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BRITISH COLUMBIA
SECURITIES COMMISSION

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(NO MINERALIZATION)

June 17, 1971

PROSPECTUS

ARMADA EXPLORATIONS LTD. (N.P.L.)

An Offering of 400,000 Common Shares

EXPLORATION OF THE COMPANY'S MINERAL CLAIMS HAS NOT YET PROGRESSED SUFFICIENTLY TO ESTABLISH CONCLUSIVELY WHETHER OR NOT ANY COMMERCIAL ORE BODIES EXIST. CONSEQUENTLY, A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION.

NO SURVEY HAS BEEN MADE OF THE COMPANY'S MINERAL CLAIMS AND THEREFORE, IN ACCORDANCE WITH THE B.C. "MINERAL ACT", THE EXISTENCE AND AREA OF SUCH CLAIMS COULD BE IN DOUBT.

"ESTIMATES OF POSSIBLE RESERVES" CONTAINED IN THE EVALUATION REPORT DATED APRIL 14, 1971, ATTACHED TO THIS PROSPECTUS HAVE BEEN BASED ON ASSUMPTION OF RESERVOIR CONDITIONS INFORMATION IN WHICH RESERVES HAVE NOT BEEN ESTABLISHED.

THE SHARES OF THE COMPANY HAVE NOT PREVIOUSLY BEEN OFFERED TO THE PUBLIC AND ARE NOT AT PRESENT TRADED ON ANY STOCK EXCHANGE OR OTHER RECOGNIZED SECURITY MARKET.

A COMPARISON, IN PERCENTAGE FIGURES, OF THE SECURITIES BEING OFFERED HEREBY FOR CASH, WITH THOSE ACQUIRED BY DIRECTORS, OFFICERS AND PROMOTERS FOR CASH AND PROPERTY, IS SET OUT IN THIS PROSPECTUS UNDER ITEM ENTITLED "PRINCIPAL HOLDERS OF SECURITIES."

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

DISTRIBUTION SPREAD:

	Price to Public	Underwriting Discount	Net Proceeds to Be Received by Issuer
Per Share	Not to exceed 35¢ per share	Not to exceed 17-1/2¢	17-1/2¢
400,000 Shares	Not to exceed \$140,000.00	\$70,000.00	\$70,000.00

PROPERTY FILE

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AFTER DISTRIBUTION OF THIS ISSUE, CORE MANAGEMENT LTD. MAY SELL 250,000 SHARES TO THE PUBLIC BY SECONDARY DISTRIBUTION. DETAILS ARE SET OUT IN THIS PROSPECTUS ON PAGE FOUR (4) UNDER THE HEADING "SECONDARY DISTRIBUTION."

REGISTERED OFFICE: *3rd Floor - 540 Howe Street, Vancouver, B.C.*

HEAD OFFICE: *551 Howe Street, Vancouver, B.C.*

REGISTRAR AND TRANSFER AGENT: *National Trust Co. Ltd.
510 Burrard Street, Vancouver, B.C.*

AUDITORS: *Riddell, Stead & Co.,
Chartered Accountants,
505 Burrard Street, Vancouver, B.C.*

Reference should be made to the paragraphs "Promoters" and "Principal Holders of Securities" herein for a comparison of the number of shares held by the promoters and directors of the Company for cash, services and property with the number of shares offered by this Prospectus.

The shares offered by this Prospectus represent 24.4% and the shares issued to promoters, directors and other insiders for cash and properties represent 53.3% of the total number of shares to be issued and outstanding upon completion of this offering.

We, Barrington Securities Ltd. (formerly known as Richardson & Wilson Securities Ltd.), as principals, conditionally offer these shares subject to prior sale, if, as and when issued by the Company and accepted by use in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" on Page 4 of the Prospectus and subject to the approval of all legal matters on behalf of ourselves and the Company by Messrs. H.B. Hemsworth & Associates, Barristers & Solicitors, 3rd Floor - 540 Howe Street, Vancouver, British Columbia.

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INTRODUCTORY STATEMENT

Armada holds a five (5%) percent working interest to earn two and one half (2-1/2) percent in ten (10) British Columbia Petroleum and Natural Gas Leases located in the Monkman Pass area of north-eastern British Columbia, as well as 20 mineral claims located 18 miles north of Merritt in the Nicola Mining Division of the Province of British Columbia. Details of Armada's holdings are set out under the caption "Business & Property".

The main purpose of this offering is to raise sufficient funds to enable Armada to contribute its five (5%) percent share of the costs involved in drilling a well on the aforementioned Petroleum and Natural Gas Leases, as well as carrying out further exploration and development work on the mineral claims. The interest of Armada in the mineral claims must be considered a raw prospect as they are without a known body of commercial ore.

This is the first public offering of shares of Armada. The shares being offered must be considered a speculative security.

INCORPORATION

Armada Explorations Ltd. (N.P.L.) (hereinafter referred to as "Armada") was incorporated on December 10th, 1968 as a private company under the "Companies Act" of the Province of British Columbia by the registration of its Memorandum and Articles of Association and was converted to a public company on July 18, 1969.

PLAN OF DISTRIBUTION

Under an agreement dated the 15th day of June, A.D. 1971, between the Company and Barrington Securities Ltd., as Underwriter, the Company has agreed to sell and the Underwriter has agreed to purchase within seven (7) days after the acceptance of this Prospectus by the British Columbia Securities Commission, 400,000 shares at a price 17-1/2¢ per share, payable in cash to the Company against delivery of the shares. The obligations of the Underwriter under such agreement may be terminated at its discretion on the basis of its assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The underwriter is, however, obligated to take up and pay for all shares if any of the shares are purchased under such agreement. The Underwriter may be said to realize a discount in the amount, if any, at which the price paid for such shares under the Underwriting Agreement is less than the price at which the shares are being sold to the public by the Underwriter.

SECONDARY DISTRIBUTION

AFTER DISTRIBUTION OF THE ISSUE HEREIN DESCRIBED HAS BEEN COMPLETED, 250,000 SHARES MAY BE SOLD TO THE PUBLIC BY CORE MANAGEMENT LTD. AT A PRICE NOT EXCEEDING 35¢ PER SHARE. THE NET PROCEEDS OF SUCH SECONDARY DISTRIBUTION WILL ACCRUE TO THE SELLING SHAREHOLDER, CORE MANAGEMENT LTD., AND THE PROCEEDS WILL NOT BENEFIT THE TREASURY OF ARMADA. OF THE SHARES IN THE SECONDARY DISTRIBUTION, 100,000 WILL BE ACQUIRED AS A RESULT OF THE CARRYING OUT OF THE OPTION AGREEMENT DATED THE 15th DAY OF JUNE, 1971, DETAILS OF WHICH ARE SET OUT IN THIS PROSPECTUS ON PAGE 13 UNDER THE HEADING "INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS."

SHARE CAPITAL STRUCTURE

All of the shares of the Company including those offered hereby are of one class known as "comon". The Company has an authorized capital of \$2,500,000.00 which is divided into 5,000,000 shares with a nominal or par value of 50¢ per share. There are no special rights or restrictions of any nature attaching to any of the shares and all rank equally as to dividends, voting rights, and participation in assets.

(a) Designation of Security	Authorized Share capitalization	Outstanding as of May 31, 1971	Outstanding as of June 15, 1971	Outstanding on completion of offering
Common Shares	5,000,000	1,250,000	1,250,000	1,650,000

(b)

— Prior Sales —

Particulars of the shares sold for cash and issued to the date of this Prospectus are as follows:

Number of Shares Sold for Cash	Price	Commissions Paid per share sold	Cash Received
500,000	10¢	Nil	\$50,000.00

All shares previously sold for cash have been voluntarily pooled with the National Trust Co. Ltd. subject to release by the British Columbia Securities Commission. The secondary distribution of 250,000 pooled shares will be sold after primary distribution of treasury shares offered herein is completed and the remaining 250,000 shares may be released at the expiration of thirty (30) days after the completion of the primary distribution.

ESCROWED SHARES

Set forth hereunder are particulars of the escrowed shares in the capital stock of Armada as of the date of this Prospectus:

Designation of Class	Number of Shares Held in Escrow	Percentage of Class
Common	750,000	60%

The 750,000 shares were issued for the mineral claims described under the heading "Business and Property" and are held in escrow with National Trust Co. Ltd., the Transfer Agent, pursuant to Escrow Agreements providing inter-alia that except with the written consent of the British Columbia Securities Commission, holders of escrow shares will not sell, assign or transfer the said shares and if the Company loses or does not obtain good or marketable title to or abandons development of any property which was or formed part of the consideration for any of the shares in escrow there shall be surrendered by way of gift to the Company for cancellation such number of the said shares as the

British Columbia Securities Commission in its sole discretion deems fair and equitable and in such manner or proportion as it may direct.

The Company originally issued 750,000 shares for mineral claims situated near Okanagan Falls, in the Osoyoos Mining Division, British Columbia, which claims were explored and abandoned by Armada during 1970. In December, 1970 and January, 1971 the registered owners of the aforementioned 750,000 shares gifted all of these shares back to the Company for surrender.

