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Black Panther 92F 84, 85



THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY MAY BE LAWFULLY OFFERED FOR SALE AND THEREIN ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES. 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.

PROSPECTUS

007879

Mar 92F 438

DATED: July 24, 1990

Black Lion 92F 085

# CANADIAN WEST RESOURCES LTD.

(hereinafter called the "Issuer")

Suite 2140, 650 West Georgia Street  
P.O. Box 11512  
Vancouver, British Columbia  
V6B 4N7

**PUBLIC OFFERING:** 600,000 Units, each Unit consisting of one common share and one Series "A" share purchase warrant

Units	Price to Public <sup>(1)</sup>	Agents' Commission	Net Proceeds to the Issuer <sup>(2)</sup>
Per Unit .....	\$ 0.60	\$ 0.06	\$ 0.54
Total .....	\$360,000.00	\$36,000.00	\$324,000.00

1. The price of the securities has been determined by the Issuer in negotiation with the Agents.
2. Before deduction of the expenses of this issue, which are estimated not to exceed \$30,000.

There is no market through which these securities may be sold.

The securities offered by this Prospectus must be considered speculative securities as the Issuer's property is in the exploration and development stage. There has been no survey of the Issuer's mining property and until such a survey is conducted the area and boundaries of such property could be in doubt. See "Risk Factors" for details of such matters as dilution, inherent risks and conflicts of interest.

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

Certain of the directors of the Issuer are also directors of other companies engaged in the acquisition, exploration and development of resource properties. See "Directors and Officers" for additional information.

Upon completion of this Offering, this issue will represent 21.1% of the shares then outstanding as compared to 54.1% that will then be owned by the controlling persons, promoters, directors and senior officers of the Issuer and associates of the Agents. See "Principal Holders of Securities" for details of shares held and percentages of shares held by promoters, directors, officers and substantial security holders.

Based on the offering price of \$0.60 per unit, the net tangible book value, after payment of the Agents' commission and estimated costs of this issue, for each of the 2,839,501 shares then outstanding would be approximately \$0.234 per share resulting in an immediate dilution of approximately 61%. See the discussion of dilution under the heading "Risk Factors".

The Vancouver Stock Exchange has conditionally listed the securities being offered pursuant to this Prospectus. Listing is subject to the Issuer fulfilling all the listing requirements of the Vancouver Stock Exchange on or before November 9, 1990, including prescribed distribution and financial requirements.

The Agents' warrants have been distributed to the Agents under this prospectus. Any Units acquired by the Agents under their guarantee will also be distributed under this prospectus through the facilities of the Vancouver Stock Exchange at the market price at the time of the sale. See "Plan of Distribution".

The Issuer, through its Agents, conditionally offers these securities subject to prior sale, if, as and when issued by the Issuer and accepted by the Agents in accordance with the conditions contained in the Agency Agreement referred to under "Plan of Distribution" in this Prospectus, subject to approval of all legal matters on behalf of the Issuer by Coglson, Holmes & Wizinsky, Vancouver, British Columbia.

### AGENTS:

#### WOLVERTON SECURITIES LTD.

1750-701 West Georgia Street  
Vancouver, British Columbia  
V7Y 1J5

#### YORKTON CONTINENTAL SECURITIES INC.

1000 - 1055 Dunsmuir Street  
Vancouver, British Columbia  
V7X 1L4

EFFECTIVE DATE: July 31, 1990

Aug. 21/90

058500  
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Audited Financial Statements  
as at April 30, 1990

Certificates

<u>Claim Name</u>	<u>Record No.</u>	<u>Record Date</u>
Black Panther No. 1	8094/851	August 5, 1950
Black Panther No. 2	8095/851	" "
Black Panther No. 3	8096/851	" "
Black Panther No. 4	8097/851	" "
Black Panther No. 5	8098/851	" "
Black Panther No. 6	8099/851	" "
Black Panther No. 7	8100/851	" "
Black Panther No. 8	8101/851	" "

The consideration for the Property was the issuance by the Issuer of 1,000,000 common shares in the capital of the Issuer at a deemed price of \$0.25 per share to the Vendors as follows:

<u>Vendors</u>	<u>No. of Shares</u>
Lode	225,000
Candorado	575,000
Schorn	25,000
Black Panther	100,000
Dyna Gold	75,000

Subsequently, Dale E. Wallster, a director and officer of the Issuer, purchased a total of 177,000 common shares from the Vendors (Lode as to 100,000, Schorn as to 7,000, Black Panther as to 45,000, and Dyna Gold as to 25,000).

