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

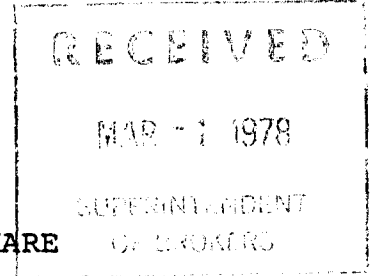
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PROPERTY FILE

PROSPECTUS

JET-STAR RESOURCES LTD.

409 - 850 West Hastings Street
Vancouver, British Columbia

NEW ISSUE: 250,000 COMMON SHARES at 20¢ PER SHARE



	Price to Public	Commissions	Proceeds to Company after Commissions paid if all shares sold
Per Share	20¢	5¢	15¢
Total	\$50,000.00	\$12,500.00	\$37,500.00 (1)

(1) Before deduction of legal, audit and printing expenses payable by the Company estimated not to exceed \$3,000.00.

THE SHARES OF THE COMPANY MUST BE CONSIDERED SPECULATIVE SECURITIES AS THE COMPANY'S MINING PROPERTY IS IN THE EXPLORATION AND DEVELOPMENT STATE AND THERE IS NO KNOWN BODY OF COMMERCIAL ORE.

THERE IS NO MARKET FOR THE SHARES OF THE COMPANY.

A MINIMUM SUBSCRIPTION OF \$37,500.00 OR 250,000 SHARES MUST BE SOLD UNDER THE TERMS OF THE PROSPECTUS: REFERENCE IS MADE TO THE SECTION "USE OF PROCEEDS" ON PAGE 5 HEREIN.

REFERENCE IS MADE TO THE HEADING "SHARE OFFERING AND PLAN OF DISTRIBUTION" ON PAGE 4 HEREIN AND THE COMPARISON OF THE PERCENTAGE OF SECURITIES BEING OFFERED TO THE PUBLIC FOR CASH AND ALREADY ISSUED BY THE COMPANY TO PROMOTERS, DIRECTORS, OFFICERS AND CONTROLLING PERSONS.

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

IF ALL THE SHARES OFFERED BY THIS PROSPECTUS ARE SOLD TO THE PUBLIC, THIS ISSUE WILL REPRESENT 20.8% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 79.2% THAT WILL THEN BE OWNED BY DIRECTORS AND PROMOTERS ISSUED FOR CASH AND PROPERTY.

THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY MAY BE LAWFULLY OFFERED FOR SALE.

THE REGISTRAR AND TRANSFER AGENT IS THE METROPOLITAN TRUST COMPANY at 544 HOWE STREET, VANCOUVER, BRITISH COLUMBIA.

THIS PROSPECTUS IS DATED THE 6th DAY OF January, A.D. 1978.

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THE COMPANY

Jet-Star Resources Ltd. (the "Company") was incorporated on the 28th day of November, 1977 under the Companies Act of the Province of British Columbia by registration of its Memorandum and Articles. At the date hereof, the Company is a Reporting Company under the Companies Act.

The head office of the Company is 409-850 West Hastings Street, Vancouver, British Columbia, and the registered office and records office is 409- 850 West Hastings Street, Vancouver, British Columbia.

DESCRIPTION OF BUSINESS AND PROPERTY OF ISSUER

THE BUSINESS

The Company is a mining company engaged in the acquisition, exploration and development of mining properties. The Company owns or has interests in the property described under "The Property" and intends to seek and acquire additional properties worthy of exploration and development.

THE PROPERTY

By an agreement dated December 6, 1977, between Big Deal Investments Ltd., of 409 - 850 West Hastings Street, Vancouver, British Columbia and John Sipos of Suite 106-30 East 15th Street, Vancouver, British Columbia, and the Company, the Company agreed to purchase the BEE mineral claim which expires on November 4, 1978, and is situated on the south slope of Agassiz Mountain in the Harrison Hot Springs Area of British Columbia, in consideration of the payment of ONE THOUSAND SIX HUNDRED (\$1,600.00) DOLLARS to John Sipos and SEVEN HUNDRED (\$700.00) DOLLARS to Big Deal Investments Ltd., the said SEVEN HUNDRED (\$700.00) DOLLARS being the amount of monies that the Vendors have caused to be spent on exploration of the said mineral claim. Pursuant to the Agreement, the Company also issued 750,000 escrowed shares in the capital of the Company to Big Deal Investments Ltd.

