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BRITISH COLUMBIA
SECURITIES COMMISSION

DANCAN

EXPLORATIONS

LTD. (N.P.L.)

PROSPECTUS

Registered Office
14th Floor
1030 West Georgia Street
Vancouver, B.C.

92HNE081-05
Property File

92H/15E
92HNE081

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

PROSPECTUS

Registered Office
14th Floor
1030 West Georgia Street
Vancouver, B.C.

EMERALD

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

Pursuant to this Prospectus 320,000 shares are being offered to the public by way of primary distribution.

<u>Price to Public</u>	<u>Commission to Selling Agent</u>	<u>Proceeds to Issuer if all shares are sold</u>
Per Unit 25¢	Nil	25¢
Total \$80,000.00	Nil	\$80,000.00

THE COMPANY'S PROPERTY IS WITHOUT A KNOWN BODY OF COMMERCIAL ORE AND THE PROPOSED PROGRAM REFERRED TO IN THIS PROSPECTUS IS AN EXPLORATORY SEARCH FOR ORE AND ACCORDINGLY, A PURCHASE OF THE SHARES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION.

THERE IS NO EXISTING MARKET FOR THE SECURITIES OF THE COMPANY.

OF THE SHARES ISSUED AND TO BE ISSUED, 19% ARE BEING OFFERED TO THE PUBLIC AND 23% WERE ISSUED FOR CASH AND PROPERTY TO, AND ARE BENEFICIALLY OWNED BY, THE PROMOTERS, DIRECTORS AND OFFICERS.

THE CLAIMS REFERRED TO IN THIS PROSPECTUS HAVE NOT BEEN SURVEYED AND THEREFORE, IN ACCORDANCE WITH THE MINING LAWS OF BRITISH COLUMBIA, THE EXISTENCE OF AND THE AREA OF SUCH MINERAL CLAIMS COULD BE IN DOUBT.

JUNE 21, 1971

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1. PLAN OF DISTRIBUTION

The shares being offered by this Prospectus are to be offered to the public by the Company which is registered as a Securities Issuer. The shares will be sold by Directors of the Company who are registered for such purpose and no commission is payable on the sale of these shares.

2. USE OF PROCEEDS TO ISSUER

The net proceeds to be derived by the Company from the sale of the securities offered by this Prospectus is \$80,000. The purposes for which the net proceeds are intended to be used are:

(a) to carry out the recommendations of M.K. Lorimer, Associate of L.J. Manning & Associates Ltd., 610-890 West Pender Street, Vancouver, British Columbia in his report dated May 5, 1971 (Lorimer Report), a copy of which is attached to and forms part of this Prospectus in respect of the Company's property situated in the Aspen Grove Area of the Nicola Mining Division, British Columbia (Emerald Property), as follows:

PHASE 1:

Grid, 15 miles @ \$80	\$ 1,200
Geochemical survey	2,130
Seismic survey	5,600
Magnetometer survey (initial)	1,000
detailing	300
I.P. (assuming ¼ of the area)	3,000
Engineering and supervision	3,000
Contingencies and miscellaneous (10%)	1,600
	\$17,830
Total Phase 1	

PHASE 11:

Allowance for 1,500 feet of diamond drilling @ \$15	\$22,500
Minimum total both phases	\$40,330

(b) To pay the indebtedness of the Company in the amount of \$32,400 which was incurred in respect of the Company's properties and in respect of administration costs.

Summary of Use of Proceeds to Issuer

(a) to carry out recommended work on the Emerald Property	\$40,330.00
(b) to pay company indebtedness	\$32,400.00
(c) administration costs	<u>7,270.00</u>
	\$80,000.00

In the event all of the securities offered hereby are not sold, the Company will use the proceeds from those shares which are sold to firstly pay the indebtedness of the Company referred to in Item 2 (b) of this Prospectus and secondly to carry out Phase 1 of the Lorimer Report.

None of the net proceeds of \$80,000.00 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 the Province of British Columbia.

Should the Company propose to use any of the net proceeds to acquire non-trustee type securities after the initial distribution of the securities offered by this Prospectus, approval by the shareholders must be obtained and disclosure made to the British Columbia Securities Commission.

3. SHARE CAPITAL STRUCTURE

(a) COLUMN 1 Designation of Security	COLUMN 2 Amount Authorized	COLUMN 3 Amount out- standing as of May 31, 1971	COLUMN 4 Amount out- standing as of June 1, 1971	COLUMN 5 Amount to be outstanding if all securities offered are sold
Common Shares	5,000,000	1,381,420	1,381,420	1,701,420

(b) (i) Number of shares sold for cash:

20 shares @ \$.10
250,500 shares @ .12½
312,500 Shares @ .30
68,400 shares @ .50

(ii) The total cash received from the shares sold was \$159,264.50.

(iii) No commissions have been paid on any shares sold.

4. NAME AND INCORPORATION OF ISSUER

Dancan Explorations Ltd. (N.P.L.) was incorporated on the 11th day of January, 1968 as a private, specially-limited company under the laws of the Province of British Columbia pursuant to a Memorandum of Association. The registered and head office of the Company is situate on the 14th floor, the Burrard Building, 1030 West Georgia Street, Vancouver, British Columbia.

On the 11th day of June, 1971, the Memorandum and Articles of Association were amended to convert the Company from a private company to a public company.