By Agreement dated the 10th day of March, 1971, Armada issued 750,000 shares for mineral claims located 18 miles south of Merritt, in the Province of British Columbia, details of which are set out under the Caption "Business & Property". Core Management Ltd. will gift back 14,285 escrowed shares to Armada upon the occasion of Armada's next General Meeting of shareholders in order to conform to the B.C. Securities Commission escrow policies. The present registered owners of the 750,000 shares are as set out below:

Core Management Ltd. 3rd Floor - 540 Howe Street Vancouver, B.C.	720,000
Cecil J. Coveney 4024 Delbrook Avenue North Vancouver, B.C.	30,000
TOTAL:	750,000

PRINCIPAL SHAREHOLDERS

Set forth hereunder are particulars of the principal shareholder of Armada as of the date of this Prospectus who own ten (10%) percent or more of the issued shares of Armada;

<u>Name and Address</u>	<u>Designation of Class</u>	<u>Type of Ownership</u>	<u>Number of shares owned</u>	<u>Percentage of Class</u>
Core Management Ltd., 3rd Floor - 540 Howe Street, Vancouver, B.C.	Common	Direct, of Record & Beneficial	870,000	70.4%

Core Management Ltd. has an option to purchase 175,000 shares at 10¢ per share from certain shareholders as set out in an agreement dated the 15th day of June, 1971. This option expires on the 30th of November, 1971. (Details of this option are to be found contained in this Prospectus under the heading "Interest of Management and others in Material Transactions")

The Directors and Senior Officers of Armada beneficially own directly 0.8% of the outstanding shares of the Company. Harold A. Williams and H. Barry Hemsworth, both Directors of Armada, are also shareholders of Core Management Ltd. and therefore have an interest in the shares of Armada which are owned by Core Management Ltd. as shown above.

DIRECTORS AND OFFICERS:

<u>Name and Address</u>	<u>Office Held</u>	<u>Principal Occupation During Past 5 Years</u>
Leigh Kimball Bennett, 451 Ailsa Avenue, New Westminster, B.C.	Director & President	Chartered Accountant; Secretary-Treasurer, Sung Management Ltd., Vancouver, B.C. Director of North Lake Mines Ltd. (N.P.L.), Tay River Mines Ltd. (N.P.L.) and Acano Explorations Ltd. (N.P.L.)
Harold Arthur Williams, 1102 - 5603 Balsam St., Vancouver, B.C.	Director & Secretary	Consultant; Principal of Industrial Research & Development Ltd. of Vancouver, B.C., April 1965 to December 1969; Principal of Manex Services Ltd. of Vancouver, B.C., December 1969 to date. Director and principal of Core Management Ltd., Barrington Securities Ltd., and a Director of Highland Valley Mines Ltd. (N.P.L.) and Glacial Mines Ltd. (N.P.L.)
H. Barry Hemsworth 3rd Floor - 540 Howe Street Vancouver, B.C.	Director	Barrister & Solicitor; Practised as Barrister & Solicitor with various Vancouver law firms until April, 1970; Principal of H.B. Hemsworth & Associates Barristers & Solicitors, of Vancouver, B.C., April 1970 to date. Director and Principal of Core Management Ltd., Barrington Securities Ltd., and a Director of Highland Valley Mines Ltd. (N.P.L.), Santana International Resources Ltd. (NPL)

REMUNERATION OF DIRECTORS & SENIOR OFFICERS

Armada has not paid any remuneration to any Director or Officer of the Company since incorporation and it does not intend to pay any remuneration to any Directors or Officers of Armada during the current fiscal year, nor does Armada have any pension, retirement or other like benefits for its Directors and Officers.

H. Barry Hemsworth is acting as the solicitor of the Company as well as being a promoter and director of the Company. H. Barry Hemsworth is also a member of the underwriting firm, the vendor and the shareholder making the secondary offering.

PROMOTERS

Under the heading "Promoters" contained in Section 2 of the British Columbia Securities Act, 1967, Core Management Ltd. may be considered the promoters of Armada in that Core took the initiative in the reorganization of Armada. The Promoters received no consideration in the form of shares, cash or otherwise from Armada for so acting, however, 720,000 vendor shares were issued to Core Management Ltd. for their interest in certain mineral claims acquired by them as set forth under the heading "Business and Property". Core Management will gift back 14,285 of these vendor shares to Armada upon the occasion of Armada's next General Meeting of Shareholders in order to conform to the B.C. Securities Commission escrow policies. Harold A. Williams and H. Barry Hemsworth, both Directors of the Company, have a greater than 10% interest in Core Management Ltd.

Also, Core Management Ltd. sold to Armada the 5% working interest in the petroleum and gas leases for a total of \$30,000.00, \$10,000.00 of which has been paid. The balance of \$20,000.00 owing will be paid out of the proceeds of this primary distribution. (See section headed "Use of Proceeds", and "Business and Property"). The equity positions in Core Management Ltd. are as follows:

George A. Richardson	25%
John L. Wilson	25%
Harold A. Williams	18.75%
H. Barry Hemsworth	18.75%
Robert L. Card	12.5%

BUSINESS & PROPERTY

Armada is engaged in the business of acquiring, exploring and developing mineral properties and oil and gas properties. It presently holds the following interests:

— Petroleum and Natural Gas Interests —

Monkman Pass Area

Armada holds interests in Petroleum and Natural Gas Leases located in North-eastern British Columbia. By way of a Farmout Agreement with Core Management Ltd. dated December 20, 1970, Armada has acquired a five (5%) percent working interest to earn a two and one half (2½%) percent interest in and to British Columbia Petroleum and Natural Gas Leases numbered 915, 2956, 2957, 3932, 4568, 4569, 4570, 5415 and 5416. Armada also has a five (5%) percent working interest to earn two and one half (2½%) percent in Petroleum and Natural Gas Lease 919 except for the spacing unit upon which is located the commercial gas well known as the Gray Oil Grizzly PRP NW C-25-A well in which Armada can earn a 0.186% interest. There exists a two and one-half (2.5%) percent gross overriding royalty on leases 919, 915, 2956, 2957, and 3932 held by the Guaranty Trust Co. of Canada. All of the leases are, of course subject to the standard B.C. Government overrides. The leases cover a total of 19,350 acres and all leases are in good standing at the date of this Prospectus.

The leases are located in the Monkman Pass area of British Columbia, approximately 75 miles south-west of Grand Prairie, Alberta and 25 miles west of the Alberta-British Columbia boundary. The leases have had drilled on them a total of 6 wells, of which one was completed as a commercial gas well, and one well was suspended, but is capable of being brought into production. A third well produced gas in commercial quantities but was abandoned due to technical difficulties. None of the wells are unitized. They are approximately 60 miles from an existing pipeline. It is expected that a pipeline must be built to the area before it will be possible to put the wells into production. The participating companies, including Armada, plan to drill a seventh well as an offset to the Gray well, which is the well capable of commercial production as described above. It is planned by the participating companies that the new well will be commenced on the lease 2957 during the summer of 1971.

The leases are considered to have some real reserves of marketable gas and sulphur, but Armada does not purport at this time, to have quotable figures as to the size and worth of possible reserves as regards these leases.

Armada acquired the interest in the leases from Core Management Ltd., a private British Columbia company, by an Agreement dated the 20th day of December, 1970, in consideration of Armada paying \$30,000.00 in total; \$10,000.00 was paid on the execution of the Farmout

Agreement, and \$20,000.00 is still owing and will be paid by Armada out of the proceeds of sale of this primary distribution. H. Barry Hemsworth and Harold A. Williams, both directors of Armada, are also directors and shareholders of Core Management Ltd.

Annual rentals must be paid to the Government of British Columbia to keep the leases in good standing. At the date of this Prospectus, all the rentals are paid up until November 10, 1971. The total yearly rental payment from November 1970 to November 1971 has amounted to approximately \$71,863.33 and Armada must pay five (5%) percent of the cost of the proposed well to earn a two and one half (2½%) percent interest in whatever benefit accrues on the drilling of such a well.

Core Management Ltd. acquired a 45% working interest from Peace River Petroleums Ltd. on leases 915, 2956, 2957, 3932, 4568, 4569, 4570, 5415 and 5416 to earn an actual interest of 27%. Core acquired a 42.239% working interest from Peace River on lease 919 to earn an actual 25.343%. To earn the aforementioned interest, Core Management Ltd. has covenanted with Peace River Petroleums Ltd. to drill a well on lease 2957 to a depth of 8,500 feet or 1,500 feet into the Nikanassin formation, which ever occurs first, by a Farmout Agreement dated 23rd day of July, 1970. Brown Bear Petroleums Limited (N.P.L.) originally acquired this farmout arrangement with Peace River Petroleums, but by an agreement dated 1st of November, 1970, Brown Bear Petroleums assigned all its right title and interest to Core Management Ltd. in consideration of Core arranging the payment of the lease rentals owing the B.C. Provincial Government for 1970 and 1971. Core Management paid \$50,137.49 itself and arranged to have the balance paid, all of which covered the rentals owed by Peace River Petroleums as well as that of certain other companies. Core also has paid \$3,645.90 for engineering fees and legal fees in connection with keeping these leases in good order.

On lease 919 there is located the Gray Oil Grizzly PRP NW C-25-A well, which is capable of production but is presently capped. Peace River Petroleums has a 12.401% interest in this well and spacing unit on which the well is located. Therefore by the farmout agreement between Peace River Petroleums and Core, Core can earn a 7.44% interest in the well and the spacing unit. Armada in earning its 2.5% interest can therefore earn a 0.186% interest in the well and spacing unit upon which it is located.

The following exploration companies have purchased percentage interest from Core on the same basis as Armada as indicated below:

Name of Company	Working interest acquired	Earned Interest	Price paid to Core
Legend Explorations Ltd. (N.P.L.)	10%	5%	\$60,000.00
Dalex Mines Ltd. (N.P.L.)	5%	2½%	\$30,000.00
Also 90 days option for additional	5%	2½%	\$30,000.00
Whitey Wilson Oil & Gas Co. Ltd.	3%	1½%	\$18,000.00
Northern Lights Minerals Ltd.	2%	1%	\$12,000.00

Core has covenanted to cause the well to be drilled as set out in the Farmout Agreement with Peace River Petroleum and all participants, including Armada, have covenanted to finance working share of the well cost.

