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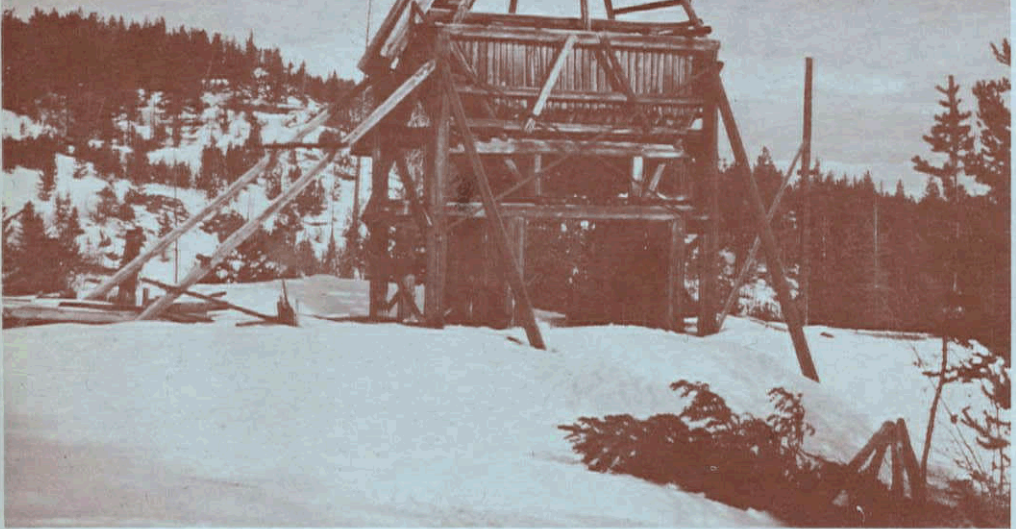
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PROPERTY FILE

Makelstin

PROPERTY FILE



**ACAPLOMO MINING
& DEVELOPMENT CO, LTD.
(N.P.L.)**

P.O. BOX 277

MERRITT, B.C.

- Prospectus -

January 31, 1970

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.

New Issue

432,000 Shares

Par Value 50¢ each

ACAPLOMO MINING & DEVELOPMENT CO.
LTD. (N.P.L.)

Incorporated under the laws of the
Province of British Columbia

HEAD OFFICE

Box 277
Merritt, B.C.

REGISTERED OFFICE:

1250 - 505 Burrard Street
Vancouver, B.C.

The Company offers by this prospectus 432,000 shares of its capital stock at 25¢ per share. Shares of this issue may be sold by trading directors of the Company pursuant to the provisions of section 7(2) of the Securities Act, 1967, and registered securities salesmen who will receive commissions as set forth below. Shares of this issue may also be offered by persons and companies registered to trade in securities in the Province of British Columbia.

	Price to Public	Commissions	Proceeds to Company
Per Unit	25¢	6.25¢	18.75¢
Total	\$108,000	\$27,000	\$81,000

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

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

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

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

January 31, 1970

ACAPLOMO MINING AND DEVELOPMENT CO.

LTD. (N.P.L.)

Prospectus

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THE COMPANY

Acaplomo Mining & Development Co. Ltd ("the Company") was incorporated on November 14, 1967 under the Companies Act, British Columbia by Memorandum of Association.

The Company converted from a private to a public company on January 9, 1970.

CAPITALIZATION

The authorized capital of the Company is \$2,500,000 divided into 5,000,000 shares of a par value of 50¢ each. There is only one class of shares and all rank equally as to dividends, voting rights and participation in assets.

Share Capitalization	Outstanding as of Dec. 31, 1969	Outstanding as of Jan. 31, 1970	Outstanding on Completion of Offering
5,000,000	950,697	950,697	1,382,697

Particulars of shares sold for cash:

Number of Shares	Price	Discount	Commissions	Cash Received
2	50¢	Nil	Nil	1.00
339,375	10¢	40¢	Nil	33,937.50
11,320	20¢	30¢	Nil	2,264.00
350,697				\$36,202.50

In addition to the above shares, 500,000 shares were issued for mineral claims (see paragraph "Business and Property") and 100,000 shares were issued to Aabax Developments Ltd. (N.P.L.), a private company with registered office at 1250 - 505 Burrard Street, Vancouver, B.C., in exchange for 100,000 shares of Aabax. Messrs. John Burdeniuk, Patrick Conlon, Sherwin F. Kelly, P. Eng. and Ross MacPherson are directors of both the Company and Aabax.

