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ADDS /
N/E REGIONAL

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.

RECEIVED
008354

241,000 No Par Value Shares

CANWEX EXPLORATIONS LTD. (N.P.L.)
Incorporated under the laws of the Province of British Columbia

REGISTERED AND HEAD OFFICE:

1666 West Broadway Avenue
Vancouver, British Columbia

The Company offers by this prospectus 241,000 shares of its capital stock at 50¢ per share. This is a similar offer to that made by the Company by its prospectus dated March 18, 1970 and included in this issue are those shares of the capital stock of the Company not sold pursuant to the earlier offer. Shares of this issue may be sold by trading Directors of the Company without commission pursuant to the provisions of section 7(2) of the Securities Act, 1967, and registered securities salesmen who will receive commissions as set forth below. Shares of this issue may also be offered by persons and companies registered to trade in securities in the Province of British Columbia.

	Price to Public	Commissions	Proceeds to Company
Per Unit	50¢	12½¢	37½¢
Total	\$120,500.00	\$30,125.00	\$90,375.00

THE PROPERTIES OF THE COMPANY ARE NOT KNOWN TO CONTAIN ANY PROVEN ORE RESERVES. A SUBSTANTIAL AMOUNT OF EXPLORATORY WORK MUST BE DONE BEFORE A DETERMINATION CAN BE MADE AS TO WHETHER OR NOT THE CLAIMS CONTAIN ANY COMMERCIALY MINEABLE ORE BODIES. THEREFORE, A PURCHASE OF THE SHARES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION.

THERE IS NO EXISTING MARKET FOR THE SHARES OF THIS COMPANY.

WITH RESPECT TO THE LOCATED MINERAL CLAIMS HELD BY THE COMPANY NO SURVEY HAS BEEN MADE AND THEREFORE, IN ACCORDANCE WITH THE MINING LAWS OF THE APPROPRIATE JURISDICTIONS IN WHICH THE PROPERTY IS SITUATE, THE EXISTENCE OF AND THE AREA OF THE PROPERTY COULD BE IN DOUBT.

Reference should be made to the paragraph "Principal Holders of Shares" herein for a comparison of the number of shares held by the directors of the Company for cash, services and property with the number of shares offered by this prospectus.

DATED: May 28, 1971.

This is the paper writing marked Exhibit "A" referred to in the Affidavit

Deborah W. S.M.E.A.R.E

Sworn before me this 12 day of OCT 1971

[Signature]

A Commissioner for taking Affidavits for British Columbia

TABLE OF CONTENTS

	Page No.
Offering	1
The Company	3
Capitalization	3
Auditors, Registrar and Transfer Agent	3
Principal Holders of Shares	3-4
Business and Property	
Christian Creek Property	4
Other Properties	5
Use of Proceeds	6
Remuneration of Directors and Senior Officers	6
Promoter	6
Directors and Officers	6-7
Escrowed Shares	7
Interest of Management and Others in Material Transactions	8
Statutory Rights of Withdrawal and Rescission	8
Certificates	8
Engineer's Report	9-12
Engineer's Budget	13
Engineer's Certificate	14
Financials and Notes to Balance Sheet	15-19

THE COMPANY

The Company was incorporated on May 30, 1966 under the laws of the Province of British Columbia by Memorandum of Association. At the date of incorporation the Company was called Christian Creek Mines Ltd. (Non-Personal Liability). By a Certificate of the Registrar of Companies dated December 9, 1968 the Company changed its name to Canwex Explorations Ltd. (N.P.L.). The Company was incorporated as a private company and has been converted to a public company by virtue of a Certificate of the Registrar of Companies dated May 21, 1969.

CAPITALIZATION

The authorized capital of the Company is 3,000,000 common shares without nominal or par value. The share capital is divided into one class of shares only which rank equally as to dividends (the payment of which are to be only out of profits or otherwise as provided by law) voting rights and participation in assets.

