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BRITISH COLUMBIA  
SECURITIES COMMISSION



# CASCADIA RESOURCES LTD.

Incorporated under the laws of the  
Province of British Columbia

## PROSPECTUS

DECEMBER 18TH, 1974

300,000 SHARES

NEW ISSUE (1)

PRICE 40¢ PER SHARE

	Price to Public	Commissions	Proceeds to Company (2)
Per Share	40¢	10¢	30¢
Total	\$120,000.00	\$30,000.00	\$90,000.00

- (1) This issue is subject to a minimum subscription of 300,000 shares (see heading "USE OF PROCEEDS").
- (2) Before deduction of expenses of issue estimated at \$7,500.00.

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.

ANY PURCHASE OF THE SHARES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION SINCE THE COMPANY'S PROPERTIES ARE IN THE EXPLORATION STAGE (SEE HEADING "INTRODUCTORY STATEMENT"). IF ALL OF THE SHARES OFFERED BY THIS PROSPECTUS ARE SOLD TO THE PUBLIC, AND AFTER THE SURRENDER BY WAY OF GIFT REFERRED TO UNDER THE HEADING "ESCROWED SHARES", THE ISSUE WILL REPRESENT 25.1% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 57.3% THAT WILL THEN BE OWNED BY THE PROMOTERS AND DIRECTORS, ISSUED FOR CASH AND PROPERTY.

THERE IS NO MARKET FOR THE SHARES OF THE COMPANY.

THE COMPANY'S PROPERTIES HAVE NOT BEEN SURVEYED AND THEREFORE, IN ACCORDANCE WITH THE MINING LAWS OF THE APPLICABLE JURISDICTIONS, THEIR EXISTENCE AND AREA COULD BE IN DOUBT.

### REGISTRAR AND TRANSFER AGENT

Yorkshire Trust Company,  
900 West Pender Street,  
Vancouver, British Columbia.

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PROPERTY FILE

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**THE COMPANY**

Cascadia Resources Ltd. (hereinafter called "the Company") was incorporated on December 23rd, 1971 by Memorandum of Association under the laws of the Province of British Columbia as a private company. The Company is now classed as a reporting company pursuant to the Companies Act of the Province of British Columbia.

The Company's Registered Office and Records Office are located at 1130 - 700 West Georgia Street, Vancouver, British Columbia. The Company's Head Office is located at 109 - 1880 Greer Avenue, Vancouver, British Columbia.

**INTRODUCTORY STATEMENT**

The Company was incorporated in 1971 for the purpose of acquiring and developing natural resources, including real property. To date, the Company has acquired and is exploring and developing mining properties. Full particulars of properties presently held and in which the Company has an interest are given hereinafter under the heading "BUSINESS AND PROPERTY".

The Company owns 30 mineral claims located in the Province of British Columbia, which claims are hereinafter called "the Dorothy Group".

In addition, the Company holds an interest in a mining property known as Toruno II, located in the State of Sinaloa, in the Republic of Mexico, which property is hereinafter called "the Mexican Property".

The Company has issued 750,000 shares of its capital stock for the acquisition of the Dorothy Group, and a further 100,000 shares of its capital stock as part consideration for its interest in the Mexican Property.

Funds previously raised by the Company from the sale of shares were used for the acquisition of an interest in the Mexican Property and for initial exploration and development work on such property and on the Dorothy Group. The funds raised by the Company from the sale of the 300,000 shares offered by this Prospectus will be used to pay the Company's outstanding debts and obligations, to pay the application fee for a listing on the Vancouver Stock Exchange, to carry out Stage I of the recommendations of James P. Elwell, P.Eng., on the Mexican Property, and to carry out a portion of the recommendations of Sankar V. Ramani, P.Eng., on the Dorothy Group, as outlined herein under the heading "USE OF PROCEEDS".

The exploration and development of the mining properties referred to herein is by nature speculative and the task of developing commercially productive orebodies presents many uncertainties. The Company proposes to finance its exploration ventures by the sale of its unissued treasury shares.

**BUSINESS AND PROPERTY**

The Company is a resource company and has, since its incorporation in 1971, acquired and explored mining properties.

**Dorothy Group**

By Agreement dated April 17th, 1972, the Company acquired from Dorothy Dennis of 109 - 1880 Greer Avenue, Vancouver, British Columbia, Clarence Anderson of 4615 Willowcreek Road, West Vancouver, British Columbia, and Hugh Watson of 902 - 1101 Pacific Street, Vancouver, British Columbia, the following mineral claims located approximately 20 miles south of Princeton, in the Similkameen Mining Division, in the Province of British Columbia, which claims comprise the Dorothy Group:

<i>Mineral Claim</i>	<i>Record No.</i>
Holt #11 to #20 incl.	32950 to 32959 incl.
Davis #1 to #20 incl.	32960 to 32979 incl.

Access to the said mineral claims is by various logging roads branching off from Highway 16.

The consideration paid by the Company for such mineral claims was 750,000 shares of its capital stock, dividend equally between the said vendors, issued as fully paid and non-assessable shares of the Company at a deemed valuation of 15¢ per share, such shares to be held in escrow subject to release, transfer or other alienation only with the written consent of the Superintendent of Brokers. Subsequent to the issuance and allotment of the said 750,000 shares, certain transfers from the original vendors have been made. The present owners of the said shares are set forth under the heading "ESCROWED SHARES".

The only original vendor who is presently involved in the affairs of the Company and who may also be deemed to be a promoter, as defined under the Securities Act of the Province of British Columbia, of the Company is Dorothy Sherrill Dennis. Reference is made to the heading "PROMOTERS".

A history of the exploration and development of the Dorothy Group is set forth in a report dated May 29th, 1974 by the Company's Consulting Geological Engineer, Sankar V. Ramani, P.Eng., which report is reproduced in full and forms part of this Prospectus.

The Dorothy Group is in good standing under the applicable laws of the Province of British Columbia until May 5th, 1975.

There is no surface or underground plant or equipment on the Dorothy Group. The Company has done prospecting, trenching, road building, and geochemical and magnetometer surveys thereon.

### Mexican Property

By Agreement dated December 28th, 1973, the Company acquired from J. Jesus Gomez Garcia of Guadalajara, Mexico, an interest in a certain mining property known as Toruno II, comprising approximately 1,236 acres, located about 5 miles east of the Village of San Juan and 2 miles south-east of the Arroyo Los Frailes, in the Municipality of San Ignacio, in the State of Sinaloa, and recorded in the Mining Agency of Mazatlan, in the Republic of Mexico. Access to the Mexican Property from Mazatlan is by paved highway for approximately 39 miles and east 20 miles to San Ignacio, then 10 miles of dirt road to San Juan. From San Juan, a truck road runs north-east for 5 miles to Vado Hondo; this road is presently impassable due to washouts but could, at little cost, be made fit for 4-wheel drive vehicles.

The consideration agreed to be paid by the Company to J. Jesus Gomez Garcia was 100,000 fully paid and non-assessable shares of the Company, which said shares have been issued at a deemed valuation of 10¢ per share and which are not to be dealt with without the prior consent of the Superintendent of Brokers, and the sum of \$45,000.00 cash, payable in Canadian funds as follows:

- (a) The sum of \$5,000.00 on execution of the said Agreement;
- (b) The sum of \$10,000.00 within 90 days of the date of execution thereof;
- (c) The sum of \$15,000.00 on or before December 31st, 1975;
- (d) The sum of \$15,000.00 on or before December 31st, 1976.

To date, the Company has made payments totalling \$20,000.00 to J. Jesus Gomez Garcia. The next payment due is \$10,000.00, payable on or before December 31st, 1975.

Under the terms of the said Agreement, the Company caused to be incorporated a Mexican corporation, Minas del Toruno, S.A. (hereinafter called "the Mexican Corporation"), for the purpose of holding the Mexican Property and exploring and developing same.

The Company is entitled to a 49% interest in the Mexican Corporation through the ownership of 49 Series "B" shares in the capital thereof. Series "A" shares, representing 51% of the capital of the Mexican Corporation, which, in compliance with the Mining Laws of Mexico, can only be owned by Mexican nationals, have been issued in the name of J. Jesus Gomez Garcia.

The Company has sold to Richard Alexander Rosenberg, a Director and Officer of the Company, seven of the said Series "B" shares for a total consideration of \$7,875.00, and the said Richard Alexander Rosenberg has granted to the Company a right of first refusal to purchase from him the said seven shares on the same terms and conditions as may be offered by a third party, such right to be exercised by the Company within 60 days of the date of the receipt by Richard Alexander Rosenberg of any such offer.

At the date of this Prospectus, the Company is entitled, subject to meeting its obligations to J. Jesus Gomez Garcia, to 42 Series "B" shares, or a 42% interest in the Mexican Corporation. To the knowledge of the Directors of the Company, no person or persons, other than those disclosed in this Prospectus, are to receive a greater than 5% interest from the vendor of the Mexican Property.

A history of the exploration and development of the Mexican Property is set out in a report dated December 3rd, 1973 by the Company's Consulting Mining Engineer, James P. Elwell, P.Eng., which report is reproduced in full and forms part of this Prospectus.

There is no surface or underground plant or equipment on the Mexican Property. The Company has carried out prospecting, mapping and sampling thereon.

With respect to both the Dorothy Group and the Mexican Property described above, there are no known commercial bodies of ore and the proposed programmes are exploratory searches for ore.

### PLAN OF DISTRIBUTION

The Company intends to distribute the shares offered by this Prospectus at the price of 40¢ per share, subject to the payment, at the discretion of the Board of Directors of the Company, of a commission in respect of some or all of the shares not exceeding 10¢ per share. Primary distribution to the public will be made by Dorothy Sherrill Dennis, the President and a Director of the Company, who is registered as a securities salesman for the Company, by the Company and its other Directors under a Security Issuer's

Licence, and through registered brokers and broker dealers on a "best efforts" basis. No commissions will be paid to any Directors except the said Dorothy Sherrill Dennis, for any sales made by them of the shares offered hereby. The said Dorothy Sherrill Dennis shall be entitled to receive commissions up to, but not exceeding, 10¢ per share for any sales made by her.

### USE OF PROCEEDS

The net proceeds in the amount of \$90,000.00 to be received by the Company from the sale of the 300,000 shares offered by this Prospectus, less the expense of the issue estimated at \$7,500.00, will be used as follows:

- (a) To pay accounts payable and bank overdraft ..... \$6,647.00.
- (b) To repay loans to the following Directors:
  - Dorothy Sherrill Dennis ..... \$ 8,994.21
  - Joseph Tanous ..... 7,368.00 ... \$16,362.21.
- (c) To apply for a listing on the Vancouver Stock Exchange ..... \$3,000.00.
- (d) Mexican Property ..... \$40,000.00.

— To complete Stage I of the recommendations of James P. Elwell, P.Eng., details of which are as follows:

#### Stage I

- 1. Road and trail construction estimated at 300 man/days @ \$3.50 per day ..... \$ 1,050.00
  - 2. Tape and compass survey, 20 days @ \$50.00 per day ..... 1,000.00
  - 3. Geological mapping and test pitting including all labour ..... 5,000.00
  - 4. Line cutting, allow 10 miles @ \$75.00 per mile ..... 750.00
  - 5. Geochemical survey, approx. 300 samples @ \$4.00 each ..... 1,200.00
  - 6. I.P. survey, 10 miles @ \$500.00 per mile ..... 5,000.00
  - 7. Bulldozer work — allow 200 hours @ \$25.00 per hour ..... 5,000.00
  - 8. Initial percussion drilling — allow 2,000 ft. @ \$4.50 per ft. .... 9,000.00
  - 9. Assaying ..... 2,000.00
  - 10. Engineering, travel and administration ..... 10,000.00
- \$40,000.00

- (e) Dorothy Group ..... \$7,500.00.
- To carry out a portion of the recommendations of Sankar V. Ramani, P.Eng., which recommendations are as follows:

- Geological mapping, sampling and assaying ..... \$ 3,000.00
  - 20 line miles of induced Polarization Survey @ \$500.00 per mile ..... 10,000.00
  - Engineer's supervision and contingency ..... 2,000.00
- \$15,000.00

The Company intends to expend on the Dorothy Group during the 1975 exploration season approximately \$7,500.00 of the \$15,000.00 recommended, thus leaving a balance of \$8,990.00 from the proceeds of this issue for working capital purposes.

Pursuant to the minimum subscription requirements of the Superintendent of Brokers, the Company has agreed with the Bank of British Columbia, 937 West Georgia Street, Vancouver, British Columbia, to establish a separate bank account in which all subscription funds will be placed and held for a period of 120 days from the acceptance for filing by the Superintendent of Brokers of this Prospectus, or until the said Bank receives consent from the Superintendent of Brokers to release to the Company all such funds, save

and except \$3,000.00 which will be retained in the said separate account for the purpose of paying application fees for a listing on the Vancouver Stock Exchange.

In the event that all of the 300,000 shares offered hereby, being the minimum subscription, are not sold within the 120 day period aforesaid, all funds held in the said separate account will be returned in full to the respective subscribers.

The Company may abandon, in whole or in part, any of its properties or may alter, as work progresses, the work programmes recommended or may make arrangements for the performance of all or any portion of such work by other persons or companies, and may use any money so diverted for the purpose of conducting work or examining other properties acquired by the Company after the date of this Prospectus, although the Company has no present plans in this regard. If any such event occurs during the primary distribution of the shares offered by this Prospectus, an amendment to this Prospectus will be filed within ten days from such event. In any event, the shareholders will be notified should the Company decide to alter its proposed programme.

No part of the proceeds will be used to invest, underwrite or trade in securities other than those that qualify as investments in which trust funds may be invested under the laws of the jurisdiction in which securities offered by this Prospectus may be lawfully sold. Should the Company propose to use the proceeds to acquire non-trustee type securities after the initial distribution of the securities offered by this Prospectus, prior approval by the shareholders will be obtained and prior disclosure will be made to the regulatory bodies having jurisdiction over the sale of the securities offered by this Prospectus.

#### SHARE CAPITAL STRUCTURE

The authorized capital of the Company consists of 3,000,000 shares without par value. Each holder of shares is entitled to one vote for each share held and to participate, pro rata, in any distribution to shareholders upon liquidation of the Company. Shareholders are entitled to such dividends as may from time to time be declared by the Board of Directors of the Company out of funds legally available therefor. There are no pre-emptive or conversion rights attaching to the shares. All the issued and outstanding shares of the Company, including those offered hereby, are fully paid and not subject to further call or assessment by the Company.

<i>Designation of Security</i>	<i>Amount Authorized</i>	<i>Amount Outstanding as of Date of Balance Sheet contained herein</i>	<i>Amount Outstanding within 30 Days of the date hereof</i>	<i>Amount to be Outstanding if All Securities Being Issued are sold</i>
Common Shares	3,000,000	1,106,755	1,106,755	1,406,755

#### CASH SHARES

The following shares have been sold by the Company for cash and no commissions were paid by the Company on the sale of such shares:

<i>Number of Shares</i>	<i>Price</i>	<i>Cash Received</i>
5	\$1.00	\$ 5.00
218,750	10¢	21,875.00
38,000	25¢	9,500.00
<u>256,755</u>		<u>\$31,380.00</u>

Pursuant to certain Pooling Agreements dated September 9th, 1974, shareholders of the Company deposited share certificates representing 246,250 shares with Yorkshire Trust Company, to be held by the said Trust Company and released, with the consent of the Superintendent of Brokers, as follows:

36,000 shares sold at 25¢ — 30 days after completion of primary distribution.  
210,250 shares sold at 10¢ — 90 days after completion of primary distribution.

#### ESCROWED SHARES

The following shares have been deposited in escrow with Yorkshire Trust Company and may be released, hypothecated, assigned, transferred or otherwise dealt with only with the written consent of the Superintendent of Brokers:

<i>Designation of Class</i>	<i>Number of Shares Held in Escrow</i>	<i>Percentage of Class</i>
Common Shares	750,000 (1)	68%

(1) As of December 17th, 1974, such shares are held by the following Directors and/or Officers of the Company, resulting from certain transfers:

Dorothy Sherrill Dennis, 109 - 1880 Greer Avenue Vancouver, B.C.	375,000 shares
Joseph Tanous, 901 - 1914 Robson Street, Vancouver, B.C.	240,000 shares
Richard Alexander Rosenberg, 2485 Seacrest Drive, Ocean Park, Surrey, B.C.	60,000 shares
Madeline Jean Purser, #4 - 1000 Tillicum Road, Victoria, B.C.	37,500 shares
Peter Wall, 10922 Lyon Road, Delta, B.C.	37,500 shares

In the event that the Company abandons or discontinues development of the property for which such shares were issued, the Company will declare any such event to the Superintendent of Brokers by way of a Directors' resolution, and the holders of such shares, the trustee thereof and the Company have agreed that such number of the said shares as the Superintendent of Brokers determines shall have become subject to cancellation shall be surrendered to the Company by way of gift for cancellation. The complete text of the Escrow Agreement is available for inspection at the Registered Office of the Company during normal business hours.

By Agreement dated December 10th, 1974, two Directors of the Company undertook to voluntarily surrender to the Company by way of gift for cancellation, pursuant to Section 252(1)(c) of the Companies Act of the Province of British Columbia, within 30 days following the completion of this offering, the shares set opposite their respective names, being a portion of their aforesaid shares subject to escrow provisions, as follows:

Dorothy Sherrill Dennis	125,375 shares
Joseph Tanous	87,125 shares

#### PRINCIPAL SHAREHOLDERS

As of the date of this Prospectus, the following own, directly or indirectly, of record or beneficially, more than 10% of the shares of the Company, their shareholdings being as follows:

<i>Name and Address</i>	<i>Type of Ownership</i>	<i>Number of Shares Owned</i>	<i>Percentage</i>
Dorothy Sherrill Dennis, 109 - 1880 Greer Ave., Vancouver, B.C.	Direct, of Record and Beneficial	387,001	35%
Joseph Tanous, 901 - 1914 Robson St., Vancouver, B.C.	Direct, of Record and Beneficial	345,002	31%

### DIRECTORS AND OFFICERS

The names and home addresses of the Directors and Officers of the Company, the positions and offices held by each in the Company and their principal occupations within the five preceding years are as follows:

<i>Name and Address</i>	<i>Office</i>	<i>Principal Occupation</i>
Dorothy Sherrill Dennis, 109 - 1880 Greer Ave., Vancouver, B.C.	President and Director	President of Company, January, 1972 to present; Security Saleswoman, Jones, Gable & Co. Ltd., July, 1970 to June, 1971; Security Saleswoman, Hemsworth, Turton & Co. prior thereto.
Richard Alexander Rosenberg, 2485 Seacrest Drive, Ocean Park, Surrey, B.C.	Executive Vice- President and Director	Self employed, November, 1974 to present; President, ReproX (Western) Ltd., formerly Xafax Ltd., prior thereto.
Peter Wall, 10922 Lyon Road, Delta, B.C.	Secretary- Treasurer and Director	Manager, Consolidated Aviation Fuelling & Services January, 1973 to present; President, Peter Wall Airport Refuelling, December, 1970 to December, 1972; Aircraft Fueller, R.J. Everett Ltd., prior thereto.
Madeline Jean Purser, #4 - 1000 Tillicum Road, Victoria, B.C.	Director	Housewife.
Joseph Tanous, 901 - 1914 Robson St., Vancouver, B.C.	Director	Financier; President of Lou-Mex Mines Ltd. 1971 to present.

As of the date of this Prospectus, the Directors and Officers of the Company, as a group, beneficially own, directly or indirectly, the following percentage of equity shares of the Company:

<i>Designation of Class</i>	<i>Number of Shares Beneficially Owned</i>	<i>Percentage of Class</i>
Common Shares	897,005	81%

### PROMOTERS

Apart from the Board of Directors, acting as such, no one person at this time may be considered to be the promoter of the Company. As disclosed under the heading "BUSINESS AND PROPERTY", the Company acquired the Dorothy Group from Dorothy Dennis, Clarence Anderson and Hugh Watson for the total consideration of 750,000 shares. Inasmuch as the said parties took the initiative in organizing the Company, they may be deemed to be promoters, as defined under the Securities Act of the Province of British Columbia. The said Clarence Anderson and Hugh Watson no longer have any interest in the Company or its shares.

The cost of the Dorothy Group to the said parties was approximately \$4,000.00 and the consideration paid by the Company of 750,000 shares, at a deemed valuation of 15¢ per share, bears no relationship to such cost or to the value of the Dorothy Group. The consideration was arbitrarily arrived at by the then Board of Directors of the Company.

### INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Reference is made to the headings "BUSINESS AND PROPERTY" and "PROMOTERS" for particulars concerning the acquisition of properties involving management.

### REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

No remuneration has been paid to any of the Company's Directors and Officers acting in their capacity as such since the incorporation of the Company. If Directors should perform services for the Company apart from their duties as Directors, it is intended to remunerate them for such services as provided by the Articles of the Company.

### DIVIDENDS

No dividends have been paid by the Company to date.

### AUDITORS

The Auditors of the Company are Messrs. Touche Ross & Co., Chartered Accountants, 1500 - 1177 West Hastings Street, Vancouver, British Columbia.

### MATERIAL CONTRACTS

Particulars of all material contracts are described under the heading "BUSINESS AND PROPERTY". Copies of such contracts may be inspected at the Registered Office of the Company during normal business hours.

### PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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

- 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 Superintendent of Brokers, 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;
- a purchaser has the right to rescind a contract for the purchase of a security, while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

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

### OTHER MATERIAL FACTS

On January 22nd, 1975, subsequent to the date of this Prospectus, Joseph Tanous resigned as a Director of the Company, such resignation being effective prior to the acceptance for filing of this Prospectus by the Superintendent of Brokers.

There are no other material facts relating to the shares offered by this Prospectus.

## CASCADIA RESOURCES LTD.

## INDEX

TO

## FINANCIAL STATEMENTS

AS AT AUGUST 31, 1974

## AUDITORS' REPORT

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## AUDITORS' REPORT

TOUCHE ROSS & CO.  
Suite 1500 The Board of Trade Tower  
1177 West Hastings Street  
Vancouver, British Columbia  
V6E 2L2  
(604) 681-7235

The Shareholders,  
Cascadia Resources Ltd.

We have examined the balance sheet of Cascadia Resources Ltd. as at August 31, 1974 and the statements of deferred exploration and development, and administration costs and source and application of funds for the five months ended August 31, 1974. 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.

In our opinion these financial statements present fairly the financial position of the company as at August 31, 1974 and the results of its operations and the source and application of its funds for the five months ended August 31, 1974 in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

"TOUCHE ROSS &amp; CO."

Chartered Accountants.

Vancouver, B.C.,  
September 30, 1974.

## CASCADIA RESOURCES LTD.

BALANCE SHEET AS AT AUGUST 31, 1974

## ASSETS

		March 31, 1974
Current:		
Cash on hand .....	\$ -	\$ 4,539
Mineral properties, at cost — Note 2 .....	112,500	112,500
Investment and advances — Note 3 .....	57,323	57,126
Fixed, at cost — Note 1 .....	445	445
Other:		
Deferred exploration and development costs .....	6,949	2,049
Deferred administration costs .....	21,822	13,763
Incorporation costs .....	1,000	1,000
	<u>\$ 200,039</u>	<u>\$ 191,422</u>

## LIABILITIES

Current:		
Excess of cheques issued over cash in bank .....	\$ 2,225	\$ -
Accounts payable .....	<u>4,422</u>	<u>2,000</u>
	6,647	2,000
Agreement payable — Note 3 .....	25,000	27,000
Due to shareholders, no fixed terms of repayment .....	16,362	10,392

## SHAREHOLDERS' EQUITY

Share capital — Note 4:		
Authorized		
3,000,000 shares without par value		
Issued and fully paid		
1,106,755 .....	\$ 153,880	153,880
Deficit:		
Abandonment of mineral properties .....	<u>1,850</u>	1,850
	152,030	152,030
	<u>\$ 200,039</u>	<u>\$ 191,422</u>

On behalf of the Board:

"DOROTHY DENNIS" Director

"R.A. ROSENBERG" Director

CASCADIA RESOURCES LTD.

NOTES TO THE FINANCIAL STATEMENTS

AS AT AUGUST 31, 1974

**Note 1 — Summary of Significant Accounting Policies**

**Mineral Properties**

Upon the abandonment or sale of all interests in mineral claim groups, the direct exploration and development costs and a proportionate share of administrative costs are written off to deficit.

**Fixed Assets**

No provision for depreciation has been made.

**Deferred Exploration, Development and Administration Costs**

The company deferred all costs incurred during the preproduction stage of development.

**Values**

The amounts shown for mineral properties and deferred exploration, development and administration costs represents costs to date and are not intended to reflect present or future values.

**Note 2 — Mineral Properties**

No survey has been made of the located mineral claims and therefore in accordance with the mining laws of British Columbia their existence and area could be in doubt.

By agreement dated April 17, 1972 between a director and two former directors the company acquired a group of 30 mineral claims in the Belgie Creek Area of the Similkameen Mining Division of the Province of British Columbia for 750,000 shares issued for a deemed consideration of 15¢ each or \$112,500.

These mineral claims expire on May 5, 1975.

**Note 3 — Investment and Advances**

On December 28, 1973 the company entered into an agreement with a Mexican National whereby a mineral property comprising 500 hectares in the mining agency of Mazatlan, Sinaloa in the Republic of Mexico is to be transferred into a Mexican Corporation to be owned 49% by Cascadia Resources Ltd. in consideration of \$45,000 and 100,000 shares issued at a deemed consideration of 10¢ each for a total consideration of \$55,000.

Subsequently Cascadia sold a 7% interest at its cost or \$7,875, bringing its net cost for a 42% interest to \$47,125.

To date the company has expended or advanced on behalf of the Mexican Corporation, Minas del Toruno S.A., for engineering, legal and travel, etc. a total of \$10,198 to bring its total investment and advances to \$57,323.

Payments of \$20,000 have been made on the agreement and the balance of \$25,000 is payable \$10,000 on or before December 31, 1975 and \$15,000 on or before December 31, 1976.

**Note 4 — Share Capital**

Since incorporation the company has issued the following shares:

	Shares	Amount
For cash .....	256,755	\$ 31,380
For interest in Mexican Corporation .....	100,000	10,000
For properties .....	750,000	112,500
	<u>1,106,755</u>	<u>\$ 153,880</u>

**Note 5 — Directors Remuneration**

The company has not paid any remuneration to its directors and senior officers for acting in such capacities since the incorporation of the company.

STATEMENT II

CASCADIA RESOURCES LTD.

STATEMENT OF DEFERRED EXPLORATION AND DEVELOPMENT COSTS

FOR THE FIVE MONTHS ENDED AUGUST 31, 1974

	Balance April 1, 1974	Additions during period	Balance August 31, 1974
Dorothy Group — Similkameen Mining Division			
Assessment work and filing fees .....	\$ 350	\$ -	\$ 350
Miscellaneous .....	10	-	10
Travel .....	289	-	289
Trenching .....	1,400	-	1,400
Engineering .....	-	4,900	4,900
	<u>\$ 2,049</u>	<u>\$ 4,900</u>	<u>\$ 6,949</u>

STATEMENT III

CASCADIA RESOURCES LTD.

STATEMENT OF DEFERRED ADMINISTRATION COSTS

FOR THE FIVE MONTHS ENDED AUGUST 31, 1974

	Balance April 1, 1974	Additions during period	Balance August 31, 1974
Accounting and audit .....	\$ 1,350	\$ 2,650	\$ 4,000
Automotive equipment operation .....	2,141	191	2,332
Bank charges .....	164	34	198
Legal .....	2,779	1,017	3,796
Licences .....	464	450	914
Office expenses .....	648	479	1,127
Office rent .....	1,680	840	2,520
Promotion and advertising .....	1,609	1,411	3,020
Telephone and telegraph .....	2,928	988	3,916
	<u>\$13,763</u>	<u>\$ 8,060</u>	<u>\$21,823</u>

**CASCADIA RESOURCES LTD.**  
**STATEMENT OF SOURCE AND APPLICATION OF FUNDS**  
**FOR THE FIVE MONTHS ENDED AUGUST 31, 1974**

STATEMENT IV

		December 23, 1971 to March 31, 1974
<b>Source:</b>		
Sale of shares .....	\$ -	\$ 31,380
Loans from shareholders .....	5,970	10,392
Sale of 7 shares of Minas del Toruno S.A. ....	-	7,875
	5,970	49,647
<b>Application:</b>		
Mexican Property — payment on agreement .....	2,000	18,000
— advances .....	196	10,001
Acquisition of fixed assets .....	-	445
Deferred exploration and development costs .....	4,900	2,049
Deferred administration costs .....	8,060	13,763
Incorporation costs .....	-	1,000
Investigation of abandoned mineral properties .....	-	1,850
	15,156	47,108
Increase (Decrease) in working capital .....	(9,186)	2,539
Working capital, beginning of period .....	2,539	-
Working capital (Deficit), end of period .....	\$ (6,647)	\$ 2,539

APPENDIX II

GEOLOGICAL REPORT ON THE  
HOLT AND DAVIS CLAIMS  
FOR  
CASCADIA RESOURCES LTD.  
BY SANKAR V. RAMANI, M.Sc., P.Eng.

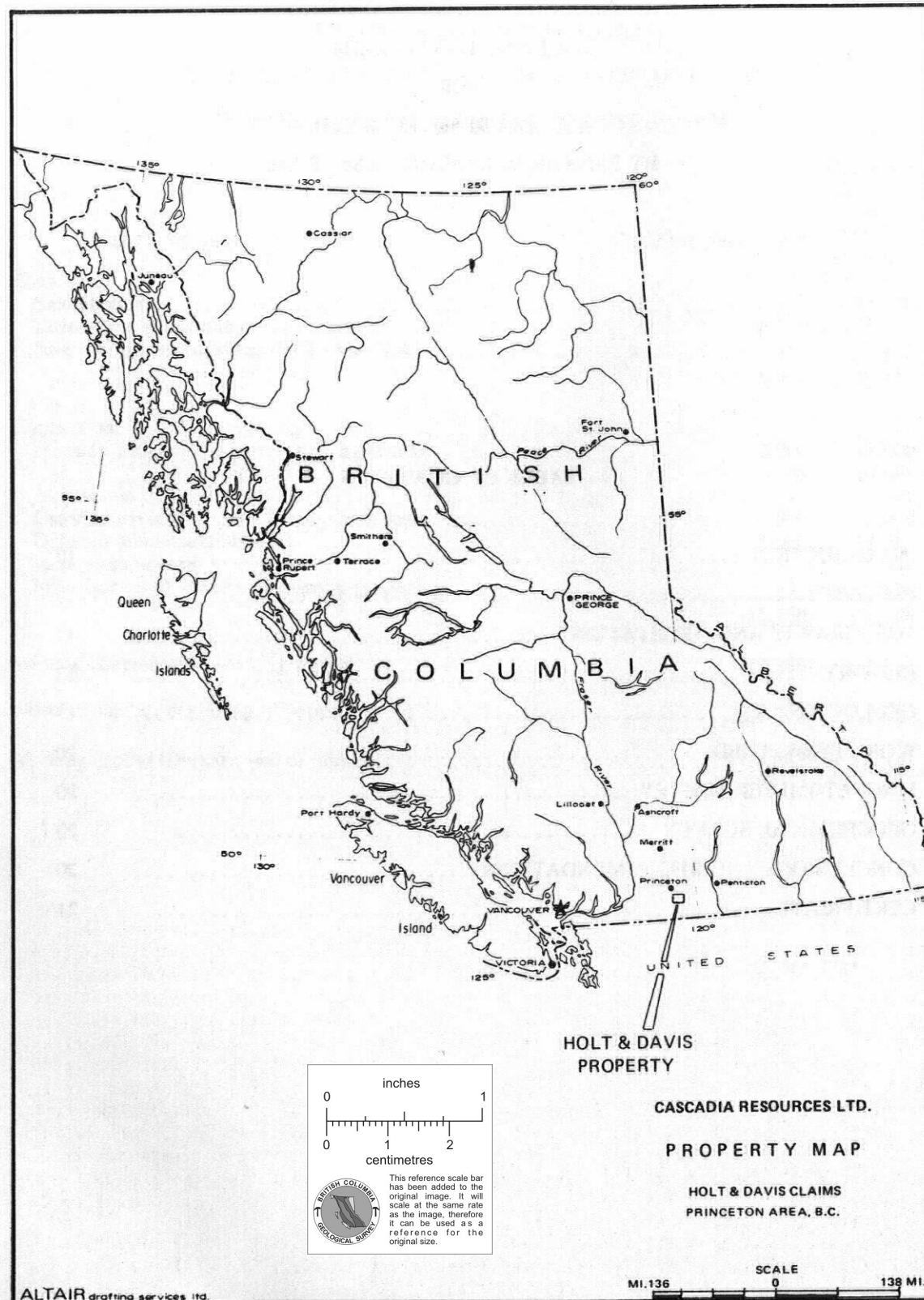
Vancouver, B.C.

May 29, 1974

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ALTAIR drafting services ltd.

### Introduction

In the summer of 1973, a brief property examination was made on the Spence and Holt Group of Claims situated approximately 20 miles south of Princeton, British Columbia. The purpose of the examination was to assess the property's economic potential with a view to carrying on preliminary exploration work. The geology observed within this property appears to be favourable to host mineralization of economic interest and preliminary work to the value of \$15,000.00 has been recommended.