AUDITORS

The auditors of the Company are Messrs. Moen, Kent, Munro and Campbell of 2025 Granite Avenue, Merritt, B.C.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent of the Company is the Canada Trust Company, 901 West Pender Street, Vancouver, B.C.

BUSINESS AND PROPERTY

The Company is a mining company with power to engage in searching for and developing mineral properties.

The Company is the recorded and beneficial owner, subject to

the provisions of the Mineral Act of the Province of British Columbia, of the following located mineral claims in the Nicola Mining Division:

Makelstin	1 - 2	22820 - 22821	November 6, 1970
Makelstin	3 - 10	31682 - 31689	July 28, 1970
Makelstin	11 Fr.	31690	July 28, 1970
Makelstin	12 - 19	35833 - 35840	November 28, 1970
Makelstin	20	36841	December 1, 1970
Makelstin	21A- 22A	36732 - 36733	April 17, 1970
Makelstin	25 - 28	36126 - 36129	January 25, 1971
Makelstin	31 - 46	36276 - 36291	February 28, 1970
Makelstin	47 - 48 Frs.	36292 - 36293	February 28, 1970
Makelstin	49 - 52	36734 - 36737	April 17, 1970
Makelstin	53 - 54	36877 - 36878	May 17, 1970
Makelstin	57 - 60	37118 - 37121	June 27, 1970

Pursuant to an agreement dated November 21, 1967 between Sherwin F. Kelly, P. Eng., acting on behalf of himself and John Stinson, Wallace McClelland, Paul Polischuck, Donn Spankes, William Campbell, William Alley, Ross MacPherson and Frank Larkin as the Vendors and the Company as the Purchaser, the Company acquired the Makelstin 1 - 10 and 11 Fr. claims for the consideration of 500,000 shares of the Company and the sum of \$11,000. Pursuant to the terms of the agreement, each of the vendors then purchased 10,000 shares of the Company at a price of 10¢ per share. The cost of the claims to the Vendors was approximately \$600.

The 500,000 shares and \$11,000 were distributed as follows:

Sherwin F. Kelly, P. Eng.	225,000 shares and \$1,900
John Stinson	200,000 shares and \$1,800
Wallace McClelland	37,500 shares and \$1,150
Paul Polischuck	37,500 shares and \$1,150
Donn Spankes	\$1,000
William Alley	\$1,000
Frank Larkin	\$1,000
Ross MacPherson	\$1,000
William Campbell	\$1,000
	500,000
	\$11,000

Makelstin 12 - 30 claims were staked by Sherwin F. Kelly, P. Eng. on behalf of the Company and transferred by him to the Company by bill of sale recorded in the Mining Recorder's office, Merritt, British Columbia on January 25, 1968. Makelstin 21 - 22 claims were subsequently abandoned and re-staked by the Company as Makelstin 21A and 22A.

The remaining claims were staked by the Company for its own account.

Location and Accessibility

This claim group lies about 4 miles to the south of Merritt, British Columbia but is about 15 miles distant by road, 6 miles along the Coldwater River road from its turnoff from the Merritt-Princeton Highway, 1 mile south of the center of Merritt and about 6.5 miles by mountain road.

The elevation at the shaft has been recorded at 5,200 feet. A micro wave station is located at the end of the road on top of Iron Mountain, less than a mile away.

History of the Property

The property is first mentioned in the Minister of Mines Report for 1927, where it is called the Leadville Group. In that year, galena mineralization in a barite vein, had been discovered by Emmett Todd, and a shaft was commenced by a Seattle syndicate. It was completed at about 100 feet from the surface when the vein was pinched out by converging faults. The mineralization was subsequently explored by drifts, raises and small stopes. In 1947 a shipment of 36 tons of ore by George C. Hunter and associates, Lessees, grading 1.9 oz. silver, 16.4% lead and 0.65% Zn., was sent to the Trail Smelter. Granby Consolidated Mining, Smelting and Power Company Ltd. then acquired an option, dewatered the shaft, sampled it and apparently decided to go no further with it. The property was then acquired or optioned by New Jersey Zinc Explorations Ltd., which exposed the leached vein in the trenches north of the shaft, drilled two short, small diameter holes for assessment purposes, and apparently held the ground for several years before relinquishing it. Manor Mines Ltd. then drilled two holes when it had an option in the summer of 1966. These holes are described hereafter.

Previous Work

Other than the shaft work previously described, a number of trenches were made by the early investigators, which were reported to have revealed an ore zone, but these have since sloughed in. The overburden there was not deep, but heavy drift has apparently made this type of work relatively ineffective elsewhere.