The status of the leases as regards percentage interest of the participant at the date of this Prospectus are as follows:

	British Columbia Petroleum & Natural Gas Leases 915, 5415, 5416, 3932, 2956, 2957, 4568, 4569, 4570	British Columbia Petroleum & Natural Gas Lease 919
Decca Resources Limited	10.52%	5.500%
Giant Reef Petroleum Ltd.	10.00%	9.498%
Sulgas Petroleum Ltd.	10.00%	8.996%
Monkman Pass Pipeline Co. Ltd.	1.50%	1.500%
Norman Brown	.50%	500%
Mineral Mountain Mining Co. Ltd.	2.50%	2.500%
Jeremy G. Barber	.25%	.250%
Cleveland Power Corporation Ltd.	.50%	.500%
Noble Mines & Oils Ltd.	3.68%	3.680%
Skat Resources Ltd.	4.00%	3.5984%
Trevor Martin	1.00%	.8996%
Canadian Reserve Oil & Gas Ltd.	2.50%	2.249%
Starquest Holdings & Management Co. Ltd.	.05%	.050%
Dancan Explorations Ltd.	1.50%	1.500%
W.W.P. Developments Ltd.	1.50%	1.500%
Northern Lights Minerals Ltd.	3.00%	3.000%
Whitey Wilson Oil & Gas Ltd.	2.00%	2.000%
Peace River Petroleum Limited	45.00%	42.239%
	Gray Oil Company	10.040%
	<u>100.00%</u>	<u>100.000%</u>

Farmouts to Date

All interest are actual interests to be earned.

	(Legend Explorations Ltd.	5%
	(Armada Explorations Ltd.	2½%
	(Whitey Wilson Oil & Gas Ltd.	1½%
	(Northern Lights Minerals Ltd.	1%
	(Dalex Mines Ltd.	2½%
	(Core Management Ltd.	
	(27%	
Peace River	(
Petroleum Limited	(Peace River Petroleum Limited	
45%	(18%	

There exist certain overriding royalties which apply to the various leases. A 2½% gross overriding royalty is held by the Guaranty Trust Company of Canada on leases 915, 919, 2956, 2957, and 3932. A ½% gross overriding royalty exists on leases 2956, 2957, 4568, 4569, 4570 and 919 which is held by Central Del Rio Oils Limited. A 1.5% net royalty is held by Suffolk Oil & Gas Ltd. and a 1½% net royalty is held by Gerald G. Krause on all of the leases applicable to the total net revenue received from the interests owned by Giant Reef Petroleum Ltd. and Decca Resources Ltd. or their successors or assigns. Also a 1½% net royalty is held by each of Suffolk Oil & Gas Ltd. and Gerald G. Krause on the total net revenue from 15% of the interests held by Peace River Petroleum in leases 915, 3932, 5415 and 5416 and 12½% of the total net revenue from leases 2956, 2957, 4568, 4569, 4570, and 919.

Mining Interest:

Aspen Grove Area -

The Company is the recorded and beneficial holder, subject to the provisions of the Mineral Act of the Province of British Columbia, of 20 mineral claims located approximately 18 miles south of Merritt in the Nicola Mining Division of the Province of British Columbia and more particularly known and described as:-

Claim Name	Record Number	Expiry Date
CC 1-20	48723-48742	March 31, 1972

The Company must record assessment work of \$100.00 per claim per year in order to keep the mineral claims in good standing.

The CC group of claims were staked by G.R. Siemens and A.A. Ablett, both of Kamloops, British Columbia, as agents for and on the behalf of C.J. Coveney of 520 - 885 Dunsmuir Street, Vancouver, B.C. By a letter agreement dated March 1, 1971, C.J. Coveney agreed to stake these claims for Core Management Ltd. for the consideration of \$1,000.00 and 30,000 vendor shares in Armada. By an agreement dated April 1, 1971, Armada purchased the claims from Core Management Ltd. for \$1,000.00 and 750,000 vendor shares subject to escrow requirement. Core Management will gift back 14,285 of these vendor shares to Armada upon the occasion of Armada's next General Meeting of Shareholders in order to conform to the B.C. Securities Commission escrow policies. The 750,000 vendor shares are allocated as follows:

Core Management Ltd.	720,000
3rd Floor	
540 Howe Street	
Vancouver, B.C.	
Cecil J. Coveney	30,000
4042 Delbrook Avenue	
North Vancouver, B.C.	

To the best of the knowledge of signatories hereto no person has received or is to receive from the vendor of the claims a greater than a 5% interest in consideration paid therefore to it.

There is no known history of this property as such.

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

The Company's exploration will be directed to a search for copper and zinc and the development of mineable reserves.

Access is northward from Princeton by Highway No. 5 to Aspen Grove, a distance of thirty-eight miles; thence an additional seven miles along Highway No. 5 to the Kane Valley road; thence along the Kane Valley road south-westward a distance of four miles to Kane Lakes on a fair gravel road.

Exploration to date consists of a geological examination and the results thereof are contained in the report of C.H. Donaldson, P.Eng., dated April 7, 1971, and contained in this Prospectus. Mr. Donaldson indicates in his report that initial exploration cost will be low owing to the accessibility of the mining property in comparison to exploration costs in remote areas. Armada intends to carry out the exploration programme contained in this report.

There is no known body of commercial ore on the property and the proposed programme is an exploratory search for ore only.

USE OF PROCEEDS

The net proceeds from the underwriting will be \$70,000.00 and it is proposed that the sum will be expended by the Company as follows:

1. To pay Armada's five (5%) percent share of the anticipated cost of the drilling of the well on the Monkman Pass leases as set out in the report of C.H. Riddell, P.Geol., wherein the certificate is dated April 14, 1971, a copy of which is attached to and forms a part of this Prospectus. \$25,000.00
 2. To pay the anticipated cost of the initial stage of exploration and development work on 20 mineral claims as recommended by C.H. Donaldson, P.Eng., in his report dated April 7, 1971, a copy of which is attached to and forms a part of this Prospectus. \$ 5,000.00
 3. Final payment of \$5,000.00 owing to Joseph E. MacDonald, 18 - 301 Scott Avenue, Penticton, B.C.; Lawrence A. MacDonald, Okanagan Falls, B.C.; Donald J. MacDonald, 301 - 700 Chilco Street, Vancouver, B.C.; Kenneth Ewers, of Okanagan Falls, B.C. and Isaac Shulman, 404 - 510 West Hastings Street, Vancouver, B.C., for 409 mineral claims purchased by the Company in 1969 which mineral claims were explored by the Company and abandoned in 1970. \$ 5,000.00
 4. To repay Core Management Ltd. on a loan given to Armada to acquire the 5% working interest in the petroleum and natural gas leases as set out in the Farmout Agreement dated December 20, 1970. (See Section "Business and Property" for further details). \$20,000.00
 5. Payment owing to Canadian Imperial Bank of Commerce on loan to the Company. \$ 3,000.00
 6. To reimburse Core for paying Armada's share of lease payments on the petroleum and natural gas leases in the Monkman Pass area described under the heading "Business and Property". \$ 3,597.00
 7. Reserve for general administration and head office expenses, legal, audit, and professional and other miscellaneous costs and for all contingencies and for further prospecting and examination of properties; \$ 8,403.00
- Total: \$70,000.00

If the proceeds of this offering are insufficient to finance the carrying on of the administration of the company, the company will consider a further sale of its shares by a public offering or a rights offering.

No part of the proceeds derived from this issue of shares, nor any funds already in Armada's treasury, 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 jurisdictions in which the securities offered by this Prospectus may be sold. Should Armada propose to use the said proceeds to invest, underwrite or trade in non-trustee type securities after the initial distribution of the securities offered by this Prospectus, approval by the shareholders shall first be obtained and prior disclosure made to the regulatory securities bodies having jurisdiction over the sale of the securities offered by this Prospectus.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The interest of directors and officers in material transactions is as set out under the captions "Promoters", "Business and Property", "Material Contracts", and "Remuneration of Directors and Senior Officers".

OPTIONS TO PURCHASE SECURITIES

(1) By Agreement dated the 30th day of November, 1970, between Richardson & Wilson Securities Ltd., H.A. Williams, C.D. Wilson, L.K. Bennett, Bruce Sung, Relico, D.M. Wilson, (hereinafter referred to as "the Optionors") and Core Management Ltd., the Optionors owning collectively 500,000 shares purchased at ten (10¢) cents per share, by this Agreement grant to Core Management Ltd. a one (1) year option to purchase 250,000 shares at ten (10¢) cents per share. Harold A. Williams and H. Barry Hemsworth, Directors of Armada, own more than a ten (10%) percent interest in Core Management Ltd. Also Harold A. Williams and H. Barry Hemsworth own more than a ten (10%) percent interest in Barrington Securities Ltd., the Underwriter of this primary issue.

(2) The Option Agreement described in paragraph One (1) under this heading was changed by a Modification of Agreement dated the 15th day of June, 1971, between Clifford D. Wilson, Leigh K. Bennett, Bruce Sung, Donald M. Wilson, Ernest Calvert and Louis Wolfen as Optionors and Core Management Ltd. as Optionee. The Optionors have the following pooled shares:

Clifford D. Wilson	75,000
Leigh K. Bennett	10,000
Bruce Sung	115,000
Donald M. Wilson	25,000
Ernest Calvert	62,500
Louis Wolfen	62,500
	<u>350,000</u>

Core Management Ltd. who has already acquired 150,000 pooled shares is given an option to purchase one half of the holdings of each of the Optionors at a price of 10¢ per share. By this method, Core will accumulate the 250,000 shares which it will sell by way of the "Secondary Distribution" which is mentioned under that heading on Page 4 of this Prospectus. This option expires on the 30th day of November, 1971.

