

C.P. #1, #

011807

PROPERTY FILE

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NO SECURITIES COMMISSION HAS IN ANY WAY PASSED UPON THE MERITS OF THE INFORMATION CONTAINED HEREIN OR ANY REPRESENTATION MADE BY THE COMPANY IN THIS PROSPECTUS.

250,000 no par value

ALTO

Incorporated

92K SE GENERAL -05

REGISTERED OFFICE:

540 - 645 Fort Street
Victoria, British Columbia

Guaranty Trust Company of Canada
540 Burrard Street
Vancouver, British Columbia

HEAD OFFICE:

P.O. Box 10084
1860 Pacific Centre
700 - West Georgia Street
Vancouver 1, B.C.

OCCURRENCE!

DATED: October 7, 1976

The Company offers these 250,000 common shares to the public through certain registered brokers and investment dealers and through trading directors of the Company under a security issue or permit pursuant to Section 7 (2) of the Securities Act, British Columbia.

The Trading directors of the Company will not receive commission on sales made by them in this capacity.

PRICE: 20¢ per share

Price to Public	Commissions	Proceeds to Company if all the shares are sold
Per share 20¢	.04¢	.16¢
Total \$50,000.00	\$10,000.00	\$40,000.00

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

A MINIMUM SUBSCRIPTION IS REQUIRED UNDER THIS PROSPECTUS. FOR DETAILS SEE PAGE 4 UNDER "PLAN OF DISTRIBUTION".

THE PROPERTIES OF THE COMPANY ARE NOT KNOWN TO CONTAIN ANY PROVEN ORE RESERVES. A SUBSTANTIAL AMOUNT OF EXPLORATORY WORK MUST 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.

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

INCORPORATION

ALTO EXPLORATION LTD. (N.P.L.) was incorporated as a specially limited company under the laws of British Columbia by Memorandum of Association on June 17th, 1975.

DIRECTORS AND OFFICERS

<u>Name and address</u>	<u>Office held</u>	<u>Principal occupations during last five years</u>
Kenneth C. Murphy, Q.C. 117 Barkley Terrace Victoria, B.C.	Director & President	Partnership in Harman & Company Barristers and Solicitors Victoria, B.C.
Paul K.W. Chan 805 Fort Street Victoria, B.C.	Director & Secretary	Businessman and Proprietor of Alpine Florist & Food Market, Victoria, B.C.
Jack T. Eng 701 Gatsbury St. Coquitlam, B.C.	Director	Florist and part-owner of Kenny's Nurseries Ltd., Coquitlam, B.C.
Andrew Robertson 1784 West Georgia St. Vancouver, B.C.	Director	Mining engineer operating in executive capacity for various companies.

Save as disclosed under the heading "Promoters" no remuneration has been paid to any Director or Officer of the Company since its incorporation save and except for a share of the legal fees for incorporation of \$350.00 paid to Harman & Company which will be received by the above-mentioned Director and President, Kenneth C. Murphy as a partner in the said firm of Harman & Company, nor is it contemplated that any such remuneration will be paid in the current fiscal year save and except for the receipt by the said Kenneth C. Murphy of his share of any legal fees paid to Harman & Company of which he is a partner, and that to date the sum of \$750.00 in fees has accrued to the firm of Harman & Company for the preparation of the within Prospectus, in addition to the aforesaid sum of \$350.00.

AUDITORS

Liverant, Yip & Co.
850 - 777 Hornby Street
Vancouver, B.C.

PROMOTERS

Under the definition of "Promoter" contained in Section 2 of the British Columbia Securities Act, the aforesaid Paul K. W. Chan and Jack T. Eng may be considered the promoters of the Company.

The Company has purchased from them the CP mineral claims hereinafter referred to. The consideration was 750,000 shares of the Company issued as fully paid and presently held in escrow.

SHARE CAPITAL

All of the shares of the Company, including those offered hereby, are of one class known as "Common shares". There are no special rights or restrictions of any nature attaching to any of the shares. All of the shares rank pari passu, one with the other, as to all benefits which might accrue to the holders of them.

(a)

Designation of security	Amount authorized	Amount outstanding at date of last Balance Sheet	Amount outstanding at date hereof	Amount outstanding if all securities being offered are sold
Common Shares	3,000,000	1,250,002	1,250,002	1,500,002

(b)

All securities sold for cash by the Company have been Common shares, sold since the Company's incorporation. Particulars are as follows:-

- (i) 2 Subscriber shares at .10¢ per share;
500,000 shares at .10¢ per share.
- (ii) The total gross cash received for the securities sold is \$50,000.20.
- (iii) No commissions have been paid on any shares sold.

All 500,000 shares sold at .10¢ per share have been pooled with the Guaranty Trust Company of Canada and are not to be released until thirty (30) days after the completion of the primary distribution of the 250,000 shares from treasury offered by this Prospectus.