The drilling done by Manor Mines Ltd. failed to reach the heavy barite concentration, either because of faulting or because the holes were not drilled sufficiently far, or because the vein pinched out. From the records on the core boxes, No. 1 hole was drilled N87° E, at minus 50 degrees for 101 feet, and No. 2 hole was drilled south 72° east at minus 55 degrees for 100 feet. The collar of No. 1 hole was reported as about 120 feet north of the shaft and that of No. 2 was about 90 feet south of the shaft.

The first 38 feet of the first hole and from 40 to 43½ feet of that hole was in a light sandy material, which is thought to be a

very much altered tuff. At 38 to 40 feet, the rock is a volcanic breccia. From 43½ to 48 feet and from 54 to 79 feet, the rock is intensely sheared with epidote and limonite seams. From 48 to 54, the rock is a fairly fresh brecciated green andesite.

In the second hole, the core is predominately purple amygdaloidal andesites and breccia in the first 53 feet. It is then a sheared zone stained by manganese and shows barite at 86 to 87 feet with lesser streaks to 90 feet, along with thin seams of pyrite. Beyond this to the end, it is green andesite. It is the opinion of J. A. Mitchell, the Company's consulting engineer, that two short holes are totally inadequate to test the area of mineralization.

The most recent work is that of soil sampling done by George Cressy under the direction of Sherwin F. Kelly, P. Eng. geophysicist, which covered claims 1, 2, 6, 30 and 11 Fr. Lines are 300 feet apart and run east 3000 feet or more and 1500 feet to the west off a north-south base line along or close to the location line of 1 and 2 claims and thence southerly along the west boundary of the Fraction going about S30°E, with the origin at the south end of claims 1 and 2. The samples were taken in the usual manner and assayed by hot extraction and atomic absorption. Determinations were made for silver, lead, zinc and copper.

Disregarding anomalies in the vicinity of the shaft, which may result from contamination, there are anomalous readings at the locations as follows:

Line 2100 north	stations	26E and 30E	Cu
Line 1800 north	stations	1W to 4W	Pb Cu
Line 1800 north	stations	15E to 18E	Pb Cu Ag
Line 1800 north	stations	23E to 29E	Cu
Line 1500 north	stations	1E to 9E	Cu
Line 1500 north	stations	0 to 2W	Pb with Zn at 0
Line 1200 north	stations	6W to 5E	Pb
		1W to 5E	Cu
(Shaft Line) 900 north	stations	10W to 12W	Pb Zn Cu Ag
Line 600 north	stations	0W to 7W	Pb Zn
		1-3W and 8W	Cu
		1W and 8W	Ag
		8E, 11E, 14E	Cu Ag
Line 300 north	stations	2W to 2E	Pb
		5W, 4E and 19E	Cu
Line 0 stations		6W	Pb Zn
		13W to 15W	Cu Ag
		2E, 6E, 9E and 12E	Cu
Line 300S stations		0E to 3E	Pb Zn Cu Ag
		4E and 5E	Cu Ag
Line 900S stations		9E	Cu Ag

The most continuous anomaly, a copper one, extends from 9E on 900S to 15 to 18E on 1800N.

The lead background appears to be about 15 parts per million, the zinc 50 parts per million, the copper about 20 parts per million and the silver .5 parts per million.

ENGINEER'S REPORT

The following is taken from the report of J. A. Mitchell, P. Eng., "Report on Makelstin Claim Group Iron Mountain" dated May 31, 1968, and together with the description of property and the information contained under paragraphs "Location and Accessibility", "History of the Property" and "Previous Work" constitutes the Mitchell report in its entirety:

Introduction

The Makelstin Group, property of Acaplomo Mining and Development Co. Ltd. (N.P.L.), was examined by the writer on May 6, 1968. The examination was made at the request of Sherwin Kelly, geologist and geophysicist, who with George Cressy, his assistant, accompanied the writer to the property. The ground at the property was still covered by snow to some extent, but it was possible to examine rock slides, bluffs and outcrops along the road. The dump at the shaft was also clear and it was possible to take samples of material removed from the shaft and to examine the core of two short diamond drill holes.

Summary

On the Makelstin Group of 58 claims on Iron Mountain, near Merritt, B.C., there occurs in lavas, tuffs and breccias of the Nicola series, one and apparently more barite zones, mineralized with galena carrying some silver. There is also a minor amount of zinc. Soil sampling on 4 claims gives anomalous lead, silver, zinc and copper values in several areas warranting further investigation. A program of work to cost about \$75,000 has been recommended.

Property

The property consists of 58 mineral claims including 3 fractional claims.