5. DESCRIPTION OF BUSINESS AND PROPERTY OF ISSUER

(a) Business

The Company was incorporated as a mining exploration company and it intends to carry on business as such together with its interest in oil and gas property.

(b) Property

"Emerald Property" †

(1) This property consists of the following recorded mineral claims:

<u>Claim Name</u>	<u>Record Nos.</u>	<u>Good standing to</u>
Emerald 1-15 incl.	42193-42207 incl.	August 22, 1971

The Emerald claims are located 2½ miles southeast of Aspen Grove, a settlement about 20 miles south of Merritt on the Merritt-Princeton Highway. They are centered approximately 1½ miles from the highway and are accessible by logging roads. The average elevation is about 4,000 feet, the geographic location is N.49° 55', W.120° 36', the area is 92 H 15E of the National Topographic System and the Mining Division is Nicola.

- (2) The Company is the sole beneficial and recorded owner of the claims and they are in good standing until August 22, 1971,
- (3) The Company acquired the Emerald Mineral Claims from Vagn M. Andersen at no cost to the Company. Vagn M. Anderson transferred the Emerald Mineral Claims to the Company to replace the Mac Group of Mineral Claims which the Company has abandoned (for particulars with respect to the Mac Group of Mineral Claims and with respect to Vagn M Andersen's relationship to the Company, specific reference is made to the heading "Other Material Facts" which is Item 14 of this Prospectus).
- (4) The Company has not carried out any exploration or development work on the property and knows of no previous exploration or development work done on the property other than that as described in the Lorimer Report which was done during the early years of the century.
- (5) There is no known body of commercial ore on the property, however preliminary prospecting indicates copper values within the property.
- (6) The proposed programme of exploration is that recommended in the report of M.K. Lorimer dated May 5, 1971, a copy of which is attached hereto and is an exploratory search for ore.

Zama Lake Oil Well

The Company owns a 5% working interest in a well known as Ranger-IU Pete-WX-8-8-116-6, which is in the Zama Lake area of Alberta. The Company earned its interest by participating in a farm-out agreement whereby the Company paid 10% of all drilling and completion costs to earn its net 5% working interest. The Company's share of the said costs amounted to approximately \$31,000.

Ranger Oil Ltd. of Calgary, who are the Operators reported as follows:

This well is included in the Zama Keg River R2R Pool and classified as a confidential pool in accord with Oil & Gas Conservation Regulations. Oil sold to date has been under a sales agreement with Imperial Oil Ltd. There are no pipe line connections and oil is barreled and taken away by truck. The well is included in the Chevron Zama Battery 10-4-116-6-W6M.

Technical problems have developed due mainly to water and the well has been shut down. Considerable additional work has been done to correct the problems of which the Company's share amounted to approximately \$8,000.

A decision regarding the future of this well will be made by the various working interest owners in due course but not before the Spring break-up.

The above working interest was acquired from Vagn M. Andersen who is the Promoter of the Company in consideration of the allotment to him of 750,000 shares.

The names and addresses of those persons or companies receiving a greater than 5% interest in the 750,000 shares are as follows:

Iwasaki Explorations Ltd. (N.P.L.)
c/o W. Petancic
711-475 Howe Street
Vancouver, B.C.

Vanax Developments Ltd.
704-525 Seymour Street
Vancouver, B.C.

(In respect of the relationship of Iwasaki Explorations Ltd. (N.P.L.) and Vanax Developments Ltd. to the Company, specific reference is made to the heading "Other Material Facts" which is Item 14 of this Prospectus).

Monkman Pass Property

The Company owns a 1½% working interest in P.&N.G. Leases Nos. 915-919-2956-2957-3932-5415-5416-4568-4569-4570 in the Monkman Pass area of B.C. These leases together comprise a total of 19,350 acres.

On Lease No. 919 there is a capped gas well and at the present time the nearest pipeline is approximately 70 miles away. The official designation of this well is Gray P.R.P. A-25-G.

The Company's interest in these leases was acquired by the cash payment of \$45,000 to Whitey Wilson Oil & Gas Ltd. (N.P.L.) which Company and its Directors have no affiliation or any other association with Dancan or with any Directors of Dancan.

The working interest owners of this acreage are presently endeavouring to arrange the drilling of one or more additional wells in order to try and develop sufficient reserves which would justify a pipe line.

The Company's share of the cost of drilling the next well has been assumed by Robina T. Stewart by Agreement dated September 24, 1970. Pursuant to this Agreement Robina T. Stewart will earn a 50% interest in the Company's interest in the Monkman Pass property upon the payment of 100% of the Company's share of the cost of drilling the next well.

6. PROMOTERS

Vagn M. Andersen of 59 Glenmore Drive, West Vancouver, B.C. is the Promoter of the Company. He received a total of 750,000 shares as consideration for the transfer to the Company of the working interest in the Zama Lake oil well hereinbefore referred to. Mr. Andersen obtained his interest in the Zama Lake oil well at no cost to himself. He also purchased shares in the capital stock of the Company for cash as follows:

8 March 1968 – 10 shares @ 10¢ per share

9 March 1968 – 32,000 shares @ 12½¢ per share

7. ISSUANCE OF SHARES

The Company has only one kind and class of share, and each share ranks equally as to dividends, voting rights, participation in assets and in all other respects. The shares presently issued are not subject to any calls or assessments, and the shares to be sold under this Prospectus will not be subject to any calls or assessments.