<u>Share Capitalization</u>	<u>Amount Outstanding as of December 31, 1970</u>	<u>Amount Outstanding as of May 28, 1971</u>	<u>Amount to be Outstanding if Offering Completed</u>
3,000,000	1,253,502	1,259,002	1,500,002

Particulars of shares sold for cash:

<u>Number of Shares</u>	<u>Price</u>	<u>Commissions</u>	<u>Cash Received</u>
500,002	10¢	nil	\$50,000.20
9,000	50¢	nil	4,500.00

The 500,002 shares are pooled with Canada Permanent Trust Company in trust for the beneficial holders thereof and will not be released until at least 30 days following completion of this public offering and subject to the Superintendent of Brokers for the Province of British Columbia consenting to such release.

AUDITORS, REGISTRAR AND TRANSFER AGENT

The Auditors of the Company are Gunderson, Stokes, Walton and Company, 475 Howe Street, Vancouver 1, British Columbia.

The Registrar and Transfer Agent of the Company is Canada Permanent Trust Company, 455 Granville Street, Vancouver, British Columbia.

PRINCIPAL HOLDERS OF SHARES

The persons holding more than 10% of any class of shares are as follows:

<u>Name and Address</u>	<u>Type of Ownership</u>	<u>No. of Shares Owned</u>	<u>Percentage of Shares Outstanding</u>
Donald W. Smellie 6050 Chancellor Boulevard Vancouver, B.C.	Record and Beneficial Record Only	820,001 2,000	65.1%
George Woodburn 1439 Devonshire Crescent Vancouver, B.C.	Record and Beneficial Record only	140,001 65,000	16.3%

The directors and senior officers of the Company beneficially own as a group 91.2% of the outstanding shares of the Company.

BUSINESS AND PROPERTY

The Company is engaged in the acquisition, exploration and development of mineral properties. The Company has acquired the properties hereinafter described

CHRISTIAN CREEK PROPERTY

The Company is the recorded owner, subject to the Mineral Act, of the following 50 mineral claims in the Similkameen Mining Division, which are situate in the Christian Creek area of British Columbia:

<u>Mineral Claim</u>	<u>Record Number</u>
SHR 1 to 18	12350 and 12351 12365 to 12368 12416 to 12427
JOY 1 to 6	12441 to 12444 18957 and 18958
SHR 19 to 22	28220 to 28223
SHR 23 Fr.	18877
SHR 24 Fr.	18956
ELN 1 to 6	12344 to 12349
ELN 7 and 8	12428 and 12429
ELN 9 to 20	22380 to 22391

The Company acquired the following mineral claims from Donald W. Smellie, a director of the Company, by the following assignments:

<u>Date of Assignment</u>	<u>Mineral Claim</u>	<u>Consideration</u>
July 6, 1966	SHR 1 to 18 and JOY 1 to 4	750,000 shares
February 17, 1969	JOY 5 and 6 and SHR 23 Fr. and 24 Fr.	Nominal
September 17, 1968	ELN 1 to 8	Nominal

The Company acquired by assignment dated September 17, 1968, the ELN 9 to 20 mineral claims from G. Woodburn, a director of the Company, for a nominal consideration.

The SHR 19 to 22 mineral claims were recorded by the Company on September 2, 1970.

The out-of-pocket expenses for Dr. Smellie in staking and carrying out initial exploration work on the above claims were \$2,044.37 and to Mr. Woodburn were \$60.00. To the best of the knowledge of the signatories hereto, no persons or organization have received or are to receive from the Vendors a greater than 5% interest in the consideration received therefor except for 50,000 of the 750,000 Vendor shares, 25,000 of which were transferred for value to William Choukalos and George Woodburn respectively on the 17th day of September, 1968.

The Christian Creek property is located 8 miles north of Princeton and 2 miles north of Jura, a station on the Canadian Pacific Railway. Access can be gained from Jura over a good secondary road into the southern part of the claim block; trails provide easy access into the northern part. A number of companies are actively exploring this area.

