

The above loans, together with interest, are to be repaid at the company's discretion.

Mr. Bernard Bietenbeck	3,000.00
------------------------	----------

This loan is to be repaid by conversion into 20,000 shares of Caracas Mining Co. Ltd. (N.P.L.) if, as and when the B.C. Securities Commission authorizes a new public issue of 350,000 shares of the company at a price of \$0.20 per share to the public, netting \$0.15 to the company. Should the said new issue not be approved, the loan will be repaid at the company's discretion.

\$ 6,000.00

4. SHARE CAPITAL

During the period July 7, 1970 to April 23, 1971, 19,000 shares were issued for cash as follows:

	Par Value	Discount	Proceeds	Commission Paid
15,000 shares	\$7,500.00	\$3,750.00	\$3,750.00	\$ —
4,000 shares	<u>2,000.00</u>	<u>400.00</u>	<u>1,600.00</u>	<u>400.00</u>
	<u><u>\$9,500.00</u></u>	<u><u>\$4,150.00</u></u>	<u><u>\$5,350.00</u></u>	<u><u>\$ 400.00</u></u>

5. DEFICIT \$4,421.40

This account has been charged with the following:

Cost of "Balsam" mineral claims abandoned	\$2,530.00
Exploration expenditures re abandoned claims	391.40
Amount paid re option agreement relinquished on February 5, 1971	<u>1,500.00</u>
	<u>\$4,421.40</u>

6. On August 7, 1970 at the Annual General Meeting, a special resolution was passed converting Caracas Mining Co. Ltd. (N.P.L.) from a private company into a public company.

Summary and Conclusion of GEOLOGICAL REPORT on the
DODD LAKE COPPER-MOLYBDENUM PROSPECTS
POWELL RIVER AREA, B.C.

Vancouver Mining Division

for

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

by

W. M. SHARP, M.A.Sc., P. ENG.

North Vancouver, B.C.

May 8, 1971

SUMMARY AND CONCLUSIONS

The Dodd Lake property of Caracas Mining Co. Ltd. (N.P.L.) comprises four groups totalling 80 claims. These are situated ten miles northeast of Powell River, B.C. The property is readily accessible for 9-10 months of the year via a system of logging roads departing northward from Highway 101.

Little exploratory work has been accomplished on any of the Company's present claim groups. During 4 months of 1967 Falconbridge Nickel Mines Ltd. carried out essentially localized exploratory work on the neighbouring Bruce and Mary V groups. Caracas Mining Co. Ltd. optioned the Bruce 1-6 claims for a brief period in 1970; however, limited finances permitted only sufficient trenching for them to maintain the optioned and owned claims in good standing.

The general region including the Dodd Lake properties is underlain by diorites, granodiorites and related facies of the Coast intrusive complex. Trenching within the Bruce claims has revealed a 2000' strike-segment of a wide, steeply-dipping feldspar porphyry dyke. This, striking E.N.E.-W.S.W., most probably extends through Caracas' Doe and Coot groups. The dyke has been intensely fractured and, as evidenced by the Bruce showings, widely and intensely silicified, and substantially mineralized with chalcopyrite and subordinate molybdenite. Samples from three trenches approximately 700 ft. apart respectively returned Cu assays of: 1.0% across 15', 0.11% across 7', and 2.4% across 100' — all samples having been taken in 1970 by a reputable geological engineer, and visually confirmed by the writer during his recent examination.

Photogeologic interpretations by the writer indicate the presence of a broad, E-W trending zone of faulting and, possibly, dyke intrusion through, and to the north of the Doe, Coot, and Bruce claim groups. Significantly, one of these 'linears' corresponds closely with the Bruce showings and the inferred projections of this zone; another traverses the Mike claim block. All, or any of these may represent 'controlling' fault-dyke situations similar to that relating to the existing Bruce Copper showings.

The 1967 geochemical survey of the Bruce group disclosed a copper anomaly over the area of the showings. The fact that this anomaly remains 'open' to the west strongly suggests that the zone of mineralization will continue into the Doe group; the presence of the above-noted through-going 'linear' enhances this possibility.

Geochemical investigations of ground to the north of the Mike group disclosed a strong copper anomaly directly north, and obviously continuing southward into the Mike group. Reports of coincident sulphide mineralization provide sufficient reason for recommending comprehensive geochemical-geophysical exploration of the Mike group — and particularly over the area traversed by the photo-indicated fault zone.

Diamond drilling done during 1967 on the Bruce showings accomplished little in regard to testing the actually delimited and projected intervals of the zone, or of its depth potential. In addition none of the holes drilled tested the full cross-section of the indicated zone. However, the drilling was sufficient to disclose the occurrence of a widespread, low-grade (0.1 — 0.2%) zone of copper mineralization.

The adjacent Bruce quartz-chalcopyrite zone, presently exposed over a 1200' strike-length appears to represent a relatively minor, but well mineralized element of a much wider belt of highly fractured and altered intrusives. Road-cut and trench exposures, occurring up to 500' north and 1500' south of the main showings, suggest that fracturing occurs over a gross width of 2000 feet or more. Across this general section at least three younger phases of the main intrusive have been more-or-less intensely fractured and altered — the latter involving conspicuous mounts of silica, sericite, and pyrite. The available evidence suggests a general section in which the main showings comprise a quartz-rich central band (localized by the porphyry dyke) within a broad, E.N.E.-trending assemblage of strongly fractured sericitized and pyritized granitic rocks — with at least minor amounts of chalcopyrite and molybdenite occurring throughout the section.