8. DIRECTORS AND OFFICERS

<u>Name and position with company</u>	<u>Principal Occupations and Firm for past 5 years</u>
David Klassen Director	Insurance Agent and Director of Yarrow Central Agency Ltd.
Margaret Sigouin Director	Secretary – Nippon Mining Ltd. 1964-68; Oreland Ventures Ltd. 1968 to present
Henry Martens Director	Professional Photographer self-employed

Name and position with company	Principal Occupations and Firm for past 5 years
Brian Hambley Director	Director of the following companies: J.J.Hambley Hatcheries (B.C.) Ltd.; J.J.Hambley Hatcheries Ltd.; Hambley Enterprises Ltd.; Oxford Farms Ltd.; Coastline Securities Ltd.
Walter Laird Director	Director of the following companies; Cattermole & Laird Ltd.; Liylama Mines Ltd. (N.P.L.); Kaiser Floors Canada Ltd.; National Plasmould Ltd.

9. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

No remuneration has been paid or is payable by the Company to the Directors and Senior Officers of the Company since the commencement of the Company's last completed financial year to the date hereof.

10. ESCROWED SECURITIES

The information given under this heading is as of June 1, 1971.

Designation of Class	No. of Shares Held in Escrow or Pooled	Percentage of Class
Common	750,000 escrow	54%
Common	631,420 pooled	46%

All the issued shares of the Company are held by the Registrar and Transfer Agent, Guaranty Trust Company, and may be released only with the written consent of the Superintendent of Brokers for British Columbia. The 750,000 shares are escrowed to the order of the Superintendent of Brokers pursuant to an Agreement which provides that in the event of the Company losing or not obtaining good and marketable title to or abandoning or discontinuing development of any of the property which formed the consideration for the issue of those shares, or in the event of the property not being as represented, immediate notice thereof shall be given to the Superintendent of Brokers and there shall be surrendered by way of gift to the Company for cancellation such number of those shares as the Superintendent in his sole discretion deems fair and equitable or in such manner or proportion as the Superintendent may direct. The 631,420 shares were issued for cash and have been deposited with the Guaranty Trust Company and will not be released before thirty days after completion of the primary distribution to the public of the 320,000 shares being offered pursuant to this Prospectus and without the consent of the Superintendent of Brokers.

11. PRINCIPAL HOLDERS OF SECURITIES

The information given under this heading is as of June 1, 1971.

- (a) Persons holding 10% or more of the shares of the Company, either beneficially or of record, and either directly or indirectly are as follows:

Column 1	Column 2	Column 3	Column 4	Column 5
Name	Designation of Class	Type of Ownership	Number of Shares Owned	Percentage
Vagn M. Andersen	Common	Direct and Beneficial	253,510	18%
Vanax Developments Ltd.	Common	Direct	200,000	14%

All of the shares held by Vagn M. Andersen and Vanax Developments Ltd. are held pursuant to a Voting Trust Agreement. The Voting Trustee named in the Agreement is John R. Mackay, Barrister and Solicitor, 1400-1030 W. Georgia Street, Vancouver, B.C., and the Depositary of the shares is Guaranty Trust Company of Canada, the Registrar and Transfer Agent.

The persons holding 5% or more of the issued and outstanding voting shares of Vanax Developments Ltd. are as follows:

<u>Name</u>	<u>Shares</u>	<u>Percentage</u>
Vagn M. Andersen	466,801	48%
Leonard C. Zrnic	163,001	17%
Paul Eisenhut	64,260	7%
Edwin D. Hicks	50,000	5%

- (b) The Directors and Senior Officers of the Company beneficially own directly or indirectly 11% of the shares of the Company.

12. AUDITORS, TRANSFER AGENTS AND REGISTRARS

The auditors of the Company are Messrs. Campbell, Sharp, Nash & Field, 999 West Pender Street, Vancouver, B.C., and the Registrar and Transfer Agent of the Company is Guaranty Trust Company of Canada, 540 Burrard Street, Vancouver, B.C.

13. PURCHASERS' RIGHT OF RESCISSION AND WITHDRAWAL

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

- (a) a purchaser has a right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last Prospectus, together with financial statements and reports and summaries of reports relating to the securities as filed with the British Columbia Securities Commission, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation but no action shall be commenced after the expiration of three months from the date of service of such notice.

- (b) A purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the Prospectus 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.

14. OTHER MATERIAL FACTS

- (a) Vagn M. Andersen, the Promoter of the company, is one of two Promoters of Iwasaki Explorations Ltd. (N.P.L.) and is the Promotor and a Director of Vanax Developments Ltd., in which company he is the beneficial owner of 48% of the outstanding voting shares of the company.

Iwasaki Explorations Ltd. (N.P.L.) and Vanax Developments Ltd. are the beneficial owners of 100,000 and 200,000 shares respectively in the capital stock of the Company.

Persons holding 5% or more of the issued and outstanding voting shares of Iwasaki Explorations Ltd. (N.P.L.) are as follows:

<u>Name</u>	<u>Shares</u>	<u>Percentage</u>
Lawrence Iwasaki	746,000	57.5%
Margaret Iwasaki	200,000	15.4%
Vanax Developments Ltd.	100,000	8%
Thomas Omura	100,000	8%

- (b) (i) The Company held an undivided one-quarter interest in Claim Block C.B.S. 1167 in the Lake Athabasca District of the Province of Saskatchewan. The Company purchased this interest for a total consideration of \$1,000.00 and its share of the exploration work was \$3,400.00. The Company has abandoned its interest in this claim block.
- (ii) The Company also held 40 mineral claims known as the PTA mineral claims and 35 claims known as the Mac mineral claims. These were acquired by the Company at no cost to it. The claims

were transferred to the Company by Iwasaki Explorations Ltd. (N.P.L.) in consideration of receiving from Vagn M. Andersen 100,000 shares in the capital stock of the Company. During the period the Company held the claims it spent a total of \$3,500.00 in maintaining the claims in good standing. The Company has now abandoned these mineral claims.