The early history and particulars of the property are described in the Report of E.D. Dodson, P.Eng., dated February 25th, 1970, a copy of which accompanies and forms part of this prospectus. By his subsequent report dated April 9, 1971, a copy of which also accompanies and forms part of this prospectus, Mr. Dodson up-dates his earlier report and describes the induced polarization surveys the Company recently carried out on the property.

OTHER PROPERTIES

The Company was formerly the owner of the NEL 1 to 24 inclusive mineral claims in the Highland Valley area of British Columbia. Following an exploration program by Cominco Ltd., the claims were transferred to Cominco on July 21, 1970, for a consideration of \$100,000.00, subject to a retained royalty to the company of 2 1/4% of the net smelter returns attributable to any ores or concentrates mined or won from the property.

The sum of \$100,000.00 received has been invested in income - generating securities. Interest earned thereon is being used for the acquisition of, and preliminary work on, additional mineral properties: To date, four such properties have been staked, the ownership of which is subject to the "Mineral Act" of British Columbia.

In the Omineca Mining Division, the following eight claims are located south of Chuchi Lake, 52 miles north of the town of Fort St. James.

<u>Mineral Claim</u>	<u>Record Number</u>	<u>Date of Record</u>
EVE 1 to 8	94963 to 94970	October 30, 1970

The following are located approximately six miles west of the town of Endako:

ANN 1 to 4	94981 to 94984	October 30, 1970
ANN 5 and 6	94439 to 94440	October 30, 1970

The following are located immediately east of Priestly, a station on the Canadian National Railway west of Endako:

SUE 1 to 8	94431 to 94438	October 30, 1970
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In the Cariboo Mining Division, the following six claims are located three miles north-east of the village of Marguerite:

RUS 1 to 6	61159 to 61164	October 27, 1970
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Reconnaissance geochemical work has been carried out on the first three properties.

USE OF PROCEEDS

The Company proposes to proceed in accordance with the recommended budget of E.D. Dodson, P.Eng., in his Report of February 25th, 1970, which involves an expected expenditure of \$61,325.00.

If the actual proceeds from the sale of shares offered under this prospectus together with funds presently on hand prove insufficient to complete the recommended work program, the program will be altered by reducing the amount of diamond drilling to be undertaken. The Company may abandon any part of the property or change any work program as outlined in this prospectus only upon the recommendations of a qualified engineer.

Proceeds from the sale of shares under this prospectus not required for the above program will be used for general corporate purposes and for the acquisition of additional mineral properties. If any additional properties are acquired during the period of primary distribution an amendment to this prospectus will be filed with the B.C. Securities Commission.

No part of the proceeds shall 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 jurisdictions in which the securities offered by this prospectus may lawfully be sold.

Should the Company 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 disclosure made to the regulatory securities bodies having jurisdiction over the sale of the securities offered by this prospectus.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

No remuneration has been paid or will during the next twelve months be paid to Directors and Senior Officers as such.

PROMOTER

Donald W. Smellie may be considered the Promoter of the Company. Reference is made to the caption "Description of Business and Property of Issuer" wherein the interest of Donald W. Smellie in the property acquired by the Company is disclosed. Between July, 1966 and September, 1968, Donald W. Smellie subscribed for and was allotted and issued by the Company 120,001 shares upon payment in full to the Company of 10¢ per share.

