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NICOLA COPPER MINES LTD. (N.P.L.)

Incorporated in British Columbia

This is Exhibit "C" referred to in the
declaration of Gerald Williams Halliwell
sworn before me at Vancouver BC
this 24 day of May 19 72
[Signature]
A Commissioner for taking Affidavits
for British Columbia

PROSPECTUS

MAY 8, 1972

FIRST PUBLIC OFFERING

NICOLA COPPER MINES LTD. (N.P.L.) (referred to as "the Company") offers Three Hundred Thousand (300,000) common shares at a price of Forty (40¢) cents per share each to net the treasury Thirty (30¢) cents per share.

PLAN OF DISTRIBUTION

THE COMPANY MAKES THIS OFFERING OF ITS SHARES AS A SECURITY-ISSUER REGISTERED UNDER THE SECURITIES ACT OF BRITISH COLUMBIA. THE SAID SHARES MAY ALSO BE OFFERED BY PERSONS OR COMPANIES REGISTERED UNDER THE SAID ACT. SHOULD THE COMPANY DIRECTORS DISTRIBUTE THE SECURITIES OFFERED HEREIN THEY WILL NOT RECEIVE ANY COMMISSION.

	Price to Public	Discount & Commission	Proceeds to Company
Per Unit	.40	.10	.30
Total 300,000 Common Shares	\$120,000.00	\$30,000.00	\$90,000.00 (if all shares sold)

THE INSIDERS OF THE COMPANY HOLD 60% OF THE SHARES OF THE COMPANY, AND AFTER COMPLETION OF THIS OFFERING WILL HOLD 48.7%.

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION SINCE THE COMPANY'S MINING PROPERTY IS IN THE EXPLORATION STAGE ONLY AND SUCH AN UNDERTAKING INVOLVES A SIGNIFICANT RISK OF LOSS.

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.

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

NO SURVEY OF ANY PROPERTY OF THE COMPANY HAS BEEN MADE AND THEREFORE THE EXISTENCE OF AND THE AREAS OF SUCH PROPERTY COULD BE IN DOUBT. THERE IS NO KNOWN BODY OF COMMERCIAL ORE ON ANY OF THE COMPANY'S PROPERTY.

THIS PROSPECTUS IS NOT TO BE CONSTRUED AS A PUBLIC OFFERING OF SECURITIES FOR SALE IN THE UNITED STATES OF AMERICA, OR IN ANY OF THE TERRITORIES OR POSSESSIONS THEREOF.

NO PERSON IS AUTHORIZED BY THE COMPANY TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE ISSUE AND SALE OF THE SECURITIES OFFERED BY THE COMPANY.

INDEX

	Page
Auditors	3
Auditor's Report	14
Business - Description of	3
Directors	7
Distribution — Plan of	1
Engineer	3
Engineering Report	20
Financial Statements	15
Incorporation	5
Material Contracts	13
Material Facts - Other	13
Mining Property	
Description of Title	7
Access and Geology	9
History	9
Program of Exploration and costs	10
Officers	7
Proceeds - Use of	12
Promoter	6
Rescission — Purchasers Right of	3
Securities	
Principal Shareholders	6
Escrow Shareholders	5
Share Capital	
Capitalization	4
Cash — Shares for	4
Escrowed	5
Pooled	5
Share Offering	1
Transfer Agent — Registrar	3

HEAD OFFICE:
9897 - 138A Street,
Surrey, B.C.

REGISTERED OFFICE:
600 - 890 West Pender Street,
Vancouver, B.C.

REGISTRAR AND TRANSFER AGENT:
The Canada Trust Company,
901 West Pender Street,
Vancouver, B.C.

AUDITORS:
Thorne, Biagi & Little,
Chartered Accountants,
13639 - 108 Avenue,
Surrey, B.C.

CONSULTING ENGINEER:
Allen Geological Engineering Ltd.,
303 - 325 Howe Street,
Vancouver, B.C.

COMPANY'S BUSINESS AND ITS PRESENT PURPOSE

Nicola Copper Mines Ltd. (N.P.L.) is a mining company with power to engage in searching for and developing mineral properties. The Company is presently engaged in a search for a body or bodies of commercial ore on its properties in the Highland Valley area of British Columbia.

The sum of \$90,000.00 to be derived from the issue of shares under this Prospectus will be used to finance the program of exploration recommended by the Company's Consulting Engineer and to meet general corporate expenses. Full particulars are set out in the general section entitled "Mining Property" and in the report of Alfred R. Allen, P.Eng., dated November 24, 1971, of the firm of Allen Geological Engineering Ltd. and which said report is annexed to and forms a part of this Prospectus. See "Use of Proceeds" at page 14.

As the funds are received from the sale of shares offered herein, they will be applied on exploration costs which include Consultants' fees and the costs of men and equipment. Specific priorities will be determined in consultation with the Company's Consulting Engineer and cognizance will be taken of the need to complete and file assessment work. Administration and corporate expenses will also be paid from the said funds as received. A breakdown of the total costs of proposed exploration and development is to be found at pages 12, 13 and 14 of this Prospectus under the headings, "Proposed Program of Exploration and Costs" and "Use of Proceeds".

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 jurisdictions in which the securities offered by this Prospectus may lawfully be sold.

Should the Company propose to use the proceeds to acquire non-trustee type securities after the initial distribution of the securities offered by this Prospectus, approval by the shareholders must be obtained and disclosure made to the regulatory securities bodies having jurisdiction over the sale of the securities offered by this Prospectus.

PURCHASER'S RIGHT OF RESCISSION

Sections 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 while still the owner thereof has the right to rescind a contract for the purchase of a security, 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 of the written confirmation of the sale of the securities to either of them. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell the security 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 while still the owner thereof, has the right to rescind a contract for the purchase of such security, 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: —
- (1) the date of such contract, or
 - (2) the date on which such prospectus or amended prospectus is received or is deemed to be received by the purchaser or his agent, whichever date is the later.

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

SHARE CAPITAL AND CAPITALIZATION

The authorized capital of the Company is \$10,000,000.00 divided into 10,000,000 shares with a nominal or par value of \$1.00 each. There is only one class of shares and all rank equally as to dividends, voting rights and participation in assets.