(c) The Company has purchased furniture and fixtures for its offices at a cost of \$4,367 and has accumulated depreciation in respect thereof in the amount of \$2,317.

(d) All contracts and documents relating to the Company may be inspected at the Company's registered office at 14th Floor, 1030 West Georgia Street, Vancouver, B.C. during normal business hours so long as the Company's shares are in primary distribution. Particulars of the Company's shareholders register may be inspected at the offices of Guaranty Trust Company of Canada during normal business hours.

**CERTIFICATE OF THE DIRECTORS AND
PROMOTERS OF THE COMPANY**

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.

DATED at Vancouver, B.C. the 21st day of June, 1971.

Vagn M. Andersen
Promotor

Henry Martens
Director

David Klassen
Director

Brian Hambley
Director

Margaret Sigouin
Director

Walter Laird
Director

X

REPORT ON THE
EMERALD GROUP
NICOLA M.D.
FOR
MR. V. T. M. ANDERSEN
BY
M. K. LORIMER, P. Eng.
5 MAY, 1971

L. J. Manning & Associates Ltd.
610 - 890 West Pender Street,
Vancouver 1, B. C.

L. J. MANNING & ASSOCIATES LTD.
CONSULTING MINING AND GEOLOGICAL ENGINEERS

610-890 WEST PENDER STREET VANCOUVER 1, B.C.

May 5, 1971

OFFICE PHONE:
683-5861

RESIDENTIAL PHONE:
L. J. MANNING - 888-8680

Mr. V. T. M. Andersen,
704 - 525 Seymour Street,
Vancouver 2, B. C.

Dear Sir:

This report is based on a visit to the Emerald Group made on 2 May, 1971, on a personal knowledge of the area and on a study of the reports listed in the Bibliography.

SUMMARY:

The Emerald Group of 15 located claims is located near Aspen Grove and is readily accessible by logging and ranch roads.

It lies in an area of extensive copper mineralization formerly known as the Aspen Grove camp. On the claims some prospecting and initial exploration work was done many years ago, but apparently no work has been done recently using modern techniques.

Since the area is geologically favourable and copper is known to be present a preliminary exploration programme appears justified.

It is recommended that a phased geochemical, geophysical and drilling programme be carried out at an estimated minimum cost of about \$40,000.

LOCATION:

The Emerald claims are located $2\frac{1}{2}$ miles southeast of Aspen Grove, a settlement about 20 miles south of Merritt on the Merritt-Princeton Highway. They are centred approximately $1\frac{1}{2}$ miles from the highway and are accessible by logging roads. Map 1.

L. J. MANNING & ASSOCIATES LTD.

Page 2

The average elevation is about 4,000 feet, the geographic location is N.49°55', W. 120°36', the area is 92 H 15E of the National Topographic System and the Mining Division is Nicola.

TITLE:

The property consists of 15 contiguous claims named the Emerald 1 to 15 inclusive, record numbers 42193 to 42207. They were staked in August, 1969, and road work was recorded as assessment work in 1970. The expiry date is 22 August, 1971. Records in the Vancouver Mining Recorder's office on 28 April, 1971 show the owner to be V.T.M. Andersen.

Claim posts were examined by the writer on 2 May, 1971. The staking appears to have been done in accordance with the requirements of the Mineral Act and in approximately the described locations. Map 2.

Two power transmission lines are shown as crossing the property, one with a reserve of 500 feet and the other with a reserve of one half mile on either side. These reserves will interfere with exploration and mining operations to the extent that permission will have to be obtained from the Chief Inspector of Mines before work commences. The principal restriction will be in respect to surface blasting.

TOPOGRAPHY:

The surface is hilly, but not precipitous. It is mostly open country. Much of it is range land. There are also extensive areas which have been logged or burned over.

Miner Lake is a convenient source of water and there are numerous small streams and swampy areas which could provide water for most of the year.

Rock outcrops are confined to the northern and southwestern sections.

CLIMATE:

The climate is moderate and for most of the year can be considered pleasant. Two or three feet of snow can be expected from January to March. Although the temperatures may drop to 25 or 30 degrees below zero at times, such cold spells are usually of short duration. The summers are mainly dry and warm.

HISTORY:

The Emerald claims are in an area about eight miles long and two miles wide which was formerly known as the Aspen Grove Copper Camp. This camp was the scene of much activity in the early years of the century and has attracted attention periodically since. It is dotted with pits, trenches and shallow shafts that show significant copper mineralization but no producing mines were ever developed. In recent years much of the camp has been explored by modern, encouraging results, nothing of economic interest has so far been located.

On the Emerald claims there are several old pits and trenches but, as far as can be ascertained, no work has been done in recent years. No evidence of geochemical, geophysical or drilling work could be found on the writer's visit.

GEOLOGY:

The claims are underlain by the Nicola Group of Triassic age, an assemblage of mainly volcanic rocks but containing many lenses of tuffaceous and argillaceous rocks and occasional beds of limestone. The volcanics include andesite, basalt, tuff and volcanic breccia. Sericite schists also occur. Other common constituents are chlorite, epidote, hematite and calcite. Quartz is comparatively scarce.