DIRECTORS AND OFFICERS

<u>Name and Address</u>	<u>Principal Occupation for past five years</u>	<u>Position held with Company</u>
Donald W. Smellie 6050 Chancellor Boulevard Vancouver, B.C.	Consulting Geophysicist and President of Northwestern Geophysics Limited	President and Director
George Woodburn 1439 Devonshire Cres. Vancouver, B.C.	Consulting Engineer Choukalos, Woodburn, McKenzie, Maranda Limited (formerly Choukalos, Woodburn and McKenzie)	Vice-President and Director
William Choukalos 1704 7241 Cambie Street Vancouver, B.C.	Consulting Engineer Choukalos, Woodburn, McKenzie, Maranda Limited (formerly Choukalos, Woodburn and McKenzie)	Vice-President

<u>Name and Address</u>	<u>Principal Occupation for past five years</u>	<u>Position held with Company</u>
David L. Vaughan 4036 Marine Drive West Vancouver, B.C.	Barrister and Solicitor Farris, Farris, Vaughan, Wills & Murphy	Director
Laurie G. Maranda 735 Bates Road Richmond, B.C.	Consulting Engineer Choukalos, Woodburn, McKenzie, Maranda Limited (formerly Choukalos, Woodburn and McKenzie)	Treasurer
W. Cameron McKenzie 3285 Mathers Avenue West Vancouver, B.C.	Consulting Engineer Choukalos, Woodburn, McKenzie, Maranda Limited (formerly Choukalos, Woodburn and McKenzie)	Secretary
J. Haig deB. Farris Apt. 1 - 7307 Montecito Dr. Burnaby, B.C.	Financial Consultant Partner, Brown, Farris & Jefferson Ltd. Formerly Barrister and Solicitor - Farris, Farris, Vaughan, Wills & Murphy	Director

ESCROWED SHARES

Certificates representing 750,000 shares which represent 60% of the outstanding shares of the Company are held in escrow by the Canada Permanent Trust Company, 455 Granville Street, Vancouver, British Columbia, subject to release only with the written consent of the British Columbia Securities Commission and subject further that transfer, hypothecation, assignment or any other alienation is only to be with the written consent of the said Commission, and misrepresentation, cessation of production or abandonment of the property for which the said shares were issued may require surrender to the treasury of such number of these shares as may be required by the said Commission.

**INTEREST OF MANAGEMENT AND OTHERS
IN MATERIAL TRANSACTIONS**

Reference is made to the caption "Business and Property" for the shares issued to a director for property.

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.

DONALD W. SMELLIE
Director and Promoter

J. HAIG deB. FARRIS
Director

GEORGE WOODBURN
Director

DAVID L. VAUGHAN
Director

DATED this 28th day of May, 1971.

April 9, 1971.

Canwex Explorations Ltd.,
1666 West Broadway,
Vancouver, B.C.
Attn. Mr. D.W. Smellie.

Dear Sir:

With regard to my report of February 25, 1970. This will confirm certain amendments to the facts given therein.

Four additional claims have been staked adjoining the original Shr claims. These are:

Shr 19 - 22. Record numbers 28220 - 23.

The above claims were staked on September 1, 1970 and recorded September 2, 1970.

Induced polarization surveys were conducted on the Shr 17 - 22 and on the Eln 1 - 10 claims. The survey on the Shr claims was performed on lines 96N and 104N. Probably correlable anomalous readings were encountered at 18 - 21E on 96N and 12 - 15E on 104N. A second anomaly occurs at 6 - 9W on line 96N. On the Eln groups a single line was run along the claim line (L120 in my report of February 25, 1970). An anomaly was noted at 6 - 9W. This anomaly correlates with a magnetic transition zone shown in your assessment report of May 24, 1966. A weaker anomaly occurs at 6 - 12E.

In summary, the work to date has added further possible exploration targets and has increased the overall potential of the property.

Respectfully submitted,

MACDONALD CONSULTANTS LTD.

"EARL D. DODSON"
Earl D. Dodson, P.Eng.

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

**REPORT ON
THE SHR, JOY AND ELN MINERAL CLAIMS
SIMILKAMEEN MINING DISTRICT, B.C.**

by
MacDonald Consultants Ltd.
12 - 425 Howe Street, Vancouver 1, B.C.
E.D. Dodson, P.Eng.
February 25, 1970

INTRODUCTION

The Christian Creek property of Canwex Explorations Ltd., comprised of the Shr, Joy and Eln claims, is located eight miles north of Princeton, B.C. Work to date indicates the presence of anomalous amounts of copper in soils and silts on portions of this ground.