Designation of security	Amount Authorized or to be Authorized	Amount outstanding as of the date of the most recent balance sheet contained in the Prospectus	Amount outstanding as of May 8, 1972	Amount to be outstanding if all securities being issued are sold
Common Shares	10,000,000	1,299,350	1,299,350	1,599,350

PARTICULARS OF SHARES SOLD FOR CASH

Number of Shares	Price	Cash Received	Discounts and Commissions
446,500	.10	\$44,650.00	Nil
45,250	.14	6,335.00	Nil
57,600	.25	14,400.00	Nil

SHARES ISSUED DURING PRECEDING TWELVE MONTHS

During the preceding twelve months the Company issued and allotted 814,100 shares for either a cash consideration or in payment for mining claims.

INCORPORATION

The Company is a specially limited company having been incorporated in British Columbia on December 2, 1965, by issuance of a Certificate of Incorporation No. 67169 upon the filing of a Memorandum and Articles of Association with the Registrar of Companies of British Columbia.

The Memorandum of Association and Articles of Association have been amended as follows:

May 27, 1969	Increase in capital to \$1,000,000.00
July 30, 1969	Increase in capital to \$10,000,000.00
May 8, 1972	Conversion from a private company to a public company.

POOLING OF SHARES

Certificates representing 549,350 issued shares in the capital stock of the Company are held by The Canada Trust Company, Vancouver, British Columbia, to be released thirty days after completion of the distribution of the shares offered hereby.

ESCROWED SHARES

As of May 8, 1972, 750,000 shares are held in escrow by The Canada Trust Company subject to the direction or determination of the British Columbia Securities Commission (Commission). 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 Commission.

In the event 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 Commission 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 Commission determines shall have become subject to cancellation, shall be surrendered to the company by way of gift for cancellation. The complete text of the escrow agreement is available for inspection at the company's registered office 600-890 West Pender Street, Vancouver, British Columbia.

Designation of Class	Number of Shares	Percentage of Class (upon completion of this offering)
Common Shares	750,000	46.9%

At the date of this Prospectus 57.72% of the shares outstanding are escrowed.

ESCROW SHAREHOLDERS

	Number	Percentage Prior to Offering
Joseph FRANKS 8842 - 119th Street Delta, B.C.	145,000	11.16%
Gerald William HALLIWELL 19645 - 96th Ave. Langley, B.C.	120,000	9.23%

	<u>Number</u>	<u>Percentage Prior to Offering</u>
Theodore KUHN 560 - 184th Street Surrey, B.C.	157,500	12.12%
John Jessup KETTERINGHAM 9897 - 138A Street Surrey, B.C.	227,500	17.51%
Annie CONTE 18256 - 8th Ave. Surrey, B.C.	100,000	7.70%

PRINCIPAL HOLDERS OF SECURITIES

A. (Holding more than 10% each of the issued shares of the Company at May 8, 1972.)

<u>Name and Address</u>	<u>Designation of Class</u>	<u>Type of Ownership</u>	<u>Number of Shares Owned</u>	<u>Percentage</u>
Joseph FRANKS 8842 - 119th St. Delta, B.C.	Common	Direct of Record & Beneficial	157,500	11.12%
Gerald William HALLIWELL 19645 - 96th Ave. Langley, B.C.	Common	Direct of Record & Beneficial	169,450	13%
Theodore KUHN 560 - 184th St. Surrey, B.C.	Common	Direct of Record & Beneficial	190,900	14.69%
John Jessup KETTERINGHAM 9897 - 138A St. Surrey, B.C.	Common	Direct of Record & Beneficial	258,400	19.89%

B. (Percentage of shares owned by Directors and Senior Officers)

<u>Designation of Class</u>	<u>Percentage of Class</u>
Common Shares	47.6%

PROMOTER

By virtue of the definition of "promoter" in Section 2 of the Securities Act, 1967 (British Columbia) Messrs. Gerald William Halliwell, Theodore Kuhn and John Jessup Ketteringham, being

Directors of the Company may be deemed to be the promoters of the Company. For their interest in the mineral claims the Directors received 505,000 common shares and \$4,150.00 cash. Gerald William Halliwell and John Jessup Ketteringham provided managerial and exploration services during the year ended November 30, 1971, at a cost of \$6,233.20 and during the period ended February 15, 1972, at a cost of \$3,816.78.

DIRECTORS AND OFFICERS

<u>Name and Address</u>	<u>Office Held</u>	<u>Principal Occupation during preceding five years</u>
Theodore KUHN 560 - 184th St. Surrey, B.C.	President and Director	Farmer
Gerald William HALLIWELL 19645 - 96th Ave. Langley, B.C.	Vice-President and Director	Salesman
John Jessup KETTERINGHAM 9897 - 138A St. Surrey, B.C.	Secretary and Director	Mechanical Shop Foreman

At May 8, 1972, 47.6% of the shares of the Company are beneficially owned directly or indirectly by all its Directors and senior officers.

No remuneration has been paid to the Directors in their capacity as such and there is no present plan to remunerate the Directors or any one of them in the capacity of Managing Director or as Directors.

Two of the Company's Directors, John Jessup Ketteringham and Gerald William Halliwell, provide managerial services to the Company and during the six months next ensuing each will receive a salary of \$800.00 per month.

Previously Held Mining Property -

By Agreement dated May 11, 1970, between the Company and Robert T. Reynolds and Stanley E. Cropper, the Company purchased four mineral claims located northwest of 17 Mile Creek and north of the Hope-Princeton Highway. The claims were described as R & K 1-4. The purchase price payable under the Agreement was \$30,000.00 of which \$25,000.00 has been paid. The claims have been allowed to lapse.

MINING PROPERTY

HIGHLAND VALLEY AREA, BRITISH COLUMBIA
LOGAN LAKE, GREENSTONE CREEK and
WALLOPER LAKE GROUPS, BRITISH COLUMBIA

The Company's mineral claims in the Highland Valley Area of British Columbia are recorded in the office of the Mining Recorder at Kamloops, British Columbia.

