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PROSPECTUS

June 10th, 1970

FIRST PUBLIC OFFERING  
300,000 shares

**EXETER MINES LIMITED (N.P.L.)**  
Incorporated in British Columbia

**REGISTERED OFFICE:**  
Suite 625,  
925 West Georgia Street,  
Vancouver 1, B.C.

**REGISTRAR AND TRANSFER AGENT:**  
Guaranty Trust Company of Canada,  
624 Howe Street,  
Vancouver 1, B.C.

**THIS OFFERING**

This Company offers by this Prospectus 300,000 shares of its capital stock which will be distributed to the public in the Province of British Columbia through brokers and/or salesmen registered under the "Securities Act, 1967" of the Province of British Columbia at the price of 35¢ per share, subject to a commission which may be paid or allowed of up to 8¾¢ per share to net the Company not less than 26¼¢ per share.

The purpose of this offering is to raise funds for the further exploration and development, in accordance with the recommendations of its consultants, of the Company's Big Timothy Mountain property, which adjoins the Brynor Mines, Boss Mountain operation, north east of 100 Mile House, in south-central British Columbia.

	Price to Public	Commissions	Net Proceeds to be received by Company
Per Unit	35¢	8¾¢	26¼¢
Total:	\$105,000	\$26,250	\$78,750

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION AS THE COMPANY'S MINING PROPERTIES (AS SET OUT UNDER THAT HEADING IN THIS PROSPECTUS) ARE STILL ONLY IN THE EXPLORATION STAGE.

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

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.

NOTICE: NO SURVEY OF ANY PROPERTY OR PROPERTY INTEREST HELD BY THE COMPANY HAS BEEN MADE AND THEREFORE, IN ACCORDANCE WITH THE MINING LAWS OF THE APPROPRIATE JURISDICTION IN WHICH THE PROPERTY IS SITUATE, THE EXISTENCE OF THE AREAS OF SUCH PROPERTY COULD BE IN DOUBT.

THIS PROSPECTUS IS NOT, AND UNDER NO CIRCUMSTANCES IS IT TO BE CONSTRUED AS A PUBLIC OFFERING OF THE SHARES FOR SALE IN THE UNITED STATES OF AMERICA, OR IN ANY OF THE TERRITORIES OR POSSESSIONS THEREOF.

NO PERSON IS AUTHORIZED BY THE COMPANY TO GIVE INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED HEREIN. IN CONNECTION WITH THE ISSUE AND SALE OF THE SHARES REFERRED TO HEREIN ANY SUCH INFORMATION OR REPRESENTATION (IF GIVEN OR MADE BY ANY PERSON) CANNOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY.

REFERENCE SHOULD ALSO BE MADE TO THE HEADING "PROMOTERS AND PRINCIPAL HOLDERS OF SECURITIES" HEREIN FOR COMPARISON OF THE NUMBER OF SHARES ISSUED TO THE PROMOTERS AND DIRECTORS OF THE COMPANY FOR CASH, PROPERTY AND IN REIMBURSEMENT OF EXPENDITURES AND THE NUMBER BEING OFFERED BY THIS PROSPECTUS.

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## INCORPORATION

Exeter Mines Limited (Non-Personal Liability) ('the Company') was incorporated on June 25, 1969, by Memorandum of Association as a specially limited private mining company under the laws of the Province of British Columbia. On June 5th, 1970, by a certificate by the Registrar of Companies of the Province of British Columbia the Company was converted from a private into a public company, and on the same date new Articles of Association appropriate to a public company, which had been approved by the shareholders of the Company by a special resolution adopted on March 19, 1970, became effective by virtue of the filing and registration of such special resolution with the Registrar of Companies.

The registered office and, for the time being, the head office of the Company is situate at Suite 625, 925 West Georgia Street, Vancouver 1, British Columbia.