The program outlined herein is designated to establish the source of the copper and to test the grade of any mineralization encountered.

LOCATION AND ACCESS

The property is situate eight miles north of Princeton and two miles north of Jura station on the Canadian Pacific Railroad. The elevation is approximately 4,500 feet above sea-level. Access is by good secondary roads to both the south and west sides of the property.

MINERAL CLAIMS

The Canwex holdings in this area consist of the following mineral claims:

<u>Claim No.</u>	<u>Record No.</u>	<u>Date Recorded</u>
Shr 1 - 2	12350-51	April 30, 1965
Shr 3 - 6	12365-68	April 30, 1965
Shr 7 - 18	12416-27	April 30, 1965
Joy 1 - 4	12441-44	June 18, 1965
Joy 5 - 6	18957-58	Oct. 21, 1966
Shr 23 Fr.	18877	Oct. 7, 1966
Shr 24 Fr.	18956	Oct. 21, 1966
Eln 1 - 6	12344-49	Apr. 30, 1965
Eln 7 - 8	12428-29	May 27, 1965
Eln 9 - 20	22380-91	May 17, 1968

HISTORY

The claims comprising this group were staked by D. W. Smellie and G. Woodburn in 1965, 1966 and 1968. During 1965, 1966 and 1967 magnetometer surveys were conducted. An Induced Polarization survey of a portion of the ground was performed in 1965. This was followed by bulldozer trenching and diamond-drilling on the southern claims. A geological report on the Shr, Joy and Eln claims was prepared by W. G. Stevenson, P.Eng., on February 12, 1969. During 1969 a geochemical survey was performed on the Eln 5-20 and the Shr 1-5, 7-18 group of claims at the north end of the property by MacDonald Consultants Ltd. Later, S. C. Gower mapped the geology and

drainage patterns of the Shr 15-18 and Eln 5-20 claims and sampled the gullies for Cu, Pb, Ag, Zn and Mo.

PHYSIOGRAPHY

The claims lie in an area of gently rolling topography. Major stream-valleys are steep-sided and deeply incised below the general level. Much of the claim area is mantled by glacial and fluvio-glacial deposits. Bedrock outcrops locally as small patches or on the valley walls as steep bluffs.

Forest cover varies from open patchy Lodgepole Pine, Yellow Pine and Aspen Poplar alternating with grassland to dense stands of young pine and Douglas fir.

GEOLOGY

As stated above the claim area is covered with extensive overburden. The thickness of this material may locally reach 250 feet. In most areas overburden is assumed to be a few feet to a few tens of feet in thickness.

The claims lie along the west edge of the Osprey Lake Batholith which extends from Princeton to Penticton and northward from Hedley a distance of 50 miles. The local variant of this mass, known as the Summers Creek intrusive complex is quartz-monzonite to granite in composition. The Summers Creek rocks are in contact with Nicola Volcanics on the southwest. Adjacent to the contact is a hybrid zone or separate intrusion of gabbroic composition. Gower⁽¹⁾ concludes that:

"The main portions of the intrusive, judged from visible outcrop and diamond drill results appear to be too poorly altered and fractured to carry economic mineralization. The Nicola Volcanics exposed on the property also seem too poorly altered and fractured to carry ore-grade mineralization. The most favourable rock appears to be the contact phase in the Shr 18, Eln 8 area. This area appears to be leaking copper-silver into the gullies, which trend south in the area. Very fine-grained disseminated sulphides were observed in the rock."