Big Deal Investments Ltd., of 409-850 West Hastings Street, Vancouver, British Columbia, is owned 100% by Nell Marie Dragovan, of 2658 West 19th Avenue, Vancouver, British Columbia.

Nell Marie Dragovan is a Director, Officer and Promoter of the Company.

The said mineral claim was staked by John Boicey of 2210 - 1650 Haro Street, Vancouver, British Columbia and John Sipos of 30 East 15th Street, Vancouver, British Columbia, who carried out a work program on the mineral claim consisting of rockwork in the area of mineral showings

stripping and trail access improvement at a cost of SEVEN HUNDRED (\$700.00) DOLLARS.

The said mineral claim is comprised of six units and is located on the south slope of the Agassiz Mountain, four miles north of Agassiz and two miles south of Harrison Hot Springs, British Columbia. Access to the property is provided by a secondary road to within 1,000 feet of the legal claim post.

The Company has not carried out any exploration or development work and except as above, and as disclosed in the Engineer's Report there is and has been no exploration and development of the claim, either underground or on the surface, and there is no plant or equipment on the property either underground or on the surface. For further information covering the BEE mineral claim, reference is made to the report of Laurence Sookochoff, P.Eng., which is attached hereto and forms a part of this Prospectus.

THE PROPOSED PROGRAM ON THE COMPANY'S PROPERTY IS AN EXPLORATORY SEARCH FOR ORE AND THE PROPERTY IS WITHOUT ANY KNOWN BODY OF ORE.

SHARE OFFERING AND PLAN OF DISTRIBUTION

The Company, by this Prospectus, offers to sell 250,000 of its common shares as fully paid and non-assessable at a price of 20¢ per share subject to a commission in respect of some or all of such shares, not exceeding 5¢ per share. The shares will be sold through registered securities dealers and registered salesmen who will receive a commission and by trading directors of the Company who will not receive a commission. The Company reserves the right to accept applications for these shares in whole or in part.

USE OF PROCEEDS

The net proceeds to be derived by the Company if all of the shares offered hereunder are sold will be \$37,500. The proceeds, together with \$11,948.56 presently on hand will be used for the following purposes:

(a) Phase I

Reconnaissance scintillometer survey	\$3,000.00
Geological mapping	1,500.00
Field expenses - assays, rentals	500.00
Travel and accomodation	500.00
Engineering and supervision	1,000.00
Contingencies	<u>1,000.00</u>
Phase I Total -	\$7,500.00

(b) Phase II

Radon or Track-Etch survey	\$4,000.00
Associated expenses	1,500.00
Engineering and supervision	1,000.00
Contingencies	<u>1,000.00</u>
Phase II Total -	\$7,500.00

Phase II will be initiated upon the favorable results of Phase I.

(c) Phase III

Test drilling of indicated anomalies-allow \$15,000.00

Phase III will be initiated upon favourable results of Phase II.

\$30,000.00

	Balance Forward	\$30,000.00
(d)	Listing Application Fee - Vancouver Curb Exchange (to be held in trust by the Metropolitan Trust Company for that purpose only); and	2,000.00
(e)	For administration and other corporate expenses	<u>17,448.56</u>
	TOTAL -	<u><u>\$49,448.56</u></u>

The Company shall have 120 days from the date of the receipt of the filing of the Prospectus by the Superintendent of Brokers in which to raise the sum of \$37,500.00, being the funds, together with existing funds, required to carry out Phase I, II and III of the program recommended by Laurence Sookochoff, P.Eng., on the Company's Harrison Property. All funds raised during this 120 day period will be deposited without deduction in an account at The Metropolitan Trust Company, separate and apart from the Company's general account until the full amount of the minimum subscription has been raised by the sale of the shares sold pursuant to this Prospectus in British Columbia and the Superintendent of Brokers has consented to the release of funds. If the minimum amount is not raised within the 120 day period, all subscriptions for the shares of the Company will be returned immediately to the subscribers in full.