The investigation of the extensions of this zone into the Doe and Coot groups, with a potential strike-length of 2 1/2 miles, constitutes the most immediate exploration objective.

"W. M. SHARP"

W. M. Sharp, P. Eng.

RECOMMENDATIONS

PHASE I

- A. Carry out reconnaissance soil-sampling over the Doe, Coot, and Mike groups. This should be done at 400-foot intervals on N-S or N.N.W-S.S.E. lines spaced 800 ft. apart. All samples should be laboratory tested for total p.p.m. Cu and Mo.
- B. Soil sample for geochem.-mercury; this should be done at 800-foot intervals on alternate (1600' sep.) lines of the above grid.
- C. On the basis of results accruing from A carry out detailed soil sampling on the same grids, but at 200-foot intervals on "lines" 400' apart; test for total Cu and Mo.
- D. Map reported outcrops.
- E. Carry out induced polarization surveys over geochemically and geologically-indicated areas within each of the Doe, Coot, and Mike Groups.
- F. Evaluate results A-E, inclusive.
- G. Carry out dozer strip and trench exploration of selected target areas (F).

PHASE II

Diamond drilling – contingent on PHASE I results.

"W. M. SHARP"

W. M. Sharp, P. Eng.

ESTIMATED COSTS

PHASE I

Doe Group:

Grid Preparation, 14 mi. @ \$150. per mi.	\$2,100	
Reconnaissance soil sampling, Cu & Mo,		
Collection, 200 @ \$1.50 per sample	\$ 300	
Analyses, 200 @ \$2.25 per sample	\$ 450	
Hg. soil sampling,		
Collection, 50 @ \$2.00	\$ 100	
Analyses, 50 @ \$2.00	\$ 100	
Detailed soil sampling, Cu & Mo,		
Collection, 200 @ \$1.50 per sample	\$ 300	
Analyses, 200 @ \$2.25 per sample	\$ 450	
I.P. Survey, estim. 14 miles @ \$550 per mi.	\$7,700	
Dozer stripping & trenching, 5 days @ \$250	\$1,250	
Geological mapping and evaluation	<u>\$ 750</u>	\$13,500

Coot Group:

Grid Preparation, 15 mi. @ \$150. per mi.	\$2,250
Reconnaissance soil sampling,	
Collection, 200 @ \$1.50	\$ 300
Analyses, 200 @ \$2.25	\$ 450
Hg. soil sampling,	
Collection, 50 @ \$2.00	\$ 100
Analyses, 50 @ \$2.00	\$ 100

Detailed soil sampling,		
Collection, 200 @ \$1.50	\$ 300	
Analyses, 200 @ \$2.25	\$ 450	
I.P. Surveys, estim. 15 mi. @ \$550. per mi.	\$8,250	
Dozer stripping & trenching, 5 days @ \$250	\$1,250	
Geological mapping & evaluation	<u>\$ 750</u>	\$14,200

Mike Group:

Grid Preparation, 8 mi. @ \$150. per mi.	\$1,200	
Reconnaissance soil sampling,		
Collection, 110 @ \$1.50	\$ 165	
Analyses, 110 @ \$2.25	\$ 250	
Hg. soil sampling,		
Collection, 25 @ \$2.00	\$ 50	
Analyses, 25 @ \$2.00	\$ 50	
Detailed soil sampling,		
Collection, 110 @ \$1.50	\$ 165	
Analyses, 110 @ \$2.25	\$ 250	
I.P. Surveys, estim. 6 mi. @ \$550. per mi.	\$3,300	
Dozer stripping & trenching, 4 days @ \$250	\$1,000	
Geological mapping & evaluation	<u>\$ 500</u>	\$ 6,930
	Sub-total	<u>\$34,630</u>

Provision for administration and supervision	\$ 2,500
Provision for contingencies	<u>\$ 3,000</u>

TOTAL, PHASE I \$40,130

PHASE II

Proposed expenditure contingent on PHASE I results.

"W. M. SHARP"

W. M. Sharp, P. Eng.

CERTIFICATE

I, William M. Sharp, with business and residential addresses in North Vancouver, British Columbia, DO HEREBY CERTIFY THAT:

1. I am a graduate of the University of British Columbia with an M.A.Sc. (1950) degree in Geological Engineering.
2. I am a registered Professional Engineer in the Province of British Columbia, Reg. No. 2164.
3. I have practiced my profession for 20 years, including 7 years as a geological consultant.
4. I have personally examined the Dodd Lake properties of Caracas Mining Co. Ltd. (N.P.L.), during April 17, 1971.
5. I have no direct or indirect interest in the properties of Caracas Mining Co. Ltd. (N.P.L.), nor do I expect to acquire any such interest.

"W. M. SHARP"

W. M. Sharp, P. Eng.

North Vancouver, B.C.
May 8, 1971