GEOCHEMISTRY

Geochemical work by MacDonald Consultants Ltd. on an 800 foot spaced grid indicated several areas of apparently anomalous soils. Follow up work by Gower established a pronounced relationship between these anomalous values and the weakly developed drainage. The only significant copper anomalies would appear to be portions of those on the Eln 8, Shr 24 Fraction common boundary and those on the Shr 17-18 claims. The remainder of the high values appear to be transported copper fixed in silts and poorly drained soils.

CONCLUSIONS AND RECOMMENDATIONS

The copper anomalies, indicated by the 1969 work, both silt and soil, warrant further investigation. The copper appears to be derived from the contact phase of the Summers Creek intrusions. In view of the extensive overburden cover visual assessment of these rocks is impossible. The writer therefore recommends that:

1. Existing grid lines on the Shr 7-18, Shr 24 Fraction, and Eln claims be cut to a standard suitable for Induced Polarization work.
2. Line spacing over the Shr 15-18 and Eln 6, 8 and 10 claims be reduced to 400 feet.
3. An Induced Polarization survey be conducted on the 800 foot spaced lines with electrode spacing of 800 feet.

(1) S.C. Gower - Unpublished report for Canwex dated Oct., 1969.

4. A magnetometer survey should be run over the 400 foot grid with station interval of 100 feet. This should delineate the "gabbro" contact.
5. Further soil sampling be undertaken to bring the sample interval to 200 feet on all 400 foot spaced lines.
6. Trenching of the anomalous areas outlined by the geophysics and geochemistry by D7E Caterpillar (or equivalent) tractor.
7. Geological mapping of the above trenches and assaying of mineralized sections.
8. If the results of the above work are favourable, some diamond-drilling will be required to establish the tenor of the mineralization. The drilling should be performed using at least AQ wireline equipment.

BUDGET

Line Cutting

8 line miles @ approx. \$125/mile	\$ 1,000.00
18 line miles @ approx. \$ 75/mile	1,350.00

Geophysics

Induced Polarization survey –	
18 line miles @ approx. \$500/mile - 800' electrode spacing	9,000.00

Magnetometer Survey	
8 line miles – 100 station interval	500.00

Geochemistry

Collection of 225 samples	175.00
Analysis – 3 metals	800.00

Trenching

D7E (or equivalent) \$27/hour, 100 hours, plus mobilization	3,200.00
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Diamond Drilling

2,000 feet AQ wireline @ \$15/foot	30,000.00
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Miscellaneous

Supervision, geology, corelogging and engineering	2,500.00
Consultants fees and expenses	2,000.00
Assaying and sample preparation	1,000.00
Camp and food	3,000.00
Truck rental and operation	1,000.00
Mobilization	300.00

Sub-Total	55,825.00
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Contingencies	5,500.00
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TOTAL	\$61,325.00
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Respectfully submitted,

MACDONALD CONSULTANTS LTD.

"E. D. DODSON"

E. D. Dodson, P.Eng.

April 9, 1971

CERTIFICATE

I, Earl D. Dodson, do hereby declare that as of April 9, 1971:

1. I reside at 2990 St. Kilda Avenue, North Vancouver, B.C., and have business address at 12 - 425 Howe Street, Vancouver 1, B.C.
2. I am a graduate in geology of the University of British Columbia in 1954.
3. Since 1954 I have been employed in various phases of mineral exploration; in the later years in posts of considerable responsibility.
4. I am a professional engineer registered in the Association of Professional Engineers of the Province of British Columbia.
5. I visited the property described herein on July 31, 1969, and supervised the soil-sampling program.
6. I have no interest, direct or indirect, nor do I expect to receive either directly or indirectly any interest in the properties or securities of Canwex Explorations Ltd. (N.P.L.)

Respectfully submitted,

MACDONALD CONSULTANTS LTD.

"EARL D. DODSON"
Earl D. Dodson, P.Eng.

AUDITORS' REPORT

To the Shareholders of
Canwex Explorations Ltd. (N.P.L.)

We have examined the balance sheet of Canwex Explorations Ltd. (N.P.L.) as at December 31, 1970 and the statement of source and application of working capital for the four years 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.