All of the foregoing shares are subject to Pooling Agreements dated October 18, 1989. (See "Pooled Shares" for details of the pooling requirements).

In addition, Lode and Schorn have each been granted a 1% net smelter return in respect of the mineral claims and crown grants. Black Panther has been granted a 1% net smelter return in respect of the crown grants. The Issuer purchased the Property subject to a 1% net smelter return granted in favour of Thomas D. McEwan in respect of the mineral claims. Accordingly, the mineral claims and crown grants are subject to net smelter returns totalling 3%.

Candorado was granted an option entitling it to acquire a 50% interest in the Property by paying the capital cost of any production facilities recommended for the Property. This option may be exercised by Candorado within 6 months of delivery to Candorado of a duly completed feasibility report recommending the construction of mining facilities and the commencement of commercial production of gold on the Property. In order to exercise the option, Candorado shall pay to the Issuer an amount equal to the amount stated in the said feasibility report, which

amount shall be used by the Issuer for the projected aggregate capital costs of the recommended mining facilities.

Pursuant to the terms of the Acquisition Agreement, the Issuer has delivered to the solicitors for the Issuer duly executed and recordable bills of sale and such other registrable documents as are necessary to transfer 100% interest in and to the Property to Candorado (the "Escrow Documents"). In the event that the Superintendent of Brokers for British Columbia refuses to accept this prospectus for filing or if the prospectus is accepted for filing but the Issuer fails to complete the offering hereby on or before August 31, 1990, then Candorado shall have the right to obtain the Escrow Documents and have title registered in its name but subject to certain conditions set out in an agreement dated September 15, 1986 among all of the Vendors. In the event that the Issuer obtains a receipt for its prospectus before August 31, 1990 and the offering is not completed before such date then it will be a condition of closing of this Prospectus that the Issuer must obtain an extension for time of completion pursuant to the Acquisition Agreement (See "Plan of Distribution").

All of the Vendors are at arm's length with the Issuer except for Candorado. Thomas Reissner, a director and officer of the Issuer, is also a director of Candorado.