The general structure is northerly, the claims being on the western limb of a broad geosyncline. The Allison fault, a major structural feature lies about one and one half miles west of the property.

SAMPLING:

Two samples were taken on the writer's visit, one from each of two dumps at sloughed, water-filled pits in the northern part of the property. The samples were assayed for copper with the following results:

<u>Sample No.</u>	<u>Per cent Copper</u>
32612	0.01
32613	0.10

CONCLUSIONS:

The claims are located in an area that is known to carry copper mineralization and is geologically favourable for the location of economic mineral deposits.

The property appears to warrant a phased programme of exploration.

Because of the extensive overburden the exploration of the property can best be initiated by geochemical and geophysical surveys.

RECOMMENDATIONS:

It is recommended that the following phased exploration programme be carried out with the second phase to be dependent on the results of the first:

Phase 1:

1. Lay out a grid with the base line running north-south approximately along the location line of the Emerald 1-12 claims and cross-lines at 400-foot intervals with stations every 200 feet on these lines.
2. Make a geochemical survey in conjunction with a seismic survey to determine overburden depth.
3. Run a magnetometer survey with initial readings at the grid stations and detailing where deemed desirable.
4. Make induced polarization surveys of selected areas if this appears desirable.

Phase II:

Diamond drill target areas. The amount of drilling required cannot be estimated at this time but a probable minimum would be 1,500 feet.

COSTS:

The estimated costs of this programme are:

Phase I:

Grid, 15 miles @ \$80	\$ 1,200
Geochemical survey	2,130
Seismic survey	5,600
Magnetometer survey (initial)	1,000
detailing	300
i.P. (assuming $\frac{1}{4}$ of the area)	3,000
Engineering and supervision	3,000
Contingencies and miscellaneous (10%)	<u>1,600</u>
Total Phase I	\$ 17,830

Phase II:

Allowance for 1,500 feet of diamond drilling @ \$15	<u>\$ 22,500</u>
Minimum total both phases	\$ 40,330

L. J. MANNING & ASSOCIATES LTD.



M. K. Lorimer, P.Eng.

BIBLIOGRAPHY:

- Rice, H.M.A.: "Geology and Mineral Deposits of the Princeton Map-Area, British Columbia", Geological Survey of Canada, Memoir 243, 1960.
- Renshar, R. E., P.Eng.: "Geological Report on the HK and KH claims" Private Report, 1968.

CERTIFICATE OF QUALIFICATIONS

I, MALCOLM KEITH LORIMER, of the City of Vancouver, Province of British Columbia, Mining Engineer, hereby certify:

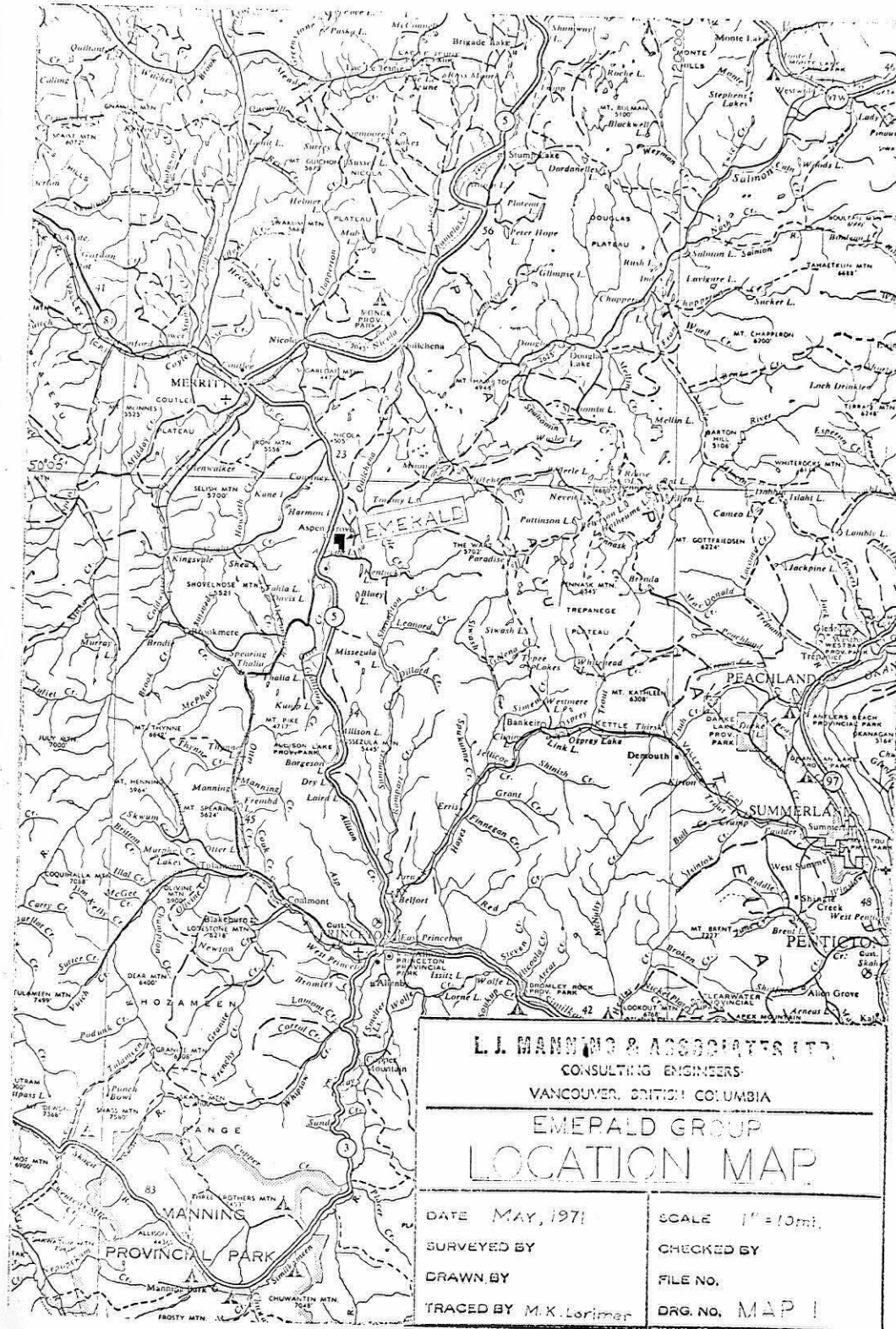
1. THAT I am a practicing Mining Engineer and reside at 3032 West 27th Avenue, Vancouver, B. C.
2. THAT I am a graduate in Mining Engineering of the University of British Columbia, Bachelor of Applied Science, 1950 and have been practicing my profession for over sixteen years.
3. THAT I am a member of the Association of Professional Engineers of the Province of British Columbia.
4. THAT I am a member of the Canadian Institute of Mining and Metallurgy.
5. THAT I am an associate of the firm of L. J. Manning & Associates Ltd., Consulting Mining Engineers, of 610 - 890 West Pender Street, Vancouver 1, B. C.
6. THAT the following is a true record of my employment and experience:

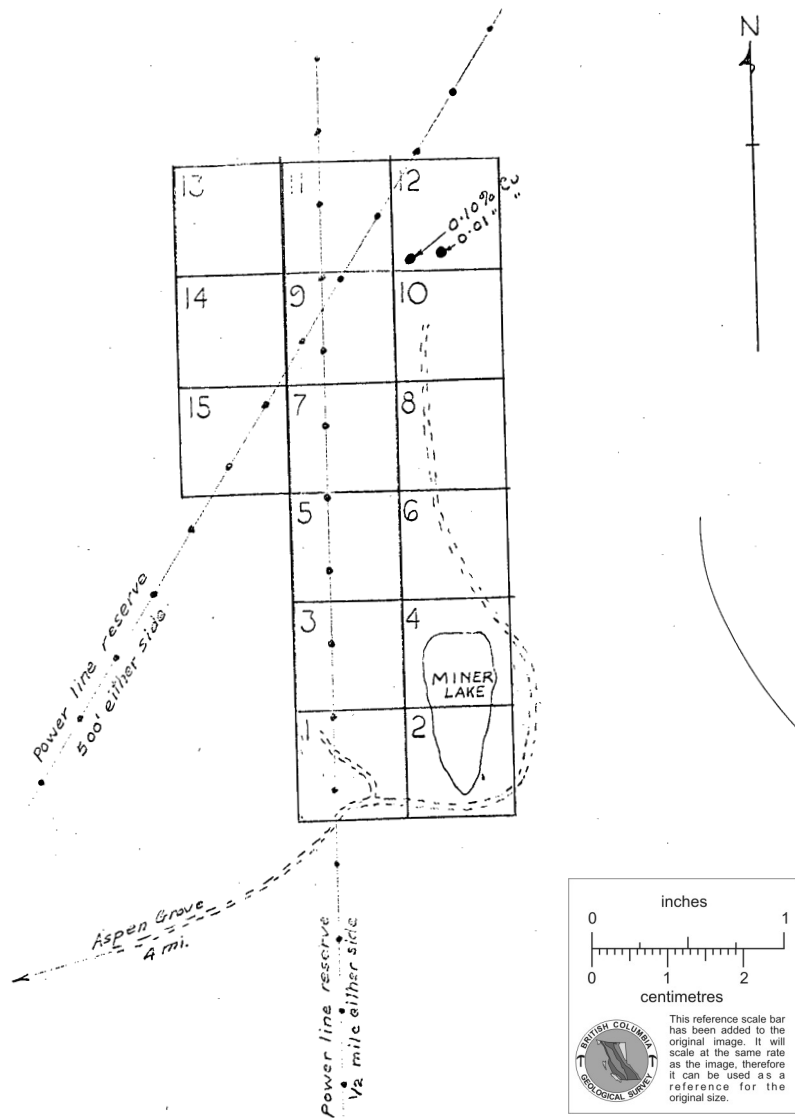
1950 - 52	General engineering, Consolidated Mining and Smelting Company of Canada Limited, Kimberley, B.C.
1952--56	Chief Engineer, Pioneer Gold Mines of B. C. Ltd., Pioneer Mines, B. C.
1956 - 57	Chief Engineer, Buchans Mining Co. Ltd. Buchans, Nfld.
1957 - 59	Chief Engineer and Mine Superintendent, Cowichan Copper Co. Ltd., Cowichan Lake, B. C.
1959 - 65	General Exploration work for various companies mostly in southern British Columbia.
1965 - Present	Associate, L. J. Manning & Associates Ltd., Vancouver.
7. THAT I have no direct or indirect interest in the properties or securities of **Mr. V. T. M. Andersen** or any of his affiliates nor do I expect to acquire any.