Our verification in respect to mineral claims was limited to obtaining confirmation as to the title thereof from the Mining Recorders.

In our opinion, subject to the limited scope of our examination with respect to mineral claims, these financial statements present fairly the financial position of the company as at December 31, 1970 and the source and application of its working capital for the four years then ended in accordance with generally accepted accounting principles applied on a consistent basis.

Gunderson Stokes Walton & Co.
Chartered Accountants

Vancouver, B.C.
January 5, 1971

BALANCE SHEET AS AT DECEMBER 31, 1970
(WITH COMPARATIVE FIGURES FOR 1969)

ASSETS	<u>1970</u>	<u>1969</u>
CURRENT ASSETS		
Cash	\$ 767	\$ 1,892
Term deposit, 6%, due January 5, 1971	49,000	—
Accrued interest receivable	507	—
Prepaid expense	333	—
Due from Cominco Ltd.	—	15,000
	<u>50,607</u>	<u>16,892</u>
INVESTMENTS, at cost		
B.C. Hydro and Power Authority, 7% parity bonds due September 1, 1975 (par value \$50,000)	50,100	—
MINERAL CLAIMS (Note 1)	75,000	75,200
DEFERRED DEVELOPMENT COSTS	67,402	69,824
INCORPORATION COSTS	1,271	1,271
	<u>\$244,380</u>	<u>\$163,187</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
ACCOUNTS PAYABLE	\$ 2,512	\$ 13,187
SHAREHOLDERS' EQUITY		
Share capital		
Authorized		
3,000,000 common shares of no par value		
Issued and fully paid (Note 2)		
503,502 (1969 — 500,002) for cash consideration	51,750	50,000
750,000 for mineral claims	75,000	75,000
	<u>126,750</u>	<u>125,000</u>
Surplus		
Received with respect to the granting of exploration rights on mineral claims	25,000	25,000
Received with respect to the disposal of mineral claims (Note 3)	90,118	—
	<u>115,118</u>	<u>25,000</u>
	<u>241,868</u>	<u>150,000</u>
APPROVED ON BEHALF OF THE BOARD	<u>\$244,380</u>	<u>\$163,187</u>

"D.W. SMELLIE" Director

"G. WOODBURN" Director

The attached notes are an integral part of this balance sheet
This is the balance sheet referred to in the accompanying report of
Gunderson Stokes Walton & Co., Chartered Accountants, dated January 5, 1971

NOTES TO THE BALANCE SHEET
DECEMBER 31, 1970

1. MINERAL CLAIMS — \$75,000
Mineral claims are held as follows:

DESCRIPTION	
In the Similkameen Mining Division, British Columbia:	
SHR 1-18) July 6, 1966, issue of 750,000 shares as	
JOY 1-4) fully paid, valued at 10¢ per share	\$ 75,000
ELN 1-20) September 17, 1968, nominal consideration	—
JOY 5-6)	
SHR 23 Fr.) February 17, 1969, nominal consideration	—
SHR 24 Fr.)	
SHR 19-22) September 2, 1970, nominal consideration	—
In the Omineca Mining Division, British Columbia:	
ANN 1-6)	
SUE 1-8) October 30, 1970, nominal consideration	—
EVE 1-8)	
In the Cariboo Mining Division, British Columbia:	
RUS 1-6) October 27, 1970, nominal consideration	—
	<u>\$75,000</u>

The company must record \$100 assessment work for each of the above claims, or pay cash in lieu thereof, in order to keep the property in good standing.