The Company may, pursuant to the recommendations of a qualified engineer, abandon in whole or in part any of its properties or may alter as work progresses the work program recommended or may make arrangements for the performance of all or any portion of such work by other persons or companies and may use any monies so diverted for the purpose of conducting work or examining other properties acquired by the Company after the date of this Prospectus although the Company has no present plans in this regard. In any such event, the Shareholders will be notified and if this occurs during the primary distribution of the shares referred to in this Prospectus, an amendment to this Prospectus will be filed.

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 the jurisdiction in which securities offered by this Prospectus may be lawfully sold. Should the Company intend to use the proceeds to acquire other than trustee-type securities after the distribution of the securities offered by this Prospectus, approval by the shareholders of the Company must first be obtained and notice of the intention filed with the regulatory securities bodies having jurisdiction over the sale of the securities offered by this Prospectus.

SHARE AND LOAN CAPITAL STRUCTURE

Designation of Security	Amount Authorized	Amount out- standing as of December 7, 1977	Amounts to be out- standing on com- pletion of the offering
Common	5,000,000	950,000 \$27,500.	1,200,000 (1) \$65,000.

(1) 200,000 shares were sold at 10¢ per share; 750,000 shares at a deemed value of 1¢ each were issued for mineral properties; 250,000 shares are being offered hereunder. There were no commissions paid by the Company on the sale of the above shares.

DESCRIPTION OF SHARES

The authorized capital of the Company consists of 5,000,000 shares without par value of which 950,000 shares are issued as fully paid and non-assessable. All shares of the Company both issued and unissued are common shares of the same class and rank equally, as to dividends, voting powers and participation in assets. No shares have been issued subject to call or assessment. There are no preemptive or conversion rights and no provision for redemption, purchase or cancellation, surrender or sinking of purchase funds. Provisions as to the modifications, amendments or variation of such rights or such provisions are contained in the Companies Act of the Province of British Columbia.

PROMOTERS

Under the definition of "Promoter" contained in Section 2 of the Securities Act, Nell Marie Dragovan and Raymond Nobuiuki Inouye may be considered the Promoters of the Company in that they took the initiative in founding the Company. Shares were then issued to them for cash and properties as follows:

<u>NAME</u>	<u>SHARES FOR CASH</u>	<u>SHARES FOR PROPERTIES</u>
Nell Marie Dragovan	150,000	750,000 Indirectly*
**Shirley T. Inouye	50,000	

*Held through Big Deal Investments Ltd., owned 100% by Nell M. Dragovan.

**Shirley T. Inouye, wife of Raymond N. Inouye, purchased 50,000 shares.

All shares issued to the Promoters for cash were issued at 10¢ per share. Big Deal Investments Ltd. received \$700.00 for the sale of the BEE mineral claim as set out on page 2 hereof.

For details of the Properties acquired for such shares and the escrow positions relating to such shares, refer to "Properties" and "Escrowed Shares" herein.

ESCROWED SHARES

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

<u>Designation of Class</u>	<u>Number of Shares held in escrow</u>	<u>Percentage of class</u>
Common	950,000	100%

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The 750,000 shares were issued in consideration for the BEE mineral claim, referred to under the Section "The Properties" herein and 200,000 shares were sold at 10¢ per share.

At the date hereof, 950,000 shares are held in escrow by The Metropolitan Trust Company, subject to the direction or determination of the Superintendent of Brokers ("Superintendent of Brokers"). The escrow restrictions provide that the shares may not be traded in, dealt with in any manner whatsoever, or released nor may the Company, its transfer agent or escrow holder make any transfer or record any trading of the shares without the consent of the Superintendent of Brokers.

In the event that the Company loses or abandons or fails to obtain title to all or part of the property or assets for which it allotted all or part of the escrow shares, the Company will declare any such event to the Superintendent of Brokers by way of directors resolution and the holders of such shares, the trustee thereof and the Company have agreed that such number of said shares, as the Superintendent of Brokers determines shall become subject to cancellation, shall be surrendered to the Company by way of gift for cancellation.

The complete text of the escrow agreement is available for inspection at the Company's registered and records office, 409 - 850 West Hastings Street, Vancouver, British Columbia.