<u>Claim Name</u>	<u>Mineral Claim Number</u>	<u>Expiry Date</u>
<i>Logan Lake Group</i>		
KR&K 1	68629	March 29, 1973
KR&K 2	68630	March 29, 1973
KR&K 9 - 16	68826 - 68833	May 2, 1973
KR&K 17 - 21	74692 - 74696	November 18, 1974
KR&K 23 - 30	74698 - 74705	November 18, 1973
KR&K 31 - 38	82877 - 82884	August 13, 1973
<i>Greenstone Creek Group</i>		
JG 1 - 29	101068 - 101096	November 23, 1973
KR&K 58 - 59	84694 - 84695	November 7, 1973
KR&K 60 - 65	85278 - 85283	November 7, 1973
KR&K 67	85285	November 7, 1973
KR&K 69	85287	November 7, 1973
KR&K 71	85289	November 7, 1973
KR&K 73	85291	November 7, 1973
KR&K 200 - 211	97255 - 97266	June 2, 1973
KR&K 149 - 162	87663 - 87676	March 19, 1976
KR&K 212 - 213	99759 - 99760	September 13, 1972
<i>Walloper Lake Group</i>		
KR&K 101 - 122	85684 - 85705	November 21, 1973
KR&K 123	85706	November 24, 1973
KR&K 124 - 148	87638 - 87662	March 19, 1974
KR&K 163 - 168	87940 - 87945	March 25, 1973
MANDY 1 - 12	100645 - 100656	November 2, 1973

The Company's Highland Valley Area claims are generally located 30 miles north of Merritt and 38 miles East of Ashcroft.

The Company is the recorded holder of all the aforesaid claims and there are no liens or encumbrances recorded against them.

PITT LAKE AREA, BRITISH COLUMBIA

<u>Claim Name</u>	<u>Mineral Claim Number</u>	<u>Expiry Date</u>
<i>Pitt Lake Area</i>		
TRF 9 - 12	20627 - 20630	August 13, 1972
TRF 13	20703	August 13, 1972
TRF 16	20706	August 13, 1972
TRF 19	20709	August 13, 1972
TRFW 1 - 2	22130 - 22131	August 13, 1972
TRFW 4	22133	August 13, 1972
PITT 1 - 10	24433 - 24442	September 25, 1972
PITT 11 - 18	26715 - 26722	August 20, 1972

The Company's mineral claims in the Pitt Lake Area of British Columbia are recorded in the office of the Mining Recorder at New Westminster, British Columbia.

The Company is the recorded holder of all the aforesaid claims and there are no liens or encumbrances recorded against them.

By Agreement dated January 1, 1972, the Company acquired the following mineral claims which are included in its present holdings; Logan Lake Group - KR&K 1 & 2, 9 - 16, 17 - 21, 23 - 30, Greenstone Creek Group KR&K 58 & 59, 212 & 213, Walloper Lake Group - MANDY 1 - 12, Pitt Lake Area - TRF 9 - 12, 13, 16, 19, TRFW 1 & 2, and 4. The Vendors were: Joseph Franks, Gerald William Halliwell, Theodore Kuhn and John Jessup Ketteringham, and the full purchase price paid for the said mineral claims was the allotment into escrow of 750,000 shares and payment of \$5,640.00 cash. Cost of the said claims to the Vendors is estimated to be \$1,500.00, consisting of prospecting, staking, recording costs and professional fees.

Location:

The Company's holdings comprise three groups of located mineral claims in the Highland Valley Area of south central British Columbia.

The westerly property is at the Logan Lake townsite of Lornex Mines, on the east side of Guichon Creek, at the junction of the Mammit Lake and the Le Jeune Lake roads.

The central property is located six miles to the east, via the Le Jeune Lake road, at the head of Greenstone Creek.

The easterly property is eight miles east of the central property via the Le Jeune Lake road between Walloper and Le Jeune Lakes.

The westerly property is commonly referred to as the Logan Lake Group, the central property the Greenstone Creek Group, and the easterly property as the Walloper Lake Group.

Access is via secondary but excellent roads from Ashcroft, Merrit, Savona and Kamloops.

Topography:

The Highland Valley Area holdings of Nicola Copper Mines Ltd. (N.P.L.) are located on the Meadow Creek drainage area, on the rolling uplands known as the Nicola Plateau. Meadow Creek heads in Le Jeune Lake, elevation 4,177 feet above sea level, and flows westerly into Guichon Creek two miles south of Logan Lake. Guichon Creek, the main drainage control for the area flows south, through Mammit Lake into the Nicola River four miles west of Merritt.

History:

Prior to 1900 the Highland Valley was actively prospected and many showings of copper mineralization had been discovered. Some production was attained before 1920 from the OK and Glossy deposits. In the mid 1950's there was a surge in prospecting and this resulted in the development of the Bethlehem operation. In the 1960's the Lornex, Valley Copper, Highmont, and Alwin deposits were actively developed. In the 1969-71 period Bethlehem reported the discovery of two additional important orebodies.

The three claim groups of Nicola Copper Mines Ltd. (N.P.L.) were acquired in 1968, 1969, 1970 and 1971. Seven of the Logan Lake Group of claims were sold to Lornex and exploratory work has been carried out on the remainder as follows:

One diamond drill hole on the Logan Lake Group, two on the Greenstone Creek claims and two on the Walloper Lake property have been completed for a total footage of 990 feet. An induced polarization survey over a narrow section of the Logan Lake claims has been completed by Siegel

Associates Ltd. of Vancouver. The holdings have been thoroughly prospected and are known to extend from the east contact of the Guichon Creek batholith to the west contact of the Nicola batholith and much of the intervening Nicola series of volcanic and sedimentary rocks.

Exploratory work on the Logan Lake Group has included, to date, a vertical diamond drill hole to 513 feet on the KR&K No. 2, and a reconnaissance induced polarization survey in the same area on the KR&K No. 2, No. 9 and No. 18 claims.

Little information regarding bedrock geology is known, but the diamond drill hole encountered greenstone under 350 feet of overburden. There appears to be a possibility that the Gump Lake phase of the Guichon Creek batholith extends easterly to underlie some of the southwest portion of this property.

Two miles west of Greenstone Creek on the J.G. claims, forming a part of the Greenstone Creek Group, there is a copper deposit known as the Ford upon which some exploratory work was done in the late 1920's. Thirty tons of sorted material were shipped from this showing to a smelter. It assayed 2.14% copper, 0.3 ounces of silver per ton and a trace of gold. This zone of disseminated copper-silver mineralization warrants thorough investigation, and should be the focal point from which work is conducted on the Company's properties.

On the KR&K 150 three miles to the southeast, two holes, 90 and 180 ft. vertical, were diamond drilled into Nicola volcanic rocks. No significant copper mineralization was encountered.

On the Walloper Lake Group two holes were diamond drilled on the west side of the road on the KR&K 109 claim. These 50 ft. vertical holes encountered light grey, fine-to-medium-grained quartz diorite. Biotite shows some alteration effects and considerable epidote is disseminated throughout the rock, along with minor fine pyrite. Weak foliation is nearly horizontal.