2. SHARE CAPITAL — \$126,750
During the year subscriptions were received for 3,500 common shares to be issued under a prospectus dated March 18, 1970. These shares were issued on November 2, 1970 for a cash consideration of \$1,750.
3. RECEIVED WITH RESPECT TO THE DISPOSAL OF MINERAL CLAIMS — \$90,118
During the year the company disposed of mineral claims costing \$200 and bearing the description NEL 1-24 to Cominco Ltd. for a cash consideration of \$100,000. Deferred development costs aggregating \$9,682 have been charged against the disposal proceeds. An analysis of this account is presented hereunder:

Proceeds	\$100,000
Less cost	<u>200</u>
	99,800
Deferred development costs written off:	
Professional services and travel	\$ 3,753
Recording fees	342
Legal and audit	5,587
	<u>9,682</u>
	<u>\$ 90,118</u>

STATEMENT OF SOURCE AND APPLICATION OF WORKING CAPITAL
FOR THE FOUR YEARS ENDED DECEMBER 31, 1970

	Year Ended Dec. 31/70	Year Ended Dec. 31/69	Year Ended Dec. 31/68	Period Ended Dec. 31/67
SOURCE OF WORKING CAPITAL				
Sale of shares for cash	\$ 1,750	\$ —	\$ 14,000	\$ 36,000
Issue of shares for mineral claims	—	—	—	75,000
Received with respect to the granting of exploration rights on mineral claims	—	25,000	—	—
Sale of mineral claims	100,000	—	—	—
	<u>101,750</u>	<u>25,000</u>	<u>14,000</u>	<u>111,000</u>
APPLICATION OF WORKING CAPITAL				
Purchase of mineral claims for cash	—	—	—	200
Acquisition of mineral claims for shares	—	—	—	75,000
Incorporation costs	—	—	—	1,271
Deferred development costs expended	7,260	20,949	4,441	44,434
Purchase of investments	50,100	—	—	—
	<u>57,360</u>	<u>20,949</u>	<u>4,441</u>	<u>120,905</u>
INCREASE (DECREASE) IN WORKING CAPITAL	44,390	4,051	9,559	(9,905)
WORKING CAPITAL (DEFICIENCY) AT BEGINNING OF YEAR	3,705	(346)	(9,905)	—
WORKING CAPITAL (DEFICIENCY) AT END OF YEAR	\$ 48,095	\$ 3,705	\$(346)	\$(9,905)
WORKING CAPITAL (DEFICIENCY) REPRESENTED BY				
Current Assets	\$ 50,607	\$ 16,892	\$ 2,083	\$ 2,165
Current Liabilities	2,512	13,187	2,429	12,070
	<u>\$ 48,095</u>	<u>\$ 3,705</u>	<u>\$(346)</u>	<u>\$(9,905)</u>

This is the statement of source and application of working capital referred to in the accompanying report of Gunderson Stokes Walton & Co., Chartered Accountants, dated January 5, 1971.

SCHEDULE OF DEFERRED DEVELOPMENT COSTS

FOR THE FOUR YEARS ENDED DECEMBER 31, 1970

	Year Ended Dec. 31/70	Year Ended Dec. 31/69	Year Ended Dec. 31/68	Period Ended Dec. 31/67	Total
Accounting, bank charges and other office expense	\$ 656	\$ 309	\$ 404	\$ 153	\$ 1,522
Assays	308	318	100	1,226	1,952
Bulldozing and construction	—	522	1,056	1,045	2,623
Drilling	—	—	—	35,716	35,716
Legal and audit	3,483	6,654	310	521	10,968
Professional services and travel	5,212	12,804	2,501	5,233	25,750
Recording fees	603	342	70	540	1,555
	<u>10,262</u>	<u>20,949</u>	<u>4,441</u>	<u>44,434</u>	<u>80,086</u>
Less expense recovery	3,002	—	—	—	3,002
	<u>7,260</u>	<u>20,949</u>	<u>4,441</u>	<u>44,434</u>	<u>77,084</u>
Less amounts written off on sale of mineral claims	9,682	—	—	—	9,682
	<u>\$(2,422)</u>	<u>\$ 20,949</u>	<u>\$ 4,441</u>	<u>\$ 44,434</u>	<u>\$ 67,402</u>