DIRECTORS AND OFFICERS

The names, addresses and principal business or occupations in which each of the directors and Senior Officers of the Company have been engaged during the immediately preceding five years are as follows:

<u>NAME AND ADDRESS AND POSITION WITH COMPANY</u>	<u>OCCUPATION</u>
NELL MARIE DRAGOVAN 2658 West 19th Avenue Vancouver, B.C. PRESIDENT/DIRECTOR	Businesswoman
RAYMOND NOBUYUKI INOUE 4711 Webster Road Richmond, B.C. SECRETARY/DIRECTOR	Self-employed businessman/ investor
GEORGE ROSS CAVEY 103-2140 West 5th Avenue Vancouver, B.C. DIRECTOR	Prospector

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS AND
INTEREST OF MANAGEMENT IN MATERIAL TRANSACTIONS

No direct remuneration has been paid to any of the Directors or Officers of the Company, nor does it anticipate paying any remuneration in the immediate future.

Companies in which Directors of the Company have an interest may from time to time undertake field work on behalf of the Company at competitive prices.

By an Agreement dated as of December 6, 1977, the Company acquired BEE mineral claim which is situated in the Harrison Hot Springs area of British Columbia from John Sipos for the payment of ONE THOUSAND SIX HUNDRED (\$1,600.00) DOLLARS and from Big Deal Investments Ltd. for the payment of SEVEN HUNDRED (\$700.00) DOLLARS and the issue of Seven Hundred Fifty Thousand (750,000) shares in the capital of the Company. Reference is made to "The Property" herein.

PRINCIPAL SHAREHOLDERS

At the date hereof the number and percentage of shares of the Company owned of record or beneficially, directly or indirectly, by each person or Company who owns of record or is known by the Company to own beneficially, directly or indirectly more than 10% of the shares of the Company is as follows:

<u>NAME AND ADDRESS</u>	<u>CLASS, TYPE OF OWNERSHIP</u>	<u>NO. OF SHARES OWNED</u>	<u>PERCENTAGE</u>
Nell Marie Dragovan 2658 West 19th Ave. Vancouver, B.C.	Beneficial Direct	150,000	
	*Indirect	750,000	94.7%
Shirley T. Inouye 4711 Webster Road Richmond, B.C.	Beneficial Direct	50,000	5.3%

* Held through Big Deal Investments Ltd.

The number and percentages of shares in the Company beneficially owned directly or indirectly by all Directors and Senior Officers of the Company as a group is as follows:

<u>DESIGNATION</u>	<u>NUMBER OF SHARES BENEFICIALLY OWNED</u>	<u>PERCENTAGE OF CLASS</u>
Common	900,000	94.7%

PRIOR SALES

During the twelve calendar months prior to the date of this Prospectus, the Company sold the following shares for cash:

<u>NUMBER OF SHARES</u>	<u>PRICE PER SHARE</u>	<u>COMMISSIONS PAID PER SHARE SOLD</u>	<u>CASH RECEIVED</u>
200,000	10¢	NIL	\$20,000.00

All shares sold previously for cash have been escrowed with The Metropolitan Trust Company as set out on page 10 hereof under "Escrowed Shares".

INCORPORATION WITHIN ONE YEAR - PRELIMINARY EXPENSES

As of December 8, 1977, the Company has incurred administrative expenses of \$5,020.44 and it anticipates to incur approximately a further \$3,000.00 in the near future, being the cost related to the filing of this Prospectus. At the same date, the Company has incurred \$400.00 in the way of exploration expenses and does not intend to incur any further exploration expenses except as set out in the "Use of Proceeds" herein.

AUDITORS

The name and address of the Auditor of the Company is Hugh R. Dunn, Chartered Accountant, 1955 West Broadway, Vancouver, British Columbia.

REGISTRAR AND TRANSFER AGENT

The Registrar and Transfer Agent of the Company is The Metropolitan Trust Company, 544 Howe Street, Vancouver, British Columbia.

MATERIAL CONTRACTS

Particulars of all material contracts entered into by the Company within two years preceding the date of this Prospectus, other than in the ordinary course of business, are as follows:

Agreement dated December 6, 1977 between Big Deal Investments Ltd. and John Sipos and the Company, wherein the Company acquired the BEE mineral claim in the Harrison Hot Springs area of British Columbia, forming the Harrison Property referred to under "The Property" herein.