AUDITORS

The auditors of the Company are Messrs. Riddell, Stead & Co., Chartered Accountants, 505 Burrard Street, Vancouver, B.C.

REGISTRAR AND TRANSFER AGENT

The Registrar and Transfer Agent of the Company is the National Trust Co. of Canada, 510 Burrard Street, Vancouver, B.C.

MATERIAL CONTRACTS

The following material contracts are in existence and may be viewed by registered shareholders of Armada during normal business hours at the registered office of the Company located at the 3rd Floor, 540 Howe Street, Vancouver, British Columbia;

1. Between Core Management Ltd. and Armada dated the 20th day of December, 1970, whereby Armada acquired the five (5%) percent working interest in the Petroleum and National Gas Leases located in north-eastern British Columbia.
2. Underwriting Agreement between Armada and Barrington Securities Ltd., dated 15th day of June, 1971.
3. Between Brown Bear Petroleums Limited (N.P.L.) and Core Management Ltd. dated November 1, 1970, whereby Brown Bear for value received assigned all of its right, title and interest in and to the petroleum and natural gas leases to Core Management Ltd.
4. Agreement between Core Management Ltd. and Armada whereby Armada acquired the 20 minerals claims located in the Aspen Grove Area in the Nicola Mining Division dated March 10, 1971.
5. Option Agreement between Core Management Ltd. and Richardson & Wilson Securities Ltd., H.A. Williams, C.D. Wilson, L.K. Bennett, Bruce Sung, Relico, and D.M. Wilson, dated November 30, 1970, whereby Core Management Ltd. may purchase 250,000 shares at 10¢ per share within one (1) year.
6. A Modification Agreement between Clifford D. Wilson, Leigh K. Bennett, Bruce Sung, Donald M. Wilson, Ernest Calvert, and Louis Wolfen as optionors and Core Management Ltd. as optionee dated the 15th day of June, 1971 whose terms modify the agreement set out in paragraph 5 under this heading.

PENDING LEGAL PROCEDURES

Armada is not involved in any legal proceedings nor does the Company contemplate any legal proceedings at this time.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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

- (a) A purchaser has the 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 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.

CERTIFICATES

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

"H.A. WILLIAMS"
HAROLD A. WILLIAMS
Director & Promoter

"LEIGH K. BENNETT"
LEIGH K. BENNETT
Director

CORE MANAGEMENT LTD.
Promoter

"H.B. HEMSWORTH"
H. BARRY HEMSWORTH
Director & Promoter

"H.A. WILLIAMS"
HAROLD A. WILLIAMS
"H.B. HEMSWORTH"

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 Securities Act, 1967 and the regulations thereunder.

BARRINGTON SECURITIES LTD.

Per: "GEORGE RICHARDSON"

Per: "H.B. HEMSWORTH"

The following includes the names of every person having an interest either directly or indirectly to the extent of not less than 5% in the capital of Barrington Securities Ltd.: George A. Richardson, John L. Wilson, Harold A. Williams, H. Barry Hemsworth, Robert L. Card.

THIS PROSPECTUS IS DATED THE 17th DAY OF JUNE, 1971.

Evaluation of the
STONY LAKE ANTICLINE

Northeast British Columbia

Prepared by
C.H. Riddel, P. Geol.

INTRODUCTION

This report is being prepared at the request of Armada Explorations Ltd. (N.P.L.), 551 Howe Street, Vancouver, British Columbia. It is my understanding that Armada has an opportunity to farm in an interest in 19,350 acres on the Stony Anticline in northeastern British Columbia. This report is an evaluation of the available farmout acreage. (see Figure 2)

The Stony Lake anticline is a large "foothills type" thrust-faulted anticlinorium which is located in northeast British Columbia, 80 miles west of Grande Prairie. Prospects of developing major gas reserves under the acreage covered in this report coupled with the increasing demand for natural gas make this a good prospect at this time. The successful completion of this project would reap large rewards.

The Stony Lake anticlinorium was first defined by surface geologic mapping and has been further confirmed and defined by over 200 miles of seismic shooting. Six wells have been drilled in the area to date resulting in four abandonments and two wells capable of gas production.

GEOLOGY

The Stony Lake anticlinorium lies on the eastern edge of the Rocky Mountain foothills belt but within the area of Laramide thrust-faulting. The large structural closure was formed during the Laramide Revolution by compressional forces from the west. The structural style is similar to Pincher Creek, Jumping Pound and many other productive thrust structures along the foothills belt of the Canadian Cordillera. The trap is formed by doubly plunging thrust sheets involving Triassic and possibly Mississippian strata.

STRATIGRAPHY

Surface rocks at the Stony structure are Lower Cretaceous clastics and any test of the structure will spud into these sediments. Several sands will be encountered which may have some potential if porosity is developed and these sands should be evaluated from logs or from samples and a gas detector while drilling. These strata will probably be repeated at least in part by a thrust-fault.

The most potential reservoirs in the area include the Cretaceous (Nikinassin), Triassic (Baldonnel, Charlie Lake and Halfway), Permo Pennsylvanian (Stoddart) and Mississippian (Rundle).

To date gas accumulations are proven in the Nikinassin Formation and in the Triassic. The C-25-A well is a completed Nikinassin gas well while the D-59-A well is a suspended Nikinassin gas well. The C-25-A well perforated more than 50 feet of gas pay and with an absolute open flow potential of 9.3 MMcf/d. Keith Banks, Schlumberger Engineer, studied the well logs and feels pay thickness is in excess of 300 feet. Log analysis by Schlumberger also indicate considerable probable Nikinassin pay thickness in the D-59-A well. Other wells drilled in the area have had Nikinassin gas shows.