## MANAGEMENT

<u>Name and Address</u>	<u>Office Held</u>	<u>Occupation</u>
Frederick Helmut Sholz, 144 Stevens Drive, West Vancouver, British Columbia.	President and Director	Life Underwriter for past 12 years; previously engaged in retail sales.
Allan Harrison Ainsworth, 1300 West 26th Avenue, Vancouver, British Columbia.	Secretary and Director	Barrister and Solicitor, in private practice since 1952; partner of Ainsworth, Henson, Norby, Purvis and Kendall, the Company's Solicitors.
Marga Katharina Ignatzi, South Lakeside, Williams Lake, British Columbia.	Director	Housewife; previously employed as accountant, bookkeeper and secretary.
Melvin K. Kahl, Box 548, Williams Lake, British Columbia.	Director	Supplier, self-employed; from 1955 to 1965, propane gas dealer; from 1965 to 1970, equipment dealer.

The percentage of the shares of the Company owned, directly or indirectly, by all Directors and Senior Officers of the Company as a group (other than the Secretary of the Company, Allan H. Ainsworth, who is also the Company's solicitor and holds no shares beneficially) at the date of this Prospectus is as follows:

<u>Designation of Class</u>	<u>Percentage of Class</u>
Shares	48.8%

## REMUNERATION

Since the incorporation of the Company, no remuneration has been paid by the Company to any of its Directors or Senior Officers acting in that capacity. However, the Secretary of the Company, Allan Harrison Ainsworth, as a member of the firm of Ainsworth, Henson, Norby, Purvis and Kendall, the Company's Solicitors, is entitled to participate in fees earned for professional services rendered to the Company by its solicitors. If any Director of the Company is hired in any capacity, he will be paid a remuneration commensurate with his responsibilities.

## PROMOTERS AND PRINCIPAL HOLDERS OF SECURITIES

Under the definition of "promoter" contained in Section 2 of the "Securities Act, 1967" of British Columbia, Frederick Helmut Sholz, the President and a Director of the Company since its incorporation, and Clifford Gunn, a prospector, who is one of the principal holders of the shares of the Company, may be considered as the promoters of the Company. Particulars of the mining properties acquired by the Company from them and the costs incurred by them in acquiring such properties are hereafter set out under the heading "MINING PROPERTIES". The following is a summary of the shares held beneficially as of May 25, 1970, by

the Promoters who are also the only persons who hold more than 10% of the issued shares of the Company:

Name	No. of Shares Received for Mining Properties (for particulars: see that heading)	No. of Shares Received for cash (or Expenses) and Price per Share	Total No. of shares Presently Held	Percentage of Issued Shares
Frederick Helmut Sholz	300,000	67,500 @ 10¢	367,500	36.9%
Clifford Gunn	250,000	67,500 @ 10¢	317,500	31.9%

Under this Prospectus, the public is being offered approximately 23.2% of the total number of shares of the Company which will be issued and outstanding after the sale of all the shares offered by this Prospectus, and the Promoters, Directors, Officers and Principal Holders of Securities, as set out above, will then hold approximately 62.2% of the total of 1,295,005 shares then issued and outstanding.

#### AUDITORS

Winspear, Higgins, Stevenson and Doane, Chartered Accountants, 1505 Robson Street, Vancouver 5, B.C.

#### SHARE CAPITAL

The Company is authorized to issue 5,000,000 shares without nominal or par value, of which 995,005 shares have been issued and are presently outstanding as fully paid and non-assessable. All the shares of the Company, both issued and unissued, rank equally as to dividend, voting rights and as to any distribution of assets on winding-up or liquidation. No shares have been issued subject to call or assessment. Furthermore, there are no pre-emptive or conversion rights attached to any of the shares of the Company and none of the shares of the Company is subject to any provisions for redemption, purchase for cancellation or surrender, or sinking or purchase fund arrangements. The rights attached and the provisions relating to the shares of the Company can only be modified under the relevant provisions of the "Companies Act" of the Province of British Columbia and the Articles of Association of the Company.