All material contracts may be inspected at the Registered office of the Company during normal business hours while primary distribution of the securities offered hereunder is in progress and for a period of thirty days thereafter.

PURCHASER'S STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

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

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

(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 the expiration of 90 days from the latter 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.

JET-STAR RESOURCES LTD.

FINANCIAL STATEMENTS

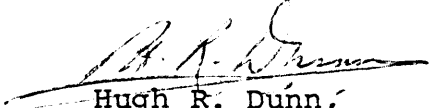
AS AT DECEMBER 8, 1977

AUDITOR'S REPORT

The Shareholders of
Jet-Star Resources Ltd.
Vancouver, B.C.

I have examined the Balance Sheet of Jet-Star Resources Ltd. as at December 8, 1977 and the Statements of Deferred Exploration and Administrative Expenditures and of Source and Application of Funds for the period from the date of incorporation, November 28, 1977 to December 8, 1977. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion these Financial Statements present fairly the financial position of the Company as at December 8, 1977 and the results of its operations and the source and application of its funds for the period ended on that date in accordance with generally accepted accounting principles.


Hugh R. Dunn,
Chartered Accountant

1955 West Broadway
Vancouver, B.C.
December 8, 1977

JET-STAR RESOURCES LTD.

BALANCE SHEET

AS AT DECEMBER 8, 1977

A S S E T S

CURRENT ASSETS

Cash

\$11,948.56

INTEREST IN MINERAL PROPERTIES

(note 2)

9,800.00

DEFERRED EXPLORATION AND ADMINISTRATION
EXPENDITURES, per attached statement

5,420.44

INCORPORATION COSTS

331.00

\$27,500.00

SHAREHOLDERS' EQUITY

SHARE CAPITAL

Authorized: 5,000,000 shares without
par value

Allotted: (note 3)

200,000 shares for cash \$20,000

750,000 shares for mineral

 properties 7,500

\$27,500.00

950,000 shares

APPROVED ON BEHALF OF THE BOARD:

Neil M. Dwyer Director

[Signature] Director

JET-STAR RESOURCES LTD.

STATEMENT OF DEFERRED EXPLORATION AND
ADMINISTRATIVE EXPENDITURE

FOR THE PERIOD FROM THE DATE OF INCORPORATION,
NOVEMBER 28, 1977 TO DECEMBER 8, 1977

EXPLORATION EXPENDITURES

BEE mineral claim, Harrison Hot Springs area, British Columbia engineering report		\$ 400.00
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ADMINISTRATIVE EXPENDITURES

Transfer fees	300.00	
Audit	200.00	
Share certificates	570.44	
Legal fees	3,600.00	
Prospectus & Security Issuers fees	<u>350.00</u>	
		<u>5,020.44</u>

TOTAL DEFERRED EXPENDITURES - to Balance Sheet		<u>\$5,420.44</u>
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JET-STAR RESOURCES LTD.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE PERIOD FROM THE DATE OF INCORPORATION,
NOVEMBER 28, 1977 TO DECEMBER 8, 1977

SOURCE OF FUNDS

Proceeds from the issue of 200,000
shares from the treasury \$20,000.00

APPLICATION OF FUNDS

Cash payments to acquire BEE
mineral claim 2,300.00

Exploration and administrative
expenditures, per attached statement 5,420.44

Incorporation costs 331.00

8,051.44

WORKING CAPITAL AT END OF PERIOD

\$11,948.56

REPRESENTED BY:

Current Assets

\$11,948.56

JET-STAR RESOURCES LTD.

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 8, 1977

1. ACCOUNTING POLICIES

In common with most mining companies in the exploration stage, the Company defers all direct expenditure on properties and areas in which it is interested and all administrative expenditure. At such time as the Company loses or abandons title or its interest in any property the accumulated expenditure on such property and the attributable portion of administrative expenditure will be charged to deficit. If any property reaches commercial production, applicable deferred expenditures will be amortized over the productive period.