Pitt Lake Group of Claims:

Present access to the Company's Pitt Lake Area Group of claims is by helicopter only. There is no history of the claims nor has the Company obtained a report from its consultants. Accordingly only such exploration work as may be necessary to maintain the claims in good standing will be completed during 1972 at a maximum cost of \$3,000.00.

In 1971 the company expended \$1,400.00 in carrying out limited prospecting and blasting to expose mineralization on its Pitt Lake Group of Claims.

PROPOSED PROGRAM OF EXPLORATION AND ESTIMATE OF COST:

Summary and Conclusions

The holdings of the Company comprise three properties on the east of the Highland Valley area of south central British Columbia.

Large copper and copper-molybdenum mineral deposits are currently in production or being developed in the Highland Valley.

The west group of claims is located at Logan Lake, townsite east of Guichon Creek. This is at and near the east contact of the Guichon Creek batholith with older Nicola volcanics. Because of extensive overburden, the contact has not been clearly defined. There appears however to be some possibility that the Gump Lake phase of the batholith extends onto the southwest portion of the property.

The central property, comprising three groups of claims on the Greenstone Creek-Meadow Creek drainages, includes the copper-silver occurrence known as the Ford, from which a 30 ton shipment in 1928, assayed 2.14% copper, 0.3 ounces of silver and a trace of gold per ton.

The east group of claims is located on Walloper Lake and extends east to Le Jeune Lake. These claims are believed to overlie the west contact of the Nicola batholith with the Nicola group, and to include a band of gneiss associated with the contact phase of the granitic rocks.

A recently completed magnetometer survey, plus limited geological investigations, a reconnaissance induced polarization survey over a small area of the Logan Lake property, and five short diamond drill holes have shown the properties to be located on and between the east contact of the Guichon Creek batholith and west contact of the Nicola batholith.

It is concluded that the area is favourable for the occurrence of copper and copper-molybdenum mineralization, and extensive detailed investigations are warranted.

The following two phase exploration program is proposed:

Phase No. 1	<u>Estimated Cost</u>
1. Establish surveyed grids over each property with lines at 400 feet and stations at 100 feet, tied to one base line. An estimated 160 line miles will be required, with all stations designated by wooden stakes marked with the grid number	\$20,000.00
2. Acquire stereoscopic air photo coverage for each property. Have a photomosaic made for each property. Make photogrammic maps therefrom	1,500.00
3. Using the grid survey, map each property and include roads, lakes and swamps, creeks, the higher hilltops and rock outcrops	2,000.00
4. Conduct geochemical surveys over each gridded property	25,000.00
5. Conduct magnetometer surveys over selected areas	1,500.00
6. Conduct electro-magnetic surveys over selected areas	4,000.00
7. Diamond drill a series of holes to supply bedrock information. With EX equipment allow for 1,000 feet of hole	8,000.00
8. Office, overhead, and supervision	8,000.00
9. Contingencies	<u>5,000.00</u>
Estimated costs	<u>\$75,000.00</u>

Phase No. 2

Using information from Phase No. 1, an expanded drilling program may be designed to provide necessary details pertaining to mineralization and rock types.

	<u>Estimated Cost</u>
1. Drill "scout" holes, with percussion equipment for sub-surface information, 5000 feet	\$15,000.00
2. Drill core holes for detailed information pertaining to mineralization, 2,500	25,000.00
3. Office, overhead and supervision	7,000.00
4. Contingencies	3,000.00
	<u> </u>
Estimated costs	<u>\$50,000.00</u>

USE OF PROCEEDS**Source of Funds:**

From the within offering if all shares distributed . . .	\$ 90,000.00	
Net cash on hand at February 2, 1972	<u>17,000.00</u>	
		\$107,000.00

Application of Funds:

The Company intends to apply the proceeds recovered from this offering of shares in carrying out the recommended program of exploration for its several Highland Valley Groups of claims and subject to such advice as may be received from its consultants from time to time to expend \$75,000.00 on the first phase of the program.

\$ 75,000.00

Administrative and general corporate expenses during the six months next ensuing are estimated to be

15,000.00 90,000.00

Projected Balance of funds: \$ 17,000.00

As the funds are received from the sale of securities they will be applied in conducting the program of exploration as it has been numerically stated in the preceding section and if it appears that insufficient funds are available then the Company's consultant will be called upon to modify his recommendations to permit a limited program to be carried out.

MATERIAL CONTRACTS

Each contract referred to in this Prospectus or a copy thereof may be inspected during primary distribution of the securities being offered during business hours at the company's registered office, 600-890 West Pender Street, Vancouver, British Columbia.

Except those contracts described in this Prospectus there are no other material contracts which were entered into by the Company since its incorporation that can reasonably be regarded as presently material to the purchase of the securities being offered by the Company.

OTHER MATERIAL FACTS

By virtue of their shareholdings in the Company the principal shareholders could elect or cause to be elected a majority of the Board of Directors of the Company, however, there is no agreement to do so.

CERTIFICATES**DIRECTORS AND PROMOTERS**

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.

VANCOUVER, BRITISH COLUMBIA, May 8, 1972.

DIRECTOR	"T. KUHN" Theodore Kuhn
DIRECTOR	"G.W. HALLIWELL" Gerald William Halliwell
DIRECTOR	"J.J. KETTERINGHAM" John Jessup Ketteringham

THORNE, BIAGI & LITTLE

CHARTERED ACCOUNTANTS

Telephone 581-4656

MERVIN J. THORNE, C.A.
ERIC A. BIAGI, C.A.
T. MURRAY LITTLE, C.A.

WHALLEY, PROFESSIONAL CENTRE
13639 - 108 AVENUE, SURREY, B.C.

AUDITORS' REPORT

To the Shareholders

We have examined the balance sheet of Nicola Copper Mines Ltd. (N.P.L.) as at February 15, 1972, the statement of deferred costs and statement of source and application of funds for the period then ended and have obtained all the information and explanations we have required. 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.

We have not verified the company's mineral claims directly with the Government Registry Offices. We have accepted the opinion of the company's solicitor that the company is the owner of all claims recorded in its accounts and that all claims are recorded in good standing.

In our opinion, these financial statements, when read in conjunction with the notes following, present fairly the financial position of Nicola Copper Mines Ltd. (N.P.L.) as at February 15, 1972 and the results of its operations for the period ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

"THORNE, BIAGI & LITTLE"

Chartered Accountants

March 14, 1972

NICOLA COPPER MINES LTD. (N.P.L.)**BALANCE SHEET****FEBRUARY 15, 1972***(With Comparative Figures for November 30, 1971)***ASSETS**

	February 15 1972	November 30 1971
CURRENT		
Cash in bank	\$ 18,435.87	\$ 2,323.58
Accounts receivable	376.40	308.15
	<u>18,812.27</u>	<u>2,631.73</u>
MINERAL CLAIMS (Note 1)	60,790.00	23,290.00
VEHICLES AND EQUIPMENT – at cost (Note 2)	8,595.42	4,427.93
DEFERRED COSTS		
Exploration and development costs	36,819.57	30,019.81
Administrative costs	20,240.98	18,224.17
Organizational costs	2,178.00	2,178.00
	<u>59,238.55</u>	<u>50,421.98</u>
	<u>\$147,436.24</u>	<u>\$ 80,771.64</u>

LIABILITIES

CURRENT		
Accounts payable	\$ 1,856.88	\$ 864.78
AGREEMENT PAYABLE (Note 3)	5,000.00	9,077.50
SHARE CAPITAL (Note 4)		
Authorized		
10,000,000 common shares of \$1.00 each		
Issued and fully paid		
1,299,350 shares (November 30, 1971 – 604,550 shares)	140,385.00	70,635.00
SURPLUS		
Balance at beginning of year	194.36	15,889.36
Less: Claims abandoned – net charge to surplus	–	15,695.00
Balance at end of year	<u>194.36</u>	<u>194.36</u>
	<u>\$147,436.24</u>	<u>\$ 80,771.64</u>

APPROVED ON BEHALF OF THE BOARD

"G.W. HALLIWELL" Director

"J.J. KETTERINGHAM" Director

NICOLA COPPER MINES LTD. (N.P.L.)

SCHEDULE OF DEFERRED COSTS
FOR THE PERIOD DECEMBER 1, 1970 TO FEBRUARY 15, 1972

(With Accumulative Figures to November 30, 1970)

	Balance November 30 1970	Year Ended November 30 1971	Period to February 15 1972	Balance February 15 1972
EXPLORATION AND DEVELOPMENT COSTS				
Assaying	\$ 37.75	\$ 80.00	\$ —	\$ 117.75
Drilling expenses	8,262.36	118.93	389.05	8,770.34
Engineering and consulting	1,148.61	1,755.85	—	2,904.46
Exploration salaries and costs	—	6,233.20	3,816.78	10,049.98
Field expenses including travel	4,759.73	3,268.05	1,035.50	9,063.28
Geophysical surveys	1,000.00	—	1,427.18	2,427.18
Government licenses and recording fees	2,847.30	1,308.45	—	4,155.75
Small tools and equipment	455.94	218.78	131.25	805.97
	<u>18,511.69</u>	<u>12,983.26</u>	<u>6,799.76</u>	<u>38,294.71</u>
Portion applicable to mineral claims sold-transferred to surplus	1,475.14	—	—	1,475.14
	<u>\$ 17,036.55</u>	<u>\$ 12,983.26</u>	<u>\$ 6,799.76</u>	<u>\$ 36,819.57</u>
ADMINISTRATIVE COSTS				
Advertising and promotion	\$ 102.41	\$ 79.29	\$ 13.25	\$ 194.95
Legal, audit and accounting	3,871.70	1,106.60	1,566.00	6,544.30
Management fee	15,630.00	—	—	15,630.00
Miscellaneous	430.84	396.89	50.00	877.73
Office expense	171.92	170.02	387.56	729.50
	<u>20,206.87</u>	<u>1,752.80</u>	<u>2,016.81</u>	<u>23,976.48</u>
Portion applicable to mineral claims sold-transferred to surplus	3,735.50	—	—	3,735.50
	<u>\$ 16,471.37</u>	<u>\$ 1,752.80</u>	<u>\$ 2,016.81</u>	<u>\$ 20,240.98</u>
ORGANIZATIONAL COSTS				
	<u>\$ 2,178.00</u>	<u>—</u>	<u>—</u>	<u>\$ 2,178.00</u>
	<u>\$ 35,685.92</u>	<u>\$ 14,736.06</u>	<u>\$ 8,816.57</u>	<u>\$ 59,238.55</u>

NICOLA COPPER MINES LTD. (N.P.L.)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE PERIOD ENDED FEBRUARY 15, 1972
AND THE YEAR ENDED NOVEMBER 30, 1971

	February 15 1972	November 30 1971
SOURCE OF FUNDS		
Shares issued for cash	\$ 37,250.00	\$ 20,300.00
Shares issued for mineral claims	32,500.00	5,000.00
	<u>69,750.00</u>	<u>25,300.00</u>
APPLICATION OF FUNDS		
Purchase of mineral claims	37,500.00	—
Purchase of equipment	124.99	2,387.93
Purchase of vehicles	4,042.50	1,155.00
Deferred costs	8,816.57	14,736.06
Payment of agreements payable	4,077.50	6,502.50
	<u>54,561.56</u>	<u>24,781.49</u>
INCREASE IN WORKING CAPITAL	15,188.44	518.51
WORKING CAPITAL BEGINNING OF PERIOD	1,766.95	1,248.44
WORKING CAPITAL END OF PERIOD	<u>\$ 16,955.39</u>	<u>\$ 1,766.95</u>
REPRESENTED AS FOLLOWS		
Current Assets	\$ 18,812.27	\$ 2,631.73
Current Liabilities	1,856.88	864.78
	<u>\$ 16,955.39</u>	<u>\$ 1,766.95</u>

NICOLA COPPER MINES LTD. (N.P.L.)

NOTES TO THE FINANCIAL STATEMENTS AT FEBRUARY 15, 1972

NOTE 1

(a) The company is the registered holder of 152 mineral claims in the Highland Valley in the Kamloops Mining Division of British Columbia.

(b) The company is the registered holder of 28 mineral claims near Pitt Lake in the New Westminster Mining Division of British Columbia.

(c) The mineral claims were acquired by the company for the following consideration:

1.	750,000 shares at \$.10 per share	\$ 75,000.00	
	Less: Value attributed to mineral claims sold May 1969 (The proceeds thereof were recorded as a receipt of the company)	<u>21,500.00</u>	\$ 53,500.00
2.	Cash		<u>7,290.00</u>
			<u>\$ 60,790.00</u>

NOTE 2

No provision has been made for depreciation on the vehicles and equipment.

NOTE 3

With R.T. Reynolds and S.E. Cropper due in full by May 11, 1973

\$ 5,000.00

NOTE 4

In the period November 30, 1971 to February 15, 1972 the company issued 369,800 shares for \$37,250.00 and 325,000 shares at a deemed value of \$.10 for mineral claims.

Issued and fully paid as at February 15, 1972

	SHARES	PAR VALUE	DISCOUNTS	NET
For cash	549,350	\$ 549,350.00	\$ 483,965.00	\$ 65,385.00
For mineral claims	750,000	750,000.00	675,000.00	75,000.00
	<u>1,299,350</u>	<u>\$1,299,350.00</u>	<u>\$1,158,965.00</u>	<u>\$140,385.00</u>

NOTE 5

The total remuneration received for managerial and exploration services for the company by those who were directors of the company during the period ended February 15, 1972 was \$3,816.78 and during the year ended November 30, 1971 was \$6,233.20.

NICOLA COPPER MINES LTD. (N.P.L.)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEARS ENDED NOVEMBER 30, 1970 AND NOVEMBER 30, 1969

	November 30 1970	November 30 1969
SOURCE OF FUNDS		
Shares issued for cash	\$ 6,620.00	\$ 10,520.00
Shares issued for mineral claims	5,000.00	75,000.00
Sale of mineral claims	600.00	42,000.00
Agreements payable – net after payment	15,580.00	–
	<u>27,800.00</u>	<u>127,520.00</u>
APPLICATION OF FUNDS		
Purchased mineral claims	37,290.00	75,000.00
Purchased equipment	885.00	–
Deferred costs	17,007.55	18,678.37
Exploration, development and administrative costs applied to mineral claims sold	–	5,210.64
	<u>55,182.55</u>	<u>98,889.01</u>
INCREASE (DECREASE) IN WORKING CAPITAL	<u>(27,382.55)</u>	<u>28,630.99</u>
WORKING CAPITAL BEGINNING OF PERIOD	28,630.99	–
WORKING CAPITAL END OF PERIOD	<u>\$ 1,248.44</u>	<u>\$ 28,630.99</u>
REPRESENTED AS FOLLOWS:		
Current Assets	\$ 1,348.96	\$ 43,930.64
Current Liabilities	100.52	15,299.65
	<u>\$ 1,248.44</u>	<u>\$ 28,630.99</u>

Report on the
HOLDINGS
of
NICOLA COPPER MINES LTD. (N.P.L.)
HIGHLAND VALLEY
BRITISH COLUMBIA Feb. 24, 1972

For:
NICOLA COPPER MINES LTD. (N.P.L.)
9897 - 138A Street
Surrey, B.C.

By:
ALLEN GEOLOGICAL ENGINEERING LTD.
601 - 325 Howe Street
Vancouver, B.C.

INTRODUCTION

Three properties of Nicola Copper Mines Ltd. (N.P.L.) were examined by the writer November 6th and 7th, 1971.

The purpose of the examination was to acquire, on the ground, information pertaining to claims, topography, geology and access roads, in order that the most practicable programme may be planned for investigation of the properties, with particular attention directed towards possible occurrences of copper or copper-molybdenum mineral deposits.

The object of this report is to outline the geology of the Highland Valley area and relate, so far as possible, the local geology of the Nicola Copper holdings to this environment, and thus to detail a works programme thereon.

LOCATION

The Nicola Copper holdings comprise three groups of located mineral claims in the Highland Valley area of south central British Columbia.

The westerly property is at the Logan Lake townsite of Lornex Mines, on the east side of Guichon Creek, at the junction of the Mammit Lake and the Le Jeune Lake roads.

The central property is located 6 miles to the east, via the Le Jeune Lake road, at the head of Greenstone Creek.

The easterly property is 8 miles east of the central property via the Le Jeune Lake road between Walloper and Le Jeune Lakes.

The westerly property is herein referred to as the Logan Lake Group, the central property the Greenstone Creek Group, and the easterly property as the Walloper Lake Group.

The approximate geographical location of the properties is 50°-30' north latitude and 120°-40' west longitude.

Access is via secondary but excellent roads from Ashcroft, Merritt, Savona and Kamloops.

TOPOGRAPHY

The holdings of Nicola Copper Mines are located on the Meadow Creek drainage area, on the rolling uplands known as the Nicola Plateau. Meadow Creek heads in Le Jeune Lake, elevation 4,177 feet above sea level, and flows westerly into Guichon Creek 2 miles south of Logan Lake. Guichon Creek, the main drainage control for the area flows south, through Mammit Lake into the Nicola River 4 miles west of Merritt.

CLAIMS AND OWNERSHIP

The following mineral claims are held by Nicola Copper Mines Ltd. (N.P.L.)

Logan Lake Group

Claim	Record Number	Expiry Date
KR&K 1	68629	March 29, 1973
KR&K 2	68630	March 29, 1973
KR&K 9 - 16	68826 - 68833	May 2, 1973
KR&K 17 - 21	74692 - 74696	November 18, 1974
KR&K 23 - 30	74698 - 74705	November 18, 1973
KR&K 31 - 38	82877 - 82884	August 13, 1973

Greenstone Creek Group

JG 1 - 29	101068 - 101096	November 23, 1973
KR&K 58 - 59	84694 - 84695	November 7, 1973
KR&K 60 - 65	85278 - 85283	November 7, 1973
KR&K 67	85285	November 7, 1973
KR&K 69	85287	November 7, 1973
KR&K 71	85289	November 7, 1973
KR&K 73	85291	November 7, 1973
KR&K 200 - 211	97255 - 97266	June 2, 1973
KR&K 149 - 162	87663 - 87676	March 19, 1976

Walloper Lake Group

KR&K 101 - 122	85684 - 85705	November 21, 1973
KR&K 123	85706	November 24, 1973
KR&K 124 - 134	87638 - 87648	March 19, 1974
KR&K 135 - 148	87649 - 87662	March 19, 1973
KR&K 163 - 168	87940 - 87945	March 25, 1973

HISTORY

Prior to 1900 the Highland Valley was actively prospected and many showings of copper mineralization had been discovered. Some production was attained before 1920 from the OK and Glossy deposits. In the mid-1950's there was a surge in prospecting and this resulted in the development of the Bethlehem operation. In the 1960's the Lornex, Valley Copper, Highmont, and Alwin deposits were actively developed. In the 1969-71 period Bethlehem has reported the discovery of two additional important orebodies, and the Trojan is reportedly going to be mined and the ore milled at the Alwin.

The three claims groups of Nicola Copper Mines were acquired in 1968, 1969, 1970 and 1971.

Seven of the Logan Lake group of claims were sold to Lornex and exploratory work has been carried out on the remainder as follows.

One diamond drill hole on the Logan Lake group, two on the Greenstone Creek claims and two on the Walloper Lake property have been completed for a total footage of 990 feet. An induced polarization survey over a narrow section of the Logan Lake claims has been completed by Siegel and Associates of Vancouver. The holdings have been thoroughly prospected and are known to extend from the east contact of the Guichon Creek batholith to the west contact of the Nicola batholith and much of the intervening Nicola series of volcanic and sedimentary rocks.

GENERAL GEOLOGY

Introduction

The general geology of the Highland Valley, Merritt, Kamloops area has been mapped and described in government and private reports, some of which are included in the list of references with this report.

A resume of the geological environment is herewith included, along with more detailed descriptions of those features with which the copper-molybdenum ore deposits of the region are associated.

The dominant features, geologically, are the Guichon Creek and Nicola batholiths. The former extends from the Nicola River 40 miles north to the Thompson drainage, and the latter extends from Nicola Lake 30 miles northerly. The former is up to 18 miles wide and the latter up to 6 miles wide. The batholiths are separated by a 12-mile band of Nicola volcanic and sedimentary rocks. On the west boundary of the Guichon Creek batholith, Cache Creek sediments are exposed underlying the Nicola Group. Formations younger than the batholiths include the Middle and Upper Jurassic sediments on the west boundary, Lower Cretaceous Spences Bridge Volcanics, Kingsvale volcanics of Upper Cretaceous age and Middle Eocene extrusive and sedimentary rocks of the Kamloops Group.

Very large copper-molybdenum mineral deposits have been developed within the Guichon Creek batholith. Near the south contact of this igneous complex in folded, fractured and altered calcareous sediments of the Nicola group, copper-iron deposits are being mined.

The three properties of Nicola Copper Mines Ltd. (N.P.L.) are located on the east border of the Guichon Creek batholith, in the Nicola volcanics and on the west boundary of the Nicola batholith. Accordingly, brief descriptions of these units are herewith included.

The Nicola Group

The Nicola Group is, in the Guichon Creek - Walloper Lake area, believed to be composed almost wholly of andesite, andesite porphyry and agglomerate. The altered rock is commonly referred to as greenstone. Elsewhere, particularly where more exposures occur on the west side of the Guichon Creek batholith, there are also tuff, siltstone, greywacke, limestone, chert, breccia and conglomerate. South of Meadow Creek, the Nicola andesite is foliated and altered, it strikes northerly and dips to the east.

The Guichon Creek Batholith

The Guichon Creek batholith is a 400-square mile exposure of igneous intrusive rocks. It has received considerable detailed study by K.E. Northcote and others, and it has been divided into ten concentric to irregular phases. These igneous rocks range from hornblende to quartz monzonite, but the most predominant rock types are biotite-hornblende granodiorite, quartz diorite, diorite porphyry and diorite.

The Nicola Batholith

Twelve miles to the east, the Nicola batholith parallels the Guichon Creek body and is composed largely of granodiorite and quartz diorite. Contact phases included gneissic rock, dark gneissic rock laced with numerous granitic dykes. Little or no detailed study has been applied to this igneous mass.

Structure

Within the Guichon Creek batholith there is foliation paralleling the northerly trend of the igneous mass. There is strong faulting and this is most evident in and near the large copper-molybdenum deposits. There are zones of explosive breccia which are commonly at and near large zones of mineralization.

Contacts with older rocks are clearly defined and the general dip of the older strata is steeply away from the intrusive body.

Within the Guichon Creek batholith there are concentric zones with characteristic distinguishable features and there is a suggestion of a general doming effect as indicated by shear attitudes.

Alteration

The discernable alteration products in and around the mineralized zones within the Guichon Creek batholith are as follows:

1. Sericitic alteration includes disseminations, bunches and fracture fillings of fine white sericitic mica, commonly associated with kaolinized feldspars
2. Light cream to grey bleached rock with vuggy effects caused by leaching of the calcic feldspars and peripheral kaolinization of the plagioclases. Generally termed argillic alteration.
3. The development of pink potassic feldspar, pyrite and biotite, without kaolinization, referred to as potassic alteration.

Some indications of strong alteration has been noted in the Nicola batholith, but detailed descriptions are lacking. The contact zones are in places characterized by wide bands of chlorite and quartz-mica schist along with bands of hornblende and numerous dykes of granitic rock.

Mineral Deposits

In the Witches Brook area of the Highland Valley large, low-grade copper and copper-molybdenum deposits are being mined or developed. These are the Bethlehem, Lornex, Highmont and Valley Copper along with the smaller Alwin, Trojan and Krain. At Merritt the Craigmont is in production and at Cache Creek the Maggie is to be developed by Bethlehem. In the Meadow Creek area, the Ford Group and Dupont are small copper prospects. To the south there are the mineral prospects on Swakum Mountain and the Guichon on Clapperton Creek.

The products from the operating mines are copper, molybdenum, and minor gold and silver.

GEOLOGY OF THE NICOLA COPPER HOLDINGS

The Nicola Copper holdings comprise the Logan Lake property at and near the contact between the Guichon Creek batholith and Nicola greenstone; the Greenstone Creek property underlain by the Nicola group; and the Walloper Lake property underlain by Nicola volcanics and sediments, gneissic and igneous rocks on the west contact of the Nicola batholith. Extensive overburden cover has prevented detailed geological mapping of these properties. The following is a brief outline of data so far acquired on each property.

Logan Lake Property

This is an "L" shaped property adjoining the Logan Lake townsite of Lornex Copper on the south and west.

The claims area extends from about a half mile north of Meadow Creek northerly up the Guichon and Chartrand creek valleys for about 3 miles. This area is believed to lie along the east contact of the Guichon creek batholith with Nicola greenstone. There is some possibility that the southwest portion of the property is underlain by the Gump Lake phase of the Guichon Creek batholith.

Exploratory work on the property has included, to date, a vertical diamond drill hole to 513 feet on the KR&K No. 2, and a reconnaissance induced polarization survey in the same area on the KR&K No. 2, No. 9 and No. 18 claims.

Little information regarding bedrock geology is known, but the diamond drill hole encountered greenstone under 350 feet of overburden. There appears to be a possibility that the Gump Lake phase of the Guichon Creek batholith extends easterly to underlie some of the southwest portion of this property.

A magnetometer survey over the KR&K 1, 17, 21 and 31 claims, adjoining the Logan Lake townsite on the west has recently been completed.

Greenstone Creek Property

This property is located on both sides of Greenstone Creek about 6 miles east of Guichon Creek. The Logan Lake-Kamloops road traverses the claims areas, as does Meadow Creek.

The property extends 5 miles west and 2 miles east of Greenstone Creek. It is believed to be underlain by rocks of the Nicola group.

Two miles west of Greenstone Creek, on the J.G. claims, there is a copper deposit known as the Ford upon which some exploratory work was done in the late 1920's. Thirty tons of sorted material were shipped from this showing to a smelter. It assayed 2.14% copper, 0.3 ounces of silver per ton and a trace of gold.

This zone of disseminated copper-silver mineralization warrants thorough investigation, and should be the focal point from which work is conducted on the Nicola Copper Mines properties.

On the KR&K 150, 3 miles to the southeast, 2 holes, 90 and 180 ft. vertical, were diamond drilled into Nicola volcanic rocks. No significant copper mineralization was encountered.

Wallop Lake Property

This group of claims is located on the Wallop Lake and Lake drainage area, extending easterly to Le Jeune Lake.

The property is underlain on the west by Nicola volcanic rocks and on the southeast by gneissic metamorphics and quartz diorite of the Nicola batholith.

Two holes were diamond drilled on the west side of the road on the KR&K 109 claim. These 50-foot vertical holes encountered light grey, fine-to-medium-grained quartz diorite. Biotite shows some alteration effects and considerable epidote is disseminated throughout the rock, along with minor fine pyrite. Weak foliation is nearly horizontal.

SUMMARY AND CONCLUSIONS

The holdings of Nicola Copper Mines Ltd. (N.P.L.) comprise three properties on the east of the Highland Valley area of south central British Columbia.

Large copper and copper-molybdenum mineral deposits are currently in production or being

developed in the Highland Valley.

The west group of claims is located at Logan Lake townsite east of Guichon Creek. This is at and near the east contact of the Guichon Creek batholith with older Nicola volcanics. Because of extensive overburden, the contact has not been clearly defined. There appears however, to be some possibility that the Gump Lake phase of the batholith extends onto the southwest portion of the property.

The central property, comprising three groups of claims on the Greenstone Creek-Meadow Creek drainages, includes the copper-silver occurrence known as the Ford, from which a 30-ton shipment, in 1928, assayed 2.14% copper, 0.3 ounces of silver and a trace of gold per ton.

The east group of claims is located on Wallop Lake and extends east of Le Jeune Lake. These claims are believed to overlie the west contact of the Nicola batholith with the Nicola group, and to include a band of gneiss associated with the contact phase of the granitic rocks.

A recently completed magnetometer survey, plus limited geological investigations, a reconnaissance induced polarization survey over a small area of the Logan Lake property, and five short diamond drill holes have shown the properties to be located on and between the east contact of the Guichon Creek batholith and west contact of the Nicola batholith.

It is concluded that the area is favourable for the occurrence of copper and copper-molybdenum mineralization, and extensive detailed investigations are warranted.

RECOMMENDATIONS

The following two phase exploration programme is recommended for the three properties.

Phase No. 1	Estimated Costs
1. Establish surveyed grids over each property with lines at 400 feet and stations at 100 feet, tied to one base line. An estimated 160 line miles will be required, with all stations designated by wooden stakes marked with the grid number,	\$20,000.00
2. Acquire stereoscopic air photo coverage for each property. Have a photomosaic made for each property. Make photogrammic maps therefrom,	1,500.00
3. Using the grid survey, map each property and include roads, lakes and swamps, creeks, the higher hilltops and rock outcrops,	2,000.00
4. Conduct geochemical surveys over each gridded property,	25,000.00
5. Conduct magnetometer surveys over selected areas,	1,500.00
6. Conduct electro-magnetic surveys over selected areas,	4,000.00
7. Diamond drill a series of holes to supply bedrock information. With EX equipment allow for 1,000 feet of hole,	8,000.00

Phase No. 1

Estimated Costs

8. Office, overhead, and supervision,	8,000.00
9. Contingencies,	<u>5,000.00</u>
Estimated costs,	<u>\$75,000.00</u>

Phase No. 2

Using information from Phase No. 1, an expanded drilling programme may be designed to provide necessary details pertaining to mineralization and rock types.

Estimated Costs

1. Drill "scout" holes, with percussion equipment, for sub-surface information, 5,000 feet,	\$15,000.00
2. Drill core holes for detailed information pertaining to mineralization, 2,500 feet,	25,000.00
3. Office, overhead and supervision,	7,000.00
4. Contingencies	<u>3,000.00</u>
Estimated Costs,	<u>\$50,000.00</u>

The two-phase programme should be completed in four to six months.

Respectfully submitted,
ALLEN GEOLOGICAL ENGINEERING LTD.

Per "ALFRED R. ALLEN" P. Eng.
Alfred R. Allen

Vancouver, B.C.
February 24, 1972.

CERTIFICATE

I, Alfred R. Allen, certify that:

I am a graduate of the University of British Columbia and hold the following degrees therefrom:

BASc Geological Engineering 1939
MASc Geological Engineering 1941

I am a member of the Association of Professional Engineers of the Province of British Columbia.

I have practised my profession for the past twenty-eight years.

I hold no interest in the properties or securities of Nicola Copper Mines Ltd., (N.P.L.), or affiliates thereof, nor do I expect to receive any, directly or indirectly.

My report of February 24, 1972, entitled, "Report on the Holdings of Nicola Copper Mines Ltd., (N.P.L.), Highland Valley, B.C." is based upon field examination by the writer on November 6th and 7th, 1971.

I consent to this report being filed with the British Columbia Securities Commission.

I have examined some of the key claim posts and am of the opinion that they are staked in accordance with the British Columbia Mineral Act.

"ALFRED R. ALLEN" P.Eng.
Alfred R. Allen

February 24, 1972.