The location lines of Makelstin 20 and 23 to 30, run true north, whereas the balance run N17°E. Posts of the Makelstin 1 and 2, 11 Fraction, Makelstin 20, 31, 32, 33 and 34 were inspected and found to be in accordance with the Mineral Act of British Columbia. Lines were well blazed and posts were well made.

Physiography

Iron Mountain is a broad rounded mountain about 5600 feet high on the eastern margin of the coast range. Most of it is easily traversed on foot. Precipitation is relatively light, between 10" and 20" annually, but snow, which accumulates near the summit, apparently remains in shaded areas until well in to May. Hence the ground is moist for most of the year and supports a moderate growth of spruce as well as the pine more commonly found in the dry belt. Brush is light. Supplies of water for mining purposes are limited and would have to be investigated. However, at the time of the examination, water in the shaft was apparently lower than it had been in previous years. There is therefore apparently considerable variation in the ground water level from year to year. Drift cover is apparently generally quite deep, except towards the summit of the mountain.

Geology and Mineralogy

The rocks in the vicinity of the shaft, which is close to the center of the claim group, are all volcanics, predominantly andesitic flow rocks, but also tuffs and breccias belonging to the Nicola group of upper Triassic Age and favorable for ore deposition. In the immediate vicinity of the shaft, there appears to be considerable shearing and brecciation along a zone striking slightly east of north and dipping steeply to the west, or into the slope of the mountain.

Sketches made available to the writer, show a barite vein in the shaft cut off in the bottom of the shaft by two converging faults. This vein averages about five feet in width and is apparently between clean cut free walls. It flattens somewhat at about 55 feet in the shaft from a westerly dip of about 50 degrees to one of about 40 degrees, and it is at this point that the faults become the foot and hanging walls and gradually cut the vein off in the next 50 feet. It is indicated in the Report of the Minister of Mines for 1928, that there is evidence of fault drag and it was thought it would not be too difficult to pick up the continuation of the vein. In the following year, it was indicated that cross-cutting about 400 feet to reach the vein about 175 feet below the fault, was preferable to further shaft sinking, and preparations were apparently made at that time to do this. For some unexplained reason, it was never done.

Sampling of the shaft by a company engineer in 1947, gave a weighted average from 16 samples of 3.45% Pb., 1.98% Zn., 1.45 oz. Ag., across 4 feet from walls of stopes, drifts and shaft. Two samples from the bins by the same engineer, gave 16.20% Pb., 1.64% Zn., 2.34 oz. Ag. and 7.70% Pb., 1.65% Zn., 1.65 oz. Ag., respectively.

The 1929 report of the Minister of Mines states that there were 370 tons of ore on the dump, with an estimated average content of 15% lead. Measurements of the dump by the writer, indicate there is in it about 700 tons of an average specific gravity of about 3.7. Measurements on the plan, and section of the underground workings, indicate that some 1000 tons were removed. It is possible, therefore, that the 370 tons reported in the 1929 report, have since been shipped, although there is no official record of this available.

Samples taken by the writer, assayed as follows:

1. From ore in bin 1.60 oz. Ag.; 14.90% Pb.; 0.45% Zn.;
55.20% BaSO₄.
2. From cobbled material (rejects) 1.30 oz. Ag.; 2.32% Pb.;
Tr. Zn.; 75.80% BaSO₄
3. From main dump + 700 tons 1.15 oz. Ag.; 3.45% Pb.;
26.00% BaSO₄.

These samples collectively give a fairly good average of the grade that can be expected and show that cobbing out the high grade galena does not raise the silver content correspondingly. In other words, the silver content is entirely, or almost entirely independent of the lead and zinc content.

It appears to the writer that it may be beneficial to find a market outlet for the barite that would also pay for the lead, zinc and silver or a portion of it, as it would not add materially to the shipping charges and could probably be cleaned more readily at or near its destination than at the property.

The barite gangue close to the railroad as it is, could conceivably be of some value as a by-product. About 10,000 tons is used annually as a drilling mud in the oil fields of western Canada, and about 200,000 tons is exported annually, but there is a tariff on exports to the United States. The price of the drilling mud, grade 83% to 93% BaSO₄ and from 3% to 12% Fe and specific gravity 4.2 to 4.3, is \$12 to \$16 a ton, crude or bulk. Ground, it is \$23 to \$26. Tailings, from at least two small mine operations in the east Kootenays, have been sent to Alberta for processing for drilling mud.

The writer is advised that two barite processing companies have expressed an interest in the barite at Iron Mountain and that a little galena in it will not be detrimental for the purpose intended. It seems, therefore, that there is a distinct possibility of upgrading galena ore for the shipment to a smelter and shipping the barite tailings to a processing plant.