Column I	Column II	Column III	Column IV	Column V
Designation of Security	Amount Authorized	Amount outstanding as at Feb., 28, 1970.	Amount outstanding as at May 25, 1970.	Amount to be outstanding when all securities being offered hereby are paid for and issued
shares	5,000,000	995,005	995,005	1,295,005

#### ESCROWED SHARES

The certificates representing 750,000 shares of the Company issued for mining properties (comprising 57.89% of the shares of the Company which will have been issued on completion of the present offering) are held in escrow by Guaranty Trust Company of Canada, 624 Howe Street, Vancouver, British Columbia. These shares cannot be sold, assigned or transferred without the prior written consent of the Superintendent of Brokers of the Province of British Columbia ("the Superintendent of Brokers"), and are also subject to the condition that if the Company loses or does not obtain a good marketable title to, or abandons or discontinues development of any of the properties which were, or formed part of, the consideration for the issuance of any of the shares so held in escrow, or in the event of any such property not being as represented, the holders of such shares have agreed to advise the Superintendent of Brokers and, if so required, to surrender by way of gift to the Company for cancellation such number of such escrowed shares as the Superintendent of Brokers may deem fair and equitable.

#### POOLED SHARES

245,000 of the shares of the Company issued prior to the conversion of the Company from a private into a public company in consideration either for cash subscription received by the Company in the case of 100,193 of such shares, or in reimbursement of expenditures in the case of the remaining 144,807 of such

shares (see heading "MINING PROPERTIES") have been lodged in pool with Guaranty Trust Company of Canada and may only be released from pool with the prior consent in writing of the Superintendent of Brokers.

Description of Class	No. of Shares held in Escrow and Percentage of Class		No. of Shares Pooled and Percentage of Class	
shares	750,000	75.39%	245,000	24.6%

#### PRIOR SALES

While the Company was a private company, 245,005 shares were issued, as fully paid and non-assessable, either for cash subscription or in reimbursement of expenditures, as follows:

Date	No. of Shares	Price Paid Per Share	Total	Commission
June 27, 1969	5	50¢	\$ 2.50	nil
June 27, 1969	55,193	10¢	5,519.30	nil
June 27, 1969	*144,807	10¢	14,480.70	nil
July 8, 1969	10,000	25¢	2,500.00	nil
July 24, 1969	10,000	25¢	2,500.00	nil
July 31, 1969	10,000	25¢	2,500.00	nil
Nov. 27, 1969	5,000	25¢	1,250.00	nil
Dec. 5, 1969	10,000	25¢	2,500.00	nil
<b>TOTAL:</b>	<b>245,005</b>		<b>\$31,252.50</b>	<b>nil</b>

\* Issued in reimbursement of expenditures

#### PURCHASER'S RIGHTS OF RESCISSION

The "Securities Act, 1967" of the Province of British Columbia contains certain provisions which entitle a purchaser of securities offered in the course of primary distribution who is still the owner of the securities to rescind the contract of purchase:

##### A. Under Section 61:

##### 1. Grounds for Rescission:

Either:

(a) If prior to the delivery to the purchaser of the written confirmation of the sale of the security, there was not delivered to the purchaser:

(i) a copy of the last prospectus relating to the security filed with the British Columbia Securities Commission ("Commission"); and

(ii) a copy of the last financial statement and reports filed with and accepted by the Commission; and

(iii) a fair and accurate summary of the report on the property of the Company that issued the security and the development thereof, with all appropriate corrections;

Or:

(b) If in the first written solicitation, in any form of order, subscription or request or in the first written offer of the securities there was not set forth, in letters not smaller than the letters used in the main portion of the summary, a notice stating that a prospectus would be furnished upon request.

##### 2. Procedure:

(a) Written notice of intention to commence an action for rescission must be served by or on

behalf of the purchaser on the person who contracted to sell the security within sixty days of the date of the delivery of the written confirmation of the sale of the security; and

(b) An action for rescission must be commenced by the purchaser within three months from the date on which notice referred to in the preceding sub-paragraph (a) hereof was served.

B. Under Section 62:

1. Grounds for Rescission:

If the prospectus and any amended prospectus filed with the Commission with respect to any material change which occurred during the period of primary distribution received by the purchaser, as of the date of receipt, contained an untrue statement of material fact or omitted to state a material fact necessary in order to make any statement contained therein not misleading in the light of the circumstances in which it was made.

2. Procedure:

An action for rescission must be commenced within ninety days from the date upon which:

- (a) the prospectus or amended prospectus in question was received; or
- (b) the date of the contract for the sale of the security; whichever last occurred.