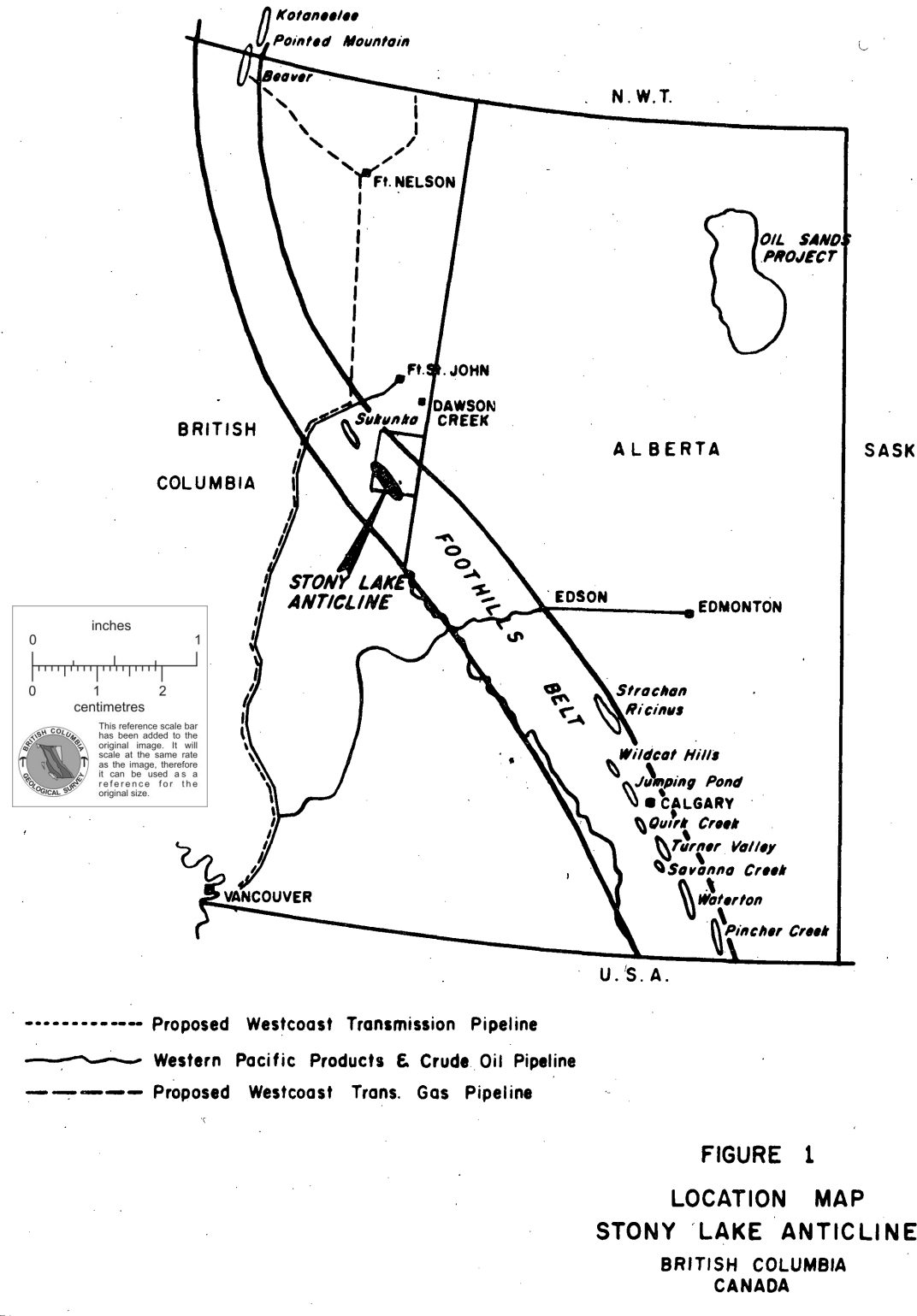


FIGURE 1
LOCATION MAP
STONY LAKE ANTICLINE
 BRITISH COLUMBIA
 CANADA

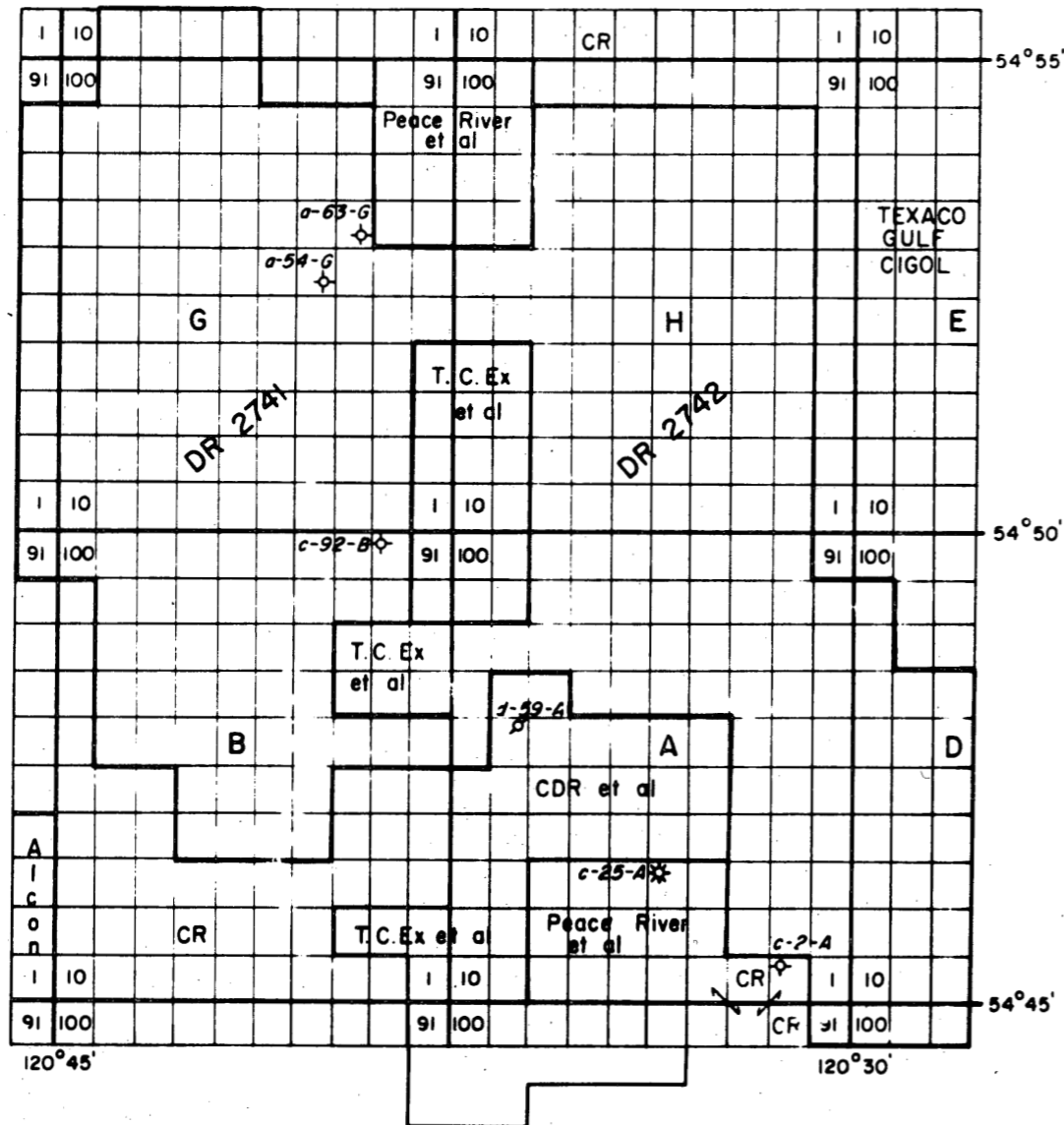


FIGURE 2
LAND OWNERSHIP
STONY LAKE ANTICLINE
GRIZZLY VALLEY AREA
BRITISH COLUMBIA

Beds of Triassic age have been reached in the Columbia Monkman Pass A-54-G well and the Richfield D-63-G well. The D-63-G well encountered gas shows in the Nikinassin and Triassic horizons but no tests were made in the Nikinassin. The well encountered two zones of lost circulation in the Triassic. At 11,850 feet several thousand barrels of mud and some cement were pumped into the formation before a drill stem test was run, which still yielded 700 MCF/d decreasing to 200 MCF/d. At 12,631 feet the well again lost circulation and finally blew out with gas flows estimated up to 44 MMcf/d. After the blowout a fish prevented the zone from being retested. The A-54-G well encountered the Triassic about 1400 feet low and yielded only 100 feet of muddy gas cut water cushion and 3900 feet of water cushion on drill stem test.

The Triassic Halfway Formation has not been penetrated at the Stony Lake Anticline. Outcrop sections to the north indicate it is a porous, fine grained sandstone with some interbeds and mounds of massive reefoid limestone. This formation produces at Blueberry, Milligan Creek, Beatton River and many other fields, but these are over 100 miles to the north and reservoir conditions at Stony Lake are unknown. The distribution of the formation is not well known, but this could make a good reservoir if encountered, and there is a strong possibility that the formation underlies this structure.

The Baldonnel and Charlie Lake have yielded gas blows in the Richfield D-63-G well, and the formations contain reserves at the nearest Triassic discovery at Sukunka, sixty miles along trend to the northwest.

Control is such that the thickness and facies of the Permo-Pennsylvanian Stoddart group are unknown, but porosity in this unit is known from the foothills outcroppings.

The Rundle Group of Mississippian Age is the main producing horizon in the Rocky Mountain foothills. This structure is near the facies change from porous limestone facies to dense cherty limestone facies of the Profit Formation. Lack of sufficient control makes it impossible to predict whether the formation will be porous or not.

A Devonian reef play may well extend beneath the subject lands, but would be at a depth of 18,000 to 20,000 feet and on the regional plate. Seismic to date has not been successful in displaying reflections this deep and reworking of current seismic is recommended to see if deep reflections can be enhanced to define any Devonian reefing.

STRUCTURE

The subject area has been mapped seismically by over 200 miles of shooting which has been interpreted by Dr. M. Aydin, P. Geoph. Two seismic structure maps on the Gates sandstone, prepared by Dr. Aydin, accompany this report.

The Stony Lake anticlinorium is over 25 miles long and is formed by thrust-faulting near the eastern limit of the disturbed belt. The Gates Sandstone forms an excellent geophysical reflector and is very useful in defining the subsurface structure. Other fragmentary reflections combined with well control give a reasonably clear interpretation of the structure. Reworking of the seismic using modern processing techniques could enhance the data for the deep part of the section.

Several culminations occur on the anticlinorium which are exhibited on the attached "Lower Gates" and "Upper Gates" structure maps.

Two culminations occur on the subject lands on the plate below the Stony Lake thrust, one near the southeast corner of 93 I 15-A and of which about 2,000 acres lie within the farmin lands; the other culmination to the northeast with apparent aerial closure of 10,000 acres, of which about 2,000 acres lie within the lands offered to Armada Explorations Ltd. (N.P.L.).

Other closures occur on the subject lands in the plate above the Stony Lake thrust which could be of interest. It would be necessary to move far enough down-dip to make sure the lading edge of

the Triassic reservoirs are encountered in a test well.

WELL COST

A Nikinassin test of the structure on the footwall of the Stony Lake thrust would require an 8000 foot test, a Triassic test would be about 13,000 feet, a Mississippian test would be about 15,500 feet. The estimated cost of a Nikinassin test is \$500,000; a Triassic test, \$900,000; and a Mississippian test \$1,200,000. Test of the hanging wall structures would be somewhat less, but also have higher risk and perhaps less potential.

POTENTIAL RESERVES

It is understood that the lands are in lease form and thus none must be returned to the Government.

It was not felt that it would be necessary to do a detailed runout of this prospect as there are too many unknown factors and estimates, but the overall potential of the structure is enormous.

It should be made clear that the calculation of Possible Reserves is based on assumptions of reservoirs conditions in formations in which reserves have not been established, and as such must be considered highly interpretive. Thus, while proven reserves have been given a value of 5 cents per thousand cubic feet, possible reserves have been given a value of only ¼ cent.

Nikinassin

Reserves in the Nikinassin Formation have been established at the C 25-A well. Proven reserves of 31 billion cubic feet have been estimated by the Province of British Columbia based on 287 feet of pay covering 640 acres.

Proven reserves –	31 BCF
Possible reserves –	
Closure indicated by seismic	4,000 acres
Approximate area of closure (unproven)	3,300 acres
Assumed pay	75 feet
Estimated MCF/acre – foot	200 MCF/acre-foot
Remaining possible Nikinassin reserves based on the above assumptions	49 BCF

Triassin Baldonnel – Charlie Lake

Although some workers have allowed for proven reserves in the Triassic based on the blowout at the Richfield D-63-6 well, these are treated here as possible reserves only. Reservoir conditions are unknown, and these are estimates only. Assuming a porosity of 6 per cent, a water saturation of 30 per cent, a reservoir pressure of 5,000 pounds, an abandonment pressure of 500 pounds, reservoir temperatures of 220° F, surface loss of 20 per cent and initial and abandonment compressibility factors of 0.8 and 1.0 respectively, the recoverable gas per acre foot will be about 435 thousand cubic feet.

Probable reserves –	
Area	4,000 acres indicated by seismic

Pay thickness unknown – assumed	100 feet
Reserves per acre-foot	435 MCF/acre-foot
Possible Triassic Baldonnel Charlie Lake reserves based on foregoing assumptions	174 BCF

Triassic Halfway Sand

The Triassic Halfway Sandstone has not been penetrated by wells to date so its potential is completely based on assumptions. It is presented to show the possible potential.

Assuming a porosity of 10 per cent, a water saturation of 25 per cent, an initial reservoir pressure of 5,600 pounds, an abandonment pressure of 500 pounds, reservoir temperature of 230° F, surface loss of 20 per cent, and initial and abandonment compressibility factors of 0.8 and 1.0 respectively, the recoverable gas per acre-foot would be about 885 thousand cubic feet.

Possible reserves	
Area	4,000 acres indicated by seismic
Pay thickness unknown – assumed	50 feet
Reserves per acre-foot	885 MCF/acre-foot
Possible Triassic Halfway Sandstone based on the foregoing assumptions	177 BCF

LAND

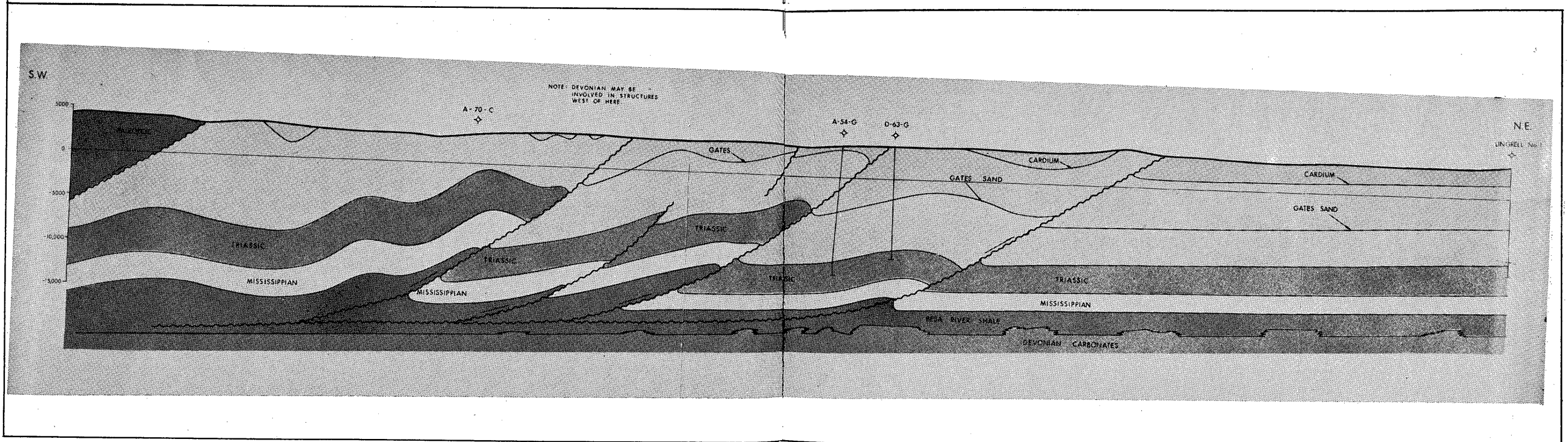
The land holdings are outlined on the enclosed land map. Armada Exploration have advised that these are in lease form and are currently in good standing, and that they have been offered an opportunity to earn a portion of these lands.

LAND VALUE

Proven gas reserves should have a present value of about 5 cents per thousand cubic feet. It is difficult to place an accurate value on the possible gas reserves, but the best way is probably by discounting the price by the amount of risk involved in the drilling venture. On this basis it is felt that ¼ cent per MCF is conservative.

Proven reserves	
33 BCF x 5 cents/MCF =	\$1,650,000
Possible gas reserves	
400 BCF x ¼ cent/MCF =	\$1,000,000
Total =	\$2,650,000

Undrilled lands to the northeast have sold for \$17 to \$31 per lease acre. These are bonus bids for the lands which are untested. The subject lands have been shot seismically, and there is drilling done, and inasmuch as the interest to be earned in the subject lands is by further evaluation of the properties rather than by cash, it is felt that the \$2,650,000 value is consistent with the land value in the area.



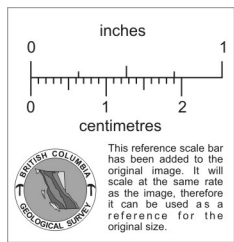
C. H. RIDDELL GEOLOGICAL CONSULTANTS LTD.

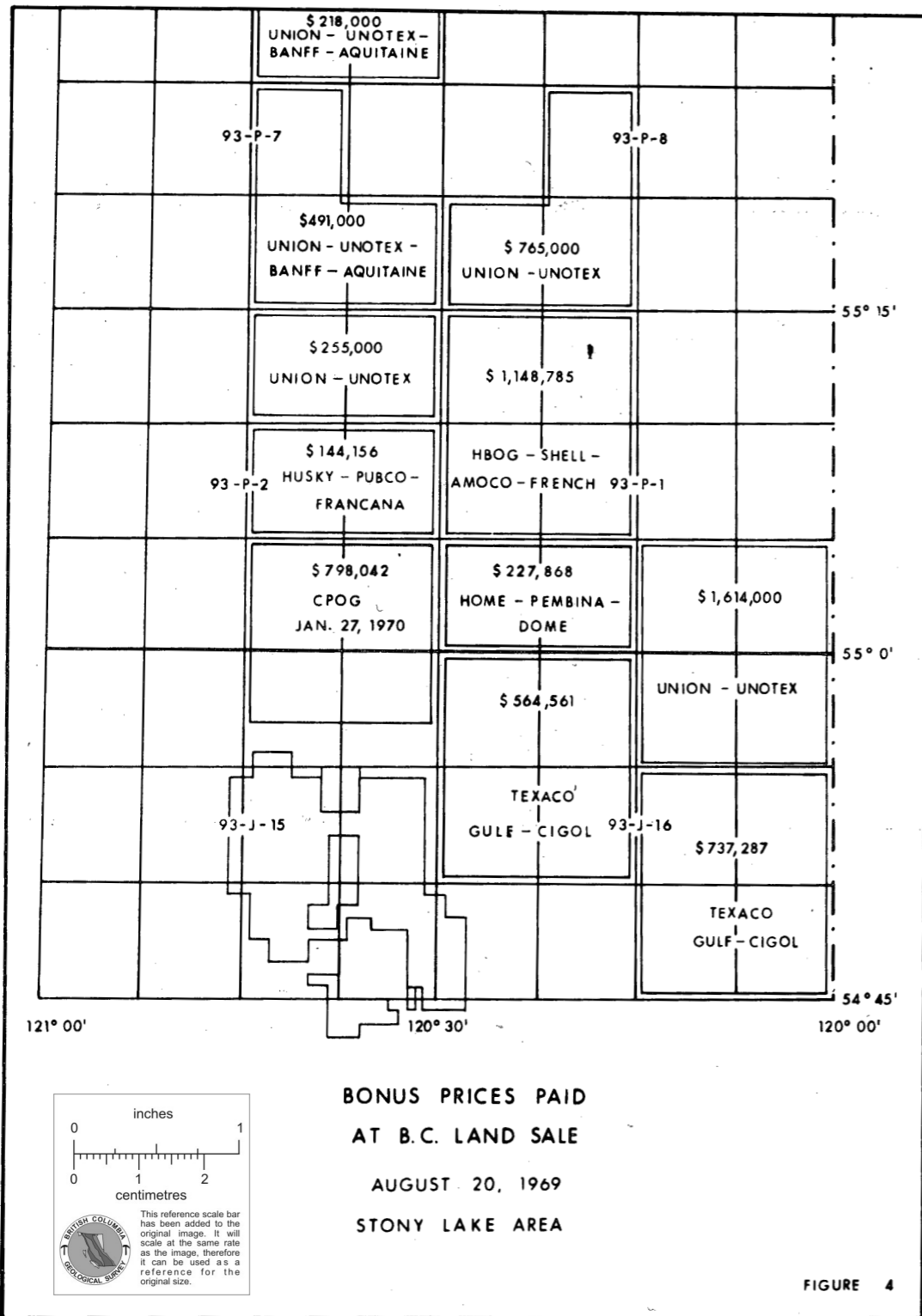
STONY LAKE AREA
N.E. BRITISH COLUMBIA

STRUCTURAL CROSS SECTION

VERTICAL SCALE 1" = 1 mile HORIZONTAL SCALE 1" = 1 mile

BC 93-1 FIG. 3





SUMMARY

The Stony Lake anticlinorium is a very large feature, but it is extremely complex structurally. All wells drilled to date seem to indicate gas reserves in any zone that is sufficiently porous which indicates structural closure is present.

A commercial hydrocarbon accumulation requires a trapping mechanism, a porous reservoir and the migration of hydrocarbons into same. The structure is present and hydrocarbons have been proven in the reservoir beds which have been encountered. If an extensive reservoir is encountered, a very large accumulation is probable. It is felt that the odds of finding substantial reserves are not more than 10:1, and that this is a realistic risk on the project.

The group to make the initial discovery would be in a good position to purchase unleased Government lands, and options can perhaps be obtained by other land owners. This evaluation has not considered the potential of the Mississippian or the Devonian, other closures on the lands or the possibility of earning other lands. Recent prices paid at competitive land sales indicate industry's interest in the area.

APPENDIX I

ESTIMATED WELL COST

8,500' Nikinassin Test
Stony Anticline

Land, legal and licences	\$ 5,000
Location preparation	8,000
Rig move	7,000
Rig up and down	3,000
Day work — 65 days @ \$1,800/day	117,000
Camp — 75 days @ \$200/day	15,000
Surface casing — 850' of 13-3/8" and accessories	16,000
Cementing services (surface casing)	4,000
Fuel	20,000
Bits	40,000
Mud (or compressors for gas drilling)	48,000
Water	2,000
Coring (120' @ \$15/foot)	1,800
Drill stem tests — 3 @ \$1,200	3,600
Logging — Dual Induction Laterolog	7,000
Sonic Log	
Sidewall Neutron	
Gas detector	6,000
Geological and engineering	20,000
Communications, aircraft and miscellaneous	30,000
Abandonment (cementing services and lease cleanup)	10,000
Contingencies	36,000
ESTIMATED DRY HOLE COST	\$ 399,400

CERTIFICATE

I, Clayton Howard Riddell, consulting geologist, of 128 Canata Close, Calgary 16, Alberta, do declare:

1. That I graduated from the University of Manitoba with the degree of Bachelor of Science (Honours) in 1959.
2. That I am a member of the American Association of Petroleum Geologists, the Alberta Society of Petroleum Geologists, and that I am a registered Professional Geologist for the Province of Alberta.
3. That I have no interest, direct or indirect, nor do I expect to receive any interest, direct or indirect, in the property reviewed in my evaluation prepared for Armada Explorations Ltd. (N.P.L.) dated April 14, 1971, nor have I any interest, present or expected, in the securities of Armada Explorations Ltd. (N.P.L.)
4. That the above report is based on geological and other general knowledge of the area described therein and upon a consideration of the available data on wells drilled on it and in adjacent areas, and upon examination of the seismic data over the prospect.

"C.H. RIDDELL"

C.H. Riddell, P. Geol.

April 14, 1971

THE MAPS REFERRED TO IN THESE REPORTS ARE OF SUCH A SIZE THAT IT IS IMPRACTICAL TO REPRODUCE THEM IN THIS PROSPECTUS. THEY ARE AVAILABLE FOR EXAMINATION AT THE REGISTERED OFFICE OF THE COMPANY.

NO MINERALIZATION
P.F.

C.C. CLAIM GROUP, ASPEN GROVE AREA

for

ARMADA EXPLORATIONS LTD. (N.P.L.)

by

C.H. Donaldson, P.Eng.

April 7, 1971

PART A

INTRODUCTION:

The writer was requested by the President of Armada Explorations Ltd. (N.P.L.) of 551 Howe Street, Vancouver, B.C. to examine the "CC" Group of twenty claims in the Aspen Grove area of Nicola Mining Division.

The object of the examination was to check the staking and outline an exploration programme.

SUMMARY AND RECOMMENDATIONS:

The claim group, situated on the Kane Valley road at Kane Lake, lie in the Nicola Series near the Western contact of the Princeton rock formation with the Nicola Group of rocks.

The general trend of the formation is North East - South West.

The elevation varies from 2,800' at Kane Lake to 3,500' on the ridge. Approximately 80% of the claim area is covered with overburden.

There are rock exposures along the ridge. These are mainly impure silicified limestone and a limey rock which is probably a metamorphosed lime-tuff rock. These rocks show some pyrite mineralization, but no samples were taken.

Along the Eastern flank of the ridge, overburden extends across the valley and lakes to the Princeton formation contact.

To the West of the claim group there are massive intrusives of both ultra basic rocks and Coast granitic rocks.

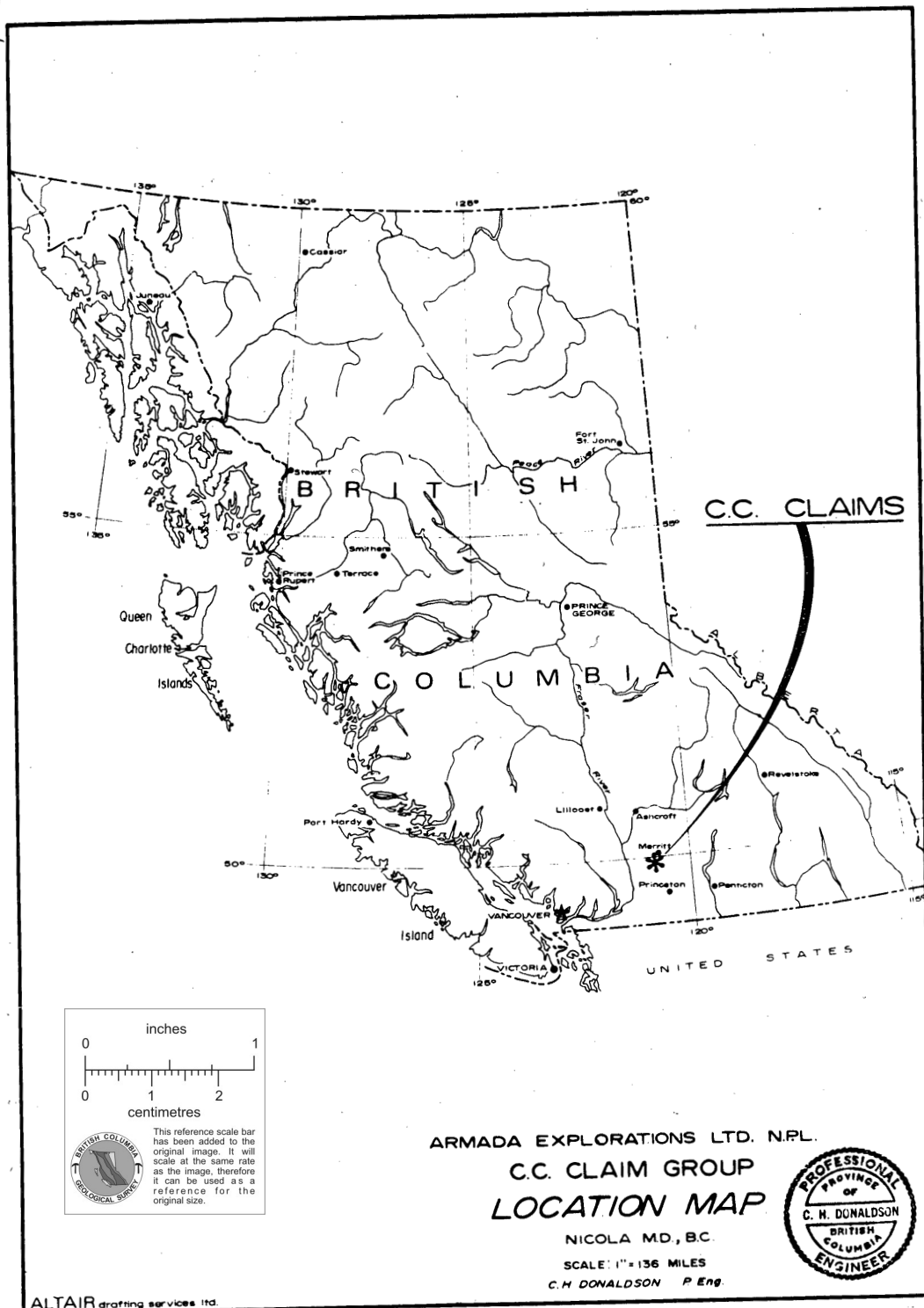
The area lends itself to a geochemical survey which could be carried out quickly and comparatively cheaply.

I recommend a programme as follows:

PHASE I:

Geochemical Survey

Use the claim line extending from CC 1 & 2 to CC 9 & 10 as a base line; run lines NW & SE at 500' intervals along the base line to the claim group boundaries; take samples from the "B" horizon or rock chips at 100' spacings along the lines; i.e. 16 lines of 6,000' each = 96,000' less approximately 4,000' in the lake area = 92,000', i.e. 936 samples. The samples to be assayed for copper and zinc.



Cost:

Strato Geological Ltd. has submitted the following quotation on the above:

Transportation, etc.	\$ 150.00
Camp and supplies	180.00
Materials	45.00
Line cutting & sampling - Labour	1,600.00
Assays	1,425.00
Draughting, etc.	100.00
Engineering	500.00
	<hr/>
	<u>\$4,000.00</u>

PHASE II:

In the event that the Geochemical Survey shows anomalous areas, I recommend that these be tested further by a geophysical survey, preferably by the Induced Polarization method.

This would entail a further expenditure of \$6,000, making a total of \$10,000.

PHASE III:

Phase III is dependent on results from Phases I and II and should be covered by a separate report to include results of the work and feasibility of further expenditure.

PART B

INTRODUCTION:

As yet, the property has no name and is simply referred to as the "CC" group.

The examination of the property was made on April 5th and 6th, 1971.

TITLE:

The twenty claims were staked on March 24, 1971 and recorded in Merritt, B.C. on March 31, 1971. As yet, the "A" forms have not been received from the Mine Recorder. On examination of the claim stakes, it was evident that the claims were well staked and lines blazed in accordance with the B.C. Mining Act. There is no evidence of any prior staking.

The claims are:

CC 1 - 10 - Tag Nos. 237161M to 237170M staked by G.R. Siemens as agent for C.J. Coveney

CC 11 - 20 - Tag Nos. 237171M to 237180M staked by A.A. Ablett as agent for C.J. Coveney

LOCATION AND ACCESS:

The claim group is located in the Nicola Mining Division of B.C. The area is commonly referred to as the Aspen Grove Area and more particularly as the Kane Valley area.

From Princeton access is Northward by Highway No. 5 to Aspen Grove, a distance of thirty-eight miles; thence an additional seven miles along Highway No. 5 to the Kane Valley road; thence along the Kane Valley road South-Westward a distance of four miles to Kane Lakes on a fair gravel road.

HISTORY:

There is no history connected with this group of claims.

For many years various companies have carried out exploration in the general area, but no detailed work has been done on the CC claim group.

The "CC" group adjoins the "Che" group of twenty-eight claims owned by Bethlehem Copper Mines Ltd. to the Southwest. To the Southeast Craigmont Mines Ltd. owns the "Tin" group of fifty-five claims.

WORK PERFORMED:

No work has been done on this group of claims.

GEOLOGY:

The claim group is underlain by the Paleozoic Nicola Series of rocks of Upper Triassic age. Along the Southwestern side of the group the Nicola Series contacts with the Cenozoic Princeton Series of rock of Miocene age. To the West the Nicola Series extends about five miles to the Selish Mountain ultrabasic intrusive and the Nilsson Creek Coast intrusive, both of the Jurassic age.

The claim group is about 80% covered with overburden. More or less centrally located is a NE - SW trending ridge composed of calc-silicate rock with some impure limestone.

It is impossible at this stage to comment on the geology of the covered area.

CONCLUSION AND COMMENT:

The claim group is well situated geologically.

The line of small lakes, parallel to the contact of the Nicola and Princeton formations may indicate the presence of a fault.

If this is so, it would enhance the possibility of finding an ore body in the vicinity of the fault. In my opinion, the property warrants an initial basic exploration programme as outlined above.

Respectfully submitted,

"C.H. DONALDSON"
C.H. Donaldson, P.Eng.

CERTIFICATION

I, Clarence H. Donaldson of the City of Vancouver, in the Province of British Columbia, hereby certify as follows:

1. That I am a Registered Professional Engineer of the Province of British Columbia and reside at Suite 101, Brentwood Apartments, 2050 Barclay Street, Vancouver 5, B.C.
2. That my mining experience embraces all phases of the mining industry and I have worked throughout Canada, Australia, South Seas and parts of U.S.A. and Mexico.
3. That I have no interest either directly or indirectly in the claims or securities of Armada Explorations Ltd. (N.P.L.) nor do I expect to receive any.
4. That the information contained herein was obtained from perusal of the Canadian Geological Survey maps and reports as well as a personal examination of the property.

"C.H. DONALDSON"
C.H. Donaldson, P.Eng.

Vancouver, B.C.
April 7, 1971.

CLARE H. DONALDSON, P.Eng.

2050 BARCLAY ST.
VANCOUVER 5, B.C.

101 BRENTWOOD APTS.

2050 BARCLAY ST.
VANCOUVER 5, B.C.
CANADA

April 14, 1971

B.C. Securities Commission
756 Fort Street
Victoria, B.C.

Dear Sirs:

I hereby consent to the use of my Report dated April 7, 1971 on the CC Group of Mineral Claims in the Prospectus of Armada Exploration Ltd. (N.P.L.).

Yours truly,

"C.H. DONALDSON"

C.H. Donaldson,
P.Eng.

CHD/LA

Riddell, Stead & Co.

CHARTERED ACCOUNTANTS, 505 Burrard St. Vancouver 1, B.C. 685-2411

AUDITORS' REPORT

To The Shareholders,
Armada Explorations Ltd. (N.P.L.)

We have examined the balance sheet of Armada Explorations Ltd. (N.P.L.) as at May 31, 1971 and the statements of deficit, deferred exploration and administrative expenditures and source and application of funds for the four months then ended. 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 May 31, 1971 and the results of its operations and the source and application of its funds for the four months then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

“RIDDELL, STEAD & CO.”

June 15, 1971.

ARMADA EXPLORATIONS LTD. (N.P.L.)

BALANCE SHEET

As at May 31, 1971

ASSETS

	May 31, 1971	January 31, 1971
CURRENT ASSETS		
Cash	\$ 174	\$ 108
Short-term deposit	—	8,000
Interest receivable	—	706
	<u>174</u>	<u>8,814</u>
MINING PROPERTIES, CLAIMS AND PETROLEUM AND NATURAL GAS LEASES (Note 3)		
Petroleum and natural gas leases (Note 1 (i))	30,000	—
Mining properties and claims (Note 1 (ii))	76,000	—
	<u>106,000</u>	<u>—</u>
DEFERRED EXPLORATION AND ADMINISTRATIVE EXPENDITURES (Note 3)	5,413	—
INCORPORATION EXPENSE at cost	<u>1,162</u>	<u>1,162</u>
	<u>\$ 112,749</u>	<u>\$ 9,976</u>

Signed on behalf of the Board

“H.B. HEMSWORTH” Director

“H.A. WILLIAMS” Director

BALANCE SHEET*As at May 31, 1971***LIABILITIES**

	May 31, 1971	January 31, 1971
CURRENT LIABILITIES		
Bank loan	\$ 3,000	\$ —
Accounts, payable and accrued	5,632	858
Loan payable — Core Management Ltd.	20,000	—
Amount due on abandoned mining claims	5,000	—
	<u>33,632</u>	<u>858</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK (Note 2)		
Authorized		
5,000,000 shares at the par value of \$.50 each		
Issued		
1,250,000 shares	125,000	125,000
CONTRIBUTED SURPLUS (Note 5)	75,000	1
DEFICIT (Note 4)	(120,883)	(115,883)
	<u>79,117</u>	<u>9,118</u>
	<u>\$ 112,749</u>	<u>\$ 9,976</u>

STATEMENT OF DEFICIT*for the four months ended May 31, 1971*

	Four Months Ended May 31, 1971	Year Ended January 31, 1971
BALANCE AT BEGINNING OF PERIOD	\$ 115,883	\$ —
Write-off of final amount owing on mining properties and claims abandoned during the prior year	5,000	—
Write-off of mining claims and properties abandoned during the year	—	100,000
Write-off of deferred exploration expenditures on mining claims and properties abandoned during the year	—	12,327
Write-off of deferred administrative expenditures on mining claims and properties abandoned during the year	—	3,556
BALANCE AT END OF PERIOD	<u>\$ 120,883</u>	<u>\$ 115,883</u>

**STATEMENT OF DEFERRED EXPLORATION AND
ADMINISTRATIVE EXPENDITURES**
for the four months ended May 31, 1971

	Four Months Ended May 31, 1971	Year Ended January 31, 1971
EXPLORATION		
Balance at beginning of period	\$ -	\$12,327
Expenditures during the period		
Consulting fees	324	-
Miners licences	200	-
Registration fee	23	-
Lease payments (Note 1(i))	3,598	-
	<u>4,145</u>	<u>12,327</u>
Transferred to deficit on abandonment	-	12,327
Balance at end of year	<u>4,145</u>	-
ADMINISTRATIVE		
Balance at beginning of period	-	2,726
Bank charges	70	-
Legal and accounting	1,150	1,370
Stationery	48	-
Miscellaneous	-	9
Interest earned	-	(549)
	<u>1,268</u>	<u>3,556</u>
Transferred to deficit on abandonment	-	3,556
Balance at end of period	<u>1,268</u>	-
DEFERRED EXPLORATION AND ADMINISTRATIVE EXPENDITURES	<u>\$ 5,413</u>	<u>\$ -</u>

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
for the four months ended May 31, 1971

	Four Months Ended May 31, 1971	Year Ended January 31, 1971
SOURCE OF FUNDS	\$ Nil	\$ Nil
APPLICATION OF FUNDS		
Mining properties and claims	6,000	-
Purchase of petroleum and natural gas leases	30,000	-
Deferred exploration and administrative expenditures	5,413	830
	<u>41,413</u>	<u>830</u>
DECREASE IN WORKING CAPITAL	41,413	830
Working capital at beginning of period	7,955	8,785
WORKING CAPITAL (DEFICIENCY) AT END OF PERIOD	<u>(\$33,458)</u>	<u>\$ 7,955</u>

NOTES TO FINANCIAL STATEMENTS

as at May 31, 1971

1. MINING PROPERTIES, CLAIMS AND PETROLEUM AND NATURAL GAS LEASES

(i) By an agreement dated December 20, 1970 and approved by the Board of Directors on March 20, 1971 the Company purchased a 5% working interest in certain leases located in the Monkman Pass area of British Columbia. Under the terms of the agreement the Company has paid \$30,000 and in addition, has agreed to pay 5% of the annual lease rental payments and 5% of the cost of drilling a well on the property. The 5% working interest thereby acquired is to earn an actual interest of 2½% in and to the said leases.

(ii) By an agreement dated March 10, 1971 and approved by the Board of Directors on March 20, 1971, the Company purchased certain mineral claims in the Princeton area of British Columbia. In consideration thereof, the Company has paid \$1,000 and issued the 750,000 shares referred to in Notes 2 and 4.

2. CAPITAL STOCK

Capital stock has been issued for the following consideration:

	Number of Shares	Par Value	Discount	Net
For cash	500,000	\$250,000	\$200,000	\$ 50,000
*For mining properties and claims (Note 4)	750,000	375,000	300,000	75,000
	<u>1,250,000</u>	<u>\$625,000</u>	<u>\$500,000</u>	<u>\$125,000</u>

*These shares are held in escrow subject to the order of the British Columbia Securities Commission.

3. DEFERRED EXPLORATION AND ADMINISTRATIVE EXPENDITURES

The amounts shown for mining properties and deferred charges represent costs incurred to date and are not intended to reflect present or future values.

4. DEFICIT

During the year ended January 31, 1971 the Company abandoned 409 mineral claims situated in the Osoyoos Mining Division of the Province of British Columbia. The 750,000 shares which it had given in consideration therefor were gifted back to the Company (Note 5). Cash amounts paid or payable for the claims in the amount of \$30,000 plus the value of the 750,000 shares and the related deferred expenditures were written off to deficit.

5. CONTRIBUTED SURPLUS

A value of \$.10 has been assigned to the 750,000 reissued shares which were gifted back

to the Company and mentioned in Notes 1(ii) and 4.

6. SUBSEQUENT EVENTS

By an agreement dated June 15, 1971 the Company entered into an underwriting agreement whereby it has agreed to sell to the underwriter 400,000 shares of the capital stock of the Company at 17-1/2¢ per share. The agreement is subject to the approval by the British Columbia Securities Commission of the Company's first Prospectus filing.