This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. 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

MASCOT GOLD MINES LIMITED

$6,250,000

Issue of up to 2,500 Units

Each Unit consists of 200 Series I Share Purchase Warrants, 725 Series II Share Purchase Warrants and the right to earn 1,000 Common Shares for each $2,200 expended during 1984 on Canadian exploration expense as defined in the Income Tax Act (Canada).

Share Purchase Warrants

Each Series I Share Purchase Warrant will entitle the holder to subscribe for one Common Share at a price of $1.70 per share from the date of issue to March 1, 1985. Each Series II Share Purchase Warrant will entitle the holder to subscribe for one Common Share at a price of $1.70 per share from the date of issue to March 1, 1988. The Warrants will be issued in bearer form on the Closing Date. See "Details of the Offering".

The subscription price of $2,500 per Unit will be allocated by the Company for tax purposes as to $10 to the Series I Share Purchase Warrants, as to $290 to the Series II Share Purchase Warrants and as to $2,200 to the right to earn Common Shares. The proceeds allocated to the sale of the Warrants will be used primarily for payment of Agents' commission and expenses of issue. The proceeds allocated to the right to earn Common Shares, together with interest earned thereon (collectively "Unitholders' Funds"), will be expended on behalf of Unitholders to fund a portion of the Company's 1984 mineral exploration program. See "Use of Proceeds". Such expenditures incurred as the sole consideration for Common Shares or the right to earn Common Shares will constitute Canadian exploration expense under the Income Tax Act (Canada) and will entitle the Unitholders to deductions for income tax purposes. See "Income Tax Considerations". Subscribers for Units will earn one Common Share for each $2.20 of Unitholders' Funds expended on Canadian exploration expense. **Rights to earn Common Shares will not be transferable.**

The outstanding Common Shares of the Company are listed on the Toronto and Vancouver stock exchanges. These exchanges have conditionally approved the listing of the Warrants and the Common Shares to be issued by the Company. Listing is subject to the Company fulfilling all of the requirements of such exchanges on or before November 13, 1984, including distribution of the Units to a minimum number of public security holders. The closing sale price of the Common Shares on The Toronto Stock Exchange on August 14, 1984 was $1.70. See "Price Range and Trading Volume of Common Shares". The price of the Units has been determined by negotiation between the Company and the Agents.

These securities are speculative. The amount of $2.20, representing the right to earn one Common Share exceeds the net pro forma book value per share at March 31, 1984 by $1.06 after giving effect to the Maximum Offering. Unitholders may be subject to civil liability arising from the mineral exploration program. See "Risk Factors".

Price: $2,500 per Unit

	Price to the public	Agents' Commission	Net Proceeds to the Company (1)(2)
Per Unit	$2,500	$187.50	$2,312.50
Minimum Offering (3)	$3,000,000	$225,000	$2,775,000
Maximum Offering	$6,250,000	$468,750	$5,781,250

(1) Before deducting expenses of issue estimated to be $185,000.
(2) Unitholders' Funds will be held by the Custodian who will disburse such proceeds to the Company to incur Canadian exploration expense.
(3) Subscription funds will be held by Canada Permanent Trust Company pending the Closing Date. If the Minimum Offering has not been subscribed for by the Closing Date, or for any other reason closing does not occur, all subscription funds will be promptly returned to subscribers without interest or deduction.

We, as agents, conditionally offer the Units on a best efforts basis subject to prior sale, if, as and when issued and delivered by the Company and accepted by us in accordance with the conditions contained in the Agency Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of the Company by Smith, Lyons, Torrance, Stevenson & Mayer, Toronto, and on behalf of the Agents by Stikeman, Elliott, Toronto.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription book at any time without notice. The expected Closing Date is September 6, 1984, but may be a later date as stated under "Plan of Distribution". It is expected that definitive certificates for the Warrants will be available for delivery to Unitholders on the Closing Date. Definitive certificates for the Common Shares earned by Unitholders will be mailed to Unitholders on or before March 15, 1985.

August 15, 1984

The following information is a summary only. Reference is made to the detailed information appearing elsewhere in this Prospectus.

SUMMARY

The Offering

Offering: A maximum of 2,500 Units (the "Maximum Offering") and a minimum of 1,200 Units (the "Minimum Offering"). Each Unit consists of 200 Series I Share Purchase Warrants, 725 Series II Share Purchase Warrants (collectively "Warrants") and the right to earn 1,000 Common Shares for each $2,200 expended during 1984 on Canadian exploration expense as defined in the Income Tax Act (Canada).

Price: $2,500 per Unit.

Warrants: Each Series I Share Purchase Warrant will entitle the holder to subscribe for one Common Share at a price of $1.70 at any time after the date of issue to March 1, 1985. Each Series II Share Purchase Warrant will entitle the holder to subscribe for one Common Share at a price of $1.70 at any time after the date of issue to March 1, 1988. See "Details of the Offering".

Common Shares: The outstanding Common Shares of the Company are listed on the Toronto and Vancouver stock exchanges.

Transferability: **Rights to earn Common Shares will not be transferable.**

Estimated Closing Date: September 6, 1984.

