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Form 12

Securities Act

Date Accepted  
For Filing September 13,  
1976

SUPERINTENDENT OF BROKERS  
AND  
VANCOUVER STOCK EXCHANGE  
VANCOUVER CURB EXCHANGE



STATEMENT OF MATERIAL FACTS

VANCOUVER CURB EXCHANGE

Name of Exchange

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

Name of Issuer

#3, 2414 MAIN STREET, VANCOUVER, B.C.

Address of Head Office of Issuer

1710-1177 WEST HASTINGS STREET, VANCOUVER, B.C.

Address of Registered Office of Issuer

1710-1177 WEST HASTINGS STREET, VANCOUVER, B.C.

Address of Records Office (Section 38 - Companies Act)

CANADA PERMANENT TRUST COMPANY LIMITED

Name & address of Registrar & Transfer Agent  
for Issuer's shares in British Columbia.

Afton see page 34

921NE023

Neither the Superintendent of Brokers nor the Vancouver Stock Exchange/Vancouver Curb Exchange has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

1. DETAILS OF THE CIRCUMSTANCES RELATING TO THE OFFERING OF SECURITIES

New Offering

Pursuant to an Agency agreement dated the 3rd day of September, 1976, Canarim Investment Corporation Limited ("Agent") of 424 Burrard Street, Vancouver, British Columbia, agreed to act as agent for the Company and use its best efforts to sell to the public in British Columbia, 300,000 shares of the Company at the market price prevailing from time to time on the Vancouver Curb Exchange ("Exchange"), but not less than \$0.20 per share. The offering will commence on a date specified by the Exchange, being the "effective date" set forth on the first page hereof, and continue for a period of 30 trading days or until all of the 300,000 shares are sold, whichever shall first occur. The Agent has agreed to subscribe to a minimum of \$20,000.00 of this offering subject to a prevailing market consistent with the terms of this offering.

The Agent will receive a fee of \$500.00 on the effective date and a commission of six per cent of the gross sales at the time shares are sold. If all shares are sold, the Agent will receive an additional one and one-half per cent of gross sales less the initial fee of \$500.00.

The Agency Agent provides that the shares may not be sold for less than \$0.20 per share but the Company cannot estimate with certainty the net proceeds to be derived from the offering. However, if all of the shares offered are sold at the minimum price the Company will receive \$55,500.00 after commissions.

No payments in cash, securities or other consideration are being made, or are to be made, to a promoter, finder or any other person or company in connection with the proposed offering.

The Agent of 424 Burrard Street, Vancouver, British Columbia, may be considered the "market maker" of the shares of the Company during the primary distribution of this offering. Subject to the By-Laws of the Exchange, the Agent may make purchases and sales of shares of the Company for the purpose of maintaining an orderly market for the shares of the Company and to assist in the distribution of the offered shares.

The beneficial shareholders of Canarim Investments Limited, holding more than 5% of the issued shares are:-

<u>Name and Address</u>	<u>Number of Shares</u>	<u>Percentages of Shares Held</u>
Alfred E. Turton 1 Lakeview Square Winnipeg, Manitoba	24,119	54%
Peter M. Brown 424 Burrard Street Vancouver, B.C.	15,212	34%
Brian D. Harwood 424 Burrard Street Vancouver, B.C.	5,625	12%

The shares of the Company were posted and called for trading on August 23, 1976. The range of the market price of the shares of the Company and the volume of sales for each week since commencement of trading on the Vancouver Curb Exchange, the only Exchange which the shares of the Company trade on, is as follows:

<u>Week</u>	<u>Market Range</u>	<u>Volume</u>
August 23-27	\$0.20-\$0.22	10,000 shares
August 30-September 5	\$0.20-\$0.21	12,500 shares

The promoter, directors, officers and other insiders of the Company own as a group directly or indirectly 807,200 shares, representing 61.6% of the presently issued shares of the Company.

Directors and insiders of the Company may purchase shares from this offering.

#### Shareholders Offering

This Statement of Material Facts also qualifies, for a period of three months following completion of the New Offering, 100,000 shares of the Company for sale to the public in British Columbia through the facilities of the Exchange at the market price for the shares at the time of sale. The Company will not receive any proceeds from the sale of shares offered by the selling shareholders. Details of the shares being offered are as follows:

<u>Selling Shareholder</u>	<u>Number of Shares Owned</u>	<u>Number of Shares Being Qualified For Sale</u>	<u>Number of Shares to be Owned on Completion of the Offering</u>
Tower Securities Ltd. <sup>1</sup> #3-2414 Main Street Vancouver, B.C.	530,000 <sup>2</sup>	50,000	480,000
Walter Butula 15427 Victoria Avenue White Rock, B.C.	228,600 <sup>3</sup>	50,000	178,600

<sup>1</sup> Principals are David D. Brown, president and director of Benn Explorations Limited (N.P.L.), and his wife, E. Hilda Brown.

<sup>2</sup> David D. Brown has advised that 432,500 of these shares are held in escrow and have been purchased by him subject to approval for transfer within escrow by the Superintendent of Brokers of British Columbia and the Exchange.

<sup>3</sup> Walter Butula has advised that 182,500 of these shares are held in escrow and have been purchased by him subject to approval for transfer within escrow by the Superintendent of Brokers of British Columbia and the Exchange.

2. PARTICULARS CONTRIBUTING TO THE SPECULATIVE NATURE OF THE SECURITIES BEING OFFERED.

The properties of the Company on which proceeds from the sale of securities offered by this Statement of Material Facts are to be spent are without a known body of commercial ore and the proposed program is an exploratory search for ore.

The shares of the Company must be considered speculative securities as the Company's mining properties are in the exploration and development stage.

No survey has been made of the Company's located mineral claims and therefore in accordance with the mining laws of the jurisdiction in which such claims are situated their existence and area could be in doubt.

3. DETAILS OF ANY MATERIAL CHANGES OR PROPOSED MATERIAL CHANGES IN THE AFFAIRS OF THE COMPANY

During the past several years Walter Butula and Tower Securities Limited ("Tower"), promoters of the Company, have entered into agreements with nine shareholders and have thereby acquired the right to purchase 615,000 shares held in escrow by the Canada Permanent Trust Company Limited.

The said agreements provided that the said shareholders would sell and assign the 615,000 shares to the promoters if they would place the Company in good standing under the Companies Act and Securities Act of British Columbia and list the Company with the Vancouver Curb Exchange. Further, that such sale and assignment of shares is subject to the approval of the Superintendent of Brokers of British Columbia and the Exchange.

The Company confirms that mineral claims called Benn 1-4 have lapsed and accordingly 115,000 shares held pursuant to an escrow agreement dated February 5, 1968 should be surrendered by way of a gift to the Company. Such surrender is subject to the control of the Superintendent of Brokers and the Exchange. These shares are intended as part consideration for the purchase of the Dawn Claims, particulars of which are set forth under item 11 herein.

4. THE ESTIMATED NET PROCEEDS OF THE COMPANY ARE TO BE SPENT, AS FOLLOWS:

The net proceeds of the New Offering will be used as follows:

To carry out the exploration program recommended by Thomas R. Tough, P. Eng. in his report dated July 12, 1976, on the mineral claims known and referred to herein as the Dawn Claims 1, 2 and 5.	\$ 20,000.00
To payment to Donald MacKechnie pursuant to Sept. 2/76 Agreement. See item 11 herein for particulars of property acquisition.	20,000.00
To accounts payable	11,400.00
To provide general working capital	<u>4,100.00</u>
Total Net Proceeds	<u>\$ 55,500.00</u>

5. GIVE THE FULL NAME, HOME ADDRESS AND CHIEF OCCUPATION, THE NUMBER OF SHARES OF THE COMPANY BENEFICIALLY OWNED, DIRECTLY OR INDIRECTLY, BY EACH SENIOR OFFICER OR DIRECTOR OF THE COMPANY AND IF EMPLOYED DURING THE PAST FIVE YEARS THE NAME OF EACH EMPLOYER.

<u>Name and Address</u>	<u>Chief Occupation</u>	<u>Number of Shares of the Company Beneficially Owned</u>
David D. Brown 2604-1850 Comox Street Vancouver, B.C.	President, Tower Securities Limited, and self employed accountant.	530,000
Walter Butula 15427 Victoria Avenue White Rock, B.C.	School Teacher with the School Board of the Municipality of Surrey.	228,600
Lloyd Edwin Hefford 1040 Hamilton Street Vancouver, B.C.	Manager, Cory Coffee Service Plan until January, 1975 President, Take a Break Coffee Service Ltd. from January, 1975 to date.	35,000
Carl R. Jonnson 2895 West 47th Avenue Vancouver, B.C.	Barrister and Solicitor, Partner, Tupper and Company.	Nil

6. PARTICULARS OF THE CORPORATE STANDING OF THE COMPANY.

The Company was incorporated in British Columbia on April 1, 1966, by Memorandum and Articles.