#### Location, Access and Topography

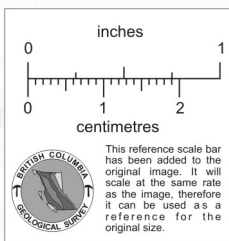
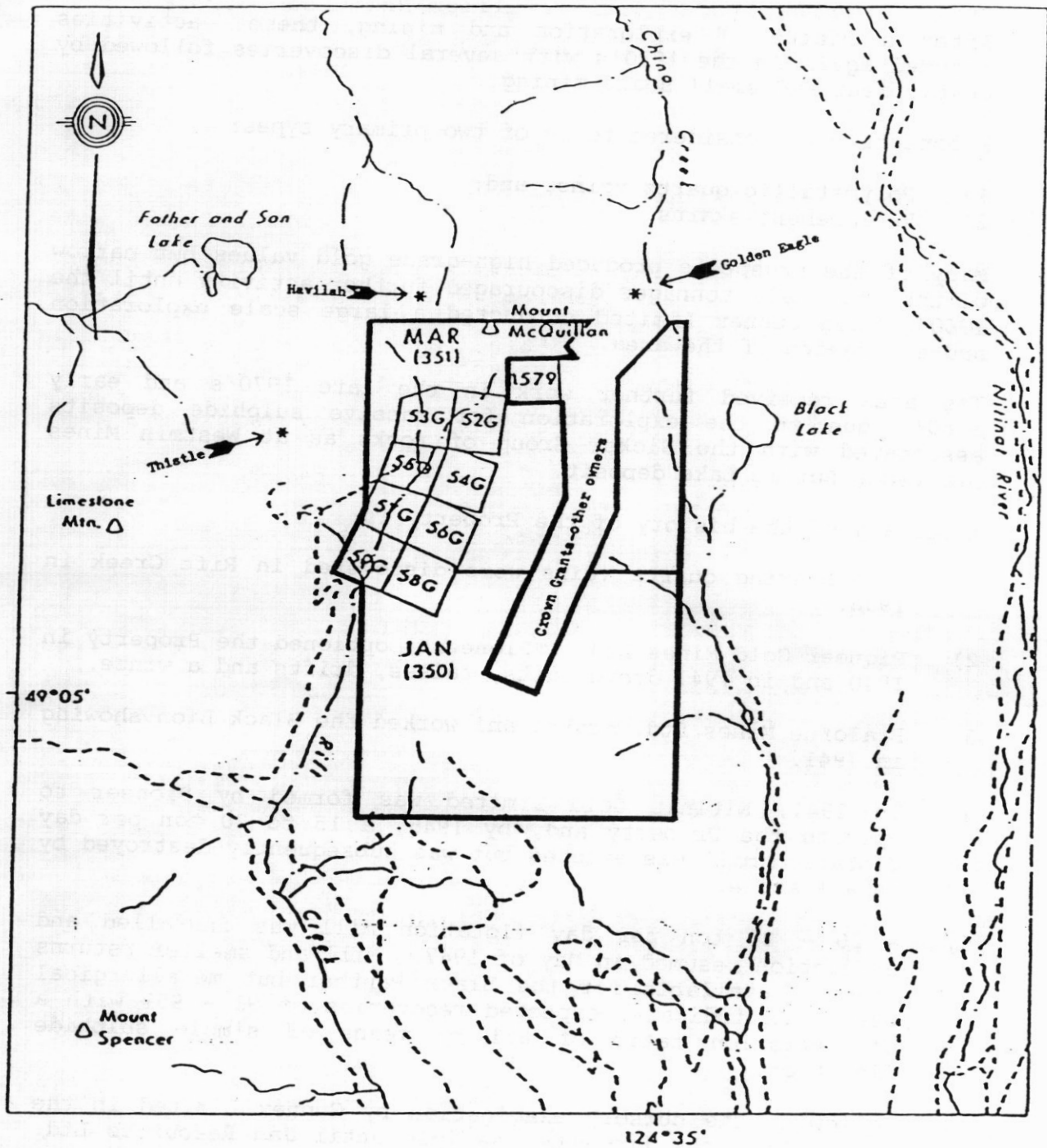
The Property consists of two modified grid mineral claims (40 units) and eight crown-granted mineral claims (Figure 2) covering an area of approximately 825 hectares in the Mount McQuillan area, some 20 kilometres due southeast of Port Alberni on Vancouver Island, British Columbia.

Vehicle access to the western portion of the Property is by 33 kilometres of gravel and dirt logging roads from Port Alberni. At the present time the northeast part of the claims are best serviced by helicopter.

Local topography exhibits elevations ranging from 600 metres to 1,360 metres and relatively steep slopes. Precipitation is heavy and mainly in the form of rain. It is expected that exploration can be performed during eight to nine months of the year while development and production could proceed on a twelve month basis.

#### Prospecting History

The mining history of the area dates to 1862 with the discovery and mining of gold placer deposits to the north of the Property. Subsequently, general prospecting of the region led to the discovery of gold-bearing veins. Small scale mining and milling of some of these veins occurred by 1900.



*M.P. Dickson*

<b>CANADIAN WEST RESOURCES LTD.</b>		
SCALE: 1:50,000	APPROVED BY:	DRAWN BY
DATE: 27/11/88	M.P. Dickson	REVISED 2/1/90
<b>Jan-Mar-Black Panther-Black Lion Property</b>		
Claim Map		DRAWING NUMBER <b>2</b>

After a hiatus of exploration and mining, these activities resumed again in the 1930's with several discoveries followed by development and small scale mining.

Prospects were considered to be of two primary types:

- 1) Polymetallic quartz veins, and;
- 2) Replacement skarns.

Many of the prospects produced high-grade gold values but narrow widths and small tonnages discouraged further activity until the 1960's when Gunnex Limited conducted a large scale exploration and evaluation of the area.

The area received further work in the late 1970's and early 1980's due to the exploration for massive sulphide deposits associated with the Sicker Group of rocks as at Westmin Mines Limited's Buttle Lake deposit.

A summary of the history of the Property is:

- 1) Gold-bearing quartz veins were discovered in Rift Creek in 1936.
- 2) Pioneer Gold Mines Ltd. ("Pioneer") optioned the Property in 1940 and in 1941 drove adits, raises, drifts and a winze.
- 3) Bralorne Mines Ltd. staked and worked the Black Lion showing in 1941.
- 4) In 1944, Nitinat Gold Limited was formed by Pioneer to operate the Property and, by 1945, a 15 to 20 ton per day flotation mill was erected but was subsequently destroyed by an avalanche.
- 5) A 20 - 25 ton per day flotation mill was installed and production resumed in May of 1947. Mill and smelter returns are not available for the Black Panther but metallurgical test work indicated expected recoveries of 93 - 95% with a concentration ratio of 8:1 by means of simple sulphide flotation.
- 6) Following the cursory examination by Gunnex Limited in the mid 1960's, the Property was idle until Jan Resources Ltd. optioned it and carried out geophysics, geochemistry, trenching and the drilling of a number of surface holes on the Summit Lake and Black Panther showings.
- 7) During 1979, Jan Resources Ltd. and Oliver Resources Ltd. optioned and consolidated the claims and the crown grants. This joint venture performed geochemical, geophysical and geological surveys and diamond drilling on the Property.

- 8) In 1986, Candorado optioned the Property from Lode, (formerly Jan Resources Ltd.) and, during 1987, extended the road to the Black Panther workings. Underground rehabilitation and sampling of the main adit cross-cut was performed. The Black Lion showing was re-located during the 1987 field season during a program of reconnaissance mapping, prospecting and soil sampling.
- 9) During 1988, the Issuer conducted a geological examination and sampling of the Property as a follow-up to the work performed by Candorado.

The Issuer has been advised by Candorado that they have expended approximately \$405,327 on the Property to date. A summary of the previous work performed on the Property is also contained in Table 1 of the report on the Property dated January 2, 1990 prepared by M.P. Dickson, P. Eng. See "Recommendations".

#### General Geology and Mineralization

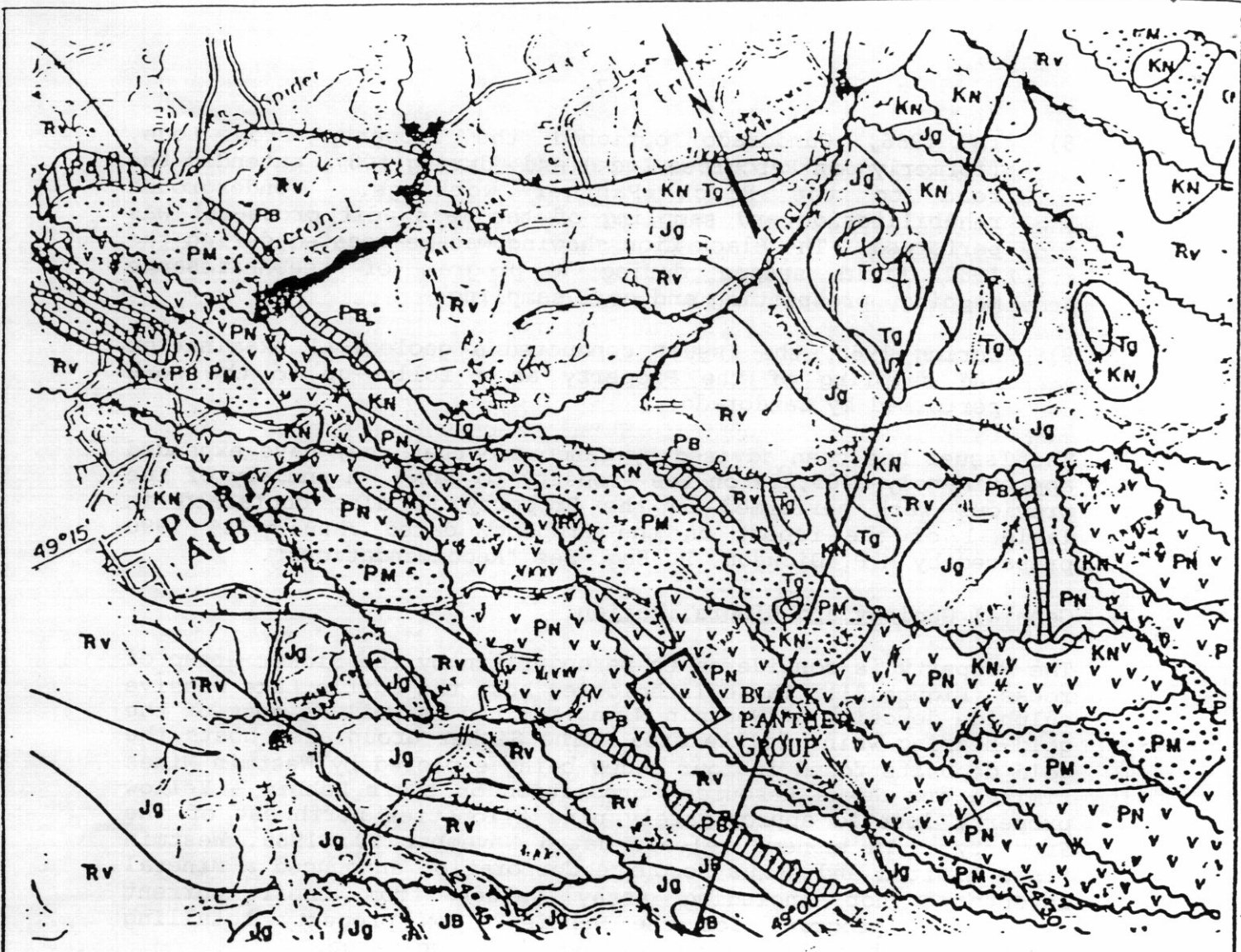
The Property is considered to be underlain by the Sicker Group of rocks (Figure 3). These lithologies host the Buttle Lake massive sulphide deposits of Westmin Mines Limited as well as most of the gold-bearing veins in the area. The Sicker Group also hosts the gold deposits found in four zones being explored by Westmin Mines Limited and Nexus Resource Corporation on their Debbie - Yellow property located approximately nine kilometres northwest of the Property. In a news release dated November 29, 1989, Westmin Mines Limited and Nexus Resource Corporation announced a mineral inventory (not including assay values from their current exploration program) for the Debbie-Yellow property totalling 268,000 probable short tons grading .15 oz gold/ton.

The Property is surrounded by several small past producers and showings of the gold-bearing quartz vein types. All exhibit similar grades and widths to the majority of the Property showings and workings.

Property geology consists of massive volcanics of the Nitinat Formation, Myra Formation iron formation, tuffs, and diorite intrusives, minor dykes and quartz veins.

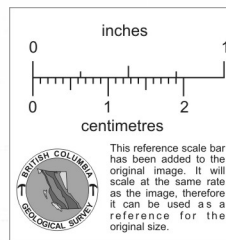
The most significant mineralization on the Property is at the Black Panther workings where an upper drift averaged 0.89 ounces of gold per ton over an average width of 38.70 centimetres for a length of 21.3 metres. According to A.M. Richmond, P.Eng., the main level has two mineralized shoots which average 0.88 ounces gold per ton and 1.91 ounces of silver per ton over average widths of 135.60 centimetres for a length of 54.86 metres. Surface drilling has confirmed values and continuity of the main zone at depth. In the immediate area of the Black Panther





**LEGEND**

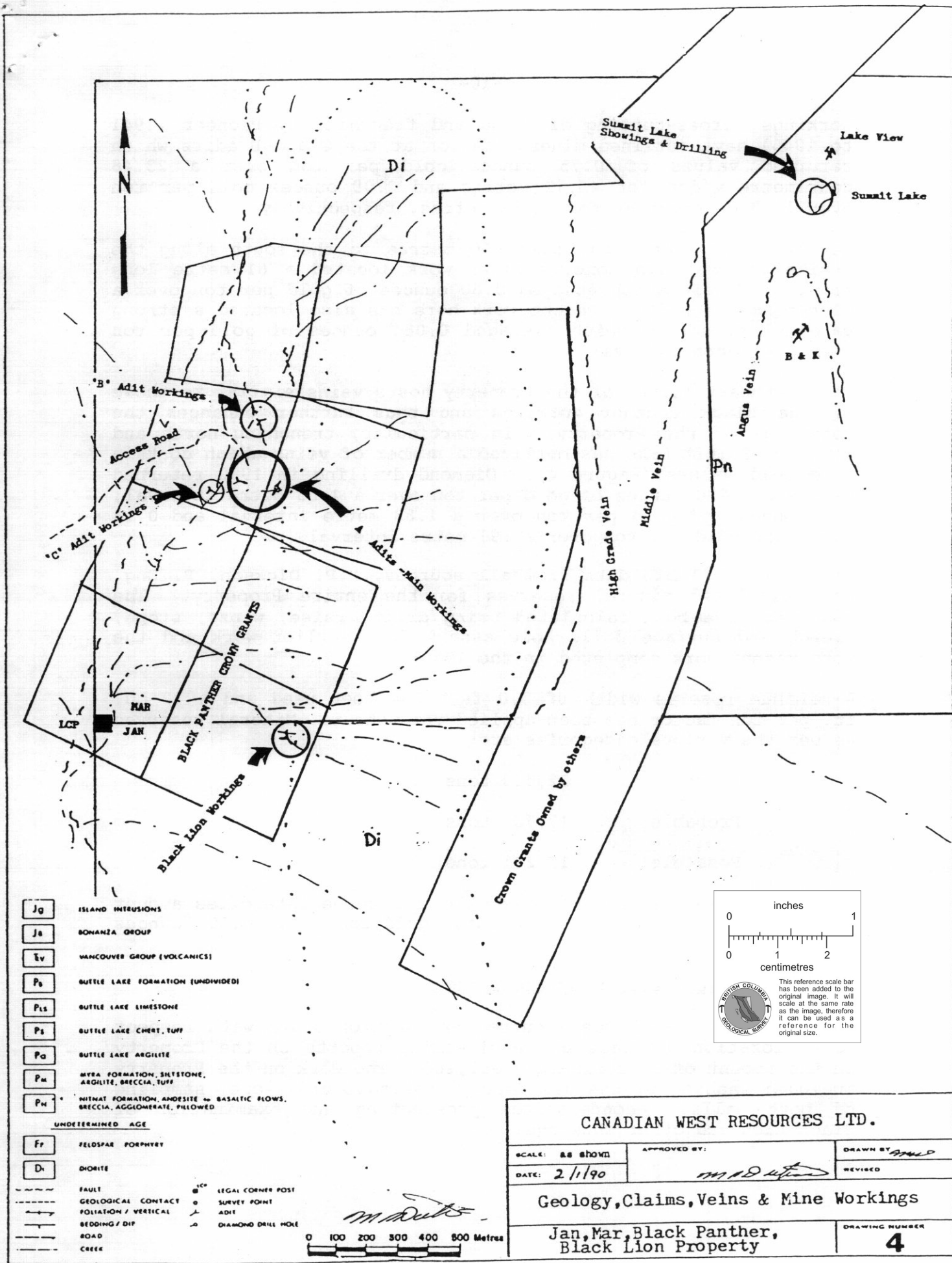
- Tg CATFACE INTRUSIONS
- Kn NANAIMO GROUP
- Jg ISLAND INTRUSIONS
- Jb BONANZA GROUP
- Rv VANCOUVER GROUP
- Pp BUTTE LAKE FORMATION
- Pmsd SEDIMENT-DIABASE UNIT
- Pq SALTSRING INTRUSION
- P MYRA FORMATION
- Vp NININAT FORMATION



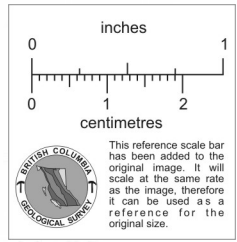
*M.P. Dickson*

<b>CANADIAN WEST RESOURCES LTD.</b>		
SCALE: 1:250,000	APPROVED BY: <b>M.P. Dickson</b>	DRAWN BY <i>[Signature]</i>
DATE: 27/11/88		REVISED 2/1/90
<b>Jan-Mar-Black Panther-Black Lion Property</b>		
Regional Geology-Claim Area		DRAWING NUMBER <b>3</b>





- Jg ISLAND INTRUSIONS
  - Ja BONANZA GROUP
  - Ev VANCOUVER GROUP (VOLCANICS)
  - Pb BUTTLE LAKE FORMATION (UNDIVIDED)
  - Pls BUTTLE LAKE LIMESTONE
  - Ps BUTTLE LAKE CHERT, TUFF
  - Pa BUTTLE LAKE ARGILLITE
  - Pm MYRA FORMATION, SLTSTONE, ARGILLITE, BRECCIA, TUFF
  - Pn NIWAT FORMATION, ANDESITE - BASALTIC FLOWS, BRECCIA, AGGLOMERATE, FLOWED
- UNDETERMINED AGE**
- Fr FELDSPAR PORPHYRY
  - Di DIORITE
- FAULT  
 --- GEOLOGICAL CONTACT  
 --- FOLIATION / VERTICAL  
 --- BEDDING / DIP  
 --- ROAD  
 --- CREEK
- LEGAL CORNER POST
  - SURVEY POINT
  - ADIT
  - DIAMOND DRILL HOLE



<b>CANADIAN WEST RESOURCES LTD.</b>		
SCALE: AS SHOWN	APPROVED BY: <i>[Signature]</i>	DRAWN BY: <i>[Signature]</i>
DATE: 2/1/90		REVISED
<b>Geology, Claims, Veins &amp; Mine Workings</b>		
<b>Jan, Mar, Black Panther, Black Lion Property</b>		DRAWING NUMBER <b>4</b>

workings, cross-cutting drifting and trenching by Pioneer (1941 to 1946) have outlined mineralization at the C and B adits which returned values of 0.75 ounces gold per ton over a 23.48 centimetre width for 45.72 metres and 2.09 ounces gold per ton over 12.8 centimetres for 36.58 metres, respectively.

At the Black Lion area, some 610 metres to the south along the strike of the main zone, earlier work located a 61 metre long section of vein which assayed 0.60 ounces of gold per ton over a 61 centimetre width. Recent work here has also located a strong parallel structure which averaged 0.084 ounces of gold per ton over a 4 metre interval.

The northeast corner of the Property hosts veins similar to those of the Black Panther workings and thus further enhances the potential of the Property. In particular, trenching north and south of Summit Lake has outlined a number of veins which contain good gold values (Figure 4). Diamond drilling in 1980 returned values of .220 ounces of gold per ton over a 1.83 metre interval, 0.09 ounces of gold per ton over a 1.83 metre interval and 0.14 ounces of gold per ton over a .91 metre interval.

Based on available data from all sources, M.P. Dickson, P. Eng. has calculated mineral reserves for the entire Property. The reserves have been calculated using drift, raise, winze, stope, trench and surface drill hole assays from earlier work and the more recent work completed in the 1980's.

A minimum reserve width of 3.0 feet has been used and a 12 cu. ft. per ton factor has been applied throughout. Mineral reserves as per the various categories are:

Proven:	22,539 tons
Probable:	17,785 tons
Possible:	19,281 tons

Total reserves and average grade for all three categories amount to 59,605 tons at 0.27 ounces gold/ton and 0.50 ounces silver/ton.

#### Work Already Undertaken By the Issuer

To date, the Issuer has incurred exploration costs with respect to exploration programs and engineering reports on the Property in the amount of approximately \$67,186. The work on the Property included washing of the 872 metre level adit cross-cut, sampling of both walls, reconnaissance prospecting and examination of Black Lion and other showings.