PLAN OF DISTRIBUTION

The Company will sell its shares through persons and companies registered for trading under the Securities Act, and may be paid a commission of up to .04¢ per share for each share sold.

The Company may also sell its shares directly to the public, in which case it may allow a commission to the subscriber of up to .04¢ for each share subscribed for. No commission shall be paid by the Company to any of its Directors for selling any shares.

The proceeds from the sale of shares sold hereunder will be deposited with and held in trust by Guaranty Trust Company of Canada, the Company's Registrar and Transfer Agent, until the Company has received, after providing for the payment of commissions, the sum of \$40,000.00 which amount is referred to as the minimum amount and is required to ensure that the Company will be able to complete its exploration program, satisfy outstanding liabilities, and general administrative expenses including the costs of this issue and pay a \$2,000.00 listing fee to the Vancouver Curb Exchange. If the minimum amount is not raised within 120 days from the date of the acceptance for filing of this Prospectus, then, all subscriptions for shares held by the Guaranty Trust Company of Canada must be returned to the subscribers in full.

USE OF PROCEEDS

The estimated net proceeds of \$40,000.00 together with current funds of approximately \$34,000.00, totalling \$74,000.00, will be used by the Company for exploration and development work on its mineral claims, greater particulars of which are given below, and for general operating and administration expenses, as well as the examination and prospecting of other properties brought to its attention.

In particular, it is expected that general administration expenses and expenditures of the Company's properties aforesaid will be as follows:-

1. Phase I - in accordance with the recommended budget of J.P. Elwell, P. Eng., in his report dated August 22nd, 1975
 1. Trail cutting by bulldozer including stripping of mineral showings, allow 300 hours @ \$30.00/hr. \$ 9,000.00
 2. Mobilization and demobilization costs of bulldozer 600.00

3. Additional line cutting for rock geochem sampling approx. 15 miles @ 150.00 per mile	\$ 2,250.00	
4. Geochem sampling, approx. 300 samples @ \$4.00	1,200.00	
5. Additional assaying	500.00	
6. Supervision, one technician for one month incl. maintenance	2,000.00	
7. Geological mapping and engineering	2,000.00	
8. Travel and administration	1,000.00	
9. Contingencies, approx. 15%	<u>2,780.00</u>	
	\$21,330.00	- (say \$21,500.00)

Phase II - The distribution of costs for this phase of work would depend to a great extent on the results of the Phase I work, but the probable breakdown would be roughly as follows:-

1. Bulldozer stripping of anomalies allow 300 hours at \$30.00/hr.	\$ 9,000.00	
2. Test diamond drilling, allow 1000 feet at \$20.00/ft	20,000.00	
3. Engineering, assays and supervision	3,500.00	
4. Travel and administration	1,000.00	
5. Contingencies approx. 10%	<u>3,500.00</u>	37,000.00
2. The company has allowed \$2,000.00 of the proceeds to cover the listing fee which will be held in trust by Guaranty Trust Company of Canada until the application for listing has been made	2,000.00	
3. The balance of the proceeds of \$13,500.00 has been, or will be, spent as follows:-		
a) Costs of this issue (estimated)	2,500.00	
b) General administrative expenses	<u>11,000.00</u>	<u>15,500.00</u>
		<u>\$74,000.00</u>

If the minimum amount referred to on page 5 of this Prospectus or more is received from the sale of shares offered under this Prospectus, the sum of \$37,000.00 shall be placed in an account with the Guaranty Trust Company of Canada, 540 Burrard Street, Vancouver, British Columbia, on the condition that these funds may only be released with the permission of the Superintendent

of Brokers, and on the receipt by the Superintendent of a professional engineer's report recommending additional work on the aforesaid claims, or other acquired claims, should the said claims be abandoned in whole or in part pursuant to the next paragraph.

The Company may, pursuant to the recommendations of an independent qualified engineer, abandon in whole or in part any of its properties or make arrangements for the performance of all or any portion of such work by other persons or companies and may use any money so diverted for the purpose of conducting work or examining other properties acquired by the Company after the date of this Prospectus, although the Company has no present plans in this regard. If any such event occurs during primary distribution of the shares referred to in this Prospectus, an amendment to this Prospectus must first be filed and if a substantial portion of the Company's property is abandoned or sold after primary distribution, the shareholders shall be notified promptly.

No part of the proceeds will be used to invest in, underwrite, or trade in, securities other than those that qualify as investments in which Trust Funds may be invested under the laws of the jurisdictions in which the securities offered by this Prospectus may lawfully be sold.

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

DESCRIPTION OF BUSINESS AND PROPERTY OF ISSUER

The principal business of the Company is the acquisition, exploration and development of mineral deposits. The Company is the recorded owner of the following mineral claims which it acquired from the aforesaid Directors Paul K. W. Chan and Jack T. Eng by assignment

dated 26th day of March 1976 and recorded in the Mining Recorder's Office, Alberni Mining Division on April 2, 1976, in consideration of the allotment of 375,000 shares of the Company to each of the said two Directors, for a total of 750,000 shares:-

<u>Mineral Claim</u>	<u>Record Number</u>	<u>Expiry Date</u>	<u>Location</u>	<u>Consideration</u>
CP 1 - 20 Units	38	Aug. 11/77	On the peninsula forming the West side of Refuge Cove and Vancouver Island including Mate Island in the Southeast corner of the CP 1 claim	750,000 shares
CP 2 - 3 Units	39	Aug. 11/77		

The out-of-pocket expenses for the said Directors Paul K.W. Chan and Jack T. Eng in staking and carrying out initial exploration work in the above claims were approximately \$2,300.00.

On August 4, 1976 cash payment in lieu of assessment work was made to maintain the above claims in good standing for a further year. No exploratory work has been carried out on any of the afore-said mineral claims and there is no underground or surface plant and equipment on any of the said claims. The information available to date is insufficient to establish the existence or otherwise of any commercial ore bodies and the exploratory searches for ore which the Company plans is an undertaking involving risk. Accordingly, the shares of the Company hereby offered must be considered speculative.

The particulars of the CP 1 and CP 2 claims, access to which is by boat from Tofino approximately two hours following the sheltered waters to the east side of Vargas and Flores Islands with alternative access by float plane from Tofino, approximately 15 minutes flying time, are described in the report of J. P. Elwell, P. Eng., dated August 5th, 1976. A copy of the above report accompanies and forms part of this Prospectus.

To the best of the knowledge of the signatories hereto, no person or organizations have received or are to receive from the Vendors any interest in the considerations except for the following shares which have been transferred from the said Directors Paul K.W. Chan and Jack T. Eng equally as follows:-

150,000 shares -	to Kenneth C. Murphy, President and Director of the Company,
150,000 shares -	to Andrew Robertson, Director of the Company,

leaving 225,000 of the escrowed shares registered in the name of Paul K.W. Chan, and 225,000 registered in the name of Jack T. Eng.

PRELIMINARY EXPENSES

The Company has incurred, in preliminary expenses for incorporation, exploration and administration, a total of \$9,494.62. It is not estimated that there will be any more expenses for development work proposed which can be described as preliminary.

ESCROWED SHARES

As of the 29th day of June, A.D. 1976, 750,000 shares are held in escrow by Guaranty Trust Company of Canada, 540 Burrard Street, Vancouver, British Columbia, subject to the direction or determination of the Superintendent of Brokers. The escrow restrictions provide that the shares may not be traded in, dealt with in any manner whatsoever, or released, nor may the Company, its transfer agent or escrow holder make any transfer or record any trading of the shares without the consent of the Superintendent.

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

<u>Designation of class</u>	<u>Number of Shares</u>	<u>Percentage of Class of 1,250,002 now outstanding</u>
Common no par value shares	750,000	60%

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Reference is made to the caption "PROMOTERS" for the shares issued to Directors for property.

PRINCIPAL HOLDERS OF SECURITIES

- (a) To the knowledge of the Company, only the following persons own more than 10% of the issued shares of the Company. The following information is given with respect to each holder:

Name and address	Designation of Class	Type of Ownership	Number of Shares Owned	Percentage of Class
Paul K. W. Chan 805 Fort St. Victoria, B.C.	Common	Direct	245,000	20%
Jack T. Eng 701 Gatensbury St. Coquitlam, B.C.	Common	Direct	245,000	20%
Kenneth C. Murphy 117 Barkley Terrace Victoria, B.C.	Common	Direct	170,000	13%
Andrew Robertson Box 11107 1055 W. Georgia St. Vancouver, B.C.	Common	Indirect (in the name of RAPCO)	150,000)))	13%
Andrew Robertson 1784 W. Georgia St. Vancouver, B.C.	Common	Direct	20,000))	

- (b) The Directors and Senior Officers of the Company, as a group, own 830,000 common shares in the capital stock of the Company, being approximately 66% of the total issued shares in the capital stock of the Company.

STATUTORY RIGHTS OF RESCISSION AND WITHDRAWAL

Section 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 Prospectus, together with financial statements and reports and summaries of reports relating to the securities as filed with the Superintendent of Brokers, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served

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

- (b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the Prospectus or any amended Prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after expiration of ninety 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.

OTHER MATERIAL FACTS

There are no other material facts relating to the securities offered hereby that are not disclosed elsewhere in this Prospectus, save and except that the Directors of the within Company are also Directors of Hoko Exploration Ltd. (N.P.L.) with which this Company shares an office and shares equally in salaries, administration and overhead expenses.

PRELIMINARY REPORT ON THE
CP CLAIMS, TOFINO AREA
ALBERNI MINING DIVISION, B.C.

for

Alto Explorations Ltd.
700 West Georgia Street
Vancouver, B.C.

by

J. P. ELWELL, P.Eng.

AUGUST 1976

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PRELIMINARY REPORT ON THE
CP CLAIMS, TOFINO AREA
ALBERNI MINING DIVISION, B.C.

SUMMARY

The CP #1 and CP #2 claims totalling 23 claim units are located on the west coast of Vancouver Island, about 23 miles north of Tofino, in the Alberni Mining Division. Access to the property is by boat or float plane from Tofino to a beach on the sheltered waters of Refuge Cove.

The geology of the area consists of metamorphosed sediments and volcanics which have been intruded by several ages of granitic rocks. Geological mapping and sampling carried out in 1972 disclosed two areas of mineralization. The western zone consists of shear zones in the altered sediments and volcanics carrying copper and zinc values, while the eastern zone consists of disseminations of chalcopyrite and magnetite in a diorite and gneissic diorite intrusive.

Both zones warrant further exploration, and the initial work recommendations consist of line cutting and geochemical sampling, with some bulldozer stripping of the shear zones. The cost of this initial phase of work is estimated at \$21,500.00.

If successful, it would be followed up by further stripping and some diamond drilling at an estimated cost of \$37,000.00.

INTRODUCTION

On August 7th, 1975 the writer assisted in the staking of the CP #1 and CP #2 claims totalling 23 units, located west of Refuge Cove, about 23 miles northwest of Tofino, B.C., in the Alberni Mining Division.

The information in this report is based on personal observations made during the staking together with data from a previously written report which is acknowledged under "References".

LOCATION AND ACCESS

The CP claims are located on the peninsular forming the west side of Refuge Cove on Vancouver Island, and includes Mate Island in the southeast corner of the CP #1 claim. The distance from Tofino by air is approximately 23 miles.

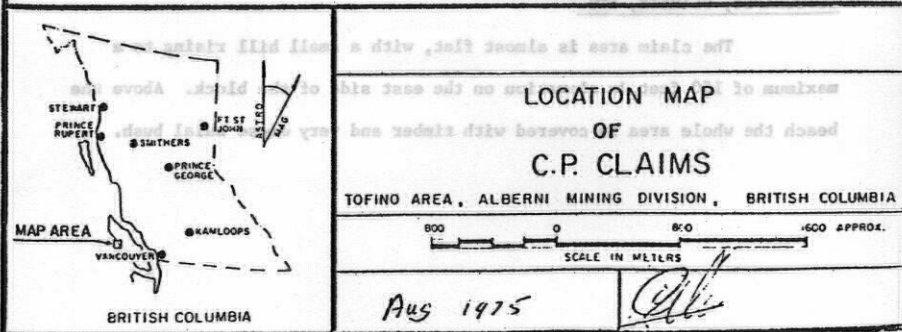
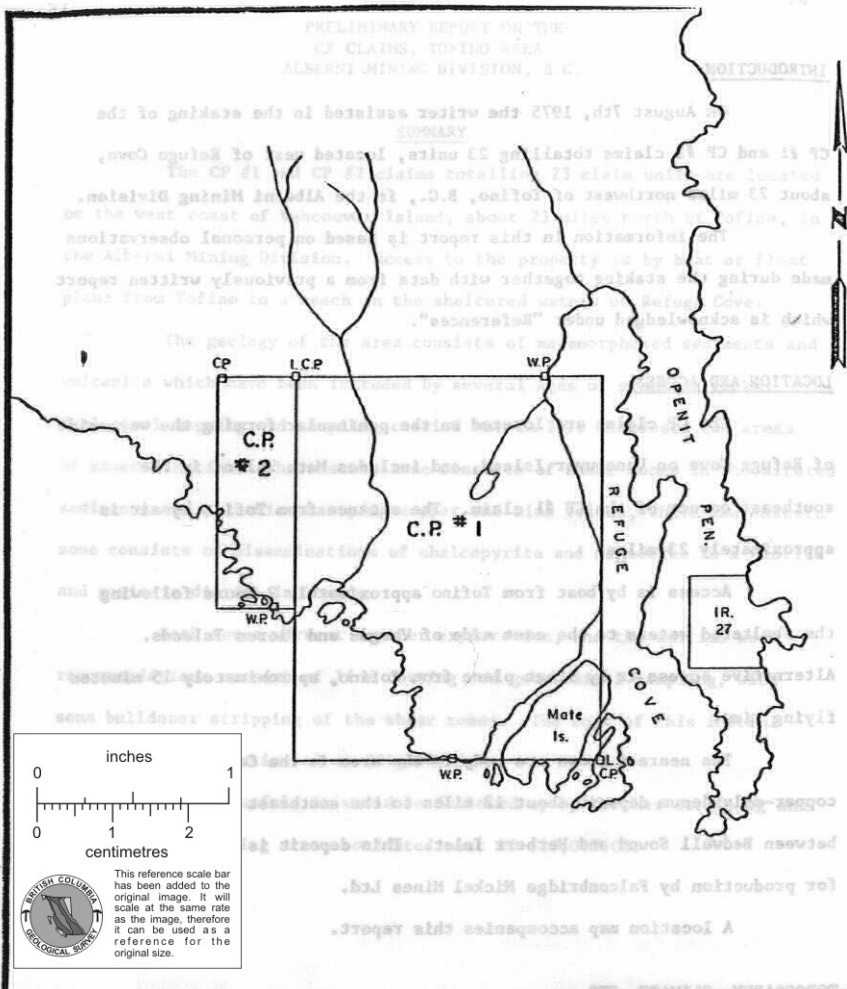
Access is by boat from Tofino approximately 2 hours following the sheltered waters to the east side of Vargas and Flores Islands. Alternative access is by float plane from Tofino, approximately 15 minutes flying time.

The nearest known ore body in the area is the Catface Mountain copper-molybdenum deposit about 12 miles to the southeast of Refuge Cove, between Bedwell Sound and Herbert Inlet. This deposit is being prepared for production by Falconbridge Nickel Mines Ltd.

A location map accompanies this report.

TOPOGRAPHY, CLIMATE, ETC.

The claim area is almost flat, with a small hill rising to a maximum of 150 feet in elevation on the east side of the block. Above the beach the whole area is covered with timber and very dense salal bush.



This bush together with debris left from logging operations 50 or more years ago make traversing the property by foot slow and difficult.

The climate is typical of the west coast of Vancouver Island, mild, but with rainfall in excess of 200 inches per year.

The nearest communications center is at Hot Springs Cove, on the east side of Refuge Cove, where there is a post office and telephone service.

A loading wharf has been constructed on the west side of Refuge Cove opposite Hot Springs Cove below a small Indian settlement, and there is a gravel ramp to the beach at the north end of Refuge Cove near the site of an abandoned logging camp where heavy equipment could be unloaded.

PROPERTY

The property staked consists of two claims as follows:

CP #1 - 20 units -- Tag #10212

CP #2 - 3 units - Tag #10211

These claims cover part of the K group of claims which have lapsed.

HISTORY OF THE PROPERTY

There are some old trenches above the beach on the small bay at the south edge of the property (see map accompanying this report), but apart from that no work appears to have been done on the area now covered by the claims other than the geological mapping, etc. carried out for Florex Mining Co. Ltd. N.P.L. in June 1972, which work is discussed and acknowledged in this report.

GEOLOGY

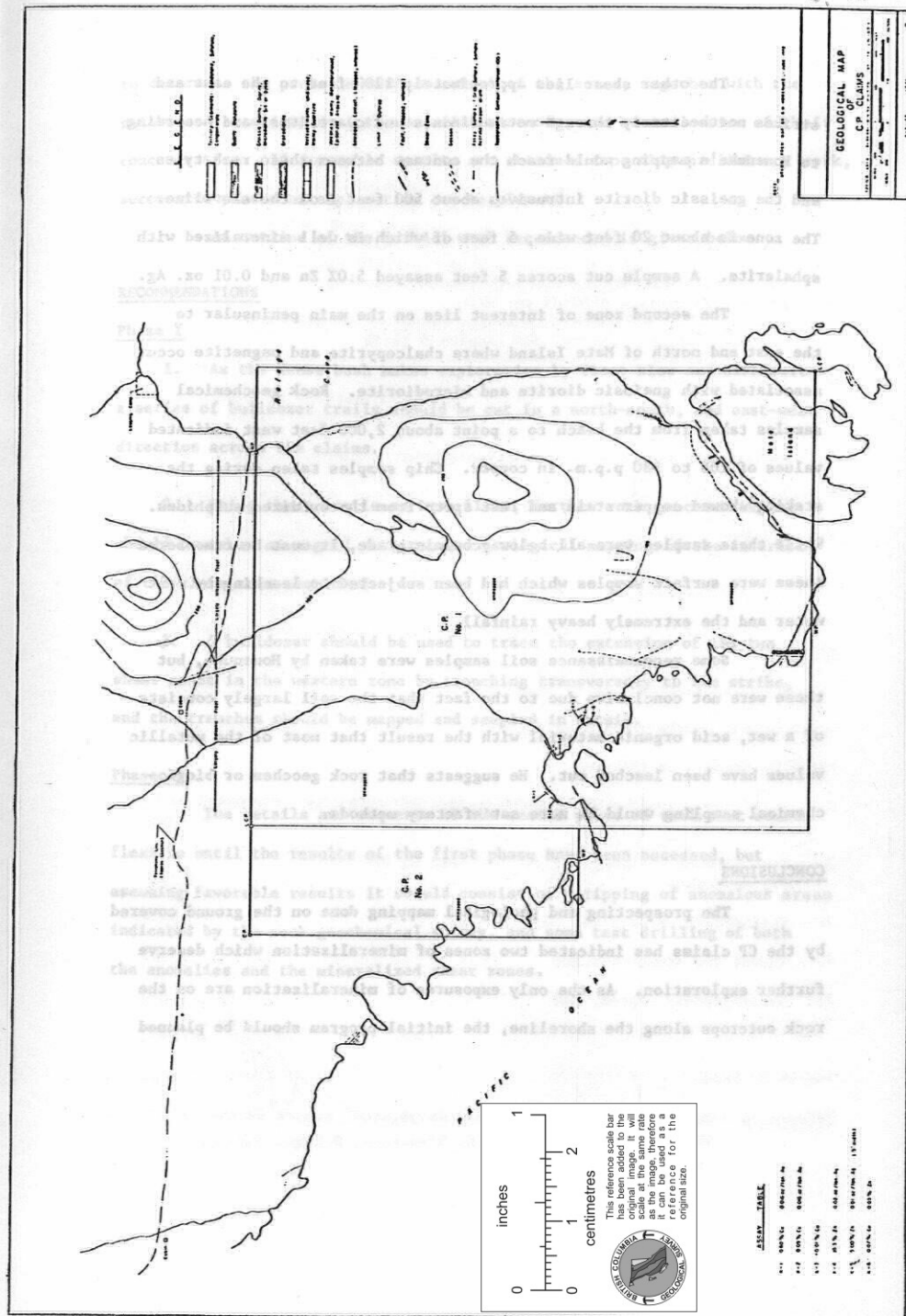
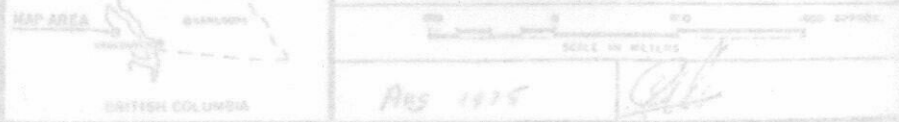
The geology of this part of the west coast of Vancouver Island is somewhat complex, but according to the map prepared for the C.S.C. by J. E. Muller in 1971 ("Geological Reconnaissance Map of Vancouver Island and the Gulf Islands") the probable sequence is as follows:-

1. Intrusion of Paleozoic and/or Lower Mesozoic sediments by diorite microdiorite as sills and dikes, and granodiorite.
2. Volcanics which may be part of a sedimentary-volcanic sequence, or which may have been extruded later.
3. Metamorphism of the sediments and volcanics to greenstone schist, and epidote alteration.
4. Intrusion of quartz monzonite of probable Jurassic age.
5. Deposition of Tertiary sediments.

In May and June 1972 Homenuke and Stevenson mapped in detail the rocks of the claim area which are exposed along the shoreline. Inland, there are few rock exposures and the mapping of this part is mainly interpolation. The geological map accompanying this report is drawn from the results of this work.

MINERALIZATION

There are two areas of mineralization within the claim area which are of economic interest. The first occurs on the western part of the CP #1 claim and is exposed above the beach of a small bay. It consists of two shear zones, one striking northwest through metamorphosed and epidotized volcanics and containing stringers and blebs of chalcopyrite over a width of about 25 feet. The zone has a steep dip to the northeast and is obscured by overburden and brush beyond the shoreline. A sample taken from this zone ran 0.60% Cu and 0.016 oz. Au.



The other shear lies approximately 1200 feet to the east and strikes northeasterly through metasediments and quartzites, and according to Homenuke's mapping would reach the contact between these rock types and the gneissic diorite intrusives about 500 feet from the shoreline. The zone is about 20 feet wide, 5 feet of which is well mineralized with sphalerite. A sample cut across 5 feet assayed 5.0% Zn and 0.01 oz. Ag.

The second zone of interest lies on the main peninsula to the east and north of Mate Island where chalcopyrite and magnetite occur associated with gneissic diorite and microdiorite. Rock geochemical samples taken from the beach to a point about 2,000 feet west indicated values of 108 to 980 p.p.m. in copper. Chip samples taken during the staking showed copper stain and rust spots from the oxidized sulphides. While these samples were all below economic grade, it must be remembered these were surface samples which had been subjected to leaching by salt water and the extremely heavy rainfall.

Some reconnaissance soil samples were taken by Homenuke, but these were not conclusive due to the fact that the soil largely consists of a wet, acid organic material with the result that most of the metallic values have been leached out. He suggests that rock geochem or biogeochemical sampling would be more satisfactory methods.

CONCLUSIONS

The prospecting and geological mapping done on the ground covered by the CP claims has indicated two zones of mineralization which deserve further exploration. As the only exposures of mineralization are on the rock outcrops along the shoreline, the initial program should be planned

to determine the probable surface extent of the zones, together with the nature and association of the metallic minerals, and an indication of their concentration. If favorable results are obtained from this preliminary work, successive phases of exploration can be planned.

An outline of the initial work recommended is given below.

RECOMMENDATIONS

Phase I

1. As the dense bush makes exploration by float slow and difficult, a series of bulldozer trails should be cut in a north-south, and east-west direction across the claims.
2. Using these trails as base lines, further rock geochem samples should be taken on a grid pattern, and geological mapping of the interior of the claim area continued.
3. A bulldozer should be used to trace the extension of the two shear zones in the western zone by trenching transversely to the strike, and the trenches should be mapped and sampled in detail.

Phase II

The details and sequence of the second phase of work must remain flexible until the results of the first phase have been assessed, but assuming favorable results it should consist of stripping of anomalous areas indicated by the rock geochemical survey, and some test drilling of both the anomalies and the mineralized shear zones.

ESTIMATE OF COSTSPhase I

1. Trail cutting by bulldozer including stripping of mineral showings, allow 300 hours @ \$30.00/hr.	\$ 9,000
2. Mobilization and demobilization costs of bulldozer	600
3. Additional line cutting for rock geochem sampling approx. 15 miles @ \$150.00 per mile	2,250
4. Geochem sampling, approx. 300 samples @ \$4.00	1,200
5. Additional assaying	500
6. Supervision, one technician for one month incl. maintenance	2,000
7. Geological mapping and engineering	2,000
8. Travel and administration	1,000
9. Contingencies, approx. 15%	2,780
Total	<u>\$21,330</u>
(say	\$21,500)

Phase II

The distribution of costs for this phase of work would depend to a great extent on the results of the Phase I work, but the probable breakdown would be roughly as follows:

1. Bulldozer stripping of anomalies allow 300 hours at \$30.00/hr.	\$ 9,000
2. Test diamond drilling, allow 1000 feet at \$20.00/ft. all inclusive	20,000
3. Engineering, assays and supervision	3,500
4. Travel and administration	1,000
5. Contingencies approx. 10%	3,500
Total	<u>\$37,000</u>

August 5, 1976

J. P. Elwell
J. P. Elwell, P.Eng.

References - Geological, Geochemical and Geophysical Report on the 'K' Claims, by A. M. Homenuke and W. G. Stevenson, P.Eng., June 1975

C E R T I F I C A T E

I, James Paul Elwell, of 4744 Caulfield Drive, West Vancouver, B.C., do hereby certify that:

- I am a Consulting Mining Engineer residing at 4744 Caulfield Drive, West Vancouver, B.C., and with an office at 1030 - 510 West Hastings Street, Vancouver, B.C. V6B 1L8
- I am a graduate in Mining Engineering from the University of Alberta in 1940, and am a Registered Professional Engineer in the Province of British Columbia.
- I have no personal interest, directly or indirectly in the properties examined, nor do I expect to receive directly or indirectly any interest in such property, or in the securities of Alto Explorations Ltd.
- The findings in the report are the result of personal examinations of the property made by me August 7, 1975, and from data obtained from the reports and maps mentioned.
- The staking has been done in accordance with the Mineral Act.

DATED at VANCOUVER, B.C. This 5th day of August, 1976.

J. P. Elwell
JAMES PAUL ELWELL, P.ENG.

LIVERANT, YIP & CO.

Chartered Accountants

ROBERT LIVERANT, B.A., C.A.
WEI W. YIP, B.S.A. C.A.650-777 HORNBY STREET
VANCOUVER 1, B.C.
TELEPHONE 682-7141AUDITORS' REPORTTo the Shareholders,
Alto Exploration Ltd. (N.P.L.)

We have examined the Balance Sheet of Alto Exploration Ltd. (N.P.L.) as at April 30, 1976 and the statements of Exploration and Administration Expenses and Source and Use of Working Capital from June 17, 1975 (date of incorporation) to April 30, 1976. 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, these financial statements present fairly the financial position of the Company as at April 30, 1976 and the results of its operations and the source and use of its working capital for the period then ended in accordance with generally accepted accounting principles.

Liverant Yip & Co.
Chartered Accountants

Vancouver, B. C.
May 14, 1976.ALTO EXPLORATION LTD. (N.P.L.)BALANCE SHEETAS AT APRIL 30, 1976ASSETSCurrent

Bank	\$ 40,273.73	
Accrued Interest Receivable	231.85	\$ 40,505.58

<u>Mining Properties - at cost - (Note 1)</u>		7,500.00
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Deferred Costs

Incorporation Expense	506.23	
Exploration and Administrative Expenses	8,988.39	9,494.62

		\$ 57,500.20
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SHAREHOLDERS' EQUITYShare Capital - (Note 2)

Authorized:		
3,000,000 Shares of no par value		

Issued:		
1,250,002 Shares of no par value		\$ 57,500.20

		\$ 57,500.20
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APPROVED ON BEHALF OF THE BOARD:

Robert Robertson DIRECTOR

T. Yip DIRECTOR

The accompanying notes form an integral part of these financial statements.

LIVERANT, YIP & CO.
CHARTERED ACCOUNTANTS

ALTO EXPLORATION LTD. (N.P.L.)
STATEMENT OF EXPLORATION AND ADMINISTRATION EXPENSES
FOR THE PERIOD JUNE 17, 1975 (DATE OF
INCORPORATION) TO APRIL 30, 1976

<u>Exploration</u>		
Engineer's Reports	\$ 1,419.00	
Free Miner's License	400.00	\$ 1,819.00
<u>Administration</u>		
Office, Printing and Stationery	888.11	
Office, Rent, Secretarial and Administrative Expenses	5,800.00	
Travel and Accommodation	743.60	
Wages and Assessments	1,291.78	
Interest Income	(1,554.10)	7,169.39
<u>Total</u>		<u>\$ 8,988.39</u> =====

The accompanying notes form an integral part of these financial statements.

LIVERANT, YIP & CO.
 CHARTERED ACCOUNTANTS

ALTO EXPLORATION LTD. (N.P.L.)
STATEMENT OF SOURCE AND USE OF WORKING CAPITAL
FOR THE PERIOD JUNE 17, 1975 (DATE OF
INCORPORATION) TO APRIL 30, 1976

<u>Source of Working Capital</u>		
Proceeds from Sale of Shares		\$ 50,000.20
<u>Use of Working Capital</u>		
Mining Properties	\$ 7,500.00	
Less: Paid by Issuance of Shares	7,500.00	
Exploration and Administrative Expenses	8,988.39	
Incorporation Expense	506.23	9,494.62
<u>Working Capital - April 30, 1976</u>		<u>\$ 40,505.58</u> =====

The accompanying notes form an integral part of these financial statements.

LIVERANT, YIP & CO.
 CHARTERED ACCOUNTANTS

ALTO EXPLORATION LTD. (N.P.L.)
NOTES TO THE FINANCIAL STATEMENTS
AS AT APRIL 30, 1976

1. Mining Properties

The company is the recorded owner of mining claims, CP#1 and CP#2, located in the Alberni Mining District, Province of British Columbia, acquired for 750,000 shares at 1¢ per share

\$ 7,500.00
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The amounts shown for mining properties, exploration and administrative expenses represent costs to date and do not necessarily reflect present or future values.

2. Share Capital

During the period under review 500,002 shares were issued for \$50,000.20 and 750,000 shares at 1¢ per share were issued for properties. Since incorporation the following shares have been issued:

	<u>Shares</u>	<u>Number</u>
For Cash	500,002	\$ 50,000.20
For Properties	750,000	7,500.00
	1,250,002	\$ 57,500.20
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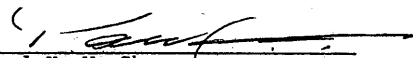
3. During the period under review \$5,800.00 was paid to Hoko Exploration Ltd. (N.P.L.). This amount is to reimburse Hoko Exploration Ltd. (N.P.L.) for shared expenses.

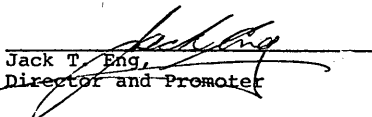
LIVERANT, YIP & CO.
 CHARTERED ACCOUNTANTS

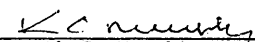
C E R T I F I C A T E


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, and the regulations thereunder.

DATED at Vancouver and Victoria, British Columbia this 7th day of October, A.D. 1976.

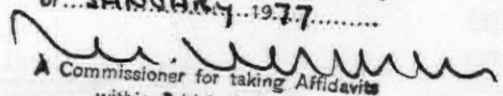

 Paul K. W. Chan,
 Secretary, Director and Promoter


 Jack T. Eng,
 Director and Promoter


 Kenneth C. Murphy,
 President and Director


 Andrew Robertson,
 Director

This is Exhibit D referred to in the ✓ Affidavit ✓ M. statutory DECLARATION
of Kenneth Cameron Murphy
sworn before me this 7 day
of JANUARY 1977


A Commissioner for taking Affidavits
within British Columbia