Use of Proceeds: The proceeds allocated to the sale of the Warrants will be used primarily for payment of Agents' commission and expenses of this issue. The proceeds allocated to the right to earn Common Shares, together with interest earned thereon, being Unitholders' Funds, will be expended on behalf of Unitholders prior to December 31, 1984 to incur Canadian exploration expense in the course of mineral exploration on the two principal properties in which the Company has an interest. Any portion of Unitholders' Funds may be expended to incur Canadian exploration expense in the course of mineral exploration on other properties in which the Company has an interest if expenditures on the two principal properties cease to be justified or expenditures on other properties are deemed prudent by management of the Company, provided that such expenditures qualify as Canadian exploration expense which qualifies for mining exploration depletion allowance. Subscribers for Units will earn one Common Share for each $2.20 of Unitholders' Funds expended on Canadian exploration expense.

Unitholders' Funds will be held by Canada Permanent Trust Company (the "Custodian") and will be invested on behalf of the Unitholders by the Custodian until advanced to the Company for such exploration expenditures. Any Unitholders' Funds not expended on or before December 31, 1984 will be returned to Unitholders as soon as practicable and, in any event, not later than the time of delivery of certificates for Common Shares.

Delivery of Warrants and Common Shares: It is expected that definitive certificates for the Warrants will be available for delivery to Unitholders on the Closing Date. Definitive certificates for Common Shares will be mailed to Unitholders on or before March 15, 1985.

Income Tax Considerations

The Income Tax Act (Canada) allows investors to deduct, in calculating their income for tax purposes, Canadian exploration expense incurred solely as consideration for shares or the right to shares of a corporation. In addition, it was announced in the April 19, 1983 Budget Address by the Minister of Finance, as reflected in certain draft amendments to regulations under the Income Tax Act (Canada), that depletion allowance to the extent of 33-1/3% of eligible Canadian exploration expense incurred after April 19, 1983 in the course of mineral exploration would be allowed as a deduction from income to the extent of 25% of income after deduction of Canadian exploration expense, (33-1/3% of income for Quebec tax purposes). Unitholders' Funds will be used in 1984 to incur Canadian exploration expense in the course of mineral exploration and therefore it is estimated that approximately $2,933 per Unit, being 133-1/3% of $2,200, representing the right to earn the 1,000 Common Shares forming part of such Unit, will be available to each Unitholder with sufficient income as a deduction in calculating income for tax purposes in 1984. **Unitholders should consult their tax advisors to determine individual tax consequences of an investment in the Units. See "Income Tax Considerations" and "Risk Factors".**

The Company

The Company is the corporation resulting from the amalgamation on July 31, 1984 of Mascot Gold Mines Limited and Ebex Resources Ltd. See "The Company". The Company is engaged in the exploration for and development of base and precious metals, primarily gold, in Canada and the United States. The two principal properties in which the Company has an interest, both of which are currently non-producing, are the Nickel Plate property, a former gold mine located near Hedley, British Columbia, 100% owned by the Company, and the Bralorne property, a former gold mine located near Lillooet, British Columbia, in which the Company has approximately a 21% interest with the right to increase such interest to approximately 60%. The Company also owns varying interests in 37 other properties, none of which is currently in production, and a 10.4% interest in the Sterling Mine, a small producing gold mine located in Nevada.

Reserves

The Hainsworth Report and the DeLeen Report provide reserve data for the Nickel Plate and Bralorne properties, respectively. At December 31, 1983, estimated drill proven reserves on the Nickel Plate property were 404,498 tons having an average undiluted grade of 0.292 ounces of gold per ton and estimated drill possible reserves on the Nickel Plate property were 94,160 tons having an average undiluted grade of 0.270 ounces of gold per ton, in both cases, above the 450 level. The Bralorne property at June 22, 1984 had an aggregate of 797,185 tons of proven and probable reserves having an average diluted grade of 0.24 ounces of gold per ton and 117,930 tons of possible reserves having an average diluted grade of 0.29 ounces of gold per ton, in both cases, above the 2600 level.

Risk Factors

The securities offered hereby are speculative and are subject to a number of risk factors. The Company's two principal properties are non-producing and the reserves on these properties are presently insufficient at current gold prices to be economically viable. **However, production from such properties has occurred in the past and, as a result, could affect the eligibility as Canadian exploration expense of expenditures to be made by Unitholders as proposed in this Prospectus.** Certain income tax consequences to Unitholders depend on the passage of draft legislation and regulations. Mineral exploration and development involve significant risks and, while the rewards can be substantial if an orebody is found, few properties which are explored are ultimately put into commercial production. **In addition, Unitholders may become directly liable for liabilities arising from the mineral exploration program to be conducted by the Company on behalf of Unitholders to the extent that such liabilities exceed the net assets of the Company and the proceeds of insurance to a maximum of $50,000,000 per occurrence which will be maintained for the benefit of Unitholders.** See "Risk Factors".

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THE COMPANY

Mascot Gold Mines Limited (the "Company") is the corporation resulting from the amalgamation on July 31, 1984 by certificate of amalgamation under the laws of British Columbia of Mascot Gold Mines Limited ("Old Mascot") and Ebex Resources Ltd. ("Ebex"). As used herein, the "Company" also includes Old Mascot and Ebex as the context requires.

The registered and records office of the Company is located at 16th Floor, 1030 West Georgia Street, Vancouver, British Columbia V6E 3C4 and its head office is located at 1440-800 West Pender Street, Vancouver, British Columbia V6C 2V6.

The Amalgamation

Old Mascot was incorporated under the laws of British Columbia by memorandum of association dated November 29, 1971 for the purpose of acquiring the Nickel Plate property. At the date of the amalgamation of Old Mascot and Ebex, Campbell Resources Inc. ("Campbell") owned, directly and indirectly, 4,486,113 shares of Old Mascot, representing approximately 80.8% of the 5,555,139 shares of Old Mascot issued and outstanding.

Ebex was incorporated under the laws of British Columbia by certificate of incorporation dated April 9, 1984 for the purpose of acquiring E&B Explorations Limited Partnership ("E&B"), a limited partnership formed in 1979 under the laws of Colorado. On incorporation, one common share of Ebex was issued to Campbell.

Pursuant to an agreement dated as of May 17, 1984 (the "Master Agreement") among Old Mascot, Ebex, Campbell, E&B, E&B Explorations Inc. ("E&B Inc."), a Delaware corporation which was the general partner of E&B and had a 50% interest therein, NuNorth Resources Limited, L.P. ("NuNorth"), a Delaware limited partnership which was the sole limited partner of E&B and had a 50% interest therein, and certain principals of E&B, E&B Inc. and NuNorth, Ebex purchased all of the interest of NuNorth in E&B, all of the issued and outstanding shares of E&B Inc., 150,000 treasury common shares of Campbell and certain properties owned by Campbell or its wholly-owned subsidiary, CCH Minerals Ltd., in consideration of an aggregate of 8,000,000 common shares of Ebex and $100 in cash. In addition, Old Mascot and Ebex entered into an amalgamation agreement under which Old Mascot and Ebex amalgamated (the "Amalgamation") to become the Company and each shareholder of Old Mascot and Ebex received one Common Share of the Company for each share of Old Mascot or Ebex held.

In connection with the Amalgamation, an independent investment dealer provided a letter dated June 26, 1984 addressed to the Board of Directors of Old Mascot advising that, as a consequence of the analysis conducted by it and based on the material it was furnished and relied upon, such investment dealer was of the opinion that the share exchange ratio was fair from a financial point of view to public shareholders of Old Mascot.

As a result of the foregoing 13,555,140 Common Shares of the Company were issued and outstanding as of the date of the Amalgamation, of which 8,886,114 Common Shares, representing approximately 65.5%, were owned, directly and indirectly, by Campbell. Campbell has agreed to sell 8,669,213 of these Common Shares to Royex Gold Mining Corporation, an associated company, as described under "Principal Holders of Common Shares".

BUSINESS OF THE COMPANY

The Company is engaged in the exploration for and development of base and precious metals, primarily gold, in Canada and the United States. The two principal properties in which the Company has an interest are the Nickel Plate property, 100% owned, and the Bralorne property in which the Company has approximately a 21% interest with the right to increase such interest to approximately 60%. The Company also owns varying interests in 37 other properties, none of which is currently in production, and a 10.4% interest in the Sterling Mine, a small producing gold mine located in Nevada.

The following is a brief description of the Nickel Plate and Bralorne properties and certain other mining properties in which the Company has an interest. It is anticipated that substantially all of the Unitholders' Funds will be spent by the Company on behalf of the Unitholders on mineral exploration programs on the Nickel Plate and Bralorne properties.

Nickel Plate Property

Old Mascot acquired the principal portion of the Nickel Plate property in 1971 by exercising an option which had previously been granted to Campbell by Burden Investors Services Inc. ("Burden"). The Company currently owns a 100% interest in the Nickel Plate property subject only to the right of Burden to receive a maximum of $250,000 based on a percentage (not to exceed 10%) of the net smelter returns received from the sale of any product derived from ore mined on the property.

W.G. Hainsworth, P. Eng., consulting engineer, has prepared a report on the Nickel Plate property dated June 8, 1984 (the "Hainsworth Report"). The following is a summary of certain portions of the Hainsworth Report.

Location, Access and Description

The Nickel Plate property is located approximately 150 miles east of Vancouver, near Hedley, British Columbia, which is on the Southern Trans-Provincial Highway No. 3. The claims lie along the southern and western slopes of Nickel Plate Mountain, approximately two miles to the northeast of Hedley.

Access to the property is by a 12 mile gravel road from Hedley that follows the southern and eastern slopes of Nickel Plate Mountain. The road continues three miles to Nickel Plate Lake near the Apex ski resort. The Apex resort is accessible from Penticton by approximately three miles of well-maintained gravel road and 18 miles of black top road.

The Nickel Plate property consists of 83 Crown-granted mineral claims, three mineral claims held by location, two mineral leases, surface rights on fourteen of the 83 Crown-granted mineral claims and one land lot. The mineral holdings, which form a solid block save for a portion in the north central area, total approximately 3,848 acres lying along the south and west slopes of Nickel Plate Mountain between elevations of 3,000 and 6,100 feet.

History

The Nickel Plate property was first discovered in 1897 and was maintained in commercial production by several mining companies prior to 1930 and then from 1934 to 1955, when it was closed permanently, apparently as a result of increases in operating costs and a fixed gold price. During its operation, 3,273,807 tons of ore yielding 1,448,460 ounces of gold with an average recovered grade of 0.44 ounces of gold per ton were produced from the three main ore systems, the Nickel Plate, Morning and Sunnyside. Development and production has extended over a vertical depth in excess of 1,700 feet.

Geology

In the Hedley area the oldest rocks are sediments of Mesozoic age that correlate with the Nicola group of the Triassic period. The Nicola formations were derived from an epoch of wide-spread volcanism that flowed into a marine basin of great extent and depth resulting in the formation of argillite and limestone with some local fine-grained quartzites.

Strong pressure from the east and west caused folding of the sediments which in the Hedley area formed an asymetrical anticline striking north 15° to 20° east. This overturned fold, whose axial plane dips steeply to the west, displays a western limb dipping 15° to 40° to the west which is cut longitudinally by the flat dipping north-east striking Bradshaw Fault. This fault structure occupies Windfall Canyon through which Twenty Mile Creek flows.

Intrusion by early magmas produced a granitic core underlying the sediments. Outpourings of later basic magmas were responsible for several large areal plutons and extensive groups of dykes and sills.

The stratigraphic column in the Hedley area is depicted as follows: Aberdeen - Sediments; Red Mountain -Volcanics; Nickel Plate - Top Bed (Kingston Limestones), Middle Bed (Middle Member), Bottom Bed (Sunnyside Limestones); Red Top - Quartzites.

The Nickel Plate formation has been subjected to alteration forming "skarn", a coarse aggregate of diopside, garnet, epidote, wollastonite plus the infused silica. A sharp demarcation skarn line referred to as the

"Marble Line" marks the normally abrupt transition from variably altered to unaltered strata generally in the vicinity of the contact with the underlying unaltered Sunnyside limestones.

Exposure at the Nickel Plate property has shown the existence of five ore controls. They are: (i) favourable beds, (ii) relationship to the Marble Line, (iii) presence of sills and dykes, (iv) folds and fractures, and (v) presence of arsenopyrite. Any of the above controls present either individually or in conjunction with other influencing factors could establish economic mineralization.

Other minerals are pyrite, pyrrhotite, chalcopyrite and minor amounts of cobalt.

The Nickel Plate property is a complex mixture of stratigraphy and structure which has produced three different sets of ore systems: (i) the Nickel Plate, (ii) the Sunnyside (including the Bulldog zone), and (iii) the Morning.

(i) *Nickel Plate System Orebodies*: This system is composed of a series of tabular gold bearing lenses that may be described as a set of overlapping shingles following the dip of the strata for a distance of 3,000 feet on a bearing of north 70° west. There are seven lenses from the surface each contained in a different skarn bed. The system is associated with porphyry sills called "the mine sills" which are intrusive structures lying slightly discordant to the bedding planes. The ore beds have been mined from the surface through to the 17th Level at elevation 4,750 feet.

(ii) *Sunnyside System Orebodies*: The surface expression of this system was discovered early in the history of the mine and became the staple mill feed along with the near-surface Nickel Plate ore systems. The Sunnyside ore beds lie deep in the Middle formation and are closely related to indentations or keels in the Marble Line. They are moderately folded with the mineralization being confined to the apex and/or one limb of the fold. Their down dip expression is shallow.

The Sunnyside 450 zone like the other zones in this system, is associated with mine sills, the principal one being the Flipper Sill. In addition, two dykes converging to the east form a loci with the sill where ore grade mineralization is generally formed. The newly-discovered Silverside zone is a similar dyke-related ore structure which overlies the Sunnyside 450 zone and which has given some credence to the possibility of a comparable stacking of ore structures as those of the Nickel Plate system. The Sunnyside 250 zone is most unlike the other Sunnyside zones. It is not associated with perceptible arsenopyrite and, at present, has no recognizable ore controls. Its identification in core or surface formations is difficult leading to an obvious question as to how many zones similar to the Sunnyside 250 have been overlooked in the past due to non-conformity to then accepted standards. The Bulldog ore zones are similar to the Sunnyside zones in stratigraphy, but lie further to the south and down the rake of the strata. Sills play a prominent part in the relationship of the distribution of the gold values.

(iii) *Morning System Orebodies*: This system is unlike that of the Nickel Plate orebodies in both structure and grade. Two of the better known porphyry structures, the Midway Sill and the Flange Dyke, combine at depth to form orebodies at their junction. The grade and persistence of the mineralization is related in most instances to the tight folding at these "crotches". The Morning ore structures, because of their rich grades were thoroughly stoped above the 4,050 level and possibly below.

Reserves

The Hainsworth Report calculated the geological mineral reserves on the Nickel Plate property above the 450 level. The breakdown of the mineral reserves was 404,498 drill proven tons with an average grade of 0.292 ounces of gold per ton and 94,160 drill possible tons with an average grade of 0.270 ounces of gold per ton. No factors governing mining dilution or extraction were applied to these figures because the program is preliminary and the mining mode has not been chosen.

Recent Exploration and Development

In late 1980 a surface diamond drilling program totalling 14,480 feet in 97 holes was initiated, concentrating in the Sunnyside and Nickel Plate systems, and was followed by an extensive underground drilling program through the winter of 1981-82 aggregating an additional 32,486 feet in 377 holes in 12 areas. In the summer and fall of 1982 a surface program of geologic mapping, surface trenching, sampling and a limited amount of surface and underground diamond drilling was undertaken to locate surface expressions of ore bodies and to obtain a greater understanding of the structures in areas previously known. This surface work located the new Silverside zone, added dimensions to the known Sunnyside No. 1 zone and expanded the information in the Bulldog No. 3 zone.

In April 1984, a drill program was initiated with the dual purpose of locating additional bodies of mineralization with economic potential and expanding and enhancing the previously outlined areas of ore grade mineralization . Approximatey 6,376 feet of drilling had been completed to June 8, 1984 in 32 diamond drill holes on surface and underground. Because the program is ongoing, it is premature to allocate any further reserves at this time.

The results of the recent drilling program, with respect to assays of some of the significant intersections, may be summarized as follows:

Zone	Hole Number	Depth (feet)	Interval (feet)	Gold (oz./ton)
Sunnyside 250 zone	110	188.3-227.0	38.7	0.466
	2909	1.5- 67.0	65.5	2.029
	2908	130.0-132.7	2.7	3.281
Silverside zone	104	0.0- 34.6	34.6	0.253
		45.3- 57.0	11.7	0.266
	105	33.0- 59.0	26.0	0.200
		72.8- 80.0	7.2	0.091
	108	50.0- 51.0	1.0	1.660
		125.0-145.0	20.0	0.134
	109	194.0-202.0	8.0	0.153
Sunnyside No. 1 zone	2904	46.0- 51.5	5.5	0.181
	2905	45.0- 53.3	8.3	0.123

1984 Exploration Program

The principal exploration targets for increasing the tonnage and grade of the mineral reserves are in four zones adjoining the old Nickel Plate mine workings. These are the Sunnyside No. 1 and Bulldog No. 3 zones and the recently discovered Silverside and Sunnyside 250 zones. All of these zones require additional exploratory diamond drilling to increase and confirm the tonnage and grade. The major potential is the down-dip extensions. Activities on these areas are being emphasized.

Other exploration possibilities abound within the confines of the property. The Hainsworth Report recommends that surface and underground drilling be carried out to the extent of a total of 39,500 feet on a priority target rating of nine individual mineralized areas plus additional areas as they become apparent.

In order to locate specific underground drill sites, access will be required to these areas. Therefore, exploratory drives to these localities are an integral part of the program which recommends rehabilitation of the 450 and 800 levels for eventual drilling. Surface prospecting in the form of geochemistry and geophysical surveys will assist geological interpretation of specific or general areas.

The cost of the program recommended in the Hainsworth Report is estimated at approximately $3.5 million, broken down as follows:

Diamond drilling:	
39,500 ft. @ $58.00 per foot (all inclusive)	$2,291,000
Exploration Headings for Drill Sites:	
Sunnyside 250 Zone	
1,000 feet @ $400.00 per foot (all inclusive)	400,000
Silverside Zone	
300 feet @ $400.00 per foot (all inclusive)	120,000
Underground rehabilitation	225,000
Drilling costs	3,036,000
Metallurgical test work	50,000
Geochemical and geophysical surveys	150,000
Subtotal	3,236,000
Contingency	324,000
Total	$3,560,000

It is anticipated that the program will take approximately four to six months to complete, including preparatory work which commenced in June, 1984.

Bralorne Property

On July 25, 1980, E&B Inc., on behalf of E&B, entered into an agreement dated July 9, 1980 (the "Option Agreement") with Bralorne Resources Limited ("Bralorne"), the owner of the Bralorne property, pursuant to which a program of basic exploration, diamond drilling, dewatering of workings, underground examination, installation of an underground hoist and engineering studies was carried out by E&B and others (the "funding venture participants") at an aggregate cost of approximately $6,900,000. As a result of its contribution to these expenditures, the Company has approximately a 21% interest in the Bralorne property. If either the Company or Bralorne continue to contribute to exploration costs or to the cost of bringing the Bralorne property into production and equivalent contributions are not made by the other party, the non-contributing party's interest in the Bralorne property will be diluted in accordance with the provisions of the Option Agreement. Bralorne and the funding venture participants have agreed not to participate in the 1984 exploration program. Where either party's interest is diluted to a 10% interest, that party's interest shall be converted to a 10% net proceeds interest after payback. If the 1984 exploration program, as recommended below, is completed, the Company will have increased its interest in the Bralorne property to approximately 30%.

Under the terms of an agreement made August 29, 1983 and dated May 31, 1983 (the "Bralorne Joint Venture Agreement"), providing for the development and operation of the Bralorne property, if the Company has received (or is assured of receiving) at least $12,000,000 in equity financing and a lender is then committed to provide up to $10,000,000 of financing, both prior to December 31, 1984, the Option Agreement will terminate, the Bralorne Joint Venture Agreement will become operative, and, pursuant to that agreement and provided the $12,000,000 equity financing has been expended by the Company, the Company and the funding venture participants will have earned an 80% interest in the Bralorne property. Bralorne has agreed to extend the December 31, 1984 deadline to December 31, 1986 provided that the 1984 exploration program is carried out as contemplated herein. Under the terms of an agreement dated May 31, 1983 (the "Settlement Agreement") setting out the respective ownership interests of the Company and the funding venture participants in the Bralorne property, upon the Bralorne Joint Venture Agreement becoming operative and the $12,000,000 equity financing having been expended, the Company will have earned approximately a 60% interest in the Bralorne property. If the Company earns such interest in the Bralorne property, all net proceeds of production will be used initially to repay the principal amount of the project financing. Thereafter, if the costs of developing the Bralorne property do not exceed $19,500,000, then, to the extent that the sale price of gold remains below $600 (U.S.) per ounce, the Company will be entitled to repayment of its equity contribution out of approximately 72% of the net proceeds of production until it has received $15,000,000 less the principal amount borrowed under the project financing and thereafter out of approximately 68% of such net proceeds. If the costs of developing the Bralorne property exceed $19,500,000 and the Company obtains financing for the excess, the Company will be entitled to repayment of its equity contribution out of approximately 90% of the net proceeds of production until it has received $15,000,000 less the principal amount borrowed under the project financing and thereafter out of approximately 85% of such net proceeds, until the excess is repaid. Regardless of the amount spent, the Company will be entitled to approximately 60% of the net proceeds of production if the price per ounce of gold exceeds $600 (U.S.).

The Company will manage the exploration and development of the Bralorne Mine on behalf of all participants and the costs of operation will be shared in proportion to the parties' respective revenue interests. There is a royalty payable on production from 15 peripheral claims in the amount of $0.50 per ton of ore if the gold content thereof exceeds 0.75 ounces of gold per ton.

Mr. J. DeLeen, P. Eng., mining engineer and consulting geologist, has prepared a report on the Bralorne property dated June 22, 1984 (the "DeLeen Report"). The following is a summary of certain portions of the DeLeen Report:

Location, Access and Description

The Bralorne property is located in southwestern British Columbia, about 100 miles north of Vancouver and 40 miles west of Lillooet, B.C. It is accessible by an all year highway from Lillooet. The property consists of 133 Crown-granted mineral claims, two staked mineral claims and two placer leases totalling 4,053 acres. Taxes and minor amounts of assessment are the only work required to keep the property in good standing.

History

The total production from the mines in the Bralorne Camp from 1863 to 1971 was 8,000,000 tons that yielded 4,100,000 ounces of gold representing an average recovered grade of 0.51 ounces of gold per ton. The Lorne and Bradian mines were consolidated in 1932 to form the Bralorne mine. The Pioneer mine was consolidated with Bralorne in 1959. The production from the Bralorne property from 1932 to 1971 was 5,400,000 tons of ore that produced 2,560,000 ounces of gold representing an average recovered grade of 0.47 ounces of gold per ton.

Production from the Bralorne property ceased in 1971, when the Bralorne mine was closed due to increasing costs of production and low gold prices and the physical assets were disposed of. Limited exploration was completed in 1973 and 1974 and the mine was permanently closed in 1976.

Geology

The rocks in the Bralorne mine area are a series of sediments and volcanics which are overlain by the Hurley-Noel volcanics and sediments and the Pioneer greenstones. This assemblage has been folded and intruded by a series of gabbro, diorite, quartz-feldspar porphyry, soda granite and albite dykes and sills. The gold bearing veins occur in the intrusive and volcanic rocks in a zone that has a width of 2,500 feet and a length of 3.4 miles.

The veins, in general, have an east-west or a north-south strike and dip at angles of 45 to 80° to the north or west. The veins have widths that vary from 2.5 to 4.9 feet. At the junctions of veins, or local swellings, the gold bearing structures may have widths up to 20 feet. The mineralization of the veins is a dense white quartz which contains minor amounts of chlorite, carbonate, mariposite, sulphides and fragments of altered wallrock. The sulphides are generally pyrite and arsenopyrite. Fine and visible free gold comprise the ore material. To date 35 veins have been traced in the workings of the Bralorne mine. A number of new veins have been indicated by gold bearing intercepts obtained in the 1980-81 drilling completed above the 800 level.

Recent Exploration and Development

Pursuant to the program undertaken in 1980 by virtue of the Option Agreement, the Crown hoist was replaced and the dewatering of the workings was started. The water was pumped out to the 2,000 level by 1981. A drilling program, surface and underground, was completed in 1980 and 1981. While some 35 gold-bearing intercepts were obtained in the drill core, further underground drilling and drifting will have to be completed in order to evaluate additional reserves. A program of rehabilitation and sampling was completed in 1982. The sampling confirmed the grade of mineralization, as determined from the old assay plans.

Reserves

The DeLeen Report estimated the reserves contained within the Bralorne mine as at the date thereof as follows:

	Tons	Gold Ounces/Ton
Proven	167,250	0.24
Probable	629,935	0.24
Total	797,185	0.24
Possible	117,930	0.29

Notes:
1. All assays above 1.5 oz. gold per ton were reduced to 1.5 oz. per ton.
2. Cut-off grade was 0.14 oz. gold per ton.
3. A minimum dilution of 15% was applied.
4. A minimum mining width of 4 feet was used.
5. A tonnage factor of 12.1 cubic feet per ton was used.
6. Only blocks located above the 2600 foot level and remaining as pillars and unmined blocks within the old workings of the Bralorne mine were included.

The existing reserves at the Bralorne property consist of those lower grade mineralized zones which were below the cutoff grade used during the previous mining. This includes mineralization in the vicinity of old mining areas as well as in areas known to contain lower grade mineralization and which, therefore, were never mined in the past. However, at the present price of gold these reserves remain uneconomic.

1984 Exploration Program

The aim of the 1984 exploration program recommended in the DeLeen Report is to explore for lower cost, higher grade mineralized zones on and above the 800 haulage level, which will allow for production at the present price of gold. The program will consist of surface and underground drilling, exploration drifting, a geophysical survey, the completion of the rehabilitation of the Crown shaft and the dewatering of the mine to the 2600 level. Exploration of the 809, 813, Alhambra Footwall and possibly the King veins will be undertaken by drifting on the 800 level. These veins are located between the King and Bralorne workings. Exploration drifting will also be completed on the 800 level on the 851 Footwall, 851 B and 851 B Footwall veins. This area is located between the old Bralorne and Pioneer workings. Surface drilling will be completed on the Taylor and Countless veins located in the same area. Underground drilling will be completed in the Alhambra and 851 B vein areas. The geophysical survey will be completed in the area of the 1980-81 drilling to determine if an EM-VLF survey can be used to outline vein structures.

The estimated 1984 expenditures for the recommended work at the Bralorne property are as follows:

Exploration	
Drifting — 4,300 ft. @ $350/ft.	$1,505,000
Drilling — surface, 5,000 ft. @ $25/ft.	125,000
Drilling — underground, 10,000 ft. @ $30/ft.	300,000
Geophysical survey	15,000
	1,945,000
Rehabilitation	
Crown shaft, pumping system, etc.	375,000
Support	
Field office expense	170,000
Rental — equipment	200,000
Mobilization of equipment	20,000
	390,000
Camp Costs	
Rental of trailers	50,000
Cost of board	80,000
Camp power	15,000
	145,000
Subtotal	2,855,000
Contingency	245,000
Total	$3,100,000

It is anticipated that the program will take approximately four to six months to complete, including preparatory work which has already commenced.

Sterling Mine

The Company holds a 10.4% interest in, and is the manager of, the Sterling Mine located approximately 90 miles northwest of Las Vegas and eight miles southeast of Beatty, Nevada. Production from the property, which consists of 93 unpatented lode mining claims totalling 1,919 acres, is subject to a 2% net smelter return royalty on production. The property was discovered in 1906 and, while it initially produced a small amount of ore, for the most part it lay dormant until the early 1970s.

The Sterling Mine commenced production in December 1980 and produces at the rate of 200 tons per day. To May 31, 1984, 38,603 ounces of gold had been produced from 202,534 mined tons, representing an average recovered grade of 0.19 ounces of gold per ton. The Company's share of such production was approximately 4,015 ounces of gold. Gold is recovered by a low cost heap leach process at an average cost per ton of U.S.$29.47 with recoveries of approximately 84%. Proven and probable reserves as of October 1983 were approximately 274,000 tons grading 0.28 ounces of gold per ton, of which 55,000 tons are mineable by open pit methods. Continued exploration is expected to increase reserves as only 5% of the property underlying the Sterling Mine has been drill tested.

The Company and the funding venture participants intend, when economically viable, to increase production at the Sterling Mine to some 300 tons per day through construction of a second access into the lower part of the mine. The second access would effectively divide the mine into two producing areas, thereby permitting more efficient and less expensive mining.

El Plomo Property

The Company has an 8.7% interest in the El Plomo property which it acquired in 1983 by the aggregate expenditure of approximately $2,300,000 by itself and the funding venture participants. The El Plomo property contains 813 acres and is located about 175 miles south of Denver, Colorado. The property was discovered in the 1880s and was worked until the end of the century. Intermittent work was carried out on the property until 1975 when Earth Sciences, Inc. acquired the property and conducted drilling and trenching. The Company became a joint venture partner and manager of the property in 1981. Since then, 109 rotary-percussion holes, totalling

15,400 feet, have been drilled, which confirmed the existence of 1,362,000 tons of open pittable reserves grading 0.053 ounces of gold per ton which are amenable to heap leaching with an expected recovery of 75% when crushed to minus ⅜ inches. These are sufficient for five to seven years of production at an expected rate of 800-1,000 tons per day.

During 1982 and 1983 a pilot scale heap leach test using 3,000 tons of mined material was completed. Further metallurgical testing is planned to determine if the quantity of material to be treated can be reduced by screening a low grade fraction prior to leaching.

Cariboo-Bell Property

The Cariboo-Bell copper-gold property is located 36 miles northeast of Williams Lake, British Columbia and consists of 381 claim units comprising approximately 21,270 acres. The property is approximately 29% owned by the Company which acts as operator and manager. The Company and the funding venture participants have spent approximately $1,700,000 on this property to December 31, 1983 and a $75,000 final option payment (which the Company intends to make) must be made on August 31, 1984 for the Company to retain its interest. The property is subject to a royalty interest equal to 22% of the net proceeds of production.

Between 1966 and 1970, 60,174 feet of diamond drilling and 23,800 feet of percussion drilling were carried out on the property. Geophysical and other surveys, including a further 10,175 feet of percussion drilling, were carried out between 1970 and 1979. The Company completed a further 26,780 feet of diamond and rotary drilling by mid-1982.

A porphyry type copper-gold deposit has been delineated in four zones, estimated to contain 128 million tons grading 0.31% copper and 0.012 ounces of gold per ton at a cutoff grade of 0.30% of copper equivalent, which can be mined by open pit methods.

Iron Mask Property

The Iron Mask copper-gold property is situated approximately five miles southwest of Kamloops, British Columbia and consists of 194 claim units comprising an area of 11,170 acres. The property is owned 6% by the Company and 70% by Cominco Ltd., which acts as operator, and the remainder by others. The Company's interest was acquired in 1982 by the expenditure of approximately $1,000,000 by itself and the funding venture participants. Work on the property has defined a deposit estimated by the operator to contain 105 million tons grading 0.32% copper and 0.009 ounces of gold per ton, which can be mined by open pit methods.

Addington Property

The Company acquired a 20% interest in the Addington Property in 1983 by the expenditure of approximately $822,000 by itself and the funding venture participants.

The Addington property, discovered in 1881, is located approximately 47 miles northwest of Kingston in south central Ontario. Surface and underground drilling completed include 176 diamond drill holes totalling 23,405 feet. The underground workings consist of an inclined shaft (535 feet), a winze (273 feet), 7,096 feet of drifting and 3,033 feet of crosscutting. Estimated reserves, as reported in Report 215 of the Ontario 1982 geological survey, are 256,000 tons grading 0.16 ounces of gold per ton.

From 1980 to 1983 a magnetometer survey, geological mapping and 24,502 feet of drilling in 32 holes were completed. These holes were located to test the lateral and vertical extensions of the known oreshoots and 20 of these holes intersected the vein structure and contained values in excess of 0.08 ounces of gold per ton.

The gold mineralization occurs in quartz veins and stringers at a contact between volcanic and sedimentary rocks. The rocks are highly folded and strike north 10 degrees east and dip to the east at 70 degrees. Approximately 5,000 feet of the gold-bearing contact zone are located on the two claims. The zone is reported to have a maximum width of 35 feet.

Misty Property

The Misty Property, 100% owned by the Company, is located in a mountainous area 20 miles northwest of Terrace, British Columbia. The property is a gold prospect on which soil geochemical surveys in 1979, 1980 and

1981 established a prominent and persistent V-shaped gold anomaly with coincident anomalous silver. Continuous anomalous gold values in excess of 500 parts per billion have been traced for 1,000 feet on both limbs of the "V" with individual soil sample analyses running as high as 7,700 parts per billion.

Additional work on the Misty Property has demonstrated the presence of free gold in quartz veins. A general correlation between gold quartz veins, dykes, anomalous soil geochemistry and bedrock linears suggest these veins are concentrated in an area two miles long by 0.6 miles wide. Reconnaissance geochemical surveys outside the detailed area described above have indicated numerous gold anomalies.

Motherlode-Greyhound Property 82ESE050.

This property, a former copper-gold-silver producing property, is 100% owned by the Company and is located in the Greenwood Mining Camp about 200 miles east of Vancouver, British Columbia. Proven and probable reserves aggregate approximately 449,000 tons grading 0.65% copper, 0.015 ounces of gold per ton and 0.13 ounces of silver per ton.

Giant Nickel Mine

The Giant Nickel Mine, a former nickel-copper producer, is 100% owned by the Company and is situated about 75 miles east of Vancouver, British Columbia. The mine last operated during the period from 1958 to 1974 and total production was 4,750,000 tons with an average grade above the 2,600 level of 0.78% nickel and 0.34% copper.

Other Properties

The Company has interests, varying from 2% to 100%, in 30 additional properties located principally in British Columbia, but also in Manitoba, Ontario, Quebec and the Yukon in Canada and Nevada and Washington in the United States. A majority of the properties contain gold mineralization and the balance contain silver, copper, molybdenum, tungsten, lead and zinc. None of such properties contains a known body of commercial ore. The Company intends to maintain these properties in good standing but has no current plans to carry out significant exploration work on them.

MANAGEMENT'S DISCUSSION OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

From 1979 to the date of the Amalgamation; Old Mascot's principal business activity consisted of exploration and development of the Nickel Plate property as described under "Nickel Plate Property - Recent Exploration and Development". During this period Old Mascot spent an aggregate of approximately $5,250,000 on exploration and development and an aggregate of approximately $650,000 on equipment and capital expenditures. Equity financing was the primary source of these funds.

From 1979 to the date of the Amalgamation, E & B spent approximately $1,900,000 of an aggregate of approximately $25,800,000 (the balance being provided by the funding venture participants) on exploration and development as follows:

Property	Approximate Amount	Property	Approximate Amount
Bralorne	$6,900,000	Sterling	$1,300,000
El Plomo	2,300,000	Iron Mask	1,200,000
Cariboo-Bell	1,700,000	Tenabo	1,000,000
Rusty Springs	1,500,000	New Pass	1,000,000
Lord River	1,400,000	Addington	800,000
Mindora	1,400,000	31 other properties	3,900,000
Porcher Island	1,400,000		

The source of the funds provided by E & B was management fees earned from the funding venture participants.

In June 1984, Old Mascot completed a $1,000,000 private placement, the proceeds of which are to be expended on exploration and development of the Nickel Plate property. See "Use of Proceeds".

All expenditures on exploration and development to date have been deferred.