## MINING PROPERTIES

Since its incorporation, the Company has been solely engaged in the acquisition and exploration of mining properties in the south-central part of British Columbia, and intends to carry on the business of mining exploration and development.

The mining properties owned by the Company consist of a property on Big Timothy Mountain northeast of 100 Mile House, a group of 18 claims in the McLeese Lake area between Williams Lake and Quesnel, and a group of 25 claims in the Highland Valley area south of Spences Bridge. Particulars of these properties are as follows:

1. Description and Access:

(a) **Big Timothy Mountain Property:**

The Company is the recorded and beneficial owner of 62 contiguous apparently full-sized recorded mineral claims situate on the plateau-like summit and upper flanks of Big Timothy (Takomakane) Mountain in the Cariboo Mining Division of the Province of British Columbia, approximately 35 airmiles northeast of 100 Mile House. These mineral claims are more particularly described as follows:

<u>Name of Claim</u>	<u>Record No.</u>
Silver Boss Nos. 1 to 24, incl. (‘the Silver Boss Group’)	47858 to 47881, incl.
SB Nos. 25 to 36 incl.	52792 to 52803, incl.
SB Nos. 37 to 48, incl.	52804 to 52815, incl.
Gus Nos. 1 to 14, incl.	52738 to 52751, incl.

Access to the property is by way of either helicopter based at Williams Lake, British Columbia, or by vehicle from the Cariboo Highway on a gravel road for a distance of 75 miles from Forest Grove to Hendrix Lake and from there via the mine access road of Brynor Mines (Boss Mountain Division) to a trail, about two miles in length, which leads northward to the property. Furthermore, an old mine access road passes close to the Gus claims and partial access to the west slope of Timothy Mountain is also available by way of logging roads.

(b) **McLeese Lake Property:**

The Company is the recorded and beneficial owner of 18 contiguous apparently full-sized recorded mineral claims situate on the eastern slope of Granite Mountain in the Cariboo Mining Division, approximately 15 miles northeast of McLeese Lake, which is on Highway 97, about midway between Williams Lake and Quesnel. These mineral claims are more particularly described as follows:

<u>Name of Claim</u>	<u>Record No.</u>
GM 21 to 28, incl.	50695 to 50702, incl.
GM 41 to 46, incl.	50703 to 50708, incl.
BM 1 to 4, incl.	50970 to 50973, incl.

Access to the property is by way of gravelled logging and access roads from McLeese Lake on the Cariboo Highway.

**(c) Highland Valley Property:**

The Company is the recorded and beneficial owner of 24 contiguous apparently full-sized recorded mineral claims situate north of the northwest boundary of Indian Reserve No. 12 and east of Indian Reserve No. 7, approximately nine miles south of Spences Bridge in the Kamloops Mining Division. These mineral claims are more particularly described as follows:

<u>Name of Claim</u>	<u>Record No.</u>
Bud Nos. 1 to 25, incl.	83291 to 82415, incl.

The southwestern boundary of the property is almost adjacent to the Provincial Highway from Spences Bridge to Merritt.

**2. Acquisition:**

The Company acquired the Silver Boss Group, which comprise the key claims at the Big Timothy Mountain Property from Frederick Helmut Sholz ('Sholz'), the President and a Director of the Company, and the McLeese Lake property from Clifford Gunn ('Gunn'), a prospector of Box 2140, Williams Lake, British Columbia, pursuant to an agreement dated June 30, 1969 ('the acquisition agreement'). The consideration paid for the Silver Boss Group and the McLeese Lake property consisted, respectively, of 400,000 shares and 350,000 shares of the Company, or a total for both properties of 750,000 shares, which constitute the escrowed shares referred to under that heading in this Prospectus. The 750,000 shares were allotted and issued to and are presently held by the following persons in the amounts set opposite their respective names:

<u>Name and Address</u>	<u>Number of Shares</u>
Frederick Helmut Sholz 144 Stevens Drive, West Vancouver, B.C.	300,000
Clifford Gunn, Box 2140, Williams Lake, B.C.	250,000
Frederick Helmut Sholz as Trustee for Rudolph Jens, 144 Stevens Drive, West Vancouver, B.C.	50,000
Mel K. Kahl, Box 548, Williams Lake, B.C.	50,000
Marga Ignatzi, Williams Lake, B.C.	50,000
Ralph McL. Brown, 3979 Angus Drive, Vancouver 9, B.C.	50,000
Total:	750,000

Under the provisions of the acquisition agreement, the total number of shares issued to each of the allottees, as set out above, is deemed to consist pro rata of a portion of, and to have been derived from, the 400,000 shares issued for the Silver Boss Group and the 350,000 shares issued for the McLeese Lake property.

In acquiring the Silver Boss Group and the Highland Valley property, Sholz and Gunn had incurred expenses in prospecting for, locating and recording the mineral claims comprised in the Silver Boss Group thereafter in the total sum of approximately \$3,500.00.

The remaining 38 claims comprised in the Big Timothy Mountain property were acquired by the Company by location at a cost of some \$190.00.

The Highland Valley Property, however, was also acquired from Sholz pursuant to the acquisition agreement but for no consideration other than the reimbursement of the expenditures actually incurred by Sholz in locating and recording the claims, in the sum of \$924.93, which was paid to Sholz by way of the issuance to him and to Gunn of shares of the Company at 10¢ per share, being part of the 200,000 shares of the Company issued at that price.

**3. History and Exploration Work to date:**

Prior to 1920, some surface and underground exploration work was carried out on the Big Timothy Mountain Property by way of several trenches, pits, a shaft and three short adits. No work is known to have been carried out on the McLeese Lake Property or the Highland Valley Property prior to their acquisition by Sholz and Gunn. Following their acquisition of the Silver Boss Group and the McLeese Lake Property, Sholz and Gunn, in anticipation of the formation of the Company, caused certain work to be carried out thereon as follows:

- (i) a field survey and a geological examination of the Silver Boss Group at a total cost of \$2,987.54;
- (ii) a field survey and geological examination of the McLeese Lake Property, as well as the bulldozing of some 3½ miles of access road across that property and the cutting and ripping of trenches to bedrock with a D-8 Cat. in four locations, one 100' wide by 10' long by 5' deep, the second 50' wide by 12' long by 5' deep, the third 400' wide by 20' long by 10' deep and cross trenched 50' wide by 12' long by 5' deep, and the fourth 60' wide, 10' long by 6' deep, and at a fifth location, but not to bedrock, 40' wide by 50' long by 10' deep, all at a total cost of some \$10,568.31. The total of the expenses so incurred in respect of the two properties, in the aggregate sum of \$13,555.85, has been reimbursed by the issuance to Sholz and Gunn of shares of the Company at 10¢ per share, being a portion of the 200,000 shares issued by the Company at that price.

The Company has subsequently spent a further \$3,269 in exploration of the Big Timothy Mountain property by way of soil sampling, geological mapping and further prospecting under the supervision of T.R. Tough & Associates Ltd., the Company's consultants, during the summer of 1969. In the case of the McLeese Lake property, a limited program of geochemical sampling and prospecting was carried out under the direction of the Company's consultants during the months of June and July, 1969, at a cost of some \$2,149.69.

No work has been carried out on the Highland Valley property since its location.

Although all of the Company's properties are still in the preliminary stages of exploration, and there is no known body of commercial ore situate thereon, gold, silver, copper, lead and zinc mineralized occurrences are known to be present in the Big Timothy Mountain property and molybdenite has been observed in float.

**4. Title and other relevant information:**

None of the mineral claims comprised in the three properties held by the Company has yet been surveyed, and accordingly, their position, size and existence on the ground must be regarded as being subject to adjustment on survey. However, the Company knows of no adverse claims or defects save that the certificate of record issued in respect of the SB No. 27, one of the mineral claims comprised in the Big Timothy Mountain property but by no means a key claim, was endorsed with a notation to the effect its location was in possible contravention of the "Mineral Act", but no final determination of this question could be made until the claims were surveyed and in any event the Company has received no notification from any other claim holder as to an adverse dispute in respect thereof.

**5. Future Work:**

The Company intends to carry out further exploration of its Big Timothy Mountain property in accordance with recommendations made by Thomas R. Tough, B.Sc., Consulting Geologist, in his report dated October 5, 1969, a copy of which accompanies and forms part of this Prospectus, at an estimated cost of \$69,000, made up as follows:

Road construction	\$ 7,000.00
Line cutting	5,000.00
Geological mapping	6,000.00
Geophysical survey	10,000.00
Geochemical survey	6,000.00
Diamond drilling 1,500 feet @ \$12/foot	18,000.00
Assaying and core boxes	4,000.00
Engineering and supervision	10,000.00
Living Expenses and Travel	3,000.00
	<u>\$69,000.00</u>



No work is prosposed to be carried out by the Company on its McLeese Lake or Highland Valley properties at this time other than such work as might be required to maintain such claims in good standing at a cost not exceeding some \$5,000.

## FINANCIAL

Reference is made to the Balance Sheet of the Company made up to February 28, 1970, the Notes thereto, the Statements of Source and Application of Funds and of Deferred Exploration, Development and Administrative Expenses for the period from June 25, 1969 (the date of Incorporation) to February 28, 1970, and the report thereon dated March 26, 1970, by the Company's Auditors, Winspear, Higgins, Stevenson and Doane, Chartered Accountants, all of which form part of this Prospectus.

There has been no production to date and therefore no dividends have been paid by the Company.

No bonds or debentures are outstanding or are proposed to be issued. In the opinion of the Directors of the Company, the proceeds of the offering covered by this Prospectus in the net amount of \$78,750, when combined with the funds in the Company's treasury in the amount of some \$2,450.00, will be sufficient:

- (a) To carry out the recommendations of T.R. Tough, B.Sc., Consulting Geologist, as set out in his report dated October 5, 1969, and on Page 16 of this Prospectus, in the sum of \$69,000.00; and
- (b) To maintain the Company's properties in good standing; and, generally, to defray its normal business and administrative expenses and legal, accounting and transfer agency charges for services rendered with respect to the operations of the Company which have been estimated by management as being approximately \$10,000.00

As for the order of priority in which the proceeds of the offering made by this Prospectus are to be applied, the Company intends to undertake in phases the recommended exploration program on its Big Timothy Mountain property, commencing with the road construction which will facilitate and reduce the cost of the other phases of the program. Thereafter, the Company will carry out the line-cutting which is a prerequisite to the several surveys, all of which could then be carried out more or less simultaneously, to the extent that funds were available, or, if not, could be carried out successively, as funds became available, after the geological mapping and the geophysical and the geochemical surveys had been completed, the Company would then be in a position to carry out, as recommended, limited diamond drilling of such targets as might have been outlined by the surveys. In the event the proceeds were not sufficient to carry out the entire program recommended, the Company would do such work as would be required to maintain the three mining properties which it owns in good standing.

Preliminary administration expenses of \$7,550.00 and preliminary exploration expenses of \$18,975.00 have been incurred. No further preliminary expenses are anticipated.

No part of the proceeds of the sale of the shares offered by this Prospectus hereunder will 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 shares offered by this Prospectus may lawfully be sold. In the event that the Company, after completion of the offering covered by this Prospectus, were to propose to use any of the proceeds derived from the offering hereby made to acquire securities of a type other than that in which a trustee would be permitted to invest, the Company will first seek the approval of its shareholders to such proposed acquisition and full disclosure will be made to the regulatory bodies having jurisdiction over the sale of the shares offered herein.

Any monies held by the Company and exceeding its immediate requirements for the purposes aforesaid will be held by the Company in banks, or interest bearing securities, or other securities permissible by the laws of Canada for investment by life insurance companies, pending their employment in furthering the objects of the Company.

## OTHER MATERIAL FACTS

The only material contracts which may be considered outside the normal course of business are all disclosed in this Prospectus and copies of such contracts may be inspected during the normal business hours at the registered office of the Company at Suite 625, 925 West Georgia Street, Vancouver, British Columbia.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered herein as required by Part VII of the "Securities Act, 1967" of the Province of British Columbia, and the regulations thereunder.

"FREDERICK HELMUT SHOLZ"

Frederick Helmut Sholz,  
President, Director and Promoter

"ALLAN H. AINSWORTH"

Allan Harrison Ainsworth,  
Secretary and Director

"MARGA IGNATZI"

Marga Ignatzi, Director

"MELVIN K. KAHL"

Melvin K. Kahl, Director

"CLIFFORD GUNN"

Clifford Gunn, Promoter

June 10th, 1970.

**WINSPEAR, HIGGINS, STEVENSON AND DOANE**

CHARTERED ACCOUNTANTS

1505 ROBSON STREET  
VANCOUVER 5, CANADA

**AUDITORS' REPORT**

March 26, 1970

To the Shareholders of  
Exeter Mines Limited (N.P.L.)

We have examined the balance sheet of Exeter Mines Limited (N.P.L.) and the statement of source and application of funds for the period from June 25, 1969 (date of incorporation) to February 28, 1970. 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 February 28, 1970 and the results of its operations and the source and application of its funds for the period then ended, in accordance with generally accepted accounting principles.

**“WINSPEAR, HIGGINS, STEVENSON AND DOANE”**

Chartered Accountants.

**EXETER MINES LIMITED (N.P.L.)**  
(Incorporated under the Laws of British Columbia)

**BALANCE SHEET**

*February 28, 1970*

**ASSETS**

Current	
Cash	\$ 4,841
Mining properties (Note 2)	76,115
Deferred exploration, development and administrative expenses	26,525
Incorporation costs	1,159
	<u>\$108,640</u>
	<u><u>\$108,640</u></u>

**LIABILITIES**

Current	
Payables	\$ 2,388

**Shareholders' Equity**

Share capital	
Authorized	
5,000,000 common shares without nominal or par value having a maximum issue price of 50¢ each	
Issued and outstanding (Note 3)	
995,005 shares	106,252
	<u>\$108,640</u>
	<u><u>\$108,640</u></u>

ON BEHALF OF THE BOARD:

“FRED SCHOLZ”      Director

“MARGA IGNATZI”    Director

The accompanying notes form part of this statement

EXETER MINES LIMITED (N.P.L.)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

*Period from June 25, 1969 (date of incorporation) to February 28, 1970*

Funds provided by		
Sale of shares for cash		\$16,771
Funds applied to		
Acquisition of mining properties	\$ 1,115	
Payment of deferred expenses	12,044	
Payment of incorporation costs	<u>1,159</u>	
		<u>14,318</u>
Excess of funds provided over funds applied, representing working capital at February 28, 1970		<u><u>\$ 2,453</u></u>

**EXETER MINES LIMITED (N.P.L.)**

**NOTES TO FINANCIAL STATEMENTS**

*February 28, 1970*

**1. Values**

The amounts shown for mining properties and deferred expenses represent costs to date and are not intended to reflect present or future value.

**2. Mining properties**

a) Cariboo Mining Division		
(i) Timothy Mountain property		
24 claims acquired for 400,000 shares of the company's capital stock at 10¢ per share		\$40,000
38 claims were staked by the company at nominal value		190
(ii) McLeese Lake property		
18 claims acquired for 350,000 shares of the company's capital stock at 10¢ per share		35,000
b) Kamloops Mining Division		
(i) Highland Valley property		
25 claims for cash		925
		\$76,115
		\$76,115

**3. Share capital – issued and outstanding**

During the period from June 25, 1969 (date of incorporation) to February 28, 1970, the following common shares of the company were issued:

Consideration	Number of Shares	Price per Share	Value
Cash	5	50¢	\$ 2
Cash	55,193	10¢	5,519
Cash	45,000	25¢	11,250
	100,198		16,771
Mining properties	750,000	10¢	75,000
Other	144,807	10¢	14,481
	995,005		\$106,252

**EXETER MINES LIMITED (N.P.L.)**  
**DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSES**

*Period from June 25, 1969 (date of incorporation) to February 28, 1970*

	<u>Timothy Mountain Property</u>	<u>McLeese Lake Property</u>	<u>Total</u>
Exploration and development			
Equipment rