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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.

P R O S P E C T U S

Yukon Gold Placers, Limited  
4th Floor, Two Bentall Centre,  
555 Burrard Street,  
Vancouver, British Columbia

RECEIVED

JUN 28 1972

BRITISH COLUMBIA  
SECURITIES COMMISSION

NEW ISSUE:

We, as principals, offer to sell 500,000 common shares if and when purchased by us, subject to prior sale.

500,000 Shares	Price to Public	Commissions	Proceeds to Company	*
Per Unit	\$ .11	\$ .01	\$ .10	
Total	\$55,000	\$ 5,000	\$50,000	

\* Before deduction of legal, audit and printing expenses payable by the Company estimated not to exceed \$6,000.00.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

SECONDARY OFFERING

After primary distribution of the new issue herein described has been completed, 400,000 shares may be sold to the public as follows: 70,400 shares by each of GORDON LEE, JOHN N. CARLISLE, DAVID J. DOUGLAS, G. ROBERT FAY, & RICOY HOLDINGS LTD.; and 30,000 shares by F. MICHAEL P. WARREN; and 18,000 shares by DEAN DUGGAN, all at the market price prevailing at the time of sale. The Company will not receive any proceeds from such sales. The net proceeds will accrue to the selling shareholders. Reference is made to the heading "Principal Shareholders".

THE SHARES OF THE COMPANY MUST BE CONSIDERED SPECULATIVE AS THE COMPANY'S MINING PROPERTIES ARE IN THE EXPLORATION STAGE.

AT PRESENT THERE IS NO MARKET FOR THE SHARES OF THE COMPANY.

REFERENCE IS MADE TO THE HEADING "SHARE OFFERING & PLAN OF DISTRIBUTION" AND THE COMPARISON OF THE PERCENTAGE OF SECURITIES BEING OFFERED TO THE PUBLIC FOR CASH AND ALREADY ISSUED BY THE COMPANY TO PROMOTERS, DIRECTORS, OFFICERS AND CONTROLLING PERSONS.

THERE IS NO LAND SURVEY OF THE COMPANY'S PROPERTIES AND UNTIL SUCH LAND SURVEY IS COMPLETED THE BOUNDARIES OF THE PROPERTIES COULD BE IN DOUBT.

REGISTRAR AND TRANSFER AGENT

The Canada Trust Company  
901 W. Pender  
Vancouver, British Columbia

UNDERWRITER

Carlisle Douglas & Co. Ltd.,  
890 W. Pender  
Vancouver, British Columbia

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NAME & INCORPORATION

Yukon Gold Placers, Limited (the "Company") was duly incorporated under the provisions of Part 1 of the Companies Act, 1934 (Canada) by Letters Patent dated February 18, 1946, as a public company, with a capital stock consisting of 1,000,000 shares without nominal or par value. By supplementary Letters Patent dated July 7, 1948, and further supplementary Letters Patent dated July 21, 1969, the capital of the Company was increased so that the Company is authorized to issue 2,000,000 shares without nominal or par value.

The Company was registered under the provisions of the Companies Act of British Columbia as an Extra-Provincial Company on June 22, 1972.

The address of the head office of the Company is 890 West Pender, Vancouver 1, B.C.

The address of the registered office of the Company is 4th Floor, Two Bentall Centre, Vancouver 1, B.C.

THE BUSINESS

The Company is a mining company engaged in the acquisition, exploration and development of mining properties. The Company is the registered and beneficial owner of the mineral properties described under the heading "The Property" and intends to seek and acquire additional properties worthy of exploration and development.

According to the records of the Company available to its present management, it appears that:

1. On its incorporation, the Company issued six common shares to its directors for a cash consideration of \$1.00 per share;
2. From its incorporation until December 1956, the Company operated various gold producing properties in the Yukon Territories, which it purchased from Yukon Alluvial Golds Ltd. pursuant to an Agreement dated March 6, 1946, the consideration for which included 509,994 common shares in the capital of the Company issued as fully-paid and non-assessable for a deemed consideration of \$1.00 per share;
3. In order to raise funds for the purpose of acquiring the equipment and working capital necessary to work the property so purchased, the Company created an issue of 3 3/4% - 4 1/4% Mortgage Serial Bonds ("Serial Bonds") in the aggregate principal amount of \$1,100,000.00, with various maturity dates, all secured by a first floating charge on all the assets of the Company under a Deed of Trust and Mortgage (the "Serial Bond Trust Deed") dated April 1, 1946, and made in favour of National Trust Company, Limited, as Trustee;

4. Pursuant to an Agreement dated March 6, 1946, between the Company and Mas Holdings Ltd., the Company issued to Mas Holdings Ltd., Serial Bonds in the aggregate principal amount of \$1,100,000.00 together with 490,000 fully-paid and non-assessable common shares in the capital of the Company, all in consideration of the payment of the aggregate sum of \$1,134,000.00. The Serial Bonds were deemed to have been issued at 85% of their par value, or for an aggregate consideration of \$935,000.00, and the 490,000 shares were deemed to have been issued for an aggregate consideration of \$199,000.00 (approximately \$.40½ per share);

5. By supplementary Trust Deed dated June 25, 1948, the provisions of the Serial Bond Trust Deed were modified to provide for the creation and issue of \$400,000.00 5% Prior Lien Income Bonds ("Lien Bonds") ranking in priority to the Serial Bonds and secured by specific mortgage and floating charge on all the assets of the Company under a Deed of Trust and Mortgage (the "Lien Bond Trust Deed") dated June 25, 1948, and made in favour of National Trust Company, Limited, as Trustee;

6. The supplementary Trust Deed also extended the maturity date of all Serial Bonds to December 1, 1958, and increased the interest rate as of June 1, 1947, to 5%, cumulative from that date and payable semi-annually from June 1, 1953;

7. The Lien Bonds were duly issued on August 1, 1948, at a discount for a net cash consideration of \$280,000.00;

8. On July 7, 1948, supplementary Letters Patent were granted to the Company consolidating the 1,000,000 shares then outstanding into 500,000 shares and authorizing the creation and issue of an additional 500,000 shares, which were subsequently issued by the Company on August 31, 1948, for a cash consideration of \$20,000.00 (\$.04 per share);

9. During the next eight years the Company carried on operations and redeemed certain of the Lien Bonds, so that as at November 30, 1956, the principal amount of Lien Bonds outstanding was \$292,000.00;

10. On December 17, 1956, in accordance with the recommendation of the Company's Manager, the Company having sustained substantial losses and there being no prospect that operations on its remaining ground could produce a profit, the directors of the Company resolved that the Company cease operations. The Trustee was so notified; demand for payment of the Serial Bonds was made under the acceleration provisions of the Principal Trust Deed; a mortgage action was begun in the Supreme Court of Ontario and on February 27, 1957, National Trust Company, Limited, was appointed Receiver of all of the undertaking, property and assets of the Company;

11. Subsequently, Nighthawk Gold Mines Limited (N.P.L.) ("Nighthawk") acquired all of the outstanding Lien Bonds for a total cash consideration of \$50,000.00 and settled the claims of all unsecured creditors of the Company. By an offer dated June 21, 1957, Nighthawk offered to acquire from the holders thereof all of the \$1,100,000.00 Serial Bonds and all of the 1,000,000 common shares of the Company then outstanding, on the basis of 500 fully-paid and non-assessable common shares in the capital of Nighthawk for every \$1,000.00 in principal amount of Serial Bonds in full satisfaction of all claims for principal, interest and other monies thereunder, and one fully-paid and non-assessable common share in the capital of Nighthawk for every ten fully-paid and non-assessable common shares in the capital of the Company;

12. Pursuant to the offer of June 21, 1957, Nighthawk acquired Serial Bonds in the aggregate principal amount of \$1,067,000.00 and left on deposit with National Trust Company, Limited, 16,750 fully-paid and non-assessable common shares in the capital of Nighthawk for distribution in respect of the acquisition of the remaining Serial Bonds in the aggregate principal amount of \$33,500.00;

13. The Lien Bond Trust Deed and the Serial Bond Trust Deed each provides, in respect of the Lien Bonds and the Serial Bonds respectively, that at any time the registered holders of at least 75% of the aggregate principal amount of Bonds then outstanding could sanction the release of the Company and of the whole of the mortgaged premises (as defined in the Trust Deed) from the whole of the principal, interest and other monies owing upon all of the Bonds then outstanding, and that such shall be binding upon all of the Bondholders and the Trustee shall be bound to give effect thereto accordingly.

14. By authorizations dated October 7, 1958, Nighthawk, as the registered holder of all of the Lien Bonds and as the registered holder of more than 75% of the Serial Bonds, authorized and directed National Trust Company, Limited, the Trustee under both the Lien Bond Trust Deed and the Serial Bond Trust Deed to release the Company and the whole of the mortgaged premises (as defined in the Trust Deeds) from the whole of the principal, interest and other monies owing upon all of the Lien Bonds and all of the Serial Bonds then outstanding. Those authorizations were made irrevocable by an Agreement between Nighthawk and National Trust Company, Limited, dated December 23, 1958, wherein Nighthawk undertook to deliver to National Trust Company, Limited, for cancellation and destruction all of the Lien Bonds and Serial Bonds that it had acquired.

15. Notwithstanding the authorizations and directions so given to National Trust Company, Limited, as Trustee, formal releases in accordance therewith have not yet been delivered to the Company or registered, so that the Trust Deeds and the charges therein comprised remain registered against the Company in the various registries in which they were originally lodged for registration.

16. Since its cessation of operations in December 1956, until April 1972, the Company was not actively engaged in business.

The foregoing information is not within the personal knowledge of the present management of the Company but is derived from the old and incomplete records of the Company and from sources that the present management believes to be reliable. While the present management of the Company cannot assure the accuracy of the information given, it believes the information given to be substantially correct.

On January 25, 1966, the name of Nighthawk was changed to Highpoint Mines Limited (N.P.L.) and, subsequently, pursuant to special resolution of the shareholders of that Company passed on April 24, 1972, the name was changed to Highhawk Mines Limited (N.P.L.). David J. Douglas and F. Michael P. Warren who are directors and officers of the Company and have been since June 30, 1968 are directors and officers of Highhawk Mines Limited (N.P.L.) and have been since June 17, 1968

THE PROPERTY

1. The Pitt Lake Claims

By Agreement made as of April 25, 1972, the Company acquired from Robert Lee, c/o #420, 890 W. Pender, Vancouver; John N. Carlisle, #1102, 1575 Beach Avenue, Vancouver; David J. Douglas, 560 W. 50th Avenue, Vancouver; G. Robert Fay, 555 W. 50th Avenue, Vancouver; F. Michael P. Warren, #2201, 2075 Comox Street, Vancouver; and John N. Jones, 971 Devon Road, North Vancouver, 100% interest in the following four mineral claims, all situate at the west side of Pitt Lake in the New Westminster Mining Division of British Columbia:

<u>Mineral Claim</u>	<u>Tag Number</u>	<u>Record Number</u>
Millie 1	119404M	23631E
April 1	119405M	23632E
May	970303	26951M
June	970304	26952M

in consideration of the allotment and issue of 750,000 fully-paid and non-assessable common shares in the capital of the Company, to be allotted and issued immediately following the grant of supplementary Letters Patent increasing the number of shares authorized to be issued by the Company, as follows:

To:

Robert Lee	125,000
John N. Carlisle	125,000
David J. Douglas	125,000
G. Robert Fay	125,000
F. Michael P. Warren	125,000
John N. Jones	125,000
	<u>750,000</u>

The vendors of the mineral claims have agreed to the postponement of the allotment and issue to them of the 750,000 shares in order to enable the Company to retain in its treasury the 500,000 authorized but unissued shares for the purpose of further financing, should such be considered desirable, pending the grant of the supplementary Letters Patent.

David J. Douglas, John N. Carlisle, G. Robert Fay and John N. Jones are insiders, each owning beneficially equity shares carrying more than 10% of the voting rights attached to all equity shares of the Company. David J. Douglas and F. Michael P. Warren are insiders, each being a director and officer of the Company and are the promoters of the Company, as described under the heading "Promoters".

Location, Access and History:

The claims are located at approximately 49° 26' N., 122° 35' W., on the west shore of Pitt Lake, due west of Goose Lake, in the New Westminster Mining Division of British Columbia. Access to the claims is by boat on Pitt River, a tributary of the Fraser River. So far as is known the previous exploration and development work done on the claims consisted of a sample adit driven north-west from the lake level between 1945 and 1950 in connection with work done on the old Standard Group claims 1½ miles to the south, and some trenching in 1970 at a point to the north-west of and at an elevation higher than the sample adit.

There is no underground plant or equipment and no surface plant or equipment on the claims. The claims are without a known body of commercial ore and the proposed programme is an exploratory search for ore. The Company has not yet conducted any exploration or development work on the claims.

Geology:

So far as is known, the claims are mainly underlain by hornblende diorite with outcrops of ultrabasic rocks bearing chalcopryrite, pyrrhotite, pyrite, magnetite and possibly pentlandite as streaks and disseminations, samples of which indicate the presence of copper and nickel. No determination of the dimensions has been made.

Reference is made to the report to the Company of J. W. Hogan, B.A.Sc, P.Eng., of L. J. Manning & Associates Ltd. attached to and forming part of this Prospectus.

Future Exploration:

The Company intends to carry out the exploration programme recommended by J. W. Hogan, B.A.Sc, P.Eng., of L. J. Manning & Associates Ltd., in his report dated April 24, 1972 and attached hereto, details of which are described under "Use of Proceeds".

2. The Knutsford Claims

By a letter agreement dated March 10, 1972, between Pinnacle Mines Ltd. (N.P.L.) ("Pinnacle") and Carlisle, Douglas & Co. Ltd., acting as agent for and on behalf of the Company, the Company acquired the right to examine and the option to acquire an undivided 50% interest in the following mineral claims and mining properties (the "Claims") held by Pinnacle all situate approximately five miles south of the village of Knutsford in the Kamloops Mining Division of British Columbia:

<u>Claims</u>	<u>Record Numbers</u>
5A to 8A	56758 - 56761
ART <sub>1</sub> to ART <sub>6</sub> Frs.	81298 - 81303
* PIN <sub>1</sub> to PIN <sub>12</sub>	71608 - 71619
A <sub>2</sub> and A <sub>9</sub>	47778 and 47785

\* The PIN claims are all shown as fractions on the claims map but PIN<sub>3</sub>, PIN<sub>4</sub> and PIN<sub>8</sub> to PIN<sub>12</sub> are apparently recorded as full sized claims.

Subsurface rights to all minerals, other than gold and silver, on District Lot 585 pursuant to Crown Grant dated May 12, 1890.

In accordance with the terms of the letter agreement, the Company

- has exclusive control of the Claims;
- undertakes to expend on the Claims or pay to Pinnacle by September 10, 1972, the sum of \$25,000.00 and thereby earn an undivided 25% interest in the Claims;
- undertakes to expend on the Claims or pay to Pinnacle by March 10, 1973, a further \$25,000.00 and thereby earn an additional undivided 25% interest in the Claims;

After expenditure of the \$50,000.00 by the Company, all costs of further work on the Claims is to be shared equally between the Company and Pinnacle with either party having the right to withhold contribution there- to or relinquishing to the other an undivided 10% interest in the Claims for each \$25,000.00 that it fails to contribute, provided that no party's interest will be reduced below a 10% carried non-assessable interest in the Claims.



#### Location, Access and History:

The Claims are situated some five miles South of the Village of Knutsford, British Columbia, with the Number 5 Provincial Highway passing through the Eastern part of the said property. The City of Kamloops lies some eight miles to the North-Northeast and is serviced by P.W.A., C.P.R., C.N.R. and the Trans Canada Highway. Access is provided to all parts of the property by means of secondary roads facilitating normal vehicular traffic from Number 5 Highway. The properties cover 2,200 acres more or less.

The area covered by the Claims has been subject to sporadic mineral exploration since the latter part of the nineteenth century. In 1955, Commercial Minerals Ltd. completed some 5,500 feet of diamond drilling in the vicinity of the Joker Adit. In 1966, Pinnacle conducted a magnetic and induced polarization survey over the central portion of the property and carried out some 1,200 feet of drilling. In 1969, Pinnacle completed a diamond drilling programme to the extent of 3,648 feet involving some eight drill holes and conducted trenching in the area of the Joker Adit. No work has been done on the property since April, 1970. Details of the above history and work and further information on the Claims are contained in the report of J. A. Mitchell, P. Eng., dated February 1, 1972, attached to and forming part of this Prospectus.

There is no underground plant or equipment and no surface plant or equipment on the claims. The claims are without a known body of commercial ore and the proposed programme is an exploratory search for ore. The Company has not yet conducted any exploration or development work on the claims.

#### Geology:

The Claims straddle the Southern end of the Iron Mask Batholith and show indications of copper mineralization. Details of the geology of the Claims and the general area are contained in the report of J. A. Mitchell, P. Eng., dated February 1, 1972, which is attached to and forms part of this Prospectus.

#### Future Exploration:

The Company intends to carry out the exploration programme recommended for the Claims by J. A. Mitchell, P. Eng., in his report dated February 1, 1972, which is attached to and forms part of this Prospectus.

#### SHARE OFFERING & PLAN OF DISTRIBUTION

By Agreement dated April 25, 1972, between the Company and Carlisle Douglas & Co. Ltd., (the "Underwriter") of 890 W. Pender, Vancouver, British Columbia, the Company has agreed to sell and the Underwriter has agreed to purchase 500,000 common shares of the Company at \$.10 per share payable in cash against delivery of certificates representing the 500,000 common shares in definitive form within seven days of approval of this Prospectus by the British Columbia Securities Commission.

The obligation of the Underwriter under the Underwriting Agreement is to take up and pay for all of the common shares underwritten if any of the common shares are purchased under the Underwriting Agreement.

However, the Underwriter reserves the right to accept applications for the underwritten shares in whole or in part and to reject any application and withdraw the offer at any time without notice.

Of the 1,500,000 shares to be issued and outstanding on completion of this offer 83% will have been issued for cash and 17% for properties.

Of the 2,250,000 shares to be issued and outstanding on completion of this offering and the issue of the further 750,000 shares to the vendors of the mineral claims as described under the heading "The Property" following the grant of supplementary Letters Patent increasing the number of shares authorized to be issued by the Company, 55.4% will have been issued for cash and 44.6% for properties.

Of the 1,500,000 shares to be issued and outstanding on completion of this offer, but prior to the sale of any of the 400,000 shares referred to under the heading "Secondary Offering" on the front page of this Prospectus, 54.2% will be held by the public having been issued for cash and property and 45.8% will be held by promoters, directors, officers and controlling persons having been issued for cash and property.

In the event that all of the 400,000 shares referred to under the heading "Secondary Offering" on the front page of this Prospectus are sold to the public, then, on completion of the sale thereof, of the 1,500,000 shares then issued and outstanding, 80.9% will be held by the public and 19.1% will be held by promoters, directors, officers and controlling persons.

Following the issue of the further 750,000 shares to the vendors, and the sale to the public of all of the 400,000 shares referred to under the heading "Secondary Offering" on the front page of this Prospectus then of the 2,250,000 shares then to be issued and outstanding 54% will be held by the public and 46% will be held by promoters, directors, officers and controlling persons.

The 500,000 shares to be issued to the public pursuant to the offering contained in this Prospectus represent 33.3% of the 1,500,000 shares to be issued and outstanding on the completion of the offer, and 22.2% of the 2,250,000 shares to be issued and outstanding following the issue of the further 750,000 shares to the vendors of the mineral claims as described under the heading "The Property" following the grant of supplementary Letters Patent increasing the number of shares authorized to be issued by the Company.

The 400,000 shares referred to under the heading "Secondary Offering" on the front page of this Prospectus represent 26.7% of the 1,500,000 shares to be issued and outstanding on the completion of the offer, and 17.7% of the 2,250,000 shares to be issued and outstanding following the issue of the further 750,000 shares to the vendors of the mineral claims as described under the heading "The Property" following the grant of supplementary Letters Patent increasing the number of shares authorized to be issued by the Company.

USE OF PROCEEDS

The proceeds to be derived by the Company from the shares offered by this Prospectus will be \$50,000.00 which will be used as follows:

1.	Legal, audit and printing expenses of Prospectus	\$ 6,000.00	
2.	To carry out the first phase of the two-phase programme recommended by J. W. Hogan, B.A.Sc, P. Eng., for the Pitt Lake claims in his report dated April 24, 1972, attached to and forming part of this Prospectus:		
	Line cutting, 16 miles @ \$100.00 per mile	\$ 1,600.00	
	Detailed mapping:	1,000.00	
	Magnatometer survey: 16 miles @ \$100.00 per mile	1,600.00	
	Bulldozer Trenching: 50 hours @ \$50.00 per hour (including mobilization & demobilization)	2,500.00	
	Sampling and Assaying:	500.00	
	Diamond drilling: 500 ft. x-ray @ \$10.00 per foot (including mobilization & demobilization, supervision and assays)	5,000.00	
	Engineering	1,000.00	
	Contingencies	<u>1,800.00</u>	15,000.00
3.	To carry out the first stage of the two-stage programme recommended by J. A. Mitchell, P. Eng., for the Knutsford claims in his report to Pinnacle Mines Ltd. (N.P.L.) dated February 1, 1972, attached to and forming part of this Prospectus:		20,000.00
4.	To carry out further work on the Knutsford claims as may be recommended by the Company's consulting engineer and to earn the first undivided 25% interest of the Company therein:		5,000.00
5.	Reserve for contingencies and working capital and for further work on the Company's properties as may be recommended by the Company's consulting engineer:		4,000.00
			<u>\$ 50,000.00</u>

No part of the proceeds will be used to invest, underwrite or trade in securities other than those that qualify as an investment in which trust funds may be invested under the laws of the jurisdiction in which the securities offered by this Prospectus may be lawfully sold. Should the Company propose to use the proceeds to acquire non-trustee type securities after the initial distribution of the securities offered by this Prospectus, approval by the shareholders must first be obtained and prior disclosure must be made to the regulatory securities bodies having jurisdiction over the sale of the securities offered by this Prospectus. The proceeds will not be advanced to other persons or companies except to the extent necessary to enable the Company to implement its exploration and development programme as set forth in this Prospectus and any amendment thereto.

DESCRIPTION OF SHARES

The Company is authorized to issue 2,000,000 shares without nominal or par value of which 1,000,000 are issued as fully-paid and non-assessable. All shares of the Company, both issued and unissued are of the same class and rank equally as to dividends, voting powers and participation in assets. No shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights and no provision for redemption, purchase for cancellation, surrender or sinking, or purchase funds. Provisions as to the modifications, amendments or variations of such rights or such provisions are contained in the Canada Corporations Act.

SHARE AND LOAN CAPITAL STRUCTURE

Designation of Security	Amount Authorized	Amount Outstanding as of Dec. 31, 1971	Amount Outstanding as of Apr. 28, 1972.	Amount to be Outstanding on completion of Offering
common shares	2,000,000	1,000,000	1,000,000	1,500,000

NOTE: Immediately following the receipt by the Company of the net proceeds to be derived from the sale of shares offered by this Prospectus, the management of the Company intends to call an Extraordinary meeting of the shareholders to authorize an application for a grant of supplementary Letters Patent to increase the number of shares authorized to be issued by the Company from 2,000,000 to 4,000,000. It is expected that the grant of such supplementary Letters Patent will be issued approximately thirty (30) days after the Extraordinary general meeting of the shareholders. Immediately thereafter the Company will allot and issue 750,000 common shares as fully-paid and non-assessable in accordance with the Agreement of April 25, 1972, whereby the Company acquired the mineral claims, as described above under "The Property". No further consideration for those 750,000 common shares will be paid or payable to the Company.

REFER TO THE NOTE at the foot of this section and to the information set out under the heading "The Business" concerning the status of the Bonds created and issued by the Company prior to August 31, 1948.

During the period from the incorporation of the Company on February 18, 1946, to August 31, 1948, the Company sold the following securities for cash:

Common Shares:

Number of Shares	Price Per Share	Commissions Paid Per Share Sold	Total Cash Received
6 *	\$1.00	NIL	\$6.00
490,000 *	\$ .40½+	NIL	\$199,000.00
500,000	\$ .04	NIL	\$20,000.00

\* By supplementary Letters Patent dated July 7, 1948, the 490,006 shares issued for cash, together with the 509,994 shares issued for property at a deemed consideration of \$1.00 per share (see heading "The Business") were consolidated into 500,000 shares.

3 3/4% - 4 1/4% Mortgage Serial Bonds:

Aggregate Principal Amount of Bonds	Price	Commissions Paid	Total Cash Received
\$1,100,000.00	85% of Aggregate Principal Amount	NIL	\$935,000.00



5% Prior Lien Income Bonds:

Aggregate Principal Amount of Bonds	Price	Commissions Paid	Total Cash Received
\$400,000.00	70% of Aggregate Principal Amount	NIL	\$280,000.00

NOTE:

All of the 5% Prior Lien Income Bonds and all but \$33,500.00 principal amount of the 3 3/4% - 4 1/4% Mortgage Serial Bonds were acquired by Nighthawk Gold Mines Limited (N.P.L.) (now called Highhawk Mines Limited (N.P.L.)) as described under the heading "The Business".

All of the Prior Lien Income Bonds and all of the Mortgage Serial Bonds, including the \$33,500.00 principal amount thereof not yet acquired by Highpoint Mines Limited (N.P.L.) are to be cancelled and the Company is to be released therefrom and from all monies payable thereunder pursuant to the authorizations and directions given by Nighthawk Gold Mines Limited (N.P.L.) as described under the heading "The Business", which authorizations and directions are binding on all holders of Bonds in accordance with the provisions of the Trust Deeds under which they are issued and secured. Accordingly, the present directors of the Company do not consider and have not treated any of the Prior Lien Income Bonds or any of the Mortgage Serial Bonds as being outstanding obligations of the Company, notwithstanding that formal releases have not yet been delivered to the Company or registered. The Company has requested National Trust Company, Limited, the Trustee, to execute and deliver to the Company the formal releases and expects to receive them by June 30, 1972.

PRIOR SALES

During the past twelve months prior to the date of this Prospectus, no common shares in the capital of the Company have been sold for cash. The Company has agreed to allot and issue 750,000 common shares as fully-paid and non-assessable at a deemed consideration of \$.01 per share, for the acquisition of the mineral claims described under the heading "The Property", which shares are to be allotted and issued immediately following the grant of supplementary Letters Patent increasing the number of shares authorized to be issued by the Company.

DIRECTORS AND OFFICERS

The principal business or occupation in which each of the Directors and Officers of the Company has been engaged during the immediately preceding five years is as follows:

Name	Position with Company	Business or Occupation
David John Douglas 560 W. 50th Ave., Vancouver, B.C.	President & Director	President & Director of Carlisle, Douglas & Co. Ltd., Stockbrokers.
Frederic Michael Patrick Warren #2201-2075 Comox St., Vancouver, B.C.	Secretary-Treasurer & Director	Barrister & Solicitor, Partner, Owen, Bird, March 1972 to date.  Barrister & Solicitor self-employed & Mining Executive for the past five years.
Dean Duggan 4086 Yale, Burnaby, B.C.	Director	Chartered Accountant Comptroller, Carlisle, Douglas & Co. Ltd., Stockbrokers, August 1969 to date.  Chartered Accountant Arthur Andersen & Co., Chartered Accountants; 1964 to August 1969.
Rosemary Jeanne Douglas 560 W. 50th Ave., Vancouver, B.C.	Director	Wife of David J. Douglas
Sarah Ann Reukauf 1161 Melville St., Vancouver, B.C.	Director	Magazine Editor & Photographic Editor.
Ursula Tinsley #7-1019 Bute St., Vancouver, B.C.	Director	Secretary, Carlisle, Douglas & Co. Ltd., Stockbrokers, November 1969 to date.  Secretary, Laurentide Financial Corp. Ltd., August 1968 - November 1969.

REMUNERATION OF DIRECTORS & SENIOR OFFICERS

No remuneration has been paid or became payable by the Company to the directors or senior officers of the Company during the Company's last completed financial year and no remuneration will be paid to the directors or senior officers of the Company during the Company's current fiscal year. The foregoing does not include any remuneration paid or payable or to become payable to F. Michael P. Warren, a director and senior officer of the Company, for professional legal services rendered to the Company in his capacity as solicitor.

PROMOTERS

Under the definition of "Promoter" contained in Section 2 of the Securities Act, 1967, of British Columbia, David J. Douglas and F. Michael P. Warren may be considered the promoters of the Company in that they, together with James Melbourne O'Brien took the initiative in the reorganization of the Company, but they have received no consideration in the form of cash, shares or otherwise from the Company for so doing.

David J. Douglas headed a purchasing group which purchased from Highpoint Mines Limited (N.P.L.) in September 1970, 680,474 shares in the capital of the Company for a total consideration of \$10,000.00. Of the 680,474 shares, David J. Douglas purchased 120,000 and F. Michael P. Warren purchased 50,000. Each of David J. Douglas and F. Michael P. Warren will receive 125,000 fully-paid and non-assessable common shares in the capital of the Company in consideration for the sale by them and others to the Company of the mineral claims described under the heading "The Property". The shares issued and to be issued by the Company for the mineral claims described under the heading "The Property" were issued and will be issued at an arbitrary value of \$.01 per share for a total of \$7,500.00, which amount does not necessarily bear any relation to the value of the mineral claims which were originally purchased by David J. Douglas, F. Michael P. Warren, Robert Lee, John N. Carlisle, G. Robert Fay, and John N. Jones for an aggregate purchase price of \$5,000.00.

PRINCIPAL SHAREHOLDERS

Set forth on the next page are particulars of each of the principal shareholders of the Company as at the date of this Prospectus who owns of record or is known to the management of the Company to own beneficially 10% or more of the 1,000,000 issued shares of the Company, and of those shareholders who may from time to time offer shares in the Company for sale as referred to on the front page of this Prospectus:

Name & Address	Designation of Class	Type of Ownership	Number of Shares Owned	Percentage of Class	Number of Shares to be Sold Under Secondary Offering	Number of Shares to be Owned Following Secondary Offering
Gordon Lee c/o #420, 890 W. Pender, Vancouver, B.C.	Common	Beneficial	120,000 *	12%	70,400	49,600
John N. Carlisle #1102, 1575 Beach Avenue, Vancouver, B.C.	Common	Beneficial	120,000 *	12%	70,400	49,600
David J. Douglas 560 W. 50th Avenue, Vancouver, B.C.	Common	Beneficial Of Record & Beneficial	120,000 * 1	12% NIL	70,400 NIL	49,600 1
G. Robert Fay 555 W. 50th Avenue, Vancouver, B.C.	Common	Beneficial	120,000 *	12%	70,400	49,600
John N. Jones ** 971 Devon Road, North Vancouver, B.C.	Common	Beneficial	120,000 *	12%	70,400	49,600
F. Michael P. Warren #2201, 2075 Comox Street, Vancouver, B.C.	Common	Beneficial Of Record & Beneficial	50,000 * 6,834	5% 0.68%	30,000 NIL	20,000 6,834
Dean Duggan 4086 Yale, Burnaby, B.C.	Common	Beneficial	30,471 *	3%	18,000	12,474

\* Owned of Record by Carlisle, Douglas & Co. Ltd., under the name "Cardo" the registered holder of 725,947 common shares representing 72.6% of the total issued shares of the Company. David J. Douglas, John N. Carlisle, G. Robert Fay and John N. Jones each hold more than 10% of the issued shares of Carlisle, Douglas & Co. Ltd.

\*\* Indirectly through Ricoy Holdings Ltd., of which Company John N. Jones is the President and a director.

NOTE: Immediately following the grant of supplementary Letters Patent increasing the number of shares authorized to be issued by the Company, each of David J. Douglas, John N. Carlisle, G. Robert Fay, John N. Jones, F. Michael P. Warren and Robert Lee will receive 125,000 of the 750,000 common shares of the Company to be allotted and issued as fully-paid and non-assessable in payment for the mineral claims described under the heading "The Property".

The number and percentage of the 1,000,000 issued shares of the Company beneficially owned directly or indirectly by all directors and senior officers of the Company as a group is as follows:

<u>Designation of Class</u>	<u>Number of Shares</u>	<u>Percentage of Class</u>
Common Shares	207,309	20.7%

ESCROWED SECURITIES

As of the date of this Prospectus, no securities are held in escrow. However, the 750,000 shares to be issued to the vendors of the mineral claims described under the heading "The Property" immediately following the grant of supplementary Letters Patent increasing the number of shares authorized to be issued by the Company, will be held in escrow by The Canada Trust Company subject to the direction or determination of the British Columbia Securities Commission (the "Commission"). The escrow restrictions will provide that the shares may not be traded in, dealt with in any manner whatsoever, or released, nor may the Company, its transfer agent or escrow holder make any transfer or record any trading of the shares without the consent of the Commission.

The escrow agreement will provide further that in the event the Company loses or abandons or fails to obtain title to all or part of the property for which it issues all or part of the escrow shares, the Company will declare any such event to the Commission by way of directors resolution and the holders of such shares, shall surrender to the Company by way of gift for cancellation such number of escrow shares as the Commission shall determine to be fair and equitable under the circumstances.

MATERIAL CONTRACTS

There are no material contracts except as disclosed in this Prospectus all of which may be inspected at the registered office of the Company during normal business hours while primary distribution of the shares offered hereunder is in progress and for the period of 30 days thereafter.

INTEREST OF MANAGEMENT & OTHERS IN MATERIAL TRANSACTIONS

680,474 common shares in the capital of the Company were purchased in or about November, 1970 from Highpoint Mines Limited (N.P.L.) for a total consideration of \$10,000.00 by a purchasing group made up as follows:

Gordon Lee*	120,000
John N. Carlisle*	120,000
David J. Douglas* **	120,000
G. Robert Fay*	120,000
Ricoy Holdings Ltd.*	120,000
F. Michael P. Warren* **	50,000
D. Duggan* **	30,474
	<hr/>
	680,474

By Agreement made as of April 25, 1972, the Company, in consideration of the allotment and issue of 750,000 common shares, to be issued as fully-paid and non-assessable for a deemed consideration of \$.01 per share, of which 125,000 shares are to be issued to each of John N. Carlisle\*, David J. Douglas\* \*\*, G. Robert Fay\*, F. Michael P. Warren\* \*\*, John N. Jones\* \*\*\*, and Robert Lee, (the "Vendors"), acquired the mineral claims described under the heading "The Property", which mineral claims were purchased by the Vendors for a total consideration of \$5,000.00.

By Agreement dated April 25, 1972, between the Company and Carlisle, Douglas & Co. Ltd., of 890 W. Pender, Vancouver, B.C., the Company has agreed to sell and Carlisle, Douglas & Co. Ltd., has agreed to purchase 500,000 common shares of the Company at \$.10 per share as described under the heading "Share Offering and Plan of Distribution". David J. Douglas\* \*\* is President, Director and principal shareholder of Carlisle, Douglas & Co. Ltd. John N. Carlisle\* is Vice-President, Director and principal shareholder of Carlisle, Douglas & Co. Ltd. G. Robert Fay\* and John N. Jones\* are principal shareholders of Carlisle, Douglas & Co. Ltd.

- \* Principal shareholder of the Company, owning beneficially, directly or indirectly, more than 10% of the equity shares of the Company.
- \*\* Director and/or Senior Officer of the Company.
- \*\*\* President, Director and principal shareholder of Ricoy Holdings Ltd.

AUDITORS

Liverant, Yip & Co.  
Chartered Accountants,  
845 W. Pender Street,  
Vancouver, British Columbia

PURCHASER'S STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

Sections 61 and 62 of the British Columbia Securities Act provides in effect that where a security is offered to the public in the course of primary distribution:


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


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

CERTIFICATE OF PROMOTERS & DIRECTORS

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 British Columbia Securities Act, 1967, and the regulations thereunder.


DATED THIS 28 DAY OF APRIL, 1972.


  
 DAVID J. DOUGLAS, Director & Promoter

  
 F. MICHAEL P. WARREN, Director & Promoter

  
 DEAN DUGGAN, Director

  
 R. JEANNE DOUGLAS, Director

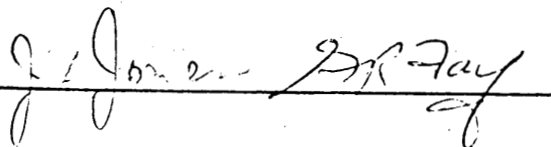
  
 SARAH A. REUKAUF, Director

  
 URSULA TINSLEY, Director

CERTIFICATE OF UNDERWRITER

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

CARLISLE, DOUGLAS & CO. LTD.

Per: 

The following hold an interest of 5% or more in the capital of Carlisle, Douglas & Co. Ltd.

G. Robert Fay  
555 W. 50th Avenue,  
Vancouver, B.C.

John N. Carlisle  
#1102, 1575 Beach Avenue,  
Vancouver, B.C.

John N. Jones  
971 Devon Road,  
North Vancouver, B.C.

REPORT ON THE MILLIE CLAIMS  
PITT LAKE  
NEW WESTMINSTER MINING DIVISION  
FOR  
YUKON GOLD PLACERS, LIMITED  
BY  
J. W. HOGAN, B.A.Sc., P.Eng.

L. J. Manning & Associates Ltd.,  
310 - 890 West Pender Street,  
Vancouver 1, B. C.

April 24, 1972

L. J. MANNING & ASSOCIATES LTD.

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APPENDIX:

Certificate of Qualifications - J. W. Hogan

DRAWINGS:

Figure 1: Claim Location and Regional Geology

Figure 2: Property Sketch Geology



**L. J. MANNING & ASSOCIATES LTD.**  
CONSULTING MINING AND GEOLOGICAL ENGINEERS  
310-890 WEST PENDER STREET VANCOUVER 1, B. C.

OFFICE PHONE:  
683-5861

RESIDENTIAL PHONE:  
L. J. MANNING - 985-5684

April 24, 1972

The President and Directors,  
Yukon Gold Placers, Limited,  
420 - 890 West Pender Street,  
Vancouver, B. C.

Dear Sirs:

The following report on the Yukon Gold Placers, Limited Pitt Lake property is based on a study of all available data from Government and other publications and on a visit to the property.

SUMMARY AND RECOMMENDATIONS:

Yukon Gold Placers, Limited hold four claims in the Pitt Lake area, B. C. Recent prospecting has located ultra-basics with associated chalcopryrite, pyrrhotite and Pentlandite (?) mineralization. This is a similar environment to the Giant Mascot Mine at Hope, B. C. which at September 30, 1970 had reserves of 1,382,002 tons @ 0.87% Ni - 0.44% Cu. It is recommended that a two phase program be undertaken on the Millie Group to attempt to locate significant nickel-copper mineralization.

Phase I:

Mapping, Magnetometer survey and  
x-ray drilling \$15,000

Phase II:

Diamond Drilling \$40,000

L. J. MANNING & ASSOCIATES LTD.

Page 2

CLAIMS:

Yukon Gold Placers, Limited hold four claims in the Pitt Lake area, New Westminster Mining Division, B. C.

<u>Claim Name</u>	<u>Record No.</u>	<u>Expiry Date</u>	<u>Recorded Owner</u>
Millie	23631E	May 29/72	J. Ritlop
April	23632E	May 29/72	J. Ritlop
May	26951M	Sept. 22/72	J. Ritlop
June	26952M	Sept. 22/72	J. Ritlop

The writer has examined two post locations and has found them to be in accordance with the British Columbia Mineral Act.

LOCATION AND ACCESS:

The claims (92 G 7E - 49°26' - 122°35') are on the west shore of Pitt Lake due west of Goose Island.

Access is by boat from Pitt River which empties into the Fraser River. Pitt Lake is tidal.

HISTORY:

The only mineral showings in the immediate area (1½ miles south of the Millie claims) are on the old Standard Group which consist of quartz-filled fissure veins in Quartz Diorite. Sulfides are pyrite, chalcopryrite and galena, and are erratically distributed with values up to 1.28 Oz. Au/ton per 1.0' true width. At the time of the work on these claims (1945-1950) an adit was sampled on the present Millie claims. This adit was driven north-west from the lake level for 80' on a similar structure. Gold assays were negligible.

To the best of the author's knowledge, the only other recent work performed to date on the Millie claims has been some trenching last year northwest and higher in elevation than the above mentioned adit.

GENERAL GEOLOGY:

The area is mapped by the Geological Survey of Canada (Map 1151 A) as being underlain by Coast Plutonic Rocks of mainly Upper Jurassic Age; and ranging from granite to gabbro in composition.

Most of the prospects in the area are in pendant rocks, with very few (e.g. the Standard Group) being in an intrusive host.

PROPERTY GEOLOGY AND MINERALIZATION:

The property is mainly underlain by hornblende diorite. Intruding and/or associated with the diorite are ultrabasic rocks comprising hornblendite, peridotite and pyroxenite. Ultrabasics observed by the writer were mainly rubble, while actual outcrops were restricted to small exposures on the edges of larger diorite outcrops. There are about 30% outcrop exposures in the area of the Ultrabasics.

A deeply incised canyon cuts N20°W through the property and possibly represents a major fault as evidenced by a sub-parallel fracture pattern in adjacent outcrops.

Mineralization in the ultrabasics consists of chalcopyrite, pyrite, magnetite, pyrrhotite and possibly pentlandite as streaks and disseminations. Two grab samples taken by the writer returned 0.18% Cu - 0.14% Ni and 0.17% Cu - 0.21% Ni. A cold extractable assay on the 0.21% Ni returned 0.17% Ni as sulfides and 0.04% Ni as silicates. All mineralized specimens give a strong dimethylglyoxime test, and are medium to strongly magnetic.

The paucity of outcrops does not allow for any attitude or size determination of the ultrabasic rocks.

Although ultrabasics have not been mapped to date on the Pitt Lake Map sheet, their occurrence around Harrison Lake (East shore) and also immediately south of the 49th parallel in Washington State on a northwest trend projecting to Pitt Lake suggests that the ruggedness of the country may have been the determining factor in the absence of locating ultrabasic rocks and that more detailed exploration should locate additional showings.

CONCLUSIONS:

The Millie Claims are partly underlain by ultrabasic rocks containing chalcopyrite-pyrrhotite and pentlandite (?). This is a similar environment to the now producing Giant Mascot Mine at Hope, B. C. which, since 1958, has produced 3,500,000 tons of ore with reserves of 1,382,002 tons @ 0.87% Ni - 0.44% Cu at September 30, 1970. This similar environment suggests that exploration should be undertaken on the Millie claims.

RECOMMENDATIONS:

A two phase exploration program is recommended for the Yukon Gold Placers, Limited claims at Pitt Lake, B. C.

Phase I:

- Line Cutting - 100' Line Spacing 16 miles @ \$100/mile	\$ 1,600
- Detailed Mapping	1,000
- Magnetometer Survey - 50' stations 16 miles @ \$100/mile	1,600
- Bulldozer Trenching - 50 hrs. @ \$50/hr. (Including mobilization & demobilization)	2,500
- Sampling and Assaying	500
- Diamond Drilling - 500' x-ray @ \$10/ft (includes mobilization & demobilization, supervision, assays, etc.	5,000 1,000
- Engineering	1,000
- contingencies	<u>1,800</u>
	\$ 15,000

Phase II:

- Allow 2,000' of diamond drilling  
@ \$20/ft. \$40,000  
(includes mobilization, demobilization  
supervision, assays, etc.)

Respectfully submitted,

L. J. MANNING & ASSOCIATES LTD.

  
W. Hogan, P.Eng.

BIBLIOGRAPHY:

- Canadian Mines Handbook - 1971-1972
- Western Miner - September 1971
- G.S.C. Memoir 335 - Vancouver North, Coquitlam  
and Pitt Lake Areas, B. C. - J. A. Roddick
- G.S.C. Map 1151A - Pitt Lake - J. A. Roddick
- G.S.C. Map 737A - Hope - C. E. Cairnes
- Washington Department of Conservation - Division  
of Mines and Geology - Geological Map of Washington  
1961.
- G.S.C. Paper 69-47 - Hope
- Unpublished data

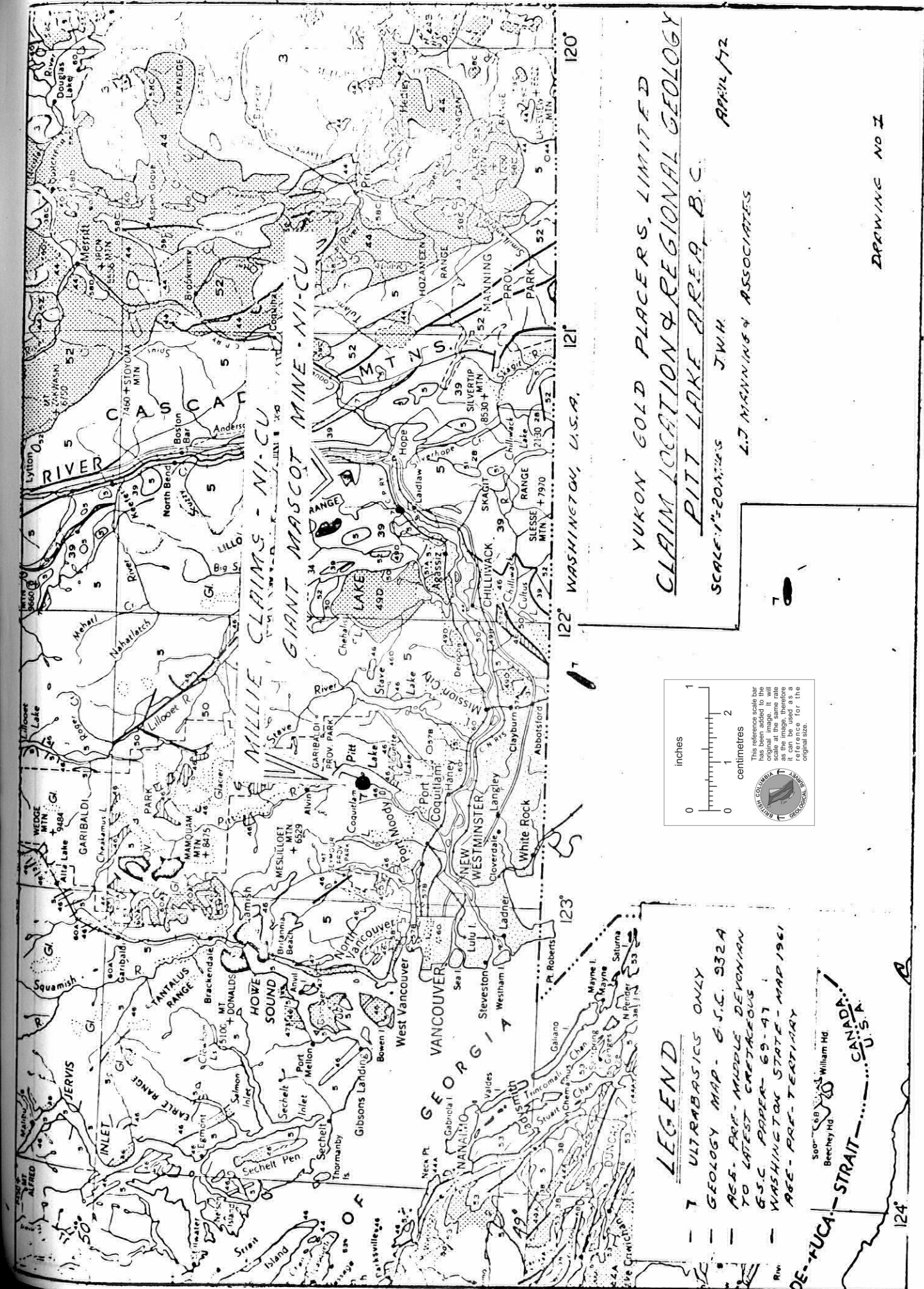
CERTIFICATE OF QUALIFICATIONS

1. John W. Hogan, P.Eng., Geological, of 859 Prospect Avenue, North Vancouver, B. C., certify as follows:

1. That I graduated from the University of British Columbia in 1953 with a Bachelor of Applied Science Degree in Geological Engineering.
2. That I have been a professional engineer since 1956.
3. That I have been engaged in the profession of Geological Engineering for 15 years.
4. That from 1954 to 1956, I was employed as a geologist at Pronto Uranium Mines and Rix Athabasca
5. That from 1956-1960, I was Mine Geologist at Can-Met Explorations Ltd.
6. That from 1960-1966 I was a Project Geologist for Denison Mines Ltd. in Ireland and Maine, U.S.A.
7. That from 1966-1969 I was Western Representative for Denison Mines Ltd.
8. That I am presently an Associate in the firm of L. J. Manning & Associates Ltd., Vancouver, B. C.
9. That the report on the Yukon Gold Placers, Limited Pitt Lake property is based on a study of all available data from Government and other publications and on a visit to the property.
10. That I do not hold any financial or any other interest in the properties or stock of Yukon Gold Placers, Limited or any of its affiliates, nor do I expect to do so in the future.

Dated at Vancouver, British Columbia this 24th day of April, 1972

J. W. Hogan, P.Eng.

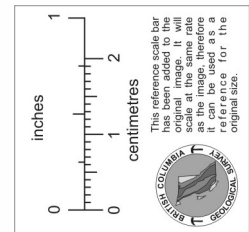


YUKON GOLD PLACERS, LIMITED  
CLAIM LOCATION & REGIONAL GEOLOGY  
PITT LAKE AREA, B.C.

APRIL 72

J.W.H.  
L.J. MANNING & ASSOCIATES

SCALE: 1" = 20 KILOMETERS



DRAWING NO 3

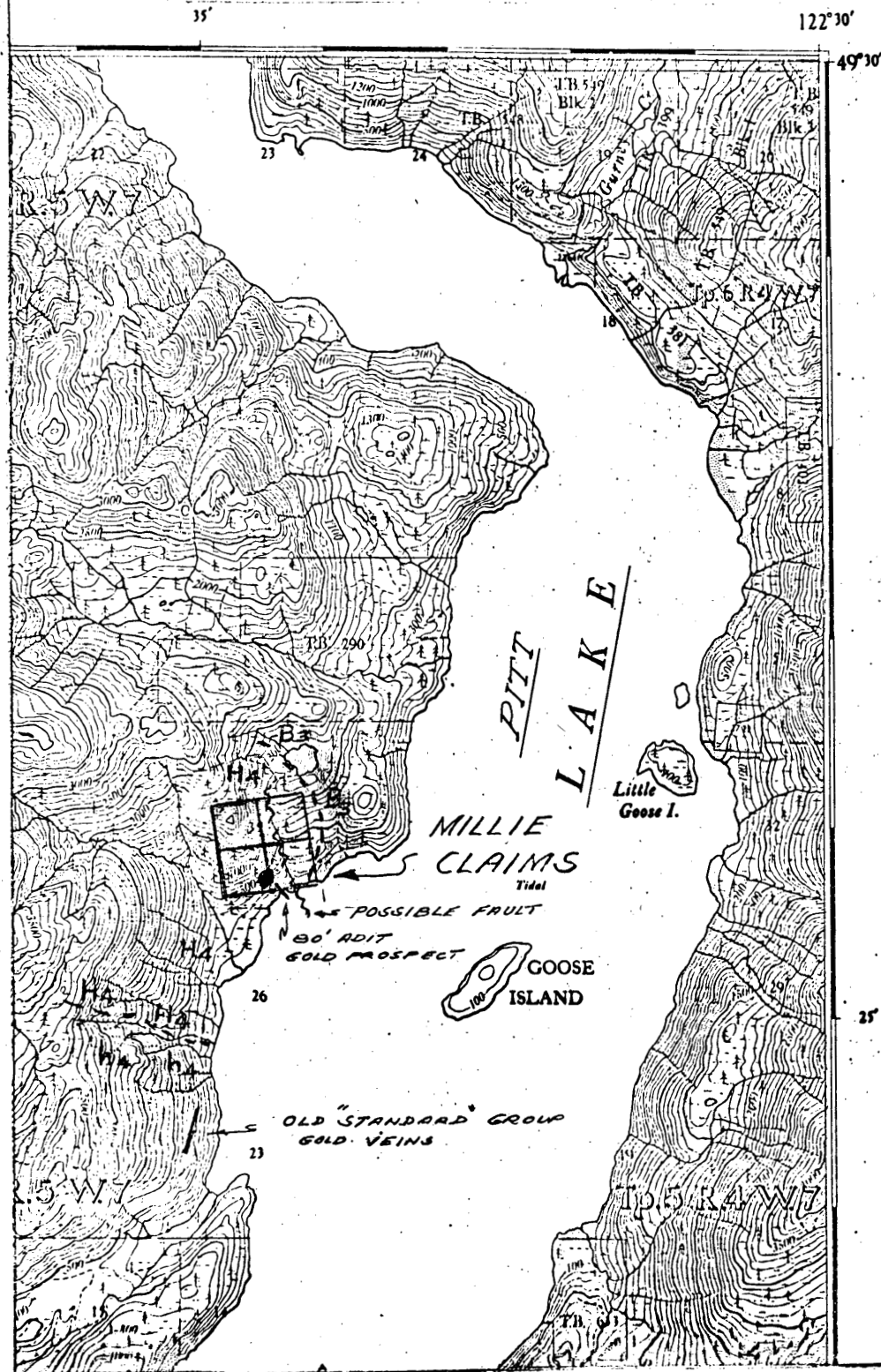


LEGEND & SYMBOLS

- H<sub>4</sub> - HORNBLLENDE GRANODIORITE
- h<sub>4</sub> - GRANODIORITE - HORNBLLENDE > BIOTITE
- Q<sub>3</sub> - QUARTZ DIORITE - BIOTITE > HORNBLLENDE

REC'D FROM: G.S.C. MAP 1151A

- ⊗ - LOCATION OF ULTRABASIC ROCKS WITH ASSOCIATED COPPER-NICKEL MINERALIZATION



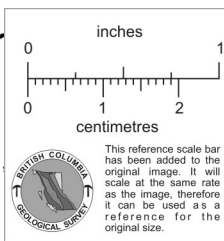
YUKON GOLD PLACERS, LIMITED  
 PROPERTY SKETCH GEOLOGY  
 PITT LAKE AREA, B.C.

APRIL 1972

SCALE: 1" = 1 MILE

L.J. MANNING & ASSOCIATES

DRAWING NO. 2



REPORT  
 ON  
 THE PROPERTY OF  
 PINNACLE MINES LTD. (N.P.L.)  
 KAMLOOPS MINING DIVISION  
 BRITISH COLUMBIA

by  
 J. A. Mitchell, P. Eng.

Vancouver, B. C.

February 1st, 1972.

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I N D E X

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GEOLOGY OF PINNACLE MINES PROPERTY	6
RECOMMENDATIONS FOR FURTHER WORK	7 - 8
PROPOSED EXPENDITURES	9
PREVIOUS EXPENDITURES	10

IN POCKET - 4 maps to illustrate report.

REPORT ON DATA SUPPLIED CONCERNING  
A, C, CLE, PIN AND ART GROUPS OF CLAIMS

INTRODUCTION

The writer was requested by the President of Pinnacle Mines Ltd. (N.P.L.), owner of the above claims, to review material available in the Vancouver office of the Company, to make recommendations for further work and to concur or otherwise comment on the report of C. T. Pasioka and J. B. Prendergast.

It is evident that maps and details of past work are not all available at the Vancouver office and there is nothing to indicate the final outcome of work done in 1969 or 1970 by Umex, the Canadian arm of Union Minerals Explorations & Mining Corporation Limited but it is understood this work proved to be inconclusive. It seems evident however that little or no attention was devoted to the south end of the property which covers the generally favorable contact of the batholithic rocks with the older Nicola rocks. It seems that work has been concentrated towards the central axes of the batholith in the north half, probably because mineralization has been found there and has been reflected by geophysical and geochemical surveys the results of the latter are not available to the writer but for reasons given later may be suspect and should take a subsidiary position to geological considerations which will be briefly reviewed.

Location and topography are favorable and except that mid-winter conditions may hamper some surface exploratory work the climate is not unfavorable. Deep overburden including varying thicknesses of glacial till can be a problem, particularly in valleys. It is therefore important that as much data as possible be obtained regarding the nature of the overburden in areas of potential so that geochemical and to some extent, geophysical data can be used intelligently in the placement of diamond drill holes to explore the bed-rock.

SUMMARY AND CONCLUSION

Pinnacle Mines Ltd. (N.P.L.) controls a large block of claims at the south eastern tip of the Iron Mask Batholith on which copper mineralization has been found. Initial efforts to prove up a large tonnage of economic mineralization have been frustrated by deep overburden which apparently involves glacial till. However the geological setting is an excellent one which involves repeated intrusions of varying composition into older rocks involving a volcanic-sedimentary contact and intersecting faults lying between the Iron Mask Batholith and a larger mass of intrusive rocks to the southeast. It is evident that repeated mobilization of minerals must have taken place in an area of potential reservoir structures that could contain an ore-body. Ground to the south and east of holdings of

Pinnacle Mines Ltd. covers some of the favorable ground and according to current claim maps appears to be open. It should be staked if possible. An initial program of percussion drilling to cost about \$20,000.00 should then be undertaken to obtain information on which to base a major program of diamond drilling to greater depth.

PROPERTY

The property consisted of 62 contiguous mineral claims held by right of location. These were as follows :-

<u>Claims</u>	<u>Record Numbers</u>
A <sub>1</sub> to A <sub>4</sub> incl.	47777 - 47780
5A to 8A incl.	56758 - 56761
A <sub>9</sub> to A <sub>12</sub> incl.	47785 - 47788
A <sub>13</sub> to A <sub>16</sub> incl.	48071 - 48074
C <sub>1</sub> to C <sub>3</sub> incl.	47789 - 47791
C <sub>4</sub> to C <sub>18</sub> incl.	47955 - 47969
CLE <sub>1</sub> to CLE <sub>10</sub> incl.	47792 - 47801
PIN <sub>1</sub> to PIN <sub>2</sub> Fractions	71608 - 71609
PIN <sub>3</sub> and PIN <sub>4</sub>	71610 - 71611
PIN <sub>5</sub> and PIN <sub>6</sub> Fractions	71612 - 71613

<u>Claims</u>	<u>Record Numbers</u>
PIN <sub>7</sub> Fraction	71619
PIN <sub>8</sub> to PIN <sub>12</sub> incl.	71614 - 71618
ART <sub>1</sub> to ART <sub>6</sub> Fractions	81298 - 81303

It appears however that only the 24 claims listed below are presently in good standing with expiry dates as shown:

<u>Claims</u>	<u>Record Numbers</u>	<u>Expiry Dates</u>
5A to 8A	56758 - 56761	June 13/72
ART <sub>1</sub> to ART <sub>6</sub> Frs.	81298 - 81303	June 26/72
* PIN <sub>1</sub> to PIN <sub>12</sub>	71608 - 71619	Sept. 16/72
A <sub>2</sub> and A <sub>9</sub>	47778 and 47785	Nov. 19/72

\* The PIN claims are all shown as fractions on the claims map but PIN<sub>3</sub>, PIN<sub>4</sub> and PIN<sub>8</sub> to PIN<sub>12</sub> are apparently recorded as full sized claims.

It is understood also that Pinnacle Mines Ltd. obtained and still retains the subsurface rights to all minerals other than gold and silver on district lot 585 Crown Granted May 12, 1890. The boundaries of this lot approximate those boundaries of a block of claims comprising C<sub>1</sub>, C<sub>4</sub>, C<sub>5</sub> and A<sub>1</sub> to A<sub>6</sub>. Thus Pinnacle Mines Ltd. still retains the base metal rights to ground formerly largely covered by the following claims although they have been allowed

to lapse.

<u>Claim</u>	<u>Record Number</u>
A <sub>1</sub>	47777
A <sub>3</sub>	47779
A <sub>4</sub>	47780
C <sub>1</sub>	47789
C <sub>4</sub>	47791
C <sub>5</sub>	47955

This gives it a fairly solid block of ground covering the area of the Joker Adit and Grey Mask Shaft where copper mineralization of interest is evident. See Map 5.

It also retains a number of fractions of unknown acreage scattered through the original claim block also indicated on Map 5 on which it has the rights to all minerals.

Boundaries cannot be defined accurately without a survey on the ground.

REGIONAL GEOLOGY

The body of intrusive rocks known as the Iron Mask Batholith has long been credited for most of the mineral occurrences in the area as they are mostly found along the margins of it or in a few cases close to its central axis.

There is a great complexity of rock types within the batholith and around its margins. The intrusive rocks are of six major types. The two main divisions constituting the greater part of the batholith consist of 1. fine grained rocks varying in composition from diorite to monzonite and classed as microdiorites and micromonzonites and 2. coarse grained rock varying in composition from that of acidic monzonites and syenites to basic pyroxenites. At intervals around the margins are to be found intrusive masses of picrite basalt and serpentine considered to be older than the main mass. Younger

.....5

intrusives are the porphyritic equivalents of some of the older intrusives and are known as the Cherry Creek and Sugarloaf Intrusives. These are considered responsible for much of the mineralization. Peridotite has also been found in the vicinity of some mineral deposits.

Marginal rocks consist of the mainly sedimentary Cache Creek rocks of Carboniferous age, the sedimentary and volcanic Nicola rocks of Triassic age both of which would be intruded rocks and could be mineralized, particularly the latter and the younger rocks of the Kamloops group of Miocene age which consists of sedimentary and volcanic rocks and would not be mineralized.

Alteration (Saussuritization) is usually pronounced in the mineralized areas. The principal minerals found have been magnetite, hematite, pyrite in addition to the copper minerals consisting of chalcopyrite, bornite and lesser amounts of chalcocite, cuprite, azurite and malachite. Native copper has recently assumed a position of major importance as a result of the unique occurrence of this metal, apparently of primary origin recently discovered on the property of Afton Mines at the northwestern tip of the Batholith. A somewhat similar situation could exist at the southern tip of the batholith which will be discussed in the following section. These minerals are not necessarily always found together. For example magnetite may or may not accompany chalcopyrite so that a high magnetometer reading or a low reading could be indicative of copper mineralization.

#### GEOLOGY OF PINNACLE MINES PROPERTY

The claims belonging to Pinnacle Mines Ltd. straddle the southern end of the Iron Mask Batholith as it was mapped by Carr in Figure 3 of the 1956 Minister of Mines Report (MMR) but do not extend to the western margin as modified in figure 13 of the 1967 MMR except at the very south end.

Copper mineralization within the claim group has been found associated with a band or bands of the Cherry Creek Intrusives lying along the long axis of the batholith, and again at the contact of the older basic picrite basalt intrusives with the main mass of coarse textured rocks of intermediate to acid composition. These would seem to be discrete occurrences despite contentions to the effect that they are related.

By referring to figure 13 of the 1967 MMR it is seen that the oldest picrite basalt intrusives and the youngest Cherry Creek intrusives approach each other towards the southern tip of the batholith and probably intersect. At the northern end of the batholith these rocks are again approaching each other in the general vicinity of the Afton Mines and in addition the Sugarloaf intrusions coalesce with them. These latter have only been found along the southwestern margin of the batholith and so could be present under overburden at the southern tip.



RECOMMENDATIONS FOR FURTHER WORK

On the basis of a theory that concentrations of mineralization are the end product of repeated mobilizations and differentiations of both rock and metallic minerals, the place to look for a commercial concentration of mineral is where there is a complexity of intrusive rock types with obvious hydrothermal alterations and favorable structures such as contacts and intersecting fault zones as shown at the south point of the batholith on map 13 of the 1967 MMR. The subsurface contact between the intrusive rocks and the Nicola Cache Creek Rocks could be particularly interesting.

In their report of August 6, 1969 attached hereto, Pasioka and Prendergast recommended on page 11 that further exploration work should be done in the area lying between the Joker Adit and the Grey Mask shaft.

Two holes P<sub>8</sub> and P<sub>9</sub> the last of a series of holes drilled in the spring of 1969 showed mineralization of interest as indicated on page 9 of the above report. As far as can be determined from information provided no further work has been done in that area.

The writer would recommend that this mineralization, particularly that found in P<sub>9</sub>, should be further checked by low cost percussion drilling. The location of holes should be determined in the field, having in mind the importance of cross structures thought to occur here, particularly in the

vicinity of the younger intrusives, ie Cherry Creek Intrusives which are mapped as occurring in this area. The work should be supervised by an engineer familiar with the previous work if possible.

It is believed that geochemistry and geophysics so far done on the property may not all be thoroughly reliable because of the apparent presence of glacial till in the deeper overburden of the valleys and because some of it was done under very adverse weather conditions. It is also believed that hot extractive methods would have been more reliable than the cold methods used. At least hot extraction should have been used to check the cold methods in part of the area.

It is therefore recommended that a preliminary program of percussion drilling be done in the areas of potential interest indicated by Pasioka and Prendergast. In addition to seeking copper mineralization this drilling would provide information on the nature of the overburden and the upper portion of the bedrock. A study of this information and whatever information of value that may be available from past work, having due regard to the presence of alteration and its relation to mineralization and noting the effects of glacial till on the geochemistry, should provide some useful guides for the locating of diamond drill holes for deep penetration of favorable structures in a later stage of exploration. The proposed expenditures are tabulated below.

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PROPOSED EXPENDITURES

Stage I

- allow for 5000 feet of percussion drilling in holes of varying depth to penetrate bedrock up to about 100 feet at \$4.00 per foot overall including professional services. \$ 20,000.00

Stage II

1. allow for 6000 feet of B.Q. Wireline drilling at \$12.00 per foot average overall.	\$ 72,000.00
2. Professional services involved in supervision, core logging, etc.	5,000.00
3. Sampling, Assaying, allow	4,000.00
4. Communications and Travel allow	3,000.00
5. Auxiliary bulldozing allow	3,000.00
	<u>\$ 87,000.00</u>
Contingencies @ 15%	<u>13,050.00</u>
Total	\$ 100,050.00
SAY	<u>\$ 100,000.00</u>

The location of drill holes in both stages should follow thorough study of all available information.

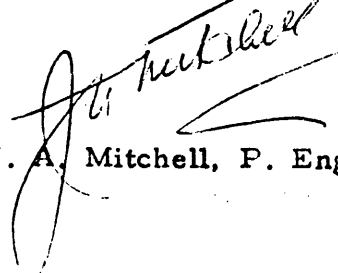
PREVIOUS EXPENDITURES

Financial statements dated December 31, 1968; April 30, 1969 and April 30, 1970 have been reviewed by the writer. These show a final breakdown of expenditures on the subject property in British Columbia by Pinnacle Mines Ltd. totalling \$149,161.29 to be as follows:

Diamond drilling	\$ 80,380.30
Geophysical surveys	50,126.64
Trenching	3,544.00
Line cutting	1,265.00
Engineering fees & expenses	7,348.68
Travel	2,798.94
General Field expenses	<u>3,697.73</u>
	<u>\$ 149,161.29</u>

There have been no expenditures on the subject property since that date but expenditures have been made elsewhere which have produced a Working Capital deficiency.

Respectfully submitted,

  
J. A. Mitchell, P. Eng.

Vancouver, B. C.  
February 1st, 1972.  
Report Amended  
February 15th, 1972.

REFERENCES SEEN

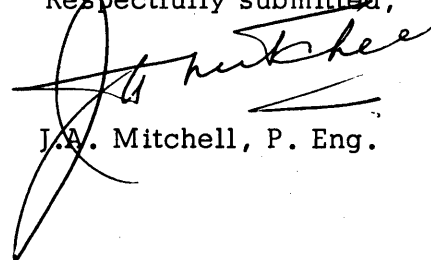
1. W. E. Cockfield, Geological Survey of Canada Memoir 249, 1961. Geology and Mineral Deposits of Nicola Map area with special reference to the Grey Mask and Joker claims.
2. J. M. Carr, Minister of Mines Report, 1956, Deposits Associated with the eastern part of the Iron Mask Batholith near Kamloops.
3. V. A. G. Preto, Minister of Mines Report 1967, Geology of the Eastern part of Iron Mask Batholith.
4. J. B. Prendergast, M.A. P. Eng., Velocity Surveys Ltd., Report on the Property of Pinnacle Mines Ltd. (N.P.L.), October 29, 1968.
5. G. D. Delane, B. Sc. and W. R. Bacon Ph.D., P. Eng., Report on the Property of Pinnacle Mines Ltd., February 20, 1969.
6. C. T. Pasioka, B. Sc. and J. B. Prendergast, M.A., P. Eng., Summary Report on Property of Pinnacle Mines Ltd. (N.P.L.), July 10, 1969.
7. Financial Statements of Pinnacle Mines Ltd. (N.P.L.) to April 30th, 1970.

CERTIFICATION

I, J.A. MITCHELL, of 2991 Mathers Avenue, West Vancouver, B.C.  
HEREBY CERTIFY:

1. THAT I am a mining engineer, having graduated with the degree of Bachelor of Applied Science from the University of British Columbia in 1932.
2. THAT I have practised my profession continuously since graduation.
3. THAT I am a member of the Association of Professional Engineers of British Columbia.
4. THAT this report is based solely on a review of various reports dealing with the property of Pinnacle Mines Ltd. and/or Yukon Gold Placers, Limited.
5. THAT I have no interest either directly or indirectly in the properties or securities of Pinnacle Mines Ltd. (N.P.L.) and/or Yukon Gold Placers, Limited, nor do I intend to receive any.

Respectfully submitted,



J.A. Mitchell, P. Eng.

Vancouver, B. C.

June, 8 1972

SUMMARY REPORT  
 ON  
 PROPERTY  
 OF  
 PINNACLE MINES LIMITED NPL  
 A, C, CLE, PIN, & ART CLAIMS  
 KNUTSFORD AREA  
 KAMLOOPS MINING DIVISION  
 PROVINCE OF BRITISH COLUMBIA

24

PROPERTY

The property consists of some sixty-two contiguous located mineral claims as follows:

A1 - 4 incl.	47777 - 47780
5A - 8A incl.	56758 - 56761
A9 - 12 incl.	47785 - 47788
A13-16 incl.	48071 - 48074
C1 - 3 incl.	47789 - 47791
C4-18 incl.	47955 - 47969
CLE1-10 incl.	47792 - 47801
PIN 1 Fr.	71608
PIN 2 Fr.	71609
PIN 3	71610
PIN 4	71611
PIN 5 Fr.	71612
PIN 6 Fr.	71613
PIN 7 Fr.	71619
PIN 8 - 12 incl.	71614 - 71618
ART 1 - 6 Fr. incl.	No record numbers available

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The above located mineral claims are recorded in the Mine Recorder's Office in the city of Kamloops, Kamloops Mining Division, Province of British Columbia.

LOCATION AND ACCESS

The property is situate some five miles south of the village of Knutsford and eight miles south-south-west of the City of Kamloops, B.C. The property lies within the one degree area of the south-east quadrant whose co-ordinates are 50°, 120° N.E. Number 5 Highway traverses the east margin of the property and extends to Merritt some 45 miles to the south. Under normal conditions access is available to all parts of the property with conventional vehicles using several branch roads. Further, the Edith Lake Road traverses the west margin of the property. The City of Kamloops and surrounding area is serviced by P.W.A., C.N.R., C.P.R., and the Trans-Canada Highway.

TOPOGRAPHY AND VEGETATION

The surface of the area presented by the property is that of roughly rolling range-land of low to moderate relief with the hills well-rounded by glaciation. The south east slopes of "Les Roches Moutonees" may be somewhat precipitous. In general, the presence of exposed bedrock surface for geological observation is sparse; the overburden, mainly glacial detritus material, is extensive. Approximately forty per cent of the area is forest covered, i.e. pine, and spruce with lesser poplar and alder scrub. The open areas support

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various grasses and sage-brush to qualify as grazing land, and with minor areas under active cultivation of feed crops. Several ponds and sloughs of both permanent and intermittent nature occur on the property and would provide sufficient water for drilling purposes. Elevations range from 2600' to 3500' above sea level.

#### HISTORY

The area of the property under discussion has been subjected to sporadic mineral exploration since the latter part of the 19th century. Earlier efforts were directed towards the search for gold in quartz veins. Somewhat later efforts prior to 1930 were directed towards the discovery of high grade copper bearing structures as indicated by the numerous exploration pits and trenches.

Such a situation was developed on the Kamloops Copper Consolidated Property where some thousands of tons of high-grade copper ore were mined and milled. Since 1950 several nearby properties lying within the Iron Mask Batholith have developed nominal tonnages of ore grade material, i.e. Cominco Limited, Ajax Property, 10 million tons of 0.5% Copper; Makao Development Limited, 250,000 tons of 2% Copper. Further exploration programs of several other properties in the immediate area have indicated individual sections in drill holes obviously of ore grade.

The area of the property between the Joker adit and Separation Lake has been subjected to sporadic exploration since 1950. In 1955 Commercial Minerals Limited conducted a program of some 5,500' of diamond drilling and minor bulldozer stripping in the vicinity of

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the Joker adit. Several sections of significant mineralizations were indicated. Later this area was subjected to some geophysical surveying, however the results are not available. In the autumn of 1966, Pinnacle Mines Limited, NPL, acquired the property and conducted a magnetic and induced polarization survey over the central portion of the property and carried out some 1200' of drilling. During the summer of 1968, a geochemical soil sampling programme was conducted over the entire property. During the months of August and September the property was geologically mapped on a scale of 1" to 200' and the final map reduced to a scale of 1" to 500'. In December an induced polarization survey over selected areas of the property was carried out. Extreme weather in the area precluded completion of the i.p. survey at that time. The Induced Polarization program previously outlined was completed in the month of May, 1969.

Commencing in February, 1969 a diamond drilling program to the extent of 3,640' was carried out. Some 8 holes were drilled, investigating various geophysical anomalies and surface showings. The results of this drilling are summarized in a later section.

During the month of May an H.D. 25 bulldozer with hydraulically controlled rippers was contracted for from Bond Construction Limited of Kamloops. A trench of the order of 850' in length and some 22' wide with an average depth of 15' was excavated along the bluff running at right angles to the Joker adit. The purpose of the excavation was to more fully expose mineralization observed in the Joker adit and in nearby drill holes.

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DISCUSSION OF RESULTS

Induced Polarization - the Induced Polarization terminated in 1968 due to adverse weather conditions was initiated again in April of 1969. The anomalous conditions termed A, B, and C as described in a summary report by Mr. J. B. Prendergast, January 30, 1969, were further delineated and the area originally covered in this survey expanded to the north and additional coverage was added to the central portion of the property. Anomaly A, centering about the point 62 W on Line 88 North was investigated on the ground. The axis of the anomaly follows a local shear zone with disseminated to massive stringers of pyrite with minimal amounts of chalcopyrite in a shear zone. This ground evidence would justify the extent and intensity of the induced polarization survey however, the mineral occurrence is worthy of further investigation by means of bulldozer trenching in order to more fully delimit the extent of mineralization observed.

Anomaly B, was subjected to sub-surface investigation by means of diamond drilling. Two holes were drilled sectioning the axes of the induced polarization anomaly and revealed a shear zone containing pyrite, both disseminated and as narrow massive veinlets, along with minimal chalcopyrite mineralization. No further work is planned at this location for the moment.

Anomaly C. The southern limit of this anomaly was sectioned by means of a diamond drill hole and revealed a fault structure with associated pyrite and magnetite mineralization. Additional induced polarization surveying to the northwest indicated a substantial area of extremely high chargeability. Subsequent ground investigation

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revealed that the extreme chargeability was due primarily to an underground water system in use by the Shannon Ranch. Further, this buried water system is also used as a ground for the electrification of the Ranch. Sufficient information is available to preclude any further investigation of this induced polarization anomaly.

Anomaly D, has proven to be caused in major part by a similar underground irrigation and water system using metallic conduit.

Anomaly E, commencing at a point 12 W on line 96 North occurs as an anomaly of moderate intensity striking in a northeasterly direction. The axis of this anomaly is coincident with the diorite-peridotite contact. Old workings along this contact have revealed mineralization in the form of massive streaks and blebs of specular hematite and chalcopyrite. Three short diamond drill holes were drilled along this contact and revealed mineralization in the form of weakly disseminated native copper, chalcopyrite, accompanied by massive lenses and disseminated halos of pyrite and specular hematite. No mineralized sections of economic significance were revealed in this series of three holes.

BULLDOZER TRENCHING

In the latter part of May and first part of June, a bulldozer trench of some 850' in length was excavated in the area of the Joker adit. In the immediate vicinity of the adit, one edge of the lenticular body was exposed over an average depth of 13.6'. Along a length of 340' in this vicinity channel samples revealed average copper values of 0.47%.

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Mineralization observed was primarily in the form of malachite and azurite with minimal chalcopyrite. Immediately below the Joker adit was observed native copper in the form of linings of fracture-faces and shear-faces. It would appear that the best values resulting from the presence of native copper are in immediate proximity to the diorite-peridotite contact.

#### DIAMOND DRILLING

The diamond drilling program carried on in 1969 prior to June 20th entailed some 3,648' of B.Q. and N.Q. Core drilling. Eight holes were completed and the results thereof described as follows:

Hole No. P2 was collared at 90+00N 58+00 West drilling at  $-45^\circ$  in an easterly direction. The purpose of the hole was to determine the causative factors of an induced polarization anomaly. Various facies of diorite, microdiorite and cherry creek breccia were encountered containing frequent lenses of disseminated pyrite as well as several shear zones containing pyrite and minor chalcopyrite. A shear zone commencing at 145' over a width of 5' contained chalcopyrite mineralization of economic significance, i.e. 0.50% copper. It would appear then that the induced polarization anomaly would owe its origin to the abundant presence of disseminated and massive lenses of pyrite.

Hole P3 collared at 88+00 N 58+00 W with a similar azimuth and declination to hole P2 was drilled to a depth of 745.6'. Mineralogy and mineralization were similar to that encountered in hole P2 with only minimal short sections of copper mineralization indicated, i.e. 551.6' to 554.4' yielding values of 0.50% copper.

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Hole P4, collared at 92+00N 35+00W was drilled due west at  $-45^\circ$ . The purpose of the hole was to investigate a induced polarization anomaly of moderate to strong intensity. To a depth of 525' various facies of diorite were sectioned. No significant copper values were encountered, however an abundance of minor sheared and brecciated zones containing disseminated to massive pyrite offered a plausible explanation for the induced polarization anomaly.

Hole P5 was collared at 102+08 N, 9+98 W and drilled in a westerly direction at  $-45^\circ$  in an attempt to section at depth mineralization observed in an old exploration pit, i.e. the Grey Mask Shaft. The hole sectioned several diorite-peridotite contacts which probably represent the transition zone resulting during the forceful intrusion of the peridotite dyke. Mineralization encountered included disseminated to massive pyrite and specular hematite as well as minor disseminated chalcopyrite and native copper. In spite of the apparent abundance of sulphide mineralization, the only section of economic significance was the section 116.2 to 117.8 which yielded 0.42% copper in the form of native copper and chalcopyrite.

Hole P6, drilled to a depth of 355.7' at a declination of  $-45^\circ$  in a south-easterly direction, was collared at 108+00N 5+27W. The purpose of the hole was to investigate an induced polarization anomaly of moderate chargeability thought to be associated with the peridotite-diorite contact. The hole was collared in diorite and sectioned the diorite-peridotite contact. Mineralization encountered in the hole included massive blebs of specular hematite and pyrite

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as well as minimal amounts of chalcopyrite and native copper. No mineralized sections containing cupriferous mineralization of economic significance were encountered.

Hole P7A, is a vertical hole collared at 104+72 N 5+81 W and drilled to a depth of 425'. The hole was contained in a transition zone between diorite and peridotite. Several sections of interesting cupriferous mineralization were encountered of the order of .1 to .12% copper consisting of disseminated chalcopyrite, however, no sections of economic significance were indicated.

Hole P8, collared at 82+96 N 17+25 W drilled at a declination of 60° in a south westerly direction was drilled to a depth of 400'. The purpose of the hole was to intersect at depth mineralization observed in the trench in the immediate vicinity of the Joker adit. The hole was cased in diorite, transected the peridotite dyke occurring along the creek valley and re-entered diorite. The transition zone between the peridotite and diorite yielded an 8.8' section running 0.49% Copper at a depth of 100-108.8'. This mineralization was in the form of disseminated chalcopyrite.

Hole P9, collared at 80+39 N 19+79W was drilled at a declination of -45° and in opposition to hole No. P8. A unique situation occurs here in that the fault zone at the point of intersection of this drill hole contained no peridotite. This fault zone from a depth of 101' to 124.4' yielded a 23.4' section of 1.41% Copper. These values are derived primarily from the presence of disseminated native copper lying along and lining the shear planes of the fault zone.

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#### CONCLUSIONS

The areas of abnormal chargeability as indicated by the induced polarization survey designated A, B, C, and D have been investigated either by surface observation or diamond drilling. These anomalies owe their origin either to pyrite mineralization or to man-made structures and no further work in these immediate areas is anticipated. The area designated E would appear to bear a relationship in space to the mineralized structures known to exist in the area of the Joker adit. A topographic depression connecting these two areas suggests that the fault structures indicated in these two areas are indeed one and the same. Mineralization encountered in diamond drill holes no. P9 and the surface mineralization sampled in the trench area is obviously of ore grade and of great economic significance. Any further work carried out on the property should primarily be concentrated in this area. Efforts should be directed to extending the exposure of mineralization and sampling same in order to arrive at a more complete evaluation.

In addition, disseminated chalcopyrite mineralization has been observed in the area 8+00 N 16+00 W. The exposure of this mineralization is very limited and further investigation by means of bulldozer trenching would be in order.

The area immediately to the east of the Joker adit has been drilled in part by Commercial Minerals. Results of this drilling program are incomplete, however, results available indicate a tonnage of some 75,000 tons grading 0.6% copper available for extraction. This

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mineralized body should be completely delineated so that an economic assessment of the occurrence may be arrived at.

RECOMMENDATIONS

In view of the encouraging results of the drilling and trenching program in the vicinity of the Joker adit area, it is recommended that the mineralized zone be fully delineated by a continuation of the program, i.e. drilling and trenching. Further exploration efforts should be applied to the area lying between the Joker Adit and the Grey Mask area since the two areas are thought to be related in their occurrence along a common linear structural feature.

The extent of the mineralization observed to occur in the immediate proximity to line 8+00 N 16+00 W should be delimited by bulldozer stripping and investigated at depth by means of diamond drilling if necessary. The results of the exploration program recently completed dictate that the program be continued in order to completely delineate the indicated mineralized structures. Such a program would include the following phases.

- A. Diamond Drilling - 4000' of B.Q. Diamond drilling to completely delineate the mineralized structure in the vicinity of the Joker adit and to investigate at depth the occurrence of disseminated chalcopryrite mineralization near the south margin of the property.
- B. Bulldozer Stripping - 300 hours with a machine of the capacity of an HD 28 with hydraulically controlled rippers in order to investigate the occurrence of

chalcopryite mineralization near the south margin of the property and to test the surface exposures of the structure lying between the Joker adit and the Grey Mask shaft.

Such a program would entail the following estimated expenditures:

A. Diamond Drilling 4000' of B.Q. Wireline Core drilling at \$11.50 / foot.	\$46,000.00
B. Bulldozer Stripping 300 hours with HD 25 at \$35.00 per hour.	10,500.00
C. Engineering Supervision and Consulting.	5,000.00
D. Sampling and Assaying.	4,800.00
E. Contingency @ 15%	<u>9,945.00</u>
Total:	<u><u>\$76,245.00</u></u>

Respectfully submitted,

*C. T. Pasicka*

VELOCITY SURVEYS LIMITED  
C. T. Pasicka, B. Sc.  
J. B. Prendergast, M.A., P.Eng.

*J. B. Prendergast*



Exp. Date: July 27, 1969

*Aug 6/69*

CERTIFICATION

I, Clemens Terence Pasicka, of the City of Vancouver, Province of British Columbia, hereby certify that:

- 1. I am a geologist and reside at 906 - 1445 W. 13th Avenue, Vancouver, B.C.
- 2. That I graduated from University College, Dublin with a degree in geology (B.Sc. 1963).
- 3. That I have been practicing my profession as a geologist for six years.
- 4. That I am a member of the Association of Professional Engineers of Alberta.
- 5. That I have no interest directly or indirectly in the property of Pinnacle Mines Limited, NPL, nor do I expect to receive such interest nor in the securities of Pinnacle Mines Limited, NPL.
- 6. That this report is based on data derived from work carried out under my supervision on the property, from personal experience in the area, and from government publications relevant to the area.

Dated this 10th day of July, 1969, in the City of Vancouver, Province of British Columbia.

*C. T. Pasicka*  
C. T. Pasicka, B.Sc.

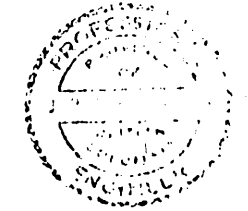
CERTIFICATION

I, Joseph Benoit Prendergast, of the City of Calgary, Province of Alberta, hereby certify that:

- 1. I am a geophysicist-geologist with offices at 1323 48th Ave. N.E., Calgary, Alberta.
- 2. I am a graduate of the University of Toronto, B.A. (Physics and Geology), M.A. (Geophysics) 1951.
- 3. I have been actively and continuously engaged in mineral exploration and development for 18 years.
- 4. I am a member of the Associations of Professional Engineers of Ontario, Manitoba, Alberta, and British Columbia.
- 5. I have no interest, directly or indirectly, nor in the securities of, nor do I expect to receive any such interest in Pinnacle Mines Limited, NPL.
- 6. That this report is based on data derived from work carried out directly under my supervision on the property and from government publications relevant to the area.

Dated this 10th day of July, 1969, in the City of Calgary, Province of Alberta.

*J. B. Prendergast*  
J. B. Prendergast, B.A., P.Eng.

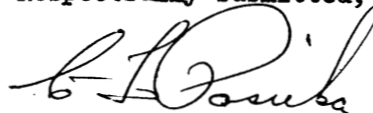


CERTIFICATION

I, CLEMENS TERENCE PASIEKA, of the City of Kamloops, in the Province of British Columbia, HEREBY CERTIFY:

1. THAT I am a geologist and reside at 910 - 421 Battle St., Kamloops, B. C.
2. THAT I graduated from University College, Dublin with a degree in geology (B. Sc. 1963).
3. THAT I have been practicing my profession as a geologist for nine years.
4. THAT I am a member of the Association of Professional Engineers of Alberta and Saskatchewan.
5. THAT this report is based on data derived from work carried out under my supervision on the property, from personal experience in the area, and from government publications relevant to the area.
6. THAT I have no interest directly or indirectly in the property of Pinnacle Mines Ltd. (N.P.L.) and/or Yukon Gold Placers, Limited, nor do I expect to receive such interest nor in the securities of Pinnacle Mines Ltd. (N.P.L.) and/or Yukon Gold Placers, Limited.

Respectfully submitted,



C. T. Pasieka, B.Sc.

Kamloops, B.C.

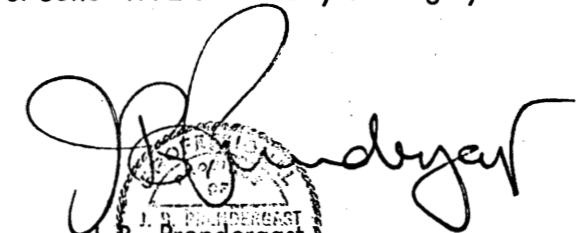
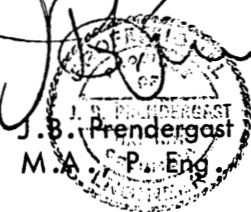
June 9, 1972

STATUTORY DECLARATION

I, Joseph Benoit Prendergast of the City of Calgary in the Province of Alberta hereby certify:

- 1) That I am a geologist - geophysicist and reside at 1720 - 110th Avenue S.W., Calgary, Alberta.
- 2) That I am a graduate of the University of Toronto with a Bachelor's degree in Physics and Geology, (1950) and a Master's degree in Geophysics (1951).
- 3) That I have been practicing my profession for 22 years mainly in Canada, Mexico and Ireland.
- 4) That I am a member of the Association of Professional Engineers for the Provinces of Ontario, British Columbia, Alberta and Manitoba.
- 5) That the information included in this report is based on a personal knowledge of the property, on work carried out under my supervision and on published data.
- 6) That I have no interest directly or indirectly in the property or securities of Pinnacle Mines Limited (NPL) nor do I expect to receive any such interest, neither do I have any property or securities of Yukon Gold Placers Limited nor do I expect to receive any such interest.

Dated this 15th day of June 1972 at the City of Calgary in the Province of Alberta

Expiry Date: May 23, 1973

LIVERANT, YIP & CO.

CHARTERED ACCOUNTANTS

ROBERT LIVERANT, B.A., C.A.  
WEI W. YIP, B.S.A., C.A.

TELEPHONE 682-7141

SUITE 202, INSURANCE EXCHANGE BUILDING

845 WEST PENDER STREET

VANCOUVER 1, B. C.

REPLY ATTENTION OF W. W. Yip


"SECURITIES ACT 1967"

Consent Pursuant to Section 47 Relating to  
Yukon Gold Placers, Limited

WE, Liverant, Yip & Co., Chartered Accountants of #202, 845 West Pender Street, Vancouver, British Columbia, DO HEREBY CONSENT to the inclusion with the Prospectus dated April 28, 1972 presently being issued by Yukon Gold Placers, Limited, of our Report as the Auditors of the Company, dated June 7, 1972, with reference to the Balance Sheet of the Company made up to December 31, 1971 and April 30, 1972; AND DO HEREBY CERTIFY that the under-signed, Wei W. Yip, Chartered Accountant, for and on behalf of Liverant, Yip & Co., has read the said Prospectus and that the information contained therein, which is derived from the Financial Statements which are to be included therein, as set out above, or which is within his knowledge is, in his opinion, presented fairly and is not misleading.

DATED at Vancouver, British Columbia, this 8th day of June, 1972.

LIVERANT, YIP & CO.

per:   
Wei W. Yip

LIVERANT, YIP & CO.

Chartered Accountants

ROBERT LIVERANT, B.A.  
WEI W. YIP, B.S.A.

SUITE 202 INSURANCE EXCHANGE BLDG.  
845 WEST PENDER STREET  
VANCOUVER 1, B.C.

TELEPHONE 682-7141

AUDITORS' REPORT

To the Shareholders,  
Yukon Gold Placers, Limited.

We have examined the balance sheet of Yukon Gold Placers, Limited as at December 31, 1971 and April 30, 1972 and have obtained all the information and explanations we have required. 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.

We have not verified title to the mining claims directly with the Government Registry Office.

Subject to the foregoing, in our opinion this balance sheet presents fairly the financial position of the Company as at December 31, 1971 and April 30, 1972 in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

Vancouver, B. C.  
June 7, 1972

  
Chartered Accountants



**YUKON GOLD PLACERS, LIMITED**  
(incorporated under the laws of Canada)

**BALANCE SHEET**

**AS AT DECEMBER 31, 1971, AND APRIL 30, 1972**  
(with comparative figures for 1970)


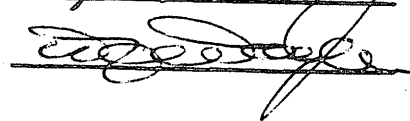
**ASSETS**

	April 30, 1972	December 31 1971	December 31 1970
<u>Mining Claims - at cost (Note 1)</u>	\$ 7,500.00	\$ -	\$ -
<u>Incorporation Expenses</u>	10,984.48	10,984.48	10,984.48
	<u>\$ 18,484.48</u>	<u>\$ 10,984.48</u>	<u>\$ 10,984.48</u>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

<u>Liabilities</u>			
Accounts Payable	\$ 2,996.79	\$ 2,332.33	\$ 1,235.00
<u>Shareholders' Equity</u>			
Share Capital -			
Authorized:			
2,000,000 Shares, no par value			
Issued:			
1,000,000 Shares	729,000.00	729,000.00	729,000.00
Not Allotted (Note 2)			
750,000 Shares for properties	7,500.00		
	<u>736,500.00</u>	<u>729,000.00</u>	<u>729,000.00</u>
Deficit -			
Balance - January 1	720,347.85	719,250.52	718,015.52
Add: Expenses Incurred:			
Transfer Fees	-	993.33	1,235.00
Legal, Audit and Sundry	158.00	104.00	-
Engineer	506.46		
	<u>721,012.31</u>	<u>720,347.85</u>	<u>719,250.52</u>
	<u>\$ 18,484.48</u>	<u>\$ 10,984.48</u>	<u>\$ 10,984.48</u>

APPROVED ON BEHALF OF THE BOARD:

 DIRECTOR  
 DIRECTOR

This is the Balance Sheet referred to in our Report dated June 7, 1972.

LIVERANT, YIP & CO.  
CHARTERED ACCOUNTANTS

*Liverant Yip & Co.*

**YUKON GOLD PLACERS, LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**AS AT APRIL 30, 1972**

**1. Mining Claims**

The Company is recorded holder of mining claims in the New Westminster Mining Division, Province of British Columbia, acquired for 750,000 shares at 1¢ per share (see Note 2) 7,500.00

By letter agreement dated March 10, 1972, the Company acquired the right to examine and the option to acquire an undivided 50% interest in mining claims in the Kamloops Mining Division, Province of British Columbia. To earn an undivided 25% interest in the claims, the Company has to expend or to pay to the owner of the claims \$ 25,000.00 on or before September 10, 1972 and to earn an additional undivided 25% interest in the claims, the Company has to expend or to pay to the owner a further \$ 25,000.00 on or before March 10, 1973.

**2. The Vendor of the mining claims have agreed to the postponement of the allotment and issue to them of the 750,000 shares pending the grant of the Supplementary Letters Patent.**

LIVERANT, YIP & CO.  
CHARTERED ACCOUNTANTS