The last annual report was filed with the Registrar of Companies of British Columbia on July 13, 1976. All filings required to be made by the Company under the Securities Act and Companies Act of British Columbia are up-to-date.

The latest audited financial statements of the Company were dated April 30, 1976, and were placed before the members of the Company at the Annual General Meeting held on June 25, 1976.

The Company is engaged in the business of acquiring mineral properties and conducting thereon exploration and development work.

7. THE AUTHORIZED AND ISSUED SHARE CAPITAL OF THE COMPANY.

The authorized capital of the Company consists of 3,000,000 shares without par value of which 1,059,040 have been issued as fully paid.

8. THE PRICES AT WHICH SECURITIES OF THE COMPANY HAVE BEEN ISSUED DURING THE PAST YEAR.

43,500 shares were issued for cash at \$0.1875 per share.

9. PARTICULARS OF ANY BONDS, DEBENTURES, NOTES MORTGAGES, CHARGES, LIENS OR HYPOTHECATIONS OF THE COMPANY.

None.

10. PARTICULARS OF IMPORTANT PROPERTIES PRESENTLY OWNED, LEASED, HELD UNDER OPTION OR OPERATED BY THE COMPANY OR ANY SUBSIDIARY THEREOF OR PROPOSED TO BE OWNED, LEASED, HELD UNDER OPTION OR OPERATED BY THE COMPANY OR ANY SUBSIDIARY THEREOF.

Kamloops Area, British Columbia

The Company has an option to acquire a 100% interest in mineral claims Dawn 1, 2 and 5 with record nos. 03049-1 and 111613 located in the Kamloops Mining Divisions of the Province of British Columbia.

The Company has not done any work on these claims.

Lillooet Area, British Columbia

The Company owns a 100% interest in the following claims in the Lillooet Mining Division:

King #1-4  
King #23-24  
King #51-52

Apart from annual assessment work, the Company has not done any work on these claims during the past year.

11. PARTICULARS OF THE COST OF PROPERTIES ACQUIRED BY THE COMPANY OR ANY SUBSIDIARY THEREOF WITHIN THE PAST THREE YEARS OR PROPOSED TO BE ACQUIRED BY THE COMPANY OR ANY SUBSIDIARY THEREOF.

Kamloops Area, British Columbia

By an agreement dated September 2, 1976, Donald MacKechnie of 601-1160 Pendrell Street, Vancouver, British Columbia granted to the Company an option to purchase a 100% interest in mineral claims Dawn 1, 2 and 5 with record numbers 03049-1 and 111613 located in the Kamloops Mining Division of the Province of British Columbia.

One-half of the option rights granted by MacKechnie were acquired from Tower Securities Limited, the principals of which are David D. Brown, (President and director of Benn Explorations Ltd. (N.P.L.)) and his wife E. Hilda Brown, both of Vancouver, B. C. MacKechnie acquired the Dawn Claims for approximately \$12,500.00.

The Company may exercise its option rights as follows:-

- (a) \$20,000 paid within 30 days of completion of the agency offering as set forth in Item 1 herein (herein such completion date is called the "Effective Date"),
- (b) Issuing 25,000 shares in not less than 30 days from the Effective Date,
- (c) Issuing 50,000 shares in not less than 90 days from the Effective Date,
- (d) Issuing 75,000 shares in not less than 180 days from the Effective Date,
- (e) Issuing 75,000 shares in not less than 270 days from the Effective Date.

Each allotment of such shares is subject to prior acceptance for filing by the Exchange of an engineering report on the Dawn Claims.

- (f) Transfer 115,000 shares in not less than 180 days from the Effective Date. Such shares shall be held in escrow, subject to control by the Superintendent of Brokers of British Columbia and the Exchange.

12. THE NAME AND ADDRESS OF ANY PERSON OR COMPANY WHO OR THAT IS OR HAS BEEN A PROMOTER OF THE COMPANY WITHIN THE PRECEDING TWO YEARS AND THE NATURE AND AMOUNT OF ANYTHING OF VALUE RECEIVED OR TO BE RECEIVED FROM THE COMPANY.

David D. Brown of Tower Securities Limited<sup>1</sup> of, #3-2414 Main Street, Vancouver, British Columbia and Walter Butula of 15427 Victoria Avenue, White Rock, British Columbia may be considered promoters of the Company in accordance with Section 2(1) of the Securities Act. None of the promoters have received anything of value from the Company for acting as promoters.

<sup>1</sup> Principals are David D. Brown, president and director of Benn Explorations Ltd. (N.P.L.) and his wife E. Hilda Brown, both of Vancouver, B.C.

13. THE NUMBER OF SHARES OF THE COMPANY HELD IN ESCROW OR IN POOL AND A BRIEF STATEMENT OF THE TERMS OR THE ESCROW OR POOLING AGREEMENTS.

Seven Hundred and fifty thousand (750,000) shares of the Company are held in escrow by the Canada Permanent Trust Company Ltd., subject to the orders of the Superintendent of Brokers and the Exchange.

14. THE NUMBER OF EQUITY SHARES OF THE COMPANY OWNED BENEFICIALLY, DIRECTLY OR INDIRECTLY, BY EACH PERSON OR COMPANY WHO OWNS, OR IS KNOWN BY THE SIGNATORIES HERETO TO OWN BENEFICIALLY, DIRECTLY OR INDIRECTLY, MORE THAN 10% OF THE EQUITY SHARES OF THE COMPANY.

The following information is provided as of September 2, 1976:

<u>Name and Address</u>	<u>Number of Shares</u>
Walter Butula 15427 Victoria Avenue Vancouver, B.C.	228,600
Tower Securities Limited #3-2414 Main Street Vancouver, B.C.	530,000

15. A BRIEF STATEMENT OF ANY LEGAL PROCEEDINGS TO WHICH THE COMPANY OR ANY OF ITS SUBSIDIARIES IS A PARTY OR WHOSE PROPERTY IS THE SUBJECT OF SUCH PROCEEDINGS.

Neither the Company, nor its properties, are the subject of any legal proceedings.



16. THE AGGREGATE DIRECT OR INDIRECT REMUNERATION PAID OR PAYABLE BY THE COMPANY AND ITS SUBSIDIARIES DURING THE PAST YEAR TO INSIDERS OF THE COMPANY.

The Company has not paid its insiders any remuneration during the past year.

17. BRIEF PARTICULARS OF ALL OPTIONS TO PURCHASE SECURITIES OF THE COMPANY UNLESS OTHERWISE DISCLOSED HEREIN.

The Company has not options to purchase securities outstanding.

18. THE DATES OF AND PARTIES TO AND THE GENERAL NATURE OF EVERY MATERIAL CONTRACT ENTERED INTO BY THE COMPANY OR ANY SUBSIDIARY WITHIN THE PRECEDING TWO YEARS WHICH IS STILL IN EFFECT AND NOT PREVIOUSLY DISCLOSED HEREIN.

There are no material contracts which have been entered into by the Company or any of its subsidiaries within the preceding two years.

19. PARTICULARS OF ANY OTHER MATERIAL FACTS RELATING TO THE SECURITIES BEING OFFERED AND NOT DISCLOSED UNDER ANY OTHER ITEM.

None.

CURRY, HANSEN & KERR  
Chartered Accountants

SUITE 210 - 717 WEST PENDER STREET  
VANCOUVER, B.C. V6C 1G9

To the Shareholders,  
Benn Explorations Ltd. (N.P.L.)

We have examined the balance sheet of Benn Explorations Ltd. (N.P.L.) as at April 30, 1976 and the statements of deferred exploration, development and administration expenses and the changes in financial position for the forty months then ended. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances except that due to changes in the management of the company during the period under review and inadequate record keeping procedures, we were unable to examine adequate documentation to support certain charges to deferred exploration, development and administrative expenses, nor were we able to account for the proceeds from the issuance of 10,000 shares of the company or the commission expense related to the issuance of shares as explained in Note 4 to the financial statements.