In addition to the barite vein described above, which is reported to outcrop for several hundred feet on the surface with a width up to ten feet, there is another showing of barite and silver-lead, reported on the claim group, 1000 feet to the west of the shaft.

(Report of the Minister of Mines, 1927). It is also reported that an area of iron mineralization, made up of veins of specular hematite, extends for some 1500 feet to the south of the shaft and that other small occurrences of galena in barite, have been found in that direction. There thus appears to be ample justification for further work on this claim group.

Conclusion

It appears from the foregoing data, that whereas previous shafting, trenching and drilling failed to show substantial bodies of ore, it was nevertheless demonstrated that ore of shipping grade was obtainable. Soil sampling has indicated the presence of other zones apparently more or less parallel that may be better than that on which work has been done, the most persistent showing a good copper reaction which metal has not been noted heretofore in any report. It is, therefore, concluded that the property warrants further testing.

USE OF PROCEEDS

In his report dated May 31, 1968, J. A. Mitchell, P. Eng., recommends the following program of work:

1. Geological mapping of the claim group.
2. Further soil sampling of selected areas of the claim group after discarding the least likely areas by prospecting.
3. Bulldozing anomalous areas wherever depth of overburden permits.
4. Drill zones confirmed by bulldozing and others where overburden is too deep for bulldozing.
5. Rehabilitate the shaft workings to extent necessary to determine, if possible, the direction of faulting and to prepare drill sites for short holes to pick up the faulted extensions if this then seems feasible.

Costs of Proposed Program

The foregoing recommendations provide the skeleton of the proposed program. The amount to be spent under each heading will vary somewhat according to developments that occur as the work progresses. It may be possible to cut them considerably or defer them in some areas if other areas responded favourably. In any event, any development pointing conclusively to an orebody will mean that additional funds will be required to conduct stages of development beyond those outlined in this report. The following costs are therefore subject to some modification, but at this point

appear to be a reasonable estimate of what will be required to carry out the necessary investigation.

1. Engineering and geological mapping	4,500
2. Soil sampling and assaying	15,000
3. EM survey and mapping	3,000
4. Bulldozing anomalous areas	5,000
5. Drilling 2,500 ft. @ \$10/ft.	25,000
6. Rehabilitating shaft	3,500
7. Administration	12,500
	<u>\$68,500</u>
Contingencies @ 10%	<u>6,850</u>
	\$75,350
Say	\$75,000

(end of excerpts from report of J. A. Mitchell, P. Eng.)

The Company also intends to use the proceeds received from the sale of shares offered by this prospectus to retire outstanding indebtedness of approximately \$4300.

If the actual proceeds from the sale of shares offered by this prospectus should prove insufficient to accomplish the purposes set out above, the Company intends to give priority to:

cost of this issue	\$ 5,000
accounts payable	4,300
administration	12,500
geochemical soil surveys	3,000
diamond drilling	25,000
	<u>\$ 49,800</u>

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 said proceeds to invest, underwrite or trade in non-trustee type securities after the initial distribution of the securities offered by this prospectus, approval by the shareholders must first be obtained and disclosure made to the regulatory securities bodies having jurisdiction over the sale of the securities offered by this prospectus.

PROMOTERS

Sherwin F. Kelly, P. Eng., of Merritt, British Columbia is the founder and organizer of the Company and is, therefore, the promoter of the Company as defined in the Securities Act, 1967.

Pursuant to an agreement dated November 21, 1967, Sherwin

F. Kelly, P. Eng., acting on behalf of himself and eight other vendors received 500,000 shares of the Company as consideration for the acquisition by the Company of mineral properties. A total of 275,000 shares were transferred to the other vendors. (See "Business and Property").

The Company has issued 100,000 shares of its capital stock to Aabax Developments Ltd. (N.P.L.) in exchange for 100,000 shares of Aabax (See "Capitalization"). Sherwin F. Kelly, P. Eng. owns 9,500 shares or 4.1% of the 233,200 outstanding shares of Aabax.

DIRECTORS AND OFFICERS

Name	Address	Office Held
John Burdeniuk	1999 Voght Street Merritt, B.C.	Director
Patrick Conlon	P.O. Box 665 Merritt, B.C.	Director and Treasurer
Sherwin F. Kelly P. Eng.	P.O. Box 325 Merritt, B.C.	Director and President
Frank Larkin	Grasslands Hotel Merritt, B.C.	Director
Wallace McClelland	P.O. Box 217 Merritt, B.C.	Director
Ross MacPherson	4083 West 16th Avenue Vancouver, B.C.	Director, Vice- President and Secretary

The principal occupations of the directors during the past five years are as follows:

John Burdeniuk	1963 to 1966 - self-employed operator of Johnny Esso Service station, Choceland, Sask.; May 1966 to August, 1968 - proprietor of MacLeod's Family Shopping Center, Merritt, B.C.; October, 1968 to date - salesman with MacLeod's Family Shopping Center, Merritt, B.C.
Patrick Conlon	1953 to date - machine operator with the Provincial Department of Highways, Merritt, B.C.
Sherwin F. Kelly P. Eng.	1937 to date - president of Geophysical Explorations Ltd., Merritt, B.C.; 1940 to date - president of Sherwin F. Kelly Geophysical Services, Inc., Wilmington, Delaware, U.S.A.

Frank Larkin	1963 to date - partner and manager of Grasslands Hotel, Merritt, B.C.
Wallace McClelland	1963 to 1965 - prospector with Hurley River Mines Ltd.; September 1965 to March 1966 - prospector with Copper Canyon Drillers; March 1966 to date - prospector with Copper Canyon Drillers, Amalgamated Resources Ltd. (Non-Personal Liability) and San Doh Mines Ltd. (Non-Personal Liability)
Ross MacPherson	1964 to 1966 - pastor of Kings Road Baptist Church, North Vancouver, B.C.; 1966 to 1967 - salesman with I.O.S. of Canada Ltd., Vancouver, B.C.; June, 1967 to April 1968 - salesman with Annis Mines Ltd., Kamloops, B.C.; January 1968 to May 1968 - director of Annis Mines Ltd.; October 1967 to date - director of Acaplomo Mining and Development Co. Ltd. (N.P.L.).

REMUNERATION OF DIRECTORS

No remuneration has been paid to any of the Company's directors or officers as such since its incorporation. Sherwin F. Kelly, P. Eng. as professional geologist and geophysicist has received \$3,700 for his professional counsel and supervision. It is anticipated that remuneration in the amount of \$8,000 will be paid to directors and officers of the Company during the current fiscal year.

ESCROWED SHARES

As of the date hereof, 600,000 shares are held in escrow by The Canada Trust Company, 901 West Pender Street, Vancouver, British Columbia, under the direction and control of the Superintendent of Brokers of British Columbia. The escrow restrictions provide that the shares may not be traded in, dealt with in any manner whatsoever, or released, nor may the Company, its transfer agent or escrow holder make any transfer or record any trading of the shares without the consent of the Superintendent of Brokers. If the Company loses or does not obtain a good marketable title to or abandons or discontinues development of the property which was the consideration for the shares in escrow, or in the event the property is not as represented, the holders of the escrow shares have agreed to advise the Superintendent of Brokers and to surrender by way

of gift to the Company such numbers of escrowed shares as the superintendent of Brokers may deem fair and equitable.

Class of Shares	Number of Shares Held in Escrow	Percentage of Class
Common	600,000	63.1%

In addition 350,697 shares are held by The Canada Trust Company, 901 West Pender Street, Vancouver, B.C. in trust for the beneficial holders thereof and will not be released until at least 30 days following completion of this first public offering and subject to the Superintendent of Brokers consenting to such release.

PRINCIPAL HOLDERS OF SECURITIES

As of January 31, 1970, the following table sets forth the number of shares owned of record or beneficially, directly or indirectly, by each person who owns more than 10% of the Company's shares.

Name and Address	Type of Ownership	Number of Shares Owned	Percentage of Shares Outstanding
Sherwin, F. Kelly, P. Eng. P.O. Box 325 Merritt, B.C.	Record and Beneficial	266,602	28.1%
John Stinson 1519 - 8th Avenue New Westminster, B.C.	Record and Beneficial	220,000	23.1%
Aabax Developments Ltd. (N.P.L.) Merritt, B.C. Box 277	Record and Beneficial	100,000	10.5%

The directors of the Company beneficially own 28.8% of the outstanding shares of the Company.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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

- (a) A purchaser has the right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last prospectus, together with financial statements and reports and summaries of reports relating to the securities as filed with the British Columbia Securities Commission, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission

must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice.

- (b) A purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to endorse this right can be commenced by a purchaser after expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

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

CERTIFICATES

Directors

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.

Patrick Conlon

Frank Larkin

Sherwin F. Kelly, P. Eng.

Wallace McClelland

John Burdeniuk

Ross MacPherson

Promoter

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.

Sherwin F. Kelly, P. Eng.

MOEN, KENT, MUNRO & CAMPBELL

G. WARREN BEST, C.A.
RESIDENT PARTNER

CHARTERED ACCOUNTANTS

2025 GRANITE AVENUE, MERRITT, B.C.

TELEPHONE: 378-2215

ACAPLOMO MINING & DEVELOPMENT CO. LTD. (N.P.L.)

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G. WARREN BEST, C.A.
RESIDENT PARTNER

CHARTERED ACCOUNTANTS

2025 GRANITE AVENUE, MERRITT, B.C.

TELEPHONE: 378-2215

February 5, 1970.

AUDITORS' REPORT

To the Shareholders,
Acaplomo Mining & Development Co. Ltd. (N.P.L.)
Merritt, B. C.

We have examined the balance sheet of Acaplomo Mining & Development Co. Ltd. (N.P.L.) as at January 24, 1970 and the statements of administration, exploration and development expenditures and of source and application of funds for the period ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and the statements of administration, exploration and development expenditures and of source and application of funds present fairly the financial position of the company as at January 24, 1970 and the results of its operations for the period ended on that date in accordance with generally accepted accounting principles consistently applied.

Moen, Kent, Munro & Campbell

Chartered Accountants.

ACAPLOMO MINING & DEVELOPMENT CO. LTD. (N.P.L.)

(Incorporated under the Laws of the Province of British Columbia)

BALANCE SHEET

JANUARY 24, 1970

Exhibit A.

ASSETS

<u>CURRENT ASSETS:</u>	
Cash	\$ 117.07
INVESTMENT IN AABAX DEVELOPMENT LTD. (N.P.L.)	
Shares - at cost - notes 2 and 4	10,000.00
LEASEHOLD IMPROVEMENTS - at cost - note 5	418.62
MINERAL CLAIMS - at cost - notes 1, 2 and 6	261,033.00
DEFERRED EXPENDITURES - at cost - note 6	
Administration - Exhibit B.	\$ 10,710.61
Exploration and development - Exhibit C.	17,352.26
Incorporation and organization costs	<u>1,510.52</u>
	29,573.39
	<u>\$ 301,142.08</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

<u>CURRENT LIABILITIES:</u>	
Accounts payable	\$ 4,439.58
Loans from Directors	<u>500.00</u>
	4,939.58
<u>SHAREHOLDERS' EQUITY:</u>	
Share capital:	
Authorized:	
5,000,000 shares, par value 50¢ each	
Allotted and fully paid - note 2 and 3	
500,000 shares for mineral	
claims - note 1	\$ 250,000.00
100,000 shares for investments -	
note 4	10,000.00
<u>350,697 shares for cash</u>	<u>36,202.50</u>
	950,697
	<u>296,202.50</u>
	<u>\$ 301,142.08</u>

APPROVED ON BEHALF OF THE BOARD

William Kelly Director

John R. Boudryk Director

The attached notes form an integral part of the balance sheet.

This is the balance sheet referred to in our report dated February 5, 1970.

MOEN, KENT, MUNRO & CAMPBELL
CHARTERED ACCOUNTANTS

ACAPLOMO MINING & DEVELOPMENT CO. LTD. (N.P.L.)

STATEMENT OF ADMINISTRATION EXPENDITURES

FOR THE PERIOD NOVEMBER 14, 1967 (date of incorporation)

TO JANUARY 24, 1970	Exhibit B.
Accounting, legal and transfer fees	\$ 697.70
Bank charges	120.62
Office and secretarial	3,778.78
Telephone and utilities	218.27
Travel	5,895.24
	\$ 10,710.61

STATEMENT OF EXPLORATION AND DEVELOPMENT EXPENDITURES

FOR THE PERIOD NOVEMBER 14, 1967 (date of incorporation)

TO JANUARY 24, 1970	Exhibit C.
Assessment work	\$ 1,332.17
Engineering, geological and geophysical fees	4,049.85
Field equipment rentals	1,247.38
Fieldwork	3,470.53
Line cutting and soil sampling	2,161.94
Mapping	433.00
Free miner's licences	600.00
Recording fees	325.00
Soil analysis	2,274.89
Staking costs	1,457.50
	\$ 17,352.26

MOEN, KENT, MUNRO & CAMPBELL
CHARTERED ACCOUNTANTS

ACAPLOMO MINING & DEVELOPMENT CO. LTD. (N.P.L.)

EXHIBIT D

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE PERIOD NOVEMBER 14, 1967 (date of incorporation) TO JANUARY 24, 1970

	For The Period November 14, 1967 To June 13, 1968	For The Period June 14, 1968 To June 13, 1969	For The Period June 14, 1969 To January 24, 1970	Total November 14, 1967 To January 24, 1970
SOURCE OF FUNDS:				
Proceeds from sale of shares - at 50¢ per share	\$ 1.00	\$ -	\$ -	\$ 1.00
- at 20¢ per share	-	2,164.00	100.00	2,264.00
- at 10¢ per share	29,140.00	3,537.50	1,260.00	33,937.50
	29,141.00	5,701.50	1,360.00	36,202.50
TOTAL SOURCE OF FUNDS				
APPLICATION OF FUNDS:				
Leasehold improvements	-	418.62	-	418.62
Mineral claims	11,033.00	-	-	11,033.00
Administration expenditures:				
Accounting, legal and transfer fees	\$ -	\$ 360.20	\$ 337.50	\$ 697.70
Bank charges	79.58	25.99	15.05	120.62
Office and secretarial	476.89	2,108.47	1,193.42	3,778.78
Telephone and utilities	21.25	197.02	-	218.27
Travel	5,500.76	6,078.48	71.79	5,895.24
Exploration and development expenditures:				
Assessment work	-	737.00	595.17	1,332.17
Engineering, geological and geophysical fees	2,449.85	1,600.00	-	4,049.85
Field equipment rentals	708.53	538.85	-	1,247.38
Fieldwork	1,253.00	2,217.53	-	3,470.53
Line cutting and soil sampling	1,257.94	904.00	-	2,161.94
Mapping	357.00	76.00	-	433.00
Free miner's licences	200.00	200.00	200.00	600.00
Recording fees	255.00	70.00	-	325.00
Soil analysis	1,100.94	1,173.95	-	2,274.89
Staking costs	1,175.00	8,757.26	7,799.83	1,457.50
Incorporation and organization costs	1,350.00	282.50	-	1,632.50
	27,218.74	10,981.92	2,824.35	41,025.01
INCREASE (DECREASE) IN WORKING CAPITAL	\$ 1,922.26	\$ (5,280.42)	\$ (1,464.35)	\$ (4,822.51)
STATEMENT OF WORKING CAPITAL:				
At beginning of period:				
Current assets	\$ -	\$ 2,563.02	\$ 17.03	\$ -
Current liabilities	-	640.76	3,375.19	-
Working Capital (Deficiency)	-	1,922.26	(3,358.16)	-
At end of period:				
Current assets	2,563.02	17.03	117.07	117.07
Current liabilities	640.76	3,375.19	4,939.58	4,939.58
Working Capital (Deficiency)	1,922.26	(3,358.16)	(4,822.51)	(4,822.51)
INCREASE (DECREASE) IN WORKING CAPITAL	\$ 1,922.26	\$ (5,280.42)	\$ (1,464.35)	\$ (4,822.51)

MOEN, KENT, MUNRO & CAMPBELL
CHARTERED ACCOUNTANTS

ACAPLOMO MINING & DEVELOPMENT CO. LTD. (N.P.L.)

NOTES TO FINANCIAL STATEMENTS

JANUARY 24, 1970

1. Pursuant to a directors' resolution, 500,000 treasury shares have been allotted, at par value of 50¢ each, in consideration of the company acquiring all titles and rights to certain mineral claims shown on the balance sheet.
2. Discounts were given upon the allotment of shares as follows:

<u>Number of Shares</u>	<u>Allotted for</u>	<u>Par Value</u>	<u>Discount</u>	<u>Proceeds</u>
500,000	Mineral claims	\$ 250,000.00	\$ -	\$ 250,000.00
100,000	Investment	50,000.00	40,000.00	10,000.00
<u>350,697</u>	Cash	<u>175,348.50</u>	<u>139,146.00</u>	<u>36,202.50</u>
950,697		\$ 475,348.50	\$ 179,146.00	\$ 296,202.50

3. All shares allotted are being held in escrow by Canada Trust Company, subject to release only with the consent of the Superintendent of Brokers, Province of British Columbia.
4. Pursuant to a directors' resolution 100,000 treasury shares have been allotted at 10¢ each to Aabax Developments Ltd. (N.P.L.) in exchange for 100,000 treasury shares of that company at a price of 10¢ each. The par value of the shares of Aabax Developments Ltd. (N.P.L.) is 50¢ per share.
5. No provision for amortization of the leasehold improvements has been made in the books of the company.
6. The amounts shown for mineral claims, administration expenditures and exploration and development expenditures represent costs to date and are not intended to reflect present or future values.

MOEN, KENT, MUNRO & CAMPBELL
CHARTERED ACCOUNTANTS