DATED at Vancouver, British Columbia, this 5th day of May, 1971.

M. K. Lorimer

 M. K. Lorimer, B.A.Sc., P.Eng.





Not surveyed - approximate only.

L. J. MANNING & ASSOCIATES LTD. CONSULTING ENGINEERS VANCOUVER, BRITISH COLUMBIA	
EMERALD GROUP PROPERTY MAP	
DATE MAY, 1971	SCALE 1" = 2000'
SURVEYED BY	CHECKED BY
DRAWN BY M. K. Lorimer	FILE NO.
TRACED BY	DRG. NO. MAP 2

DANCAN EXPLORATIONS LTD.
(NON-PERSONAL LIABILITY)
BALANCE SHEET
AS AT MAY 31, 1971

	1971	1970
<u>A S S E T S</u>		
CURRENT:		
CASH	\$ 117	\$ 383
ACCOUNTS RECEIVABLE		99
REFUNDABLE DEPOSIT		<u>2,175</u>
	<u>117</u>	<u>2,657</u>
FURNITURE AND FIXTURES - AT COST	4,367	
DEDUCT: ACCUMULATED DEPRECIATION	<u>2,317</u>	2,050
		3,181
INTEREST IN MINERAL CLAIMS AND OIL WELL VENTURES (NOTES 1 AND 2)	120,000	121,000
EXPLORATION AND DEVELOPMENT COSTS - PER EXHIBIT "A"	111,170	98,251
INCORPORATION EXPENSE	<u>1,800</u>	<u>1,800</u>
	<u>\$ 235,137</u>	<u>\$ 226,889</u>
<u>L I A B I L I T I E S</u>		
CURRENT:		
ACCOUNTS PAYABLE	\$ 14,137	\$ 23,140
NOTES PAYABLE (NOTE 3)	17,474	
ACCRUED INTEREST PAYABLE	<u>777</u>	
	<u>32,388</u>	<u>23,140</u>
<u>S H A R E H O L D E R S ' E Q U I T Y</u>		
SHARE CAPITAL:		
AUTHORIZED		
5,000,000 COMMON SHARES OF NO PAR VALUE		
ISSUED AND FULLY PAID (NOTE 4)		
750,000 SHARES ISSUED FOR INTEREST IN OIL WELL VENTURES	75,000	
631,420 SHARES ISSUED FOR CASH	<u>159,264</u>	
	<u>234,264</u>	234,264
DEDUCT: DEFICIT (NOTE 1)	<u>31,515</u>	<u>30,515</u>
	<u>\$ 202,749</u>	<u>\$ 203,749</u>
	<u>\$ 235,137</u>	<u>\$ 226,889</u>

NOTE: THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE STATEMENTS.

APPROVED ON BEHALF OF THE BOARD
[Signature] DIRECTOR
[Signature] DIRECTOR

TO THE MEMBERS

WE HAVE EXAMINED THE BALANCE SHEET OF DANCAN EXPLORATIONS LTD. (NON-PERSONAL LIABILITY), AS AT MAY 31, 1971, AND THE STATEMENTS OF EXPLORATION AND DEVELOPMENT COSTS AND SOURCE AND APPLICATION OF WORKING CAPITAL FOR THE YEAR 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 STATEMENTS AND THE RELATED NOTES 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 WORKING CAPITAL FOR THE YEAR THEN ENDED, IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES APPLIED ON A BASIS CONSISTENT WITH THAT OF THE PRECEDING PERIODS.

VANCOUVER, B. C.
JUNE 7, 1971.

Campbell Sharp Nash & Fuest
CHARTERED ACCOUNTANTS.

DANCAN EXPLORATIONS LTD.

(NON-PERSONAL LIABILITY)

NOTES TO THE BALANCE SHEET

AS AT MAY 31, 1971

NOTE 1: THE COMPANY HELD A ONE-QUARTER INTEREST IN CERTAIN MINERAL CLAIMS IN SASKATCHEWAN ACQUIRED AT A COST OF \$1,000. AS THIS INTEREST HAS NOW BEEN ABANDONED THE ACQUISITION COST HAS BEEN WRITTEN OFF TO THE DEFICIT ACCOUNT. THE COST OF STAKING A GROUP OF CLAIMS IN BRITISH COLUMBIA WHICH SUBSEQUENTLY LAPSED IN 1969 AND WAS WRITTEN OFF TO EXPLORATION AND DEVELOPMENT COSTS HAS NOW BEEN TRANSFERRED TO THE DEFICIT ACCOUNT AND THE PRIOR YEAR'S STATEMENT OF EXPLORATION AND DEVELOPMENT COSTS HAS BEEN ADJUSTED ACCORDINGLY.

CERTAIN OTHER CLAIMS ACQUIRED IN 1969 HAVE LAPSED OR WILL BE ALLOWED TO LAPSE. THESE CLAIMS WERE ACQUIRED AT NO COST TO THE COMPANY AND HAVE BEEN REPLACED BY CERTAIN OTHER CLAIMS, ALSO AT NO COST TO THE COMPANY.

NOTE 2: THE COMPANY HAS ACQUIRED AN INTEREST IN SEVERAL OIL AND GAS AREAS IN ALBERTA. THE COMPANY HAS RECORDED ITS SHARE OF COSTS WHEN INVOICES WERE RECEIVED; ADDITIONAL BILLINGS MAY BE RECEIVED BUT ARE NOT EXPECTED TO BE OF SIGNIFICANT AMOUNT.

THE COMPANY HAS ALSO ACQUIRED A 1½% WORKING INTEREST IN CERTAIN PETROLEUM AND NATURAL GAS LEASES IN THE MONKMAN PASS AREA OF BRITISH COLUMBIA FOR \$45,000 CASH. UNDER TERMS OF AN AGREEMENT WITH A SECOND COMPANY, THAT COMPANY MAY EARN 50% OF DANCAN'S INTEREST IN THE MONKMAN PASS LEASES BY ASSUMING 100% OF DANCAN'S COST OF DRILLING THE NEXT WELL ON THOSE LEASES.

NOTE 3: DURING THE PERIOD DEMAND NOTES, IN THE AMOUNT OF \$8,740 WITH INTEREST AT 10% AND \$8,734 WITH INTEREST AT 8%, WERE ISSUED TO SECURE AMOUNTS PAYABLE AS PART OF THE COMPANY'S SHARE OF COSTS IN SEVERAL OIL WELL PARTICIPATIONS.

NOTE 4: OF THE 1,381,420 SHARES ISSUED AND FULLY PAID, 750,000 SHARES ARE HELD IN ESCROW SUBJECT TO THE ORDER OF THE SUPERINTENDENT OF BROKERS AND 631,420 ARE HELD IN A POOLING ARRANGEMENT ALSO SUBJECT TO THE ORDER OF THE SUPERINTENDENT OF BROKERS.

EXHIBIT "A"

DANCAN EXPLORATIONS LTD.

(NON-PERSONAL LIABILITY)

STATEMENT OF EXPLORATION AND DEVELOPMENT COSTS

FROM JANUARY 11, 1968 TO MAY 31, 1971

	<u>YEAR TO</u> <u>31/5/71</u>	<u>YEAR TO</u> <u>31/5/70</u>	<u>PERIOD TO</u> <u>31/5/69</u>
<u>OIL AND GAS PARTICIPATION COSTS (NOTE 1)</u>	\$ 4,330	\$ 11,214	\$ 50,659
<u>MINERAL CLAIM EXPENDITURES:</u>			
ENGINEERING	300	3,158	179
EQUIPMENT EXPENSE			103
LICENSES			1,200
LINE CUTTING			750
PAYMENT IN LIEU OF ASSESSMENT WORK		4,127	
SAMPLING AND ASSAYING			16
	<u>300</u>	<u>7,285</u>	<u>2,248</u>
<u>ADMINISTRATIVE EXPENSES:</u>			
MANAGEMENT FEES		3,349	4,935
OFFICE RENT, SALARIES AND SERVICES	1,280	2,760	4,590
OFFICE EXPENSES, SUPPLIES AND SUNDRY	1,488	747	1,947
TRAVEL AND PROMOTION		86	2,318
LEGAL, ACCOUNTING AND AUDIT	3,370	3,982	3,087
INTEREST EXPENSE	1,335		
DEPRECIATION - FURNITURE AND FIXTURES	816	795	2,327
	<u>8,289</u>	<u>11,719</u>	<u>19,204</u>
<u>LESS: INTEREST EARNED</u>		<u>143</u>	<u>3,935</u>
	<u>8,289</u>	<u>11,576</u>	<u>15,269</u>
<u>TOTAL COSTS FOR THE YEAR</u>	<u>12,919</u>	<u>30,075</u>	<u>68,176</u>
<u>ADD: TOTAL COSTS AT BEGINNING OF YEAR</u>	<u>98,251</u>	<u>68,176</u>	
<u>TOTAL EXPLORATION AND DEVELOPMENT COSTS</u>			
<u>END OF YEAR</u>	\$ 111,170	\$ 98,251	\$ 68,176

DANCAN EXPLORATIONS LTD.

(NON-PERSONAL LIABILITY)

STATEMENT OF SOURCE AND APPLICATION OF WORKING CAPITAL

FROM JANUARY 11, 1968 TO MAY 31, 1971

	<u>YEAR TO</u> <u>31/5/71</u>	<u>YEAR TO</u> <u>31/5/70</u>	<u>PERIOD TO</u> <u>31/5/69</u>
<u>SOURCE:</u>			
AMOUNT SUBSCRIBED FOR SHARES	\$ 315	\$ 2	\$ 159,262
SALE OF FURNITURE AND FIXTURES	315		
	<u>315</u>	<u>2</u>	<u>159,262</u>
 <u>APPLICATION:</u>			
EXPLORATION AND DEVELOPMENT COSTS BEFORE NON-CASH CHARGES	12,103	29,280	66,731
PURCHASE OF FURNITURE AND FIXTURES			5,421
ACQUISITION OF INTERESTS IN OIL WELL VENTURES AND MINERAL CLAIMS			76,515
INCORPORATION EXPENSE			1,800
	<u>12,103</u>	<u>29,280</u>	<u>150,467</u>
 <u>INCREASE (DECREASE)</u>	 (11,788)	 (29,278)	 8,795
 <u>ADD: WORKING CAPITAL (DEFICIENCY)</u> BEGINNING OF YEAR	 (20,483)	 8,795	 <u> </u>
 <u>WORKING CAPITAL (DEFICIENCY) - END OF YEAR</u>	 <u>\$(32,271)</u>	 <u>\$(20,483)</u>	 <u>\$ 8,795</u>