In view of the matters discussed in the preceding paragraphs, we express no opinion concerning the accompanying balance sheet and statements of deferred exploration, development and administration expenses and the changes in its financial position for the period then ended.

*Curry Hansen, F. Kerr*  
AUDITORS

June 2, 1976

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

BALANCE SHEET AS AT APRIL 30, 1976

(with comparative figures December 31, 1972)

ASSETS

	1976	1972
CURRENT ASSETS:	\$	\$
Cash	7	-
Accounts receivable	<u>-</u>	<u>4,400</u>
Total current assets	<u>7</u>	<u>4,400</u>
FIXED ASSETS: at cost (Note 1)		
Equipment	1,023	973
Furniture	<u>284</u>	<u>284</u>
Total fixed assets	<u>1,307</u>	<u>1,257</u>
MINERAL PROPERTIES: (Notes 1 & 2)		
Mineral claims	<u>8,500</u>	<u>3,500</u>
DEFERRED EXPENSES: (Note 1)		
Incorporation and organization costs	1,240	1,240
Exploration, development and administration expenses	<u>87,352</u>	<u>39,208</u>
Total deferred expenses	<u>88,592</u>	<u>40,448</u>
TOTAL	<u>\$ 98,406</u>	<u>\$49,605</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:	\$	\$
Accounts payable	2,008	4,036
Due to shareholders	<u>4,330</u>	<u>2,774</u>
Total current liabilities	<u>6,338</u>	<u>6,810</u>
SHAREHOLDERS' EQUITY:		
Share capital (Note 4)	<u>92,068</u>	<u>42,795</u>
APPROVED BY THE DIRECTORS		
<u><i>C. Miller</i></u> Director		
<u><i>C. H. Brown</i></u> Director		
TOTAL	<u>\$ 98,406</u>	<u>\$49,605</u>

The accompanying notes are an integral part of the financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 1976

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

- (a) Mineral properties and deferred exploration, development and administration costs.

The amounts reported for the above accounts represent accumulated costs less recoveries and are not intended to reflect present or future values. All exploration and administration expenses are deferred in the accounts and will be amortized to earnings on a production basis if the claims are brought into commercial production or will be written off to the deficit account if all the claims in a specific area are abandoned.

- (b) Fixed assets.

No depreciation has been provided on fixed assets since the company was incorporated on April 26, 1966.

2. MINERAL CLAIMS:

The company holds full title and interest in the following claims in the Lillooet Mining Division:

King # 1 - 4  
King #23  
King #23 - 24  
King #51 - 52

3. COMPARATIVE FIGURES:

The figures for the period ended December 31, 1972 were previously reported on by another chartered accountant and are not covered by the opinion of Curry, Hansen & Kerr.

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

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 1976

4. SHARE CAPITAL:

Authorized:

3,000,000 shares without nominal or par value, with maximum issue price of \$.50 each.

Issued and fully paid:

<u>Consideration and Price per Share</u>	<u>April 30, 1976</u>	<u>December 31, 1972</u>	<u>Amount</u>
<u>Cash</u>			
\$.10		199,500	\$19,950
.125		8,000	1,000
.15		69,040	10,355
.1875	250,000		46,875
.30		500	150
.40		<u>2,100</u>	<u>840</u>
	<u>250,000</u>	<u>279,140</u>	<u>79,170</u>
 <u>Prospecting Services</u>			
\$.10		30,000	3,000
 <u>Properties</u>			
\$.01		<u>750,000</u>	<u>7,500</u>
	<u>250,000</u>	<u>1,059,140</u>	<u>89,670</u>
Unreconciled differences			<u>2,398</u>
			<u>\$92,068</u>

The unreconciled differences recorded above, represent a number of shares issued by the transfer company extended at \$.1875 for which certain of the funds have not been accounted for in the company's records. In addition, the cost of certain of the shares have been placed in the capital account at the gross value without providing for the commission or discount. At the date of this report it is not known if any commission liability exists with respect to the issuance of the above shares.

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

STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT

AND ADMINISTRATION EXPENSES

FOR THE FORTY MONTHS ENDED APRIL 30, 1976

(with comparative figures for the sixty-one months ended December 31, 1972)

	<u>April 30,</u> <u>1976</u>	<u>December 31,</u> <u>1972</u>
	\$	\$
<b>EXPLORATION AND DEVELOPMENT EXPENSES:</b>		
Assays	15	-
Assessments	5,891	186
Consulting and engineering fees	-	900
Equipment rental	2,050	91
Fuel and camp supplies	-	409
Geological	1,619	358
Mineral lease costs	-	40
Recording fees and licenses	1,948	1,435
Travel, board and lodging	2,458	430
Drilling and plotting	3,500	-
Sundry	<u>652</u>	<u>-</u>
	<u>18,133</u>	<u>3,849</u>
<b>ADMINISTRATION:</b>		
Advertising	-	228
Administration services	12,100	-
Accounting and audit	1,450	875
Contract assessments	1,100	-
Commissions	-	200
Interest and bank charges	518	532
Legal fees	3,253	1,029
Office rent and expenses	6,414	1,317
Telephone	1,779	128
Trust agency fees	1,322	2,057
Gain on sale of securities	-	(400)
Publicity	<u>2,075</u>	<u>-</u>
	<u>30,011</u>	<u>5,966</u>
Total expenses for the period	<u>48,144</u>	<u>9,815</u>
<b>BALANCE AT BEGINNING OF THE PERIOD:</b>		
Exploration and development	24,751	20,903
Administration	<u>14,457</u>	<u>8,490</u>
	<u>39,208</u>	<u>29,393</u>
<b>BALANCE AT END OF THE PERIOD:</b>		
Exploration and development	42,884	24,751
Administration	<u>44,468</u>	<u>14,457</u>
<b>TOTAL</b>	<u>\$ 87,352</u>	<u>\$ 39,208</u>

The accompanying notes are an integral part of the financial statements.

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

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE FORTY MONTHS ENDED APRIL 30, 1976

(with comparative figures for the sixty-one months ended December 31, 1972)

	<u>April 30,</u> <u>1976</u>	<u>December 31,</u> <u>1972</u>
FUNDS PROVIDED:	\$	\$
Proceeds from sale of shares	49,273	990
Proceeds from sale of mining claim	<u>-</u>	<u>4,000</u>
Total funds provided	<u>49,273</u>	<u>4,990</u>
 FUNDS APPLIED:		
Purchase of mineral claims	5,000	-
Exploration, development and administration expenses	48,144	9,815
Mineral lease cost written off	-	(40)
Purchase of fixed assets	<u>50</u>	<u>-</u>
Total funds applied	<u>53,194</u>	<u>9,775</u>
 INCREASE (DECREASE) IN WORKING CAPITAL FOR THE PERIOD	 (3,921)	 (4,785)
 WORKING CAPITAL (DEFICIENCY) AT BEGINNING OF THE PERIOD	 <u>(2,410)</u>	 <u>2,375</u>
 WORKING CAPITAL (DEFICIENCY) AT END OF THE PERIOD	 <u><u>\$(6,331)</u></u>	 <u><u>\$(2,410)</u></u>

The accompanying notes are an integral part of the financial statements.

CURRY. HANSEN & KERR  
*Chartered Accountants*

SUITE 210 - 717 WEST PENDER STREET  
VANCOUVER. B.C. V6C 1G9

ACCOUNTANTS' COMMENTS

The Directors,  
Benn Explorations Ltd. (N.P.L.)  
Vancouver, B.C.

Dear Sirs:

We have prepared the accompanying balance sheet and statements of deferred exploration, development and administration costs and changes in financial position related to the three months ended July 31, 1976 from the records of Benn Explorations Ltd. (N.P.L.) and from information given to us.

In accordance with the terms of our engagement, we have preformed services as accountants only. We have not performed an audit, and consequently do not express any opinion on these financial statements.

Yours very truly,

*Curry Hansen & Kerr*

August 26, 1976



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

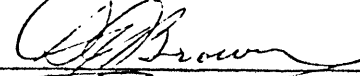

BALANCE SHEET AS AT JULY 31, 1976

(with comparative figures April 30, 1976)

(prepared without audit)

	<u>ASSETS</u>	July 31, 1976	April 30 1976
CURRENT ASSETS:		\$	\$
Cash		<u>471</u>	<u>7</u>
FIXED ASSETS: at cost (Note 1)			
Equipment		1,023	1,023
Furniture		<u>284</u>	<u>284</u>
Total fixed assets		<u>1,307</u>	<u>1,307</u>
MINERAL PROPERTIES: (Notes 1 & 2)			
Mineral claims		<u>8,500</u>	<u>8,500</u>
DEFERRED EXPENSES: (Note 1)			
Incorporation and organization costs		1,240	1,240
Exploration, development and administration expenses		<u>93,012</u>	<u>87,352</u>
Total deferred expenses		<u>94,252</u>	<u>88,592</u>
TOTAL		<u>\$104,530</u>	<u>\$98,406</u>
	<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
CURRENT LIABILITIES:		\$	\$
Accounts payable		5,363	2,008
Due to shareholders		4,330	4,330
Due to Tower Securities Ltd. (Note 3)		<u>1,750</u>	<u>-</u>
Total current liabilities		<u>11,443</u>	<u>6,338</u>
SHAREHOLDERS' EQUITY:			
Share capital (Note 4)		<u>93,087</u>	<u>92,068</u>
TOTAL		<u>\$104,530</u>	<u>\$98,406</u>

APPROVED BY THE DIRECTORS:

 Director  
 Director

The accompanying notes are an integral part of the financial statements.

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

STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT

AND ADMINISTRATION EXPENSES

FOR THE THREE MONTHS ENDED JULY 31, 1976

(with comparative figures for the forty months ended April 30, 1976)

(prepared without audit)

	July 31, 1976	April 30, 1976
	\$	\$
EXPLORATION AND DEVELOPMENT EXPENSES:		
Assays	-	15
Assessments	-	5,891
Consulting and engineering fees	717	-
Equipment rental	-	2,050
Geological	-	1,619
Recording fees and licences	-	1,948
Travel, board and lodging	-	2,458
Drilling and plotting	-	3,500
Sundry	-	652
Total exploration and development expenses	<u>717</u>	<u>18,133</u>
ADMINISTRATION EXPENSES:		
Administration services	-	12,100
Accounting and audit	825	1,450
Contract assessments	-	1,100
Interest and bank charges	3	518
Legal fees and disbursements	3,865	3,253
Office rent and expenses	-	6,414
Telephone	-	1,779
Trust agency fees	250	1,322
Publicity	-	2,075
Total administration expenses	<u>4,943</u>	<u>30,011</u>
Total expenses for the period	<u>5,660</u>	<u>48,144</u>
BALANCE AT BEGINNING OF THE PERIOD:		
Exploration and development	42,884	24,751
Administration	44,468	14,457
	<u>87,352</u>	<u>39,208</u>
BALANCE AT END OF THE PERIOD:		
Exploration and development	43,601	42,884
Administration	49,411	44,468
	<u>\$93,012</u>	<u>\$87,352</u>

The accompanying notes are an integral part of the financial statements.

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

-18

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE THREE MONTHS ENDED JULY 31, 1976

(with comparative figures for the forty months ended April 30, 1976)

(prepared without audit)

	July 31, 1976	April 30, 1976
FUNDS PROVIDED:	\$	\$
Proceeds from sale of shares (Note 4(a))	<u>1,019</u>	<u>49,273</u>
FUNDS APPLIED:		
Purchase of mineral claims	-	5,000
Exploration, development and administration expenses	5,660	48,144
Purchase of fixed assets	<u>-</u>	<u>50</u>
Total funds applied	<u>5,660</u>	<u>53,194</u>
DECREASE IN WORKING CAPITAL FOR THE PERIOD	4,641	3,921
WORKING CAPITAL DEFICIENCY AT BEGINNING OF THE PERIOD	<u>6,331</u>	<u>2,410</u>
WORKING CAPITAL DEFICIENCY AT END OF THE PERIOD	<u>\$10,972</u>	<u>\$ 6,331</u>

The accompanying notes are an integral part of the financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 1976

(prepared without audit)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

- (a) Mineral properties and deferred exploration, development and administration costs.

The amounts reported for the above accounts represent accumulated costs less recoveries and are not intended to reflect present or future values. All exploration and administration expenses are deferred in the accounts and will be amortized to earnings on a production basis if the claims are brought into commercial production or will be written off to the deficit account if all the claims in a specific area are abandoned.

- (b) Fixed assets.

No depreciation has been provided on fixed assets since the company's date of incorporation, April 26, 1966.

2. MINERAL CLAIMS:

The company holds full title and interest in the following claims in the Lillooet Mining Division:

King # 1 - 4  
King #23  
King #23 - 24  
King #51 - 52

3. LOAN PAYABLE:

The loan from Tower Securities Ltd. is an unsecured loan to provide additional working capital to the company. The President of Tower Securities Ltd. is also a director and officer of Benn Explorations Ltd. (N.P.L.).

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

NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 1976

(prepared without audit)

4. SHARE CAPITAL:

Authorized:

3,000,000 shares without nominal or par value, with maximum issue price of \$.50 each.

Issued and fully paid:

<u>Consideration and Price per Share</u>	<u>April 30, 1976</u>	<u>Amount</u>
<u>Cash</u>		
\$ .10	199,500	\$ 19,950
.125	8,000	1,000
.15	69,040	10,355
.1875	250,000	46,875
.30	500	150
.40	<u>2,100</u>	<u>840</u>
	529,140	79,170
<u>Prospecting Services</u>		
.10	30,000	3,000
<u>Properties</u>		
.01	<u>750,000</u>	<u>7,500</u>
	<u>1,309,140</u>	89,670
Commissions not paid		<u>3,417</u>
		<u>\$93,087</u>

(a) Certain of the shares issued under the prospectus dated April 30, 1973 were issued subject to a commission of \$.0625 per share. The commission was not paid on all the shares and consequently this unpaid amount has been included in share capital.

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

NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 1976

(prepared without audit)

4. SHARE CAPITAL: continued

(b) During the course of the audit of the financial statements dated April 30, 1976 it was determined that the funds' for the sale of 6,500 shares had not been received by the company and that the share capital was understated by an amount equal to \$.1875 per share. This amount has now been deposited in the company's account.

GEOLOGICAL REPORT

on the

DAWN CLAIMS 1,2,5

KAMLOOPS MINING DIVISION

for

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

July 12, 1976  
Vancouver, B.C.

T.R. Tough, P.Eng.,  
Consulting Geologist

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MAP INDEX

LOCATION MAP..... 1" = 136 miles  
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GEOLOGICAL REPORT  
on the  
DAWN CLAIMS 1,2,5  
KAMLOOPS MINING DIVISION  
for  
BENN EXPLORATIONS LTD. (N.P.L.)

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PART "A"

SUMMARY

The Dawn Claims, held by Benn Explorations Ltd. (N.P.L.) consists of 14 units situated approximately seven miles south of the City of Kamloops within the Kamloops Mining Division, south-central British Columbia.

The property is accessible by gravel road from Highway #5 on the west, and the Brigade Lake Road on the east.

The topography is gentle with elevations ranging from 2,500 feet to 3,600 feet above sea level.

Sufficient water is available for all phases of exploration.

Diesel electric power would be required for initial phases of development and hydroelectric power would be available if future requirements warrant. Timber is sparse above the 3,000 foot elevation.

Railroad facilities are located in Kamloops where most supplies are obtainable.

Previous work on portions of the property has been carried out by a number of mining companies since 1956. The work took the form of geological mapping, geochemical and geophysical surveys, trenching, percussion drilling and diamond drilling.

The general area in the vicinity of the Iron Mask Batholith has seen intermittent exploration over the years. Production from the Iron Mask Mine totalled 5,194,871 pounds of copper, 3,630 ounces of gold and 41,292 ounces of silver from 189,230 tons of ore between 1901 and 1928. Recently, the area has undergone extensive exploration sparked by the discovery of a viable orebody by Afton Mines Ltd., Nahatlatch Resources Ltd and Leemac Mines Ltd., have been drilling extensively and appear to be developing a significant copper deposit.

Recent staking in the immediate area of the Dawn Claims by Cominco Ltd has caused the Dawn Claims to become somewhat fragmented due to overstaking.

CONCLUSIONS

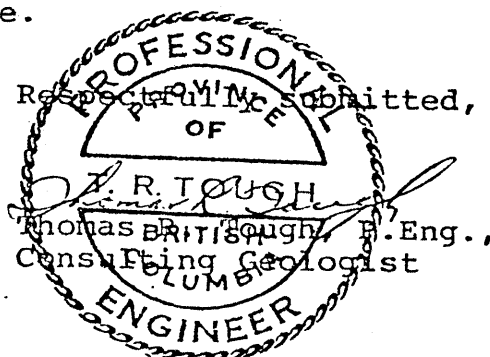
The property is underlain by Iron Mask microdiorite bordered on the east by picrite agglomerates of the Nicola Group and to the west and south by vesicular basalt, agglomerate and conglomerate of the Kamloops Group.

Previous results obtained by others suggests that further exploration is warranted to assess the potential of the property.

RECOMMENDATIONS

It is recommended that an initial phase of exploration, consisting of a grid system, geological mapping, geochemical and geophysical surveys be carried out on the property.

It is also recommended that Benn Explorations Ltd (NPL) allocate the sum of \$20,000 to implement and execute the recommended exploration programme.



July 12, 1976

Vancouver, B.C.

GEOLOGICAL REPORT  
on the  
DAWN CLAIMS 1,2,5  
KAMLOOPS MINING DIVISION  
for  
BENN EXPLORATIONS LTD. (N.P.L.)

---

PART "B"

INTRODUCTION

The following report is based on information obtained by the writer during an examination of the property on July 12th 1976 and from a study of available data from Government and other publications, and from the writer's personal experience in, and knowledge of, the area.

LOCATION (50° - 120°W)

The claim is located approximately seven miles south of Kamloops. The property lies within the Kamloops Mining Division in south-central British Columbia.

### ACCESS

The eastern portion of the claim is accessible by the Brigade Lake road, the western portion by gravel road east from Highway #5.

### TOPOGRAPHY AND CLIMATE

The main topographic features of the area are broad upland areas separated by deeply incised valleys. The property is located on the north east flank of the Nicola Plateau which forms part of the belt of Interior Plateaux. The elevation on the property varies between 2,500 and 3,600 feet. The relief is approximately 500 feet. The Kamloops area experiences moderate to cold winters, and hot dry summers.

### WATER, POWER AND TIMBER

Sufficient water is available for all phases of exploration from streams and ponds which are located on or near the property. Diesel electric power will be required for initial phases of development. Hydroelectric power would be available in the area if future requirements warrant. Timber on the ranchland property is sparse. Finished lumber is available from local sawmills.

TRANSPORTATION AND SUPPLIES

Railroad facilities are available in Kamloops, seven miles northeast where most supplies are procurable.

PROPERTY

The property is comprised of three mineral claims originally containing 60 units but due to overstaking there remains only 14. The claims cover portions of ground previously held by Flagstone Mines Ltd.

<u>Claim Name</u>	<u>Record Number</u>	<u>Units</u>	<u>Expiry Date</u>
Dawn # 1	342	20	April 12, 1977
Dawn # 2	343	20	April 12, 1977
Dawn # 5	344	20	April 12, 1977

Overstaking has resulted in a total of 14 units being valid.

OWNERSHIP

The claims are owned by Benn Explorations Ltd. (NPL) of Vancouver, British Columbia.

## HISTORY

The deposits associated with the Iron Mask Batholith were initially discovered during the late 1800's and early 1900's and generally worked to around 1930. The Iron Mask Mine produced some 5,194,871 pounds of copper, 3,630 ounces of gold and 41,292 ounces of silver during the period between 1901 and 1928. This was by far the largest production for the area and was extracted from 189,230 tons of ore.

In recent years the area has seen intermittent exploration of varying degrees of intensity. At present, the area is undergoing fairly extensive exploration by several mining companies.

## PREVIOUS WORK

Exploration has been intermittently carried out on portions of the property since 1956 or earlier. Work consisted of bulldozer trenching, geological mapping, geochemical and geophysical surveys, percussion drilling and diamond drilling. The last recorded exploration was carried out in 1973 by Imperial Oil Limited.



GENERAL GEOLOGY

The geology of the area is shown on Maps 886A Nicola (East Half) of the Geological Survey of Canada. The area is underlain by the volcanic sequences of the Miocene Kamloops Group and the Upper Triassic Nicola Group which have been intruded by the elliptical-shaped Iron Mask Batholith. The rocks comprising the batholith are generally medium-grained, grey, greenish grey to very dark, with ferromagnesium-rich phases.

The rocks exhibit considerable alteration and occur as microdiorite, micromonzonite, gabbro, diorite, pyroxenite, monzonite and syenite. The batholith appears to be intruded into the limb of a northwesterly trending syncline and is exposed some 12 miles long and 2 1/2 miles wide.

Two younger intrusives of the Post Iron Mask Batholith age are found in contact with the periphery of the Iron Mask intrusive to the north, west and south. They are the Cherry Creek and Sugarloaf intrusives. The Cherry Creek intrusives are comprised of porphyritic microdiorite, latite and trachyte porphyry, igneous breccia, minor porphyritic microquartz monzonite and micro-granodiorite. The Sugarloaf intrusive consists of porphyritic microdiorite.

The Nicola rocks of Upper Triassic age are mainly a grey-green to bright green, fine-grained, nearly aphanitic to coarsely porphyritic lava with lesser amounts of other coloured flows. Associated with the lavas are tuffs, breccias, and agglomerates of various colours and appearance. Alteration of the rocks is to chlorite, calcite, albite and epidote. Feldspars show advanced alteration and there is secondary calcite and deuteritic quartz. Hornblende phenocrysts, probably being derived from the uralization of augite, have been partially chloritized.

The rocks sometimes referred to as Nicola Greenstones, are presumably the alteration product of hornblende and augite andesites.

There are also labradorite and augite porphyries and fine-grained and porphyritic amygdaloidal lavas containing amygdules of chlorite, calcite, quartz and chalcedony.

#### GEOLOGY OF AFTON MINES LTD PROPERTY

Recent diamond drilling and percussion drilling in the area of Mineral Lease M22 on the Lake Zone has established that the native copper mineralization occurs in an altered intrusive breccia, and not directly associated with the volcanic formations. There are some sulphide minerals associated

with the native copper at depth. The Pothook Zone is estimated to contain some 600,000 drill-indicated tons grading 0.63% copper. Ore reserve figures for the new Lake Zone have recently been announced as in excess of 30,000,000 drill indicated tons with an average grade of slightly better than 1% copper, with small values in gold and silver.

The discovery of the Lake Zone was principally aided by an induced polarization survey followed by diamond and percussion and rotary drilling. Limited soil sampling was also undertaken.

The orebody is presently being prepared for production and a smelter is also being constructed on the Afton property.

GEOLOGY OF NAHATLATCH RESOURCES-LEEMAC MINES LTD PROPERTY

Nahatlatch Resources Ltd has been diamond drilling on their property on the south slope of Sugarloaf Hill some 2 1/2 miles southeast of the Afton Mines Ltd. Lake Zone.

The mineral occurrence, presently being drilled, is emplaced in an altered brecciated porphyritic microdiorite as disseminations and shear zone fillings of pyrite, chalcopyrite bornite and magnetite. The principal alteration products are albitite and epidote.

Geochemistry, trenching, induced polarization survey, and drillings were the exploration tools used to discover the mineralized zone. Drilling is presently being used to delineate the zone.

Ore reserve estimates to early 1976 are 14,584,000 short tons grading 0.49% copper. The reserves are in the drill indicated category.

#### JACKO LAKE DEPOSIT (Cominco Ltd)

Approximately four miles southeast of the deposit of Leemac Mines Ltd and just east of Jacko Lake, Cominco Ltd has mineralized zones which have been partially delineated by some 56 diamond drill holes. The grade has been reported as 0.50% copper with several million tons indicated.

Most of the copper mineralization occurs as disseminations in altered porphyritic Sugarloaf microdiorite. Cominco Ltd besides having drilled the deposits, also carried out a magnetometer survey in 1967. An I.P. survey comprised of 9.4 line miles was also done.

There are several other occurrences of copper mineralization within the peripheral to, the Iron Mask Batholith and related intrusives.

### MINERALIZATION IN THE AREA OF THE IRON MASK BATHOLITH

Mineralization in the Iron Mask Batholith area generally occur as copper sulphides, oxides and carbonates in veins, as impregnations, shear zones, stockworks and in breccias. The principal copper minerals are chalcopyrite and bornite with lesser amounts of chalcocite, cuprite, azurite, malachite chrysocolla, and more recently encountered, native copper. Pyrite normally occurs with the chalcopyrite. Alteration products associated with the mineralized zones are pink potash feldspar, sericite, sausserite, carbonate, epidote, albite and hematite.

The distribution of the Cherry Creek and Sugarloaf intrusive appear to be restricted to the three major zones of recurring fractures and known zones of copper mineralization also follow these active zones in close association with the intrusive.

### PROPERTY GEOLOGY

The property is underlain mainly by microdiorite of the Iron Mask Batholith bounded on the east by vesicular basalt, agglomerate and conglomerate of the Kamloops Group and on the west by picrite agglomerates of the Nicola Group.

The microdiorite has considerable variation in appearance and composition. A medium grey microdiorite, albitized leucodiorite with no mafics or magnetite, to a bleached, light grey microdiorite with magnetite and minor mafics, or to a pink magnetic micro-monzonite with interstitial potassium feldspar and biotite.

Alteration consists of potassium feldspar, albite, sericite, epidote, chlorite, and carbonate.

Mineralization reported in the area consists of pyrite, chalcopyrite, chalcocite, malachite and azurite.

#### EXPLORATION PROGRAMME

In conjunction with geological mapping and soil sampling, an induced polarization survey should be carried out over the property to determine areas which may warrant further detailed exploration.

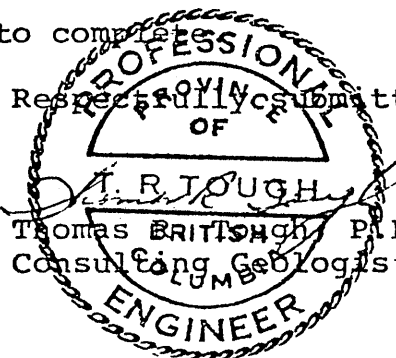
ESTIMATE OF COSTS OF EXPLORATION PROGRAMMES

Linecutting 20 miles at \$150/line mile	\$ 3,000.00
Geological mapping	3,000.00
Geochemical Soil Sampling 500 samples at \$5/sample - all inclusive	2,500.00
I.P. Survey 15 miles at \$500/mile	7,500.00
Engineering and Supervision	1,500.00
Contingencies	2,500.00
	<hr/>
	\$20,000.00
	<hr/>

Contingent upon the results of the above programmes, a second phase, consisting of diamond drilling should be undertaken.

It is estimated that the exploration programme should take approximately one month to complete.

Respectfully submitted,


 OF  
 T. BRITTON  
 Thomas BRITTON P. Eng.,  
 Consulting Geologist  
 ENGINEER

Vancouver, B.C.

July 12, 1976

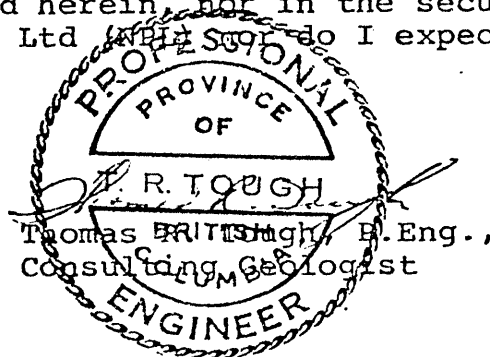
CERTIFICATE

I, Thomas R. Tough, of the City of Richmond, in the Province of British Columbia, do hereby certify:

That I am a Consulting Geologist and an associate of T.R. Tough & Associates Ltd., with offices located at 500-1075 Melville Street, Vancouver, British Columbia.

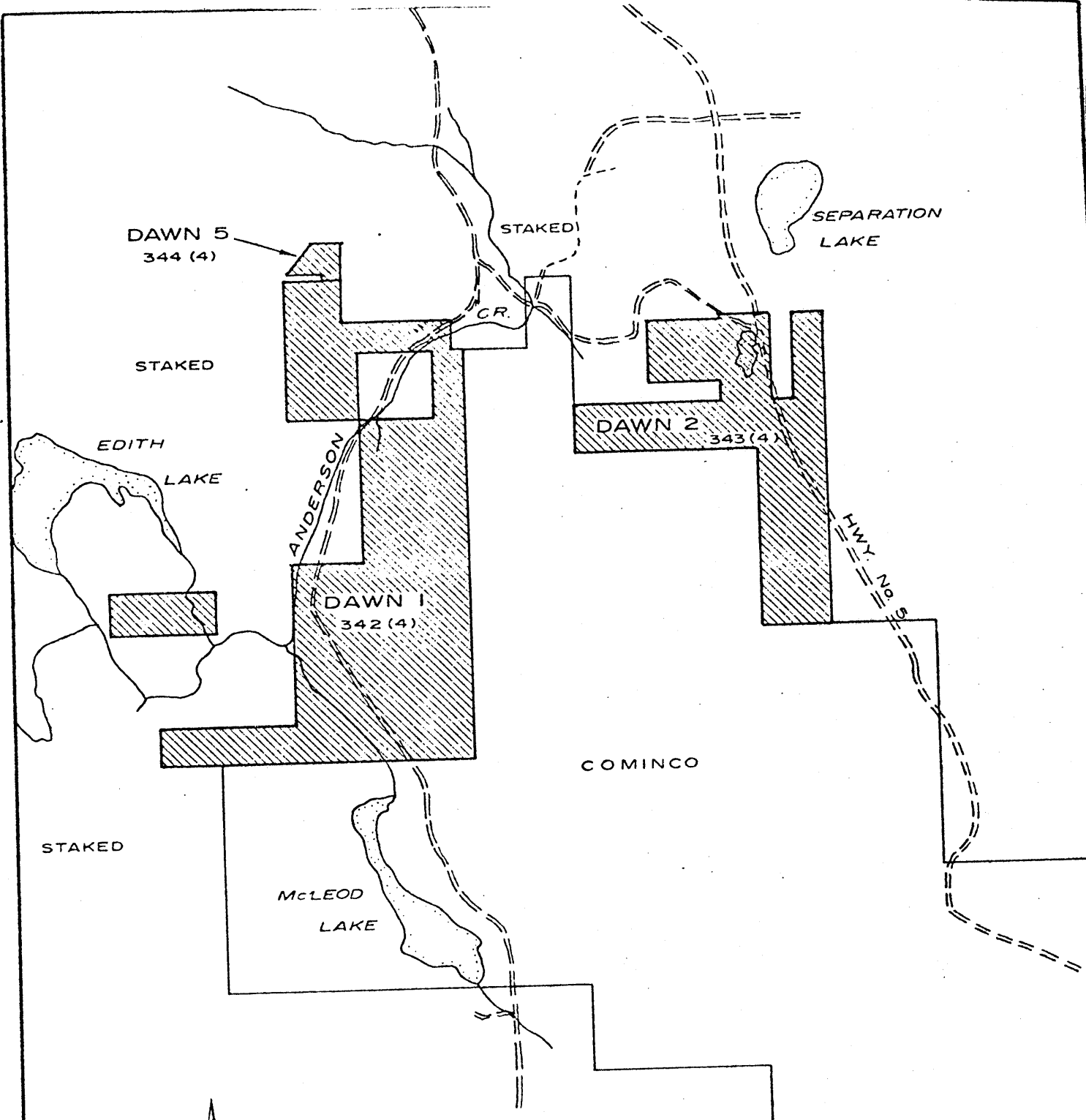
I further certify:

1. That I am a graduate of the University of British Columbia (1965) 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. This report is based on information obtained by the writer from a personal examination of the property on July 12, 1976, and from government and private publications.
5. I do not own any direct or indirect interest in the property described herein, nor in the securities of Benn Explorations Ltd (W.P.L. 509) do I expect to receive any therein.



Vancouver, B.C.  
July 12, 1976





STAKED

EDITH LAKE

ANDERSON

DAWN 1  
342(4)

COMINCO

McLEOD LAKE

DAWN 5  
344(4)

STAKED

STAKED

SEPARATION LAKE

DAWN 2  
343(4)

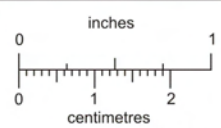
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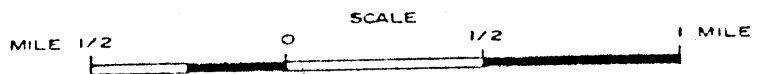


T.R. TOUGH & ASSOCIATES LTD  
 BENN EXPLORATIONS LTD.  
 DAWN CLAIMS  
**CLAIM MAP**

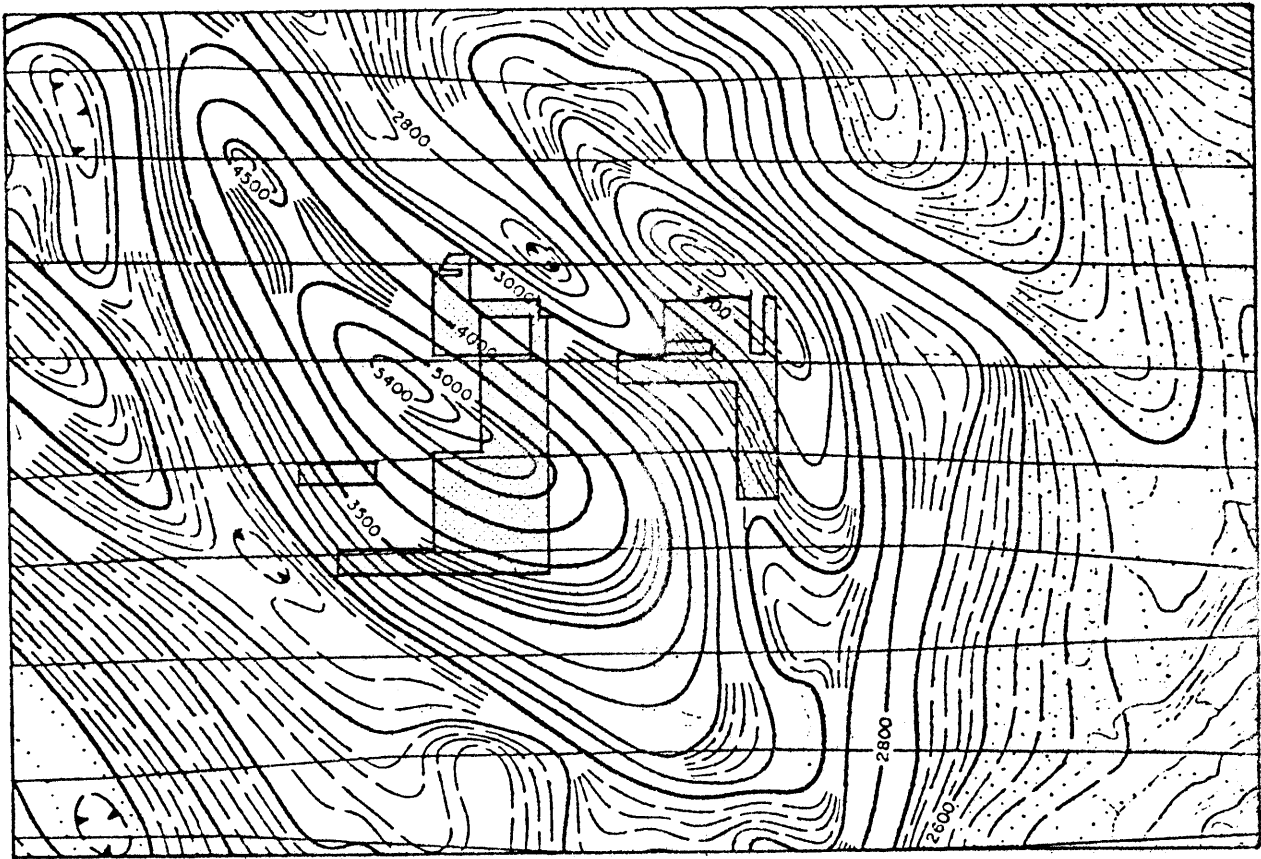
KAMLOOPS MD



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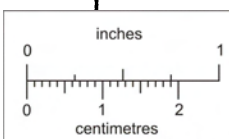
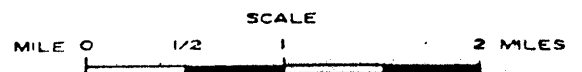
JULY, 1976



T.R. TOUGH & ASSOCIATES LTD.  
 BENN EXPLORATIONS LTD.  
 DAWN CLAIMS

**AERO-MAGNETIC SURVEY**

KAMLOOPS M.D.



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GEOLOGICAL REPORT  
on the  
KING CLAIM GROUP  
for  
BENN EXPLORATIONS LTD.

LILLOOET M.D. 92J16E

August 26, 1976  
Vancouver, B.C.

L. Sookochoff, P.Eng.,  
Consulting Geologist

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ILLUSTRATIONS

LOCATION AND CLAIM MAP 1" = 4 miles

BENN EXPLORATIONS LTD.

BENN CLAIM GROUP

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PART A

SUMMARY AND CONCLUSIONS

Benn Explorations Ltd owns nine claims near Carpenter Lake, Lillooet Mining Division, 43 miles west of Lillooet, British Columbia.

A year-round maintained B.C. Telephone road to the crest of Mission Mountain provides excellent access to most of the showings on the property.

Power lines through the property, a rail line adjacent to the property and readily available water would improve the economics of mining established ore zones.

Mineralization occurs as vein shears in silicified and quartzitic limestone breccia near a granitic contact. Galena, sphalerite, arsenopyrite and chalcopyrite are contained to a varying degree within the shear structure. The mineralization within the structure has been exposed for a width of 14 feet at a drift at the 5,100 foot level periodically by open cuts for 1,200

feet to the 5,800 foot elevation. The zone is up to 100 feet wide along the exposed structure.

Assays from the vein structure ranged from a grab of .80 oz Ag/ton; 1.30% Pb; and 0.27% Zn to a grab of 8.55 oz Ag/ton; 10.35% Pb; 4.55% Zn and 0.45% Cu. A 14-foot wide section at the portal assayed 1.7 oz Ag/ton; 2.75% Pb; and 0.08% Zn.

Significant copper, lead, silver and zinc values occurring in a limestone shear structure create a potential environment for zones of sufficient tonnages of economic mineralization. The 1,200 foot long established zone, along with inferred continuation along strike in both directions, warrants a thorough exploration programme.

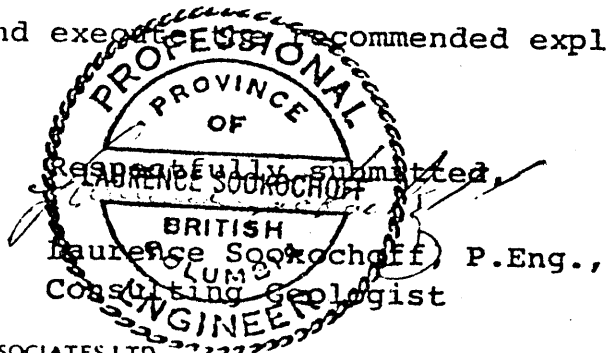
#### RECOMMENDATIONS

An E.M. survey in conjunction with geological mapping and trenching to establish correlative information on the shear structure should be carried out.

In addition, the portal of the drift should be cleared, and access gained to the workings for sampling purposes.

It is also recommended that Benn Explorations Ltd allocate the sum of \$10,000 to initiate and execute the recommended exploration and development programme.

August 26, 1976  
Vancouver, B.C.



BENN EXPLORATIONS LTD

KING CLAIM GROUP

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PART B

INTRODUCTION

At the request of officials of Benn Explorations Ltd the writer prepared a compilation of information on work completed to date on the King Claim Group and assessed the potential for locating economic ore zones on the property.

Information for the report was obtained from previous reports on the property, pertinent government publications and from a property examination on August 25, 1976.

PROPERTY AND OWNERSHIP

The property is comprised of nine contiguous located mineral claims owned by Benn Explorations Ltd.

Details on the claims are as follows:

<u>Claim Name</u>	<u>Record Number</u>	<u>Expiry Date</u>
King 1-4	24544-24547	June 30, 1977
Mineral King 21	26181	May 16, 1977
Mineral King 23-24	26183-26184	May 16, 1977
King 51	26206	May 25, 1977
King 52	96	May 27, 1977

The claim group is to be referred to as the King Claim Group hereafter.

LOCATION

The claims are located between Carpenter Lake and Mission Ridge, 43 miles by road west of Lillooet, B.C. and 100 miles by air north-east of Vancouver, B.C.

ACCESS

The property is accessible by good gravel road from Lillooet. A year-round maintained road to a microwave tower atop Mission Mountain traverses the property and provides access to most of the showings.

POWER AND SERVICE

Power would be available from a commercial power line passing through the property. The P.G.E. railline passes alongside Seton Lake at the southern base of Mission Mountain.



Services and supplies for most facilities required would be available at Lillooet.

#### WATER AND TIMBER

Water for all phases of the exploration and development program from creeks traversing the property or from Carpenter or Seton Lakes.

Commercial timber covers the claims.

#### TOPOGRAPHY

The topography is mountainous with steep slopes from the mountain base and more gentle slopes near the crest. Elevations vary from 1,500 to 6,400 feet a.m.s.l.

#### HISTORY OF THE AREA

With the discovery of gold in the Cariboo and Bridge River area in the early 1900's and the construction of the P.G.E. railway through Lillooet from 1910 to 1917, the development and exploitation of minerals in the Lillooet area ensued.

Discoveries of potential economic deposits of base metal minerals were widespread. Lode gold deposits discovered in the early 1920's and subsequent development at Pioneer Gold Mines and Bralorne Gold Mines were an added impetus for subsequent exploration. Millions of dollars worth of gold was produced from these properties up to the closure in recent years.

## GENERAL GEOLOGY

The geology of the area is best described in a report by S.J. Hunter, P.Eng., on the general area:

"The geology of the King Claim area embraces an offshoot of Jurassic granite of the Coast Range Batholith which occupies and underlays the east section of the claim area. The granite mass is well exposed in the valley of Carpenter Lake to the north of the claims and on the Seton Lake side to the south of the claims. Outcrops of granite are exposed on the property along the B.C. Hydro road and in many places they have contact characteristics.

Abutting the granite mass to the west are beds of Devonian Quartzites and Limestones. These beds strike northerly and are inclined steeply to the west.

The sediments are sandwiched between the easterly intrusive granite mentioned above and a recurring stock which outcrops a distance of eight miles to the west.

Structurally, the Devonian Rocks have been intensely faulted by the granitic intrusions so that the physical features of the Bridge River and Seton Lake systems actually define major east-west fault trends.

Locally on Mission Mountain, there is a pronounced north-south fault paralleling the granitic contact to the west of the claims. The fault is visible in sections of the road winding up the ridge from Carpenter Lake.

Of greater significance is the evidence across the ridge containing the claims of a series of east-west trending faults which strike into the granite in the area of the claims and which are physically defined by the narrow draws on the mountain side. The limestone sediments are brecciated from the action of the fault shear. As the fault approaches the granites mineralization begins to appear as vein replacement in the limestone breccias filling the east-west shear planes.

The extent of the granite contact and the distortion of the faults appears to have opened up a broad area which may have been amenable to mineralization."

#### WORK COMPLETED TO DATE

A number of open pits along with an adit explored a strongly silicified limestone breccia structure containing galena-sphalerite mineralization. The veins, discovered in 1930 at the 5100 foot elevation and where the 50 foot adit was driven, were further explored by open pits for 1,200 feet or to the 5,800 foot elevation.

During 1966-1967 Benn Explorations Ltd completed a soil sampling program over the original 28 claim group. Localized anomalous areas were located in lead, zinc, silver and copper including the original zones.

The reconnaissance soil sample program was of limited extent and generally located the mineralized shear structure.

### MINERALIZATION

The mineralization is of galena-sphalerite-arsenopyrite-chalcopyrite within quartzitic and silicified limestone of a sheared and brecciated vertical structure.

At the adit and the 5100 elevation the mineralized zone is 14 foot wide and assayed 1.7 oz Ag/ton; 2.75% Pb and .08% Zn (S.J. Hunter report September, 1967). Other reported assays were as follows:

<u>Location</u>	<u>Width</u>	<u>Ag/ton</u> <u>OZ</u>	<u>% Pb</u>	<u>% Zn</u>
Adit face		.80	1.30	.27
Dump		3.90	8.00	5.00
150 ft NE of adit (45 foot wide zone)	Grab	1.40	5.10	0.45
	Grab	.95	1.17	0.08
300 ft up hill (NE) (100 ft wide zone)	Grab	.25	tr	tr
5600 ft elev	Grab	8.55	10.35	4.55 % Cu .45
		2.90	4.80	- -

### EXPLORATION AND DEVELOPMENT PROGRAM

The exploration program should be designed to further delineate the mineralized structure, and provide sufficient correlative information to initiate a drill program to test the sub-surface structure.

An E.M. survey would localize the area of prime exploration potential and establish the area of strongest structure and/or maximim mineralization.

Geological mapping would be an aid in the interpretation of the E.M. survey and would be significant for correlative information.

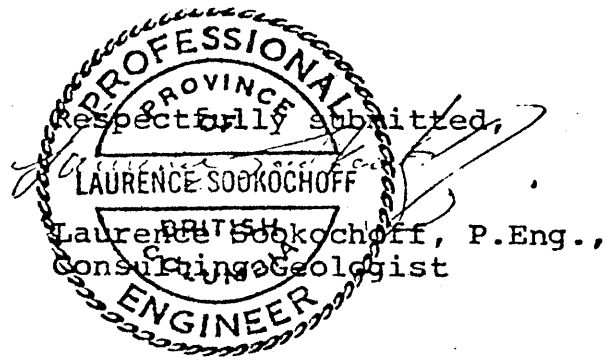
Once the targets for prime exploration are established, trenching and sampling of the surface zone would be carried out prior to diamond drilling.

The portal of the lower drift is presently caved and should be cleared to gain access to the workings so sampling can be completed.

COST OF EXPLORATION AND DEVELOPMENT PROGRAMME

E.M. Survey 32 Km at \$75/Km	\$ 2,400.00
Geological Mapping & Sampling	2,000.00
Trenching	2,000.00
Access to Drift	1,500.00
Engineering and Supervision	1,000.00
Contingencies	1,100.00
	<hr/>
TOTAL COST	\$10,000.00

The recommended programme is estimated to take six weeks to complete.



August 26, 1976 :  
Vancouver, B.C.

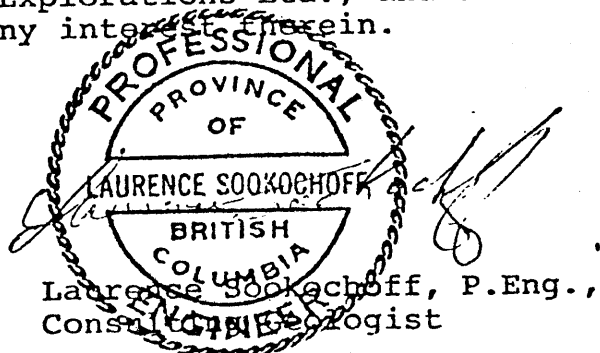
ENGINEER'S CERTIFICATE

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

That I am a Consulting Geologist and am an associate  
of T.R. Tough & Associates Ltd., with offices at  
500 - 1075 Melville 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 ten years.
3. I am registered with the Association of Professional Engineers of British Columbia.
4. The information derived for this report was obtained from: a personal property examination on August 24, 1976; from pertinent government publications and from specific material as cited under references.
5. I have no direct or indirect interest whatsoever in the property described herein, nor in the securities of Benn Explorations Ltd., and do not expect to receive any interest therein.



August 26, 1976  
Vancouver, B.C.

20. STATUTORY RIGHTS OF RESCISSION

Sections 61 and 62 of the Securities Act (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 Statement of Material Facts, together with financial statements and a summary of engineering reports as filed with the Vancouver Stock Exchange, 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 Statement of Material Facts or any amended Statement of Material Facts offering such security contains an untrue statement of 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 Statement of Material Facts or amended Statement of Material Facts 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.

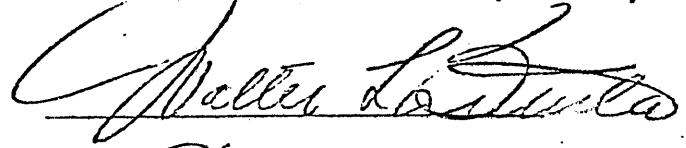
21. CERTIFICATE OF THE DIRECTORS AND PROMOTERS OF THE ISSUER:

The foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

September 3, 1976

(Date)

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

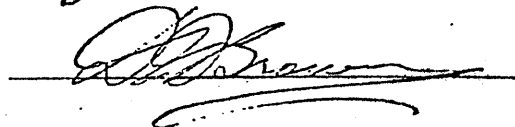


WALTER BETULA

Director

DAVID D. BROWN

Director & President



LLOYD EDWIN HEFFORD

Director

"Lloyd Edwin Hefford"

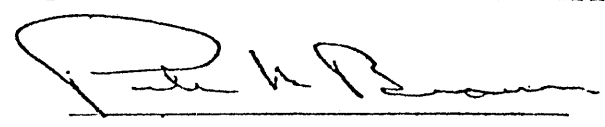
CERTIFICATE OF THE UNDERWRITER(S):

To the best of our knowledge, information, and belief, the foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

September 3, 1976

(Date)

CANARIM INVESTMENT CORPORATION LTD.



PETER M. BROWN

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