2. The Company has acquired the BEE mineral claim in the Harrison Hot Springs area in the Province of British Columbia for the following consideration:

Cash	\$2,300.00
Shares - 750,000 allotted at deemed value of 1¢ each	<u>7,500.00</u>
	<u>\$9,800.00</u>

3. During the period the company allotted 200,000 shares for cash proceeds of \$20,000 and 750,000 shares for mineral properties at a deemed value of 1¢ each. The 750,000 shares allotted for mineral properties are subject to the escrow restrictions of the Superintendent of Brokers of the Province of British Columbia.
4. The title to the BEE mineral claim as of this date has not been transferred to the Company but is registered in the name of Nell M. Dragovan and is being held in trust for the Company.

Geological Report

on the

BEE CLAIM

for

JET-STAR RESOURCES LTD.

NEW WESTMINSTER M.D. 92H/5W

December 5, 1977
Vancouver, B.C.

L. Sookochoff, P.Eng.
Consulting Geologist

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ILLUSTRATIONS

SCALE

LOCATION AND GEOLOGY

1" = 4 MILES

Geological Report

on the

BEE PROPERTY

for

JET-STAR RESOURCES LTD.

Part A

SUMMARY AND CONCLUSIONS

The BEE property is comprised of six units located three kilometers southwest of Harrison Hot Springs and within three kilometers of the former PF property where extensive exploration of pyrite and chalcopyrite zones within sediments are reported.

The BEE claim covers predominantly Tertiary granodiorites and more specifically, a main outcropping of pegmatite or coarse grained granodiorite. The main outcrop is comprised mainly of quartz enveloping large crystals of potash feldspar and fragments of granodiorite. Clusters of pyrite, occasional malachite, splashes of malachite and localized erytherite occur within the main outcrop in addition to uraninite or uraniferous magnetite and phosphuranylite - a secondary uranium mineral.

Scintillometer readings taken by the writer indicate up to .7% (R) U_3O_8 equivalent in localized areas with an average of .3% (R) U_3O_8 equivalent over the main outcrop.

A chip sample across a two meter wide zone assayed .020% U_3O_8 or .18 Kg U_3O_8 per ton which is valued at \$17.82 per ton.

In the immediate host rock area, 10 times background is indicated. (This includes all minerals detected by radiometric methods and does not necessarily indicate any of the radioactivity is caused by uranium).

Uranium minerals are indicated to be present in an environment where the potential for economic uranium deposits can exist. As surface weathering is evident, a portion of the primary uranium minerals can be assumed to be weathered out, thus surface expressions of uranium mineralization may only be indicators of increased sub-surface uranium values.

RECOMMENDATIONS

It is recommended that a three phase program be carried out on the BEE property. The first phase would be a reconnaissance scintillometer and geologic mapping. The second phase would be a follow-up radon or track-etch survey over indicated anomalous areas. The third phase would consist of diamond drilling to test specific anomalous areas.

It is also recommended that Jet-Star Resources Ltd. allocate the sum of \$30,000.00 to initiate and execute the recommended exploration program.

Respectfully submitted



Laurence Sookochoff, P.Eng.
Consulting Geologist

December 5, 1977
Vancouver, B.C.

Geological Report

on the

BEE PROPERTY

Part B

INTRODUCTION

At the request of Nel Dragovan, president of Jet-Star Resources Ltd. of Vancouver, B.C., the writer was requested to prepare a report on the potential of locating economic uranium zones on the BEE property. A property examination was carried out on April 14, 1977. Additional information was obtained from pertinent public and government reports as cited under References.

PROPERTY

The property is comprised of one located mineral claim of six units. Details are as follows:

<u>Claim Name</u>	<u>Record No.</u>	<u>Expiry</u>
BEE	167	November 9, 1978

The L.C.P. of the BEE claim was noted.

The claim will be referred to as the BEE property hereafter.

LOCATION AND ACCESS

The property is located on the south slope of Agassiz Mountain, six and one-half km north of Agassiz and three km. southwest of Harrison Hot Springs.

Co-ordinates of the property are $121^{\circ}50'$ W. and $49^{\circ}17'$ N., within the New Westminster Mining Division.

Access is three kilometers north of Agassiz to a secondary road branching to the west directly south of a power line right of way. The L.C.P. of the BEE claim is within 300 meters of the road and one kilometer from the main junction.

WATER AND POWER

Water would be available from the many water sources on the property.

Commercial power would be available from a utility line paralleling Highway No. 9.

TOPOGRAPHY

Moderate to steep slopes prevail in the area of the main showings.

Elevations range from 650 to 1,000 meters a.m.s.l.

HISTORY

A number of mineralized showings are scattered throughout the general area of the BEE property. The most significant is the PF showing located one and one-half km. to the southwest. The occurrence is comprised of coarse pyrite, chalcopryrite with minor quartz filling fractures in Mesozoic sedimentary rocks.

The first recorded work on the PF group was in 1955 when diamond drilling was done to test a copper-bearing silicified zone. In 1966, an I.P. survey, geological mapping and trenching were completed. It is possibly that during this period some opencutting was carried out on the pegmatitic outcrop of the BEE property - possibly due to the malachite staining within the localized area.

In October 1977, the previous owners of the property carried out additional work on the BEE claim. Reportedly \$700 of assessment work was done which consisted of additional rock work on the main showing, some stripping and trail access improvement.

ECONOMIC CONSIDERATIONS

When uranium was first recognized for its economic importance in the 1940's, the government became involved in the Canadian uranium industry. Even after the boom of the 1950's and into the slump of the 1960's, the federal government considered it necessary to stockpile uranium.

As of the early to mid 70's a sellers market began developing to a situation where it has again become profitable to explore for and recover uranium. There is predicted a continuing demand in the future, not only for domestic needs, but for electric utilities in other countries. The U.S., for example, is far from self sufficient in uranium and is expected to generate half the world's nuclear power.

The price reflects the growing demand. From \$6-10 per pound for uranium in the early 1950's, the current price is \$40-50 and is predicted to be well above \$75 per pound in the near future.

Thus a reflection of the ever increasing price, in association with the present and ever improving technology of uranium recovery, along with the present assured uranium markets, with consideration of the nature of the BEE deposit, a grade as low as .03% U_3O_8 could be economic.

GEOLOGY

The BEE property is along the fringe area of Tertiary granodiorite intrusions in contact with Jurassic sedimentary rocks. The property predominantly is underlain by a medium textured hornblende granodiorite in contact with a conglomerate of the Kent Formation and pelitic sandstone, tuff and limestone of the Agassiz Formation (Jurassic) to the west.

The main area of interest on the property is an outcropping of siliceous pegmatitic material comprised mainly of white to clear quartz enveloping subhedral crystals of potash feldspar (up to three inches long) and fragments of granodioritic host rock.

The outcrop is approximately six meters in diameter with lightly altered (hornblende→biotite) host rock to the west and north. A light dusting of sericite is evident in the granodiorite and to a greater degree in the pegmatite.

Significant northwest trending fault zones are evident as fault scarps in the immediate area. Faulting and to a lesser degree fracturing at 005° and 340° is indicated adjacent to the zone.

MINERALIZATION

Mineralization is predominantly within the pegmatitic or coarse grained granitic extrusion. An unidentified uranium mineral, possibly uraninite or uraniferous magnetite occurs as sporadic fine disseminated black crystals in association with clusters of fine grained pyrite. A greenish yellow secondary mineral, possibly phosphuranylite - a secondary uranium mineral, is also evident through the matrix.

Occasional patches of chalcopyrite with splashes of malachite and erytherite occur sporadically within the zone.

Moderate weathering of surface values is obvious in the pyrite voids, in addition to secondary minerals of uranium and cobalt.

Limonite stain and red limonitic alteration is general. Pale purplish fluorite is present in association with the quartz.

Scintillometer readings taken by the writer over the pegmatitic zone indicated a maximum of .7% (R) U_3O_8 equivalent in specific locations. An average over the outcrop indicated .15% (R) U_3O_8 equivalent.

The general area peripheral to the main zone of mineralization and including outcrops of granodiorite indicated up to 10 times background (background of .002 R/hr).

A two meter chip sample across a portion of the zone assayed .020 % U_3O_8 or .18 Kg per ton. At \$99 per Kg (\$45/lb) the gross value would be \$17.82 per ton.

RECOMMENDED EXPLORATION PROGRAM

It is recommended that a three phase program be conducted over the BEE claim to locate and test specific areas for increased sub-surface uranium mineralization.

The first phase is estimated to cost \$7,500.00 and should consist of a reconnaissance scintillometer survey in conjunction with geological mapping to locate anomalous areas for follow-up exploration.

Phase II would consist of a radon or track-etch survey over anomalous areas as determined in Phase I.

Phase III would consist of preliminary diamond drilling to test specific target areas.

COST OF RECOMMENDED EXPLORATION PROGRAM

Phase I

Reconnaissance scintillometer survey	\$3,000.00
Geological mapping	1,500.00
Field expenses - assays, rentals	500.00
Travel and accommodation	500.00
Engineering and supervision	1,000.00
Contingencies	<u>1,000.00</u>
Phase I Total	\$7,500.00

Phase II

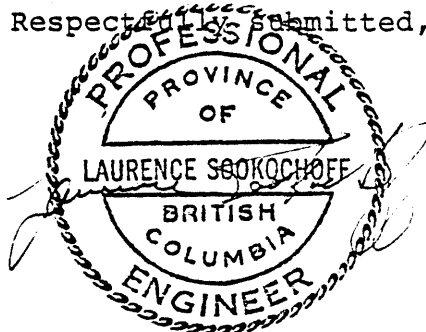
Radon or Track-etch survey	\$4,000.00
Associated expenses	1,500.00
Engineering and supervision	1,000.00
Contingencies	<u>1,000.00</u>
Phase II Total	\$7,500.00

Phase II will be initiated upon favorable results of Phase I.

Phase III (contingent on favourable results of Phase II)
 Test drilling of indicated anomalies - allow \$15,000.00

It is estimated that Phase I of the recommended exploration program would take one month to complete.

Respectfully submitted,



Laurence Sookochoff, P.Eng.
 Consulting Geologist

December 5, 1977
 Vancouver, B.C.

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- FINANCIAL POST - May 29, 1976.
- NORTHERN MINER - February 3, 1977, November 28, 1974

CERTIFICATE

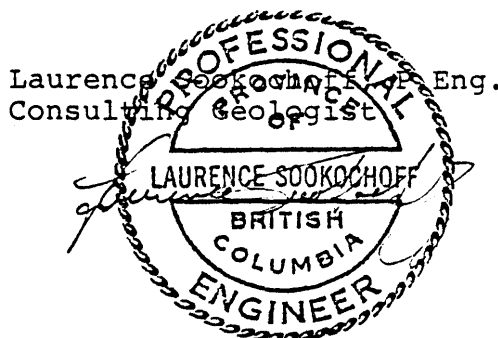
I, Laurence Sookochoff, of the City of Vancouver, in the Province of British Columbia, do hereby certify:

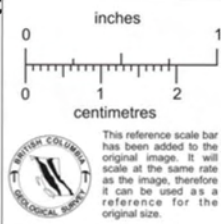
That I am a Consulting Geologist with Pan-American Consultants Ltd. of 2602 - 1055 West Georgia Street. Vancouver, B.C.

I further certify that:

1. I am a graduate of the University of British Columbia (1966) and hold a B.Sc. degree in Geology.
2. I have been practising my profession for the past eleven years.
3. I am registered with the Association of Professional Engineers of British Columbia.
4. The information for the accompanying report is based on a personal examination of the Bee property on April 14, 1977 and from published material as cited under references.
5. Neither I nor Pan-American has direct or indirect interest in the property described herein, or in the securities of Jet-Star Resources Ltd.

December 5, 1977
Vancouver, B.C.





CENOZOIC

TERTIARY
MIOCENE AND EARLIER

24 Granodiorite, quartz diorite

MESOZOIC

11 AGASSIZ PRAIRIE FORMATION:
pelite, minor sandstone, tuff,

10 KENT FORMATION: conglomerate



BEE CLAIM



JET-STAR RESOURCES LTD.

BEE CLAIM NEW WEST. M.D.


LOCATION & GEOLOGY

Scale: 1:25 000 December 1977


CERTIFICATE

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


DATED at Vancouver, British Columbia, this
6th day of *January*, A.D. 19*78*.



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