### Property

The property consists of 30 contiguously located mineral claims situated approximately 20 miles south of the town of Princeton, British Columbia.

The claims under discussion are identified as follows:

- |              |                       |
|--------------|-----------------------|
| Davis 1 - 20 | Record #32960 - 32979 |
| Holt 11 - 20 | Record #32950 - 32959 |

These claims are recorded in the Mine Recorders Office in Princeton, British Columbia, Similkameen Mining Division. During the course of the property examination several claim posts were examined and they appeared to have been staked as per the mineral regulations of B.C. However, a detailed legal survey will be necessary to outline the exact boundaries of these claims at a later stage.

### Topography and Vegetation

The property lies within the Interior Plateau of southern British Columbia. The area is heavily wooded with sub-commercial grade of timber. The majority of the area adjoining the property to the east has been logged in the previous years, hence access to the property is by different logging roads branching off from Highway 16. The property is situated approximately 6 miles to the east of the Hope-Princeton Highway, No. 16. There are many creeks running within this property and the important ones are the Belgie Creek and the Judd Creek which flow into the Similkameen River.

At present many of the logging roads are not in use and therefore in some places the road has been washed away and driving to the property is not possible at different times.

### History

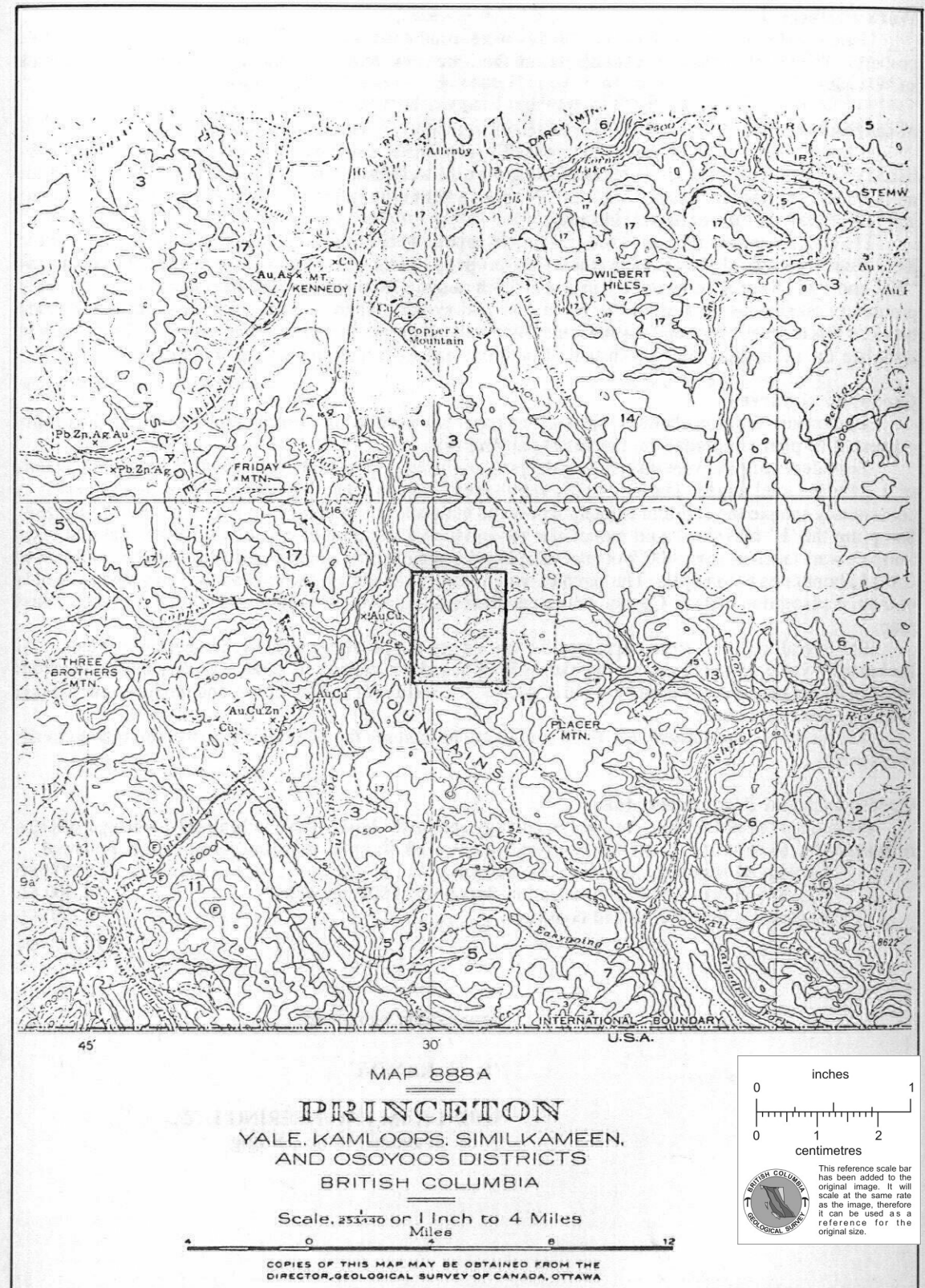
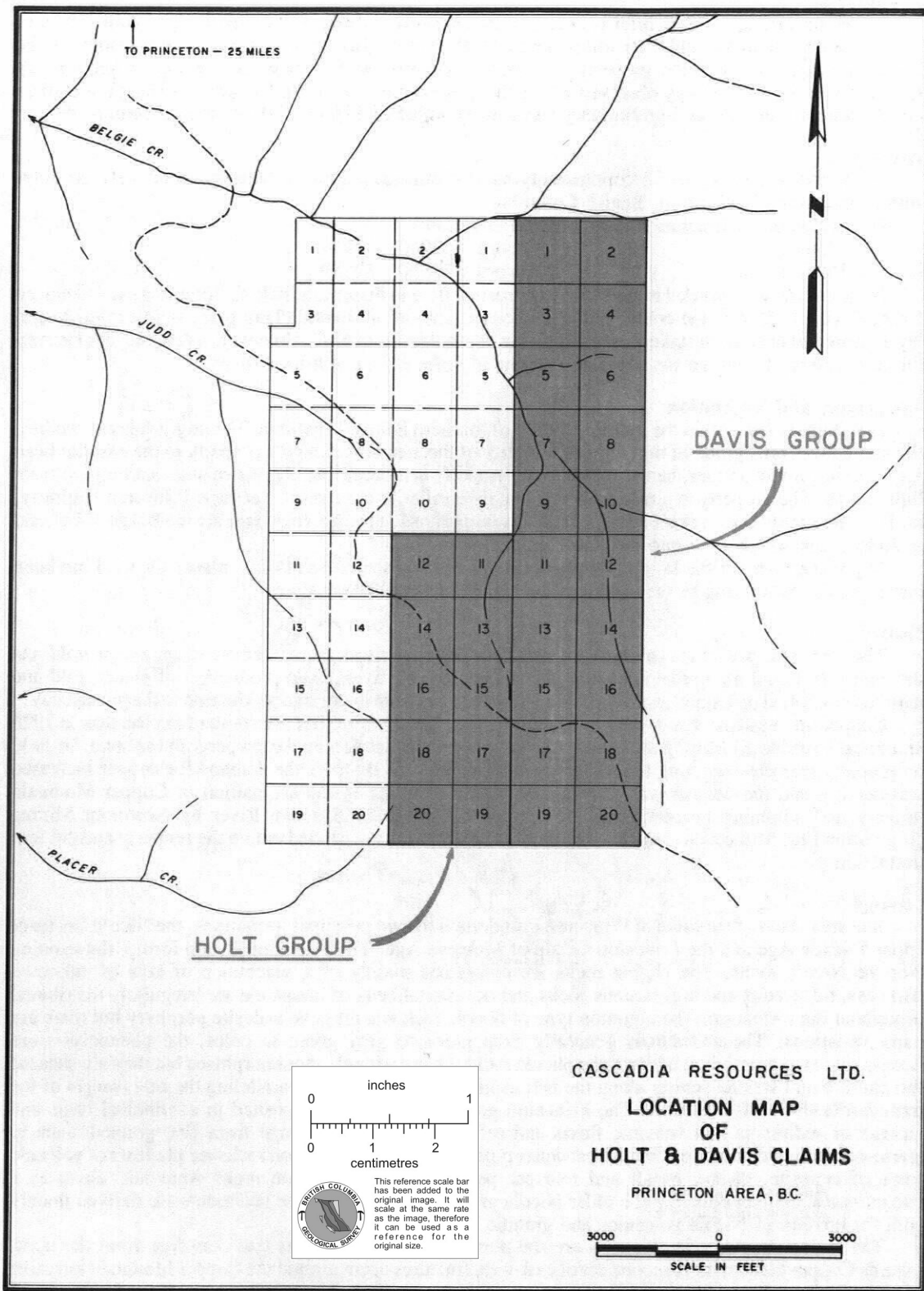
The Princeton area first came to the attention of prospectors in the 1860's when placer gold and platinum was found along the Tulameen and Similkameen Rivers. The production of placer gold and platinum continued on a small scale until 1943 and there has been a sporadic production to the present day.

Copper ore was first discovered in 1884 at Copper Mountain. After intermittent exploration in 1925 Granduc Consolidated Mining and Smelting commenced production on the property in this area. In 1936 the property was closed owing to the low price of copper. In the 60's the demand for copper increased considerably and the deposit was once again studied resulting in the acquisition of Copper Mountain property and adjoining properties on the west side of the Similkameen River by Newmont Mining Corporation Ltd. Mill construction and open pit preparations were carried out on the property and put into production.

### Geology

The area south of the town of Princeton is underlain by two principal formations, the Nicola Group of Upper Triassic Age and the Princeton Group of Miocene Age. The Princeton Group form a flat capping over the Nicola rocks. The Nicola rocks are comprised mainly of a succession of lava of unknown thickness, tuffaceous and argillaceous rocks and occasional beds of limestone are irregularly distributed throughout the formation. The common type of Nicola rock is a massive andesite porphyry but there are many variations. The andesite is generally deep green to grey green in color, the phenocrysts are inconspicuous to prominent. Most of the Nicola rocks are not strongly metamorphised but they are sheared into chlorite and sericite schists along the belt as much as 4 miles wide paralleling the east margin of the granodiorite of coast intrusions. The Princeton group of rocks was deposited in continental basin and consists of sediments and volcanic flows and tuffs. The sediments range from fine grained shale to coarse-conglomerate and are normal freshwater types. Most of the Princeton rocks are made up of volcanic flows of andesite, dacite, basalt and feldspar porphyry. The Princeton rocks were laid down as a discontinuous blanket covering the older Nicola group and intrusives, the sediments are derived mainly from the erosion of Nicola volcanics and granitic intrusives.

The major structures in this area are the north-trending fault zones that converge from the north towards Copper Mountain. A second set of east-west fractures occur around the Copper Mountain intrusive stocks. Much of the mineralization of the Copper Mountain area is associated with these fractures.



**Work Performed**

Geochemical and magnetometer surveys were conducted to further evaluate the potential of this property. The results appear to be moderate and there are some major anomalous zones present within this survey area.

**Magnetometer Survey**

A magnetometer survey using fluxgate MF1 instrument was conducted over the previously established grid lines. The readings were taken along the east-west lines at every 200 feet and the line intervals are 400 feet. The lines are marked "A" to "V" from north to south. The readings are expressed in gammas and are plotted on the accompanying map.

The background readings over the grid system appears to be in the order of 300-400 gammas. Sporadic low values were recorded over some areas of the property. At the eastern part of the property between Line "H" and "N" there appears to be a magnetic high ranging from 800 to 1200 gammas which is the only prominent anomalous area revealed within this grid system. There appears to be a slight coincidence between this magnetic high and a geochemical anomaly. A proper prospecting and mapping is necessary to correlate the anomalous zones with that of outcrops and to prepare for proper interpretation.

**Geochemical Survey**

A reconnaissance geochemical survey for copper was carried out over the grid system and the results expressed as ppm are plotted on the accompanying map.

Individual samples were taken along the previously cut grid lines at every 400 foot interval by means of a stainless steel auger. These samples were taken at an average depth of one foot in an attempt to consistently sample the soil immediately below the humus layer, or otherwise known as the 'B' horizon. Sampling the 'B' horizon would reduce the abnormal concentration effects of vegetative material. The samples were taken at every 400 foot interval, placed in manila envelopes, air dried, catalogued and sent to Crest Laboratories for analysis. The samples were subjected to acid extraction and then analysed by means of atomic absorption meters. Copper values are expressed as parts per million and plotted on the enclosed map.

The overall copper values expressed by this survey are moderate with occasional high values. The background value appears to be in the order of 50 ppm and the anomalous zones will vary in strength from twice to three times above the background. On Line "I" Station 21 to 27 a narrow and moderate anomalous zone has been expressed.

It is recommended to carry out fixed examinations to study the effect of the survey in relation to the overburden.

**Conclusions and Recommendations**

From the point of location, favourable geology and on the basis of the preliminary investigations it is recommended to carry out some detailed exploration work in order to assess its economic potential.

Geological mapping, sampling and assaying .....	\$ 3,000.00
20 line miles of induced Polarization Survey @ \$500 per mile .....	10,000.00
Engineer's supervision and contingency .....	2,000.00
	<u>\$15,000.00</u>

Respectfully submitted,

"S. V. RAMINI"

SOUNDRAM ENGINEERING LTD.  
S. V. RAMINI, M.Sc., P.Eng.

**CERTIFICATE**

I, SANKAR V. RAMANI, of Vancouver, British Columbia, do hereby certify that:

1. I am a consulting geologist with my office located at #307 - 475 Howe Street, Vancouver 1, B.C.
2. I am a graduate geologist with a Master of Science Degree from the University of Madras, India.
3. I am a member of the Association of Professional Engineers of the Province of British Columbia.
4. I am a certified professional geologist belonging to the American Institute of Professional Geologists, Golden, Colorado, U.S.A.
5. I am a member of the Canadian Institute of Mining and Metallurgy.
6. I have been practicing my profession for over 12 years.
7. I have no direct or indirect interest, nor do I expect to receive any interest directly or indirectly in this property or the securities of Cascadia Resources Ltd.
8. This report is based on my personal visit to the area and from previous reports on the property and the published geological literature.

Vancouver, British Columbia

"S. V. RAMINI"

Sankar V. Ramani, M.Sc., P.Eng.

*No*

JAMES P. ELWELL, P.Eng.  
Consulting Mining Engineer

Phone: 682-2120  
Res: 922-2551

1029 - 510 W. Hastings St.  
Vancouver 2, B.C.

REPORT ON EL TORUNO II  
MINERAL CONCESSION  
STATE OF SINALOA, MEXICO  
FOR  
CASCADIA RESOURCES LTD.  
109-1880 Greer Street  
Vancouver, B.C.

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REPORT ON THE EL TORUNO II MINERAL CONCESSION,  
STATE OF SINALOA, MEXICO

**Summary**

The El Toruno II mineral concession consisting of one block of 500 hectares is located in the municipality of San Ignacio in the State of Sinaloa, Mexico. It lies about 8 km east of the village of San Juan and 3.5 S.E. of the Arroyo Los Frailes, to the north of which is a group of concessions known as "Los Platanos" on which exploration in 1972 and 1973 has indicated the possibility of a large tonnage copper-silver mineral deposit.

Geologically the area is underlain by quartz diorites and diorites of the Sinaloa Batholith, certain parts of which have been brecciated and altered by silicification and tourmalinization. Copper mineralization with silver and gold values occurring as disseminations and in quartz veinlets is associated with this altered zone which extends south from the Los Platanos area across the Arroyo Los Frailes and into the El Toruno II area.

The zone is considered favourable for large tonnage deposits which could be economically mined by open pit methods and it is recommended that a phased program of exploration be initiated to determine the extent and grade of the mineralization. The first phases would consist of geological mapping and sampling, to be followed by some percussion drill holes to test the mineralization below the surface.

The total cost of this initial work is estimated at \$30,000.

**Introduction**

On November 13th and 14th, 1973, the writer made a preliminary examination of the "El Toruno II" mineral concession located in the municipality of San Ignacio in the State of Sinaloa, Mexico. Sr. Raphael Aguilar who carried out the legal survey on the property, and two local ranchers, acted as guides and assistants in the examination.

The property lies to the south and on the same general strike as the large area of copper-silver mineralization discovered on the Los Platanos and adjoining concessions, and the principal objective of the examination was to determine if the same geological conditions and evidence of mineralization existed on the El Toruno II concession as on the Los Platanos group, which has been recommended by the writer and two other independent geological consultants for a large scale exploration program.

**Location and Access**

The El Toruno II property is located in the Municipality of San Ignacio, Sate of Sinaloa, about 8 km due east of the village of San Juan and about 3.5 km S.E. of the arroyo Los Frailes, and includes a prominent hill known as the Cerro Colarado. The geographical co-ordinates of the Punta de Partida located near the center of the east boundary of the property are Long. 106°14'W., Lat. 23°52'01"N.

Access from the city of Mazatlan is by way of paved highway north for 65 km and east 33 km to San Ignacio, then 17 km of dirt road to San Juan. From San Juan a truck road runs N.E. for 8 km to Vado Hondo near the edge of the concession. From here, various mule trails cross the ground, and also an abandoned mining road which cuts across in a northeasterly direction. The road from San Juan to Vado Hondo, and the old mining road are presently impassable to wheeled vehicles due to washouts, but could be repaired to 4-wheel drive standard at little cost.

Detailed and area location plans are included with this report.

**Topography, Climate, etc.**

The topography of the area, which is in the foothills of the Sierra Madre Occidental is quite hilly and cut in all directions by steep sided erosion arroyos. The mean elevation is about 1,200 feet above sea level, with the summit of the Cerro Colarada rising to about 2,000 feet.

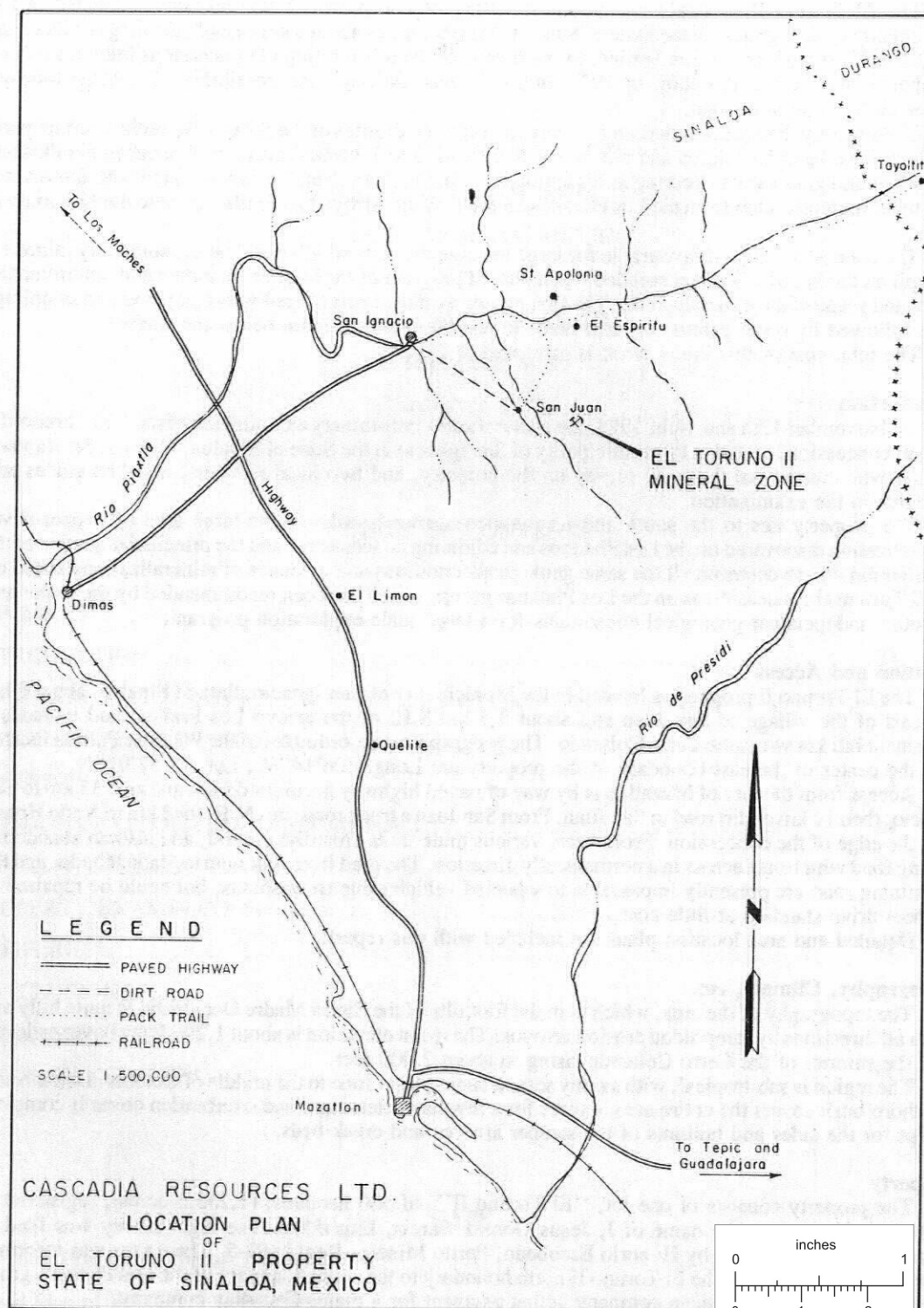
The region is sub-tropical, with a rainy season lasting from June to the middle of October. Dense brush and thorn bush covers the entire area, except for a few farm clearings, and overburden cover is complete except for the sides and bottoms of the steeper arroyos and creek beds.

**Property**

The property consists of one lot, "El Toruno II", of 500 hectares, (1,235.5 acres), registered in Mazatlan, Sinaloa, in the name of J. Jesus Gomez Garcia, Exp/#596. The legal survey was filed in Mazatlan July 30th, 1973 by Honorio Escobedo, Perito Minero, Reg/#497-5. The writer was informed that the ground adjoining the El Toruno II north boundary to the south boundary of the Los Platanos group has been staked by a Mexican company acting as agent for a major Canadian company.

### Previous Exploration and History

The ground has probably been prospected many times for gold and silver in the past. The examination showed several old prospect pits but nothing of recent origin.



CASCADIA RESOURCES LTD.  
LOCATION PLAN  
OF  
EL TORUNO II PROPERTY  
STATE OF SINALOA, MEXICO

### General Geology

Regionally, the area is underlain by plutonic rocks of the Sinaloa Batholith consisting mainly of quartz diorite. On the Los Platanos property, which lies to the north of the El Toruno II, geological studies have determined that within the quartz diorite is an extensive belt of brecciation apparently running roughly north-south, where the quartz diorite has been subjected to intense silicification and tourmalinization.

In the unbrecciated zone the quartz diorite is heavily oxidized and kaolinized to a coarse yellowish brown sand near the surface. In the brecciated zone, silicification has made the rocks more resistant to weathering, but show some epidote alteration, and are generally stained brown to black with manganese and limonite.

Regional examinations have shown that the unbrecciated quartz diorites are almost devoid of copper mineralization except for some narrow quartz vein type deposits. Within the brecciated zone however, disseminated type mineralization is quite widespread, occurring as blebs and disseminations in the silicious breccia and in quartz stringers. On or near the surface, only malachite, azurite and cuprite can be identified, but in some of the old workings, chalcopryite and chalcocite occur. On the El Toruno II property, pyrite and chalcopryite were noted in a prospect cut that had been opened in recent years, and also in rock in a stream bed where water had removed the weathered and oxidized material. Copper stain is usually found only where it is protected from direct rainfall, such as in old adits or overhanging rock bluffs, or in prospect trenches which have been open a few years.

### Property Examination

The claim area was entered from the west side and crossed to the east in the southern part by mule trails which follow the erosion arroyos. As the whole area is covered by dense brush and vegetation as well as the overburden cover, it was difficult to see much of the underlying rocks except in the bottoms of the arroyos, but where noted they consisted of diorites showing no alteration except normal weathering.

The Punta de Partida is located in a narrow, south facing arroyo on the east flank of the Cerro Colorado at an elevation of about 1,500 feet. A small prospect cut in the rock on the west side of the arroyo has exposed a fissure vein 2 feet wide with an east-west strike and a flat dip of about 40° north. The vein is hard and silicious, and contains chalcopryite, pyrite, and possibly pyrrotite as small fracture fillings. The wall rock on both sides is diorite showing little alteration except for a gouge seam on both vein walls.

North of the Punta de Partida the ground rises to about 2,000 feet in elevation. At this elevation, heavy oxidation and dark brown to black staining of the rock was noted, which is typical of the silicified, brecciated quartz diorite phase of the intrusive. At the height of land, a north facing promontory has an almost vertical cliff about 100 feet high at the base of which is a rubble slope covered with dense brush. From a considerable distance away large areas of copper stain could be seen on the cliff face below the brow, but it was found impossible to examine or sample this showing from either above or below.

To the north of this promontory is an east-west arroyo with steep sides and some rock exposures showing the same type of alteration as seen on the top of the Cerro Colorado. A small prospect adit about 8 feet deep has been cut into the rock face, and where protected from the weather, shows some copper staining, oxidation and silicification. No sulphides were noted. The estimated distance between the promontory and this showing would be about 2,000 feet in a northwesterly direction.

An occurrence of sulphides was noted in the fresh rock of a stream bed to the southwest of the last-mentioned prospect pit. Pyrite and chalcopryite occur as disseminations and minute fracture fillings in a hard, dark colored matrix, probably tourmalinized intrusive.

No further occurrences of copper stain or sulphide mineralization were noted, but on the return traverse to the southwest side of the claim area extensive oxidation and staining similar to the Los Platanos area was noted. In general, it appears that this zone of alteration occurs mainly to the north of the P.P. and may cover the northeast quarter of the property, while the southern part of the property seems to consist of diorite unaltered except for normal weathering.

### Sampling

Five samples were taken and assayed for copper, gold, and silver. The results and sample description are tabulated below:

Sample No.	oz. Au./ton	oz. Ag./ton	% Cu.	Description
14662	0.069	14.3	4.73	Vein near P.P. width 2'
14663	Tr.	0.35	0.29	Rep. sample from prospect adit N.W. of promontory
14664	Tr.	0.31	0.54	Same as No. 14663
14665	Tr.	0.31	0.25	Chips from face of bluff east of prospect adit. No. cu. stain
14666	0.008	2.06	1.67	Creek bed, fresh sil. diorite, some sulphides vis.

Samples taken by the prospector, Manuel Jiminez and assayed in Guadalajara are listed below:

Sample No.	g. Aulton	g. Aglton	% Cu.	Location
1	10	230	3.0	El Toruno mine
2	2	368	6.6	Gen. sample from mine
3	0.5	134	4.3	Jilotillo vein
4	0.5	95		El Aguage vein
5	0.5	100		Cordon Loma Colorada
6	1.0	57		Cerro Colorado
9	1.0	124		Mano de Leon
13	0.5	94	2.7	El Guamuchi I

### Conclusions

The geological characteristics and the evidence of copper-silver mineralization indicate that the El Toruno II property could be a continuation of the same mineral belt encountered on the Los Platanos and adjoining claims which form a contiguous block to the north about 6.5 miles to the south bank of the Rio Piaxla, and thus could be the source of a large tonnage porphyry type ore body.

The property warrants an extensive exploration program to be carried out in stages, the details of each successive stage after the initial being based on the results of, and as justified by, the previous work. The initial stage would be aimed to obtain geological information on the entire claim area and to locate and outline the areas of mineralization. The following stages of work would have the objective of proving up the quantity, nature and value of the mineralization encountered.

### Recommendations

#### Stage I

1. Repair the old mining road from Vado Hondo to as far as it extends on the property and cut good foot trails to the Punta de Partida and all known mineral showings. All roads, trails and streams should be surveyed by tape and compass and tied into the Punta de Partida to provide a base map.

2. Geologically map the claim area to the scale of 1:2000. A number of trenches and test pits will be required in the overburden covered area to expose the bed rock for mapping.

3. Concurrently with (2), sample all mineral exposures and carry out petrographic studies of the different rock types.

4. Conduct a geochemical survey over favorable areas as indicated by the geological mapping, and cover anomalous areas with an I.P. survey. The geochemical sampling must be done by skilled and experienced technicians to avoid extraneous results from surface contamination.

5. Confirmed anomalous areas should be opened up by bulldozer stripping, and mineralization checked by some test percussion drilling.

#### Stage II

If the results of Stage I are favorable, Stage II exploration should be initiated. The details would be worked out at the time on the basis of information already obtained, but in general would consist of construction of bulldozer access roads and percussion drilling on a grid pattern to determine the extent, volume, and grade of the mineral zones.

#### Stage III

Successful completion of Stage II would be followed by Stage III. This would probably consist of further percussion drilling plus diamond drilling to determine geological boundaries. Also bulk sampling of potential ore zones would be initiated for metallurgical test work.

### Estimate of Costs

#### Stage I

1. Road and trail construction estimated at 300 man/days @ \$3.50 per day	\$ 1,050.00
2. Tape and compass survey, 20 days @ \$50.00 per day	\$ 1,000.00
3. Geological mapping and test pitting including all labor	\$ 5,000.00
4. Line cutting, allow 10 miles @ \$75.00 per mile	\$ 750.00
5. Geochemical survey, approx. 300 samples @ \$4.00 each	\$ 1,200.00
6. I.P. survey, 10 miles \$500.00 per mile	\$ 5,000.00
7. Bulldozer work — allow 200 hours @ \$25.00 per hour	\$ 5,000.00
8. Initial percussion drilling — allow 2,000 ft. @ \$4.50 per Ft.	\$ 9,000.00
9. Assaying	\$ 2,000.00
10. Engineering, travel, and administration	\$10,000.00
<b>Total, Stage I</b>	<b>\$40,000.00</b>

### Stage II

A general budget of \$100,000.00 should be provided for this stage. A rough breakdown would probably be as follows:

1. Bulldozer work — allow 400 hours @ \$25.00 per hour	\$ 10,000.00
2. 15,000 ft. of percussion drilling @ \$4.50 per ft.	\$ 67,500.00
3. Assaying, Engineering, Administration, etc.	\$ 22,500.00
<b>Total, Stage II</b>	<b>\$100,000.00</b>

### Stage III

A minimum of an additional \$100,000.00 should be allowed for Stage III exploration if Stage II is completed successfully. Further estimates will depend on the size and scope of the program as determined by the previous stages outlined.

Total estimate, Stages I, II, and III, \$240,000.00

December 3rd, 1973

Revised, May 16th, 1974

“J. P. ELWELL”

J.P. ELWELL, P.Eng.

### REFERENCES

1. Report by Dr. A.P. Fawley, P.Eng. — October, 1972.
2. Report by D.M. Cannon, P.Eng. — March, 1973.
3. Report by M.L. Trapnell, Geologist — May, 1973.
4. Report by J.P. Elwell, P.Eng. — November, 1972.

### CHEMEX LABS LTD.

212 BROOKSBANK AVE. NORTH VANCOUVER, B.C. CANADA

• ANALYTICAL CHEMISTS

• GEOCHEMISTS

• REGISTERED ASSAYERS

TELEPHONE: 985-0648

AREA CODE: 604

CERTIFICATE NO. 22802

RECEIVED Nov. 21/73

INVOICE NO. 10921

ANALYSED Nov. 23/73

To: Cascadia Resources  
#109 - 1880 Greer St.,  
Vancouver, B.C.

ATTN:

cc: Mr. J.P. Elwell

Sample No.	% Copper	Oz/Ton Silver	Oz/Ton Gold
14662	4.73	14.3	0.069
14663	0.29	0.35	< 0.003
14664	0.54	0.31	< 0.003
14665	0.25	0.31	< 0.003
14666	1.67	2.06	0.008

“B. L. TWAITES”

Registered Assayer, Province of British Columbia

### CERTIFICATE

- I, James Paul Elwell, of 4744 Caulfield Drive, West Vancouver, B.C., do hereby certify that:
1. I am a Consulting Mining Engineer, resident at 4744 Caulfield Drive, West Vancouver, B.C. with an office at 222 - 510 West Hastings Street, Vancouver, B.C. V6B 1L8
  2. I am a graduate in Mining Engineering from the University of Alberta, 1940 and am a Registered Professional Engineer in the Province of British Columbia.
  3. I have no direct interest in the property examined or Cascadia Ltd.
  4. The findings in the report are based on personal examinations of the property on November 13, 14th, 1973 and from data acknowledged.
  5. This report and accompanying maps may be reproduced in the company's Prospectus.

Dated at Vancouver this 3rd day of December, 1973.

“J. P. ELWELL”

J.P. Elwell, P.Eng.

**CERTIFICATE**

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of the Securities Act (British Columbia) and amendments thereto, and the Regulations thereunder.

DATED this 18th day of December, 1974.

“Dorothy Sherrill Dennis”  
Director and Promoter

“Richard Alexander Rosenberg”  
Director and Promoter

“Peter Wall”  
Director and Promoter

“Madeline Jean Purser”  
Director and Promoter

“Joseph Tanous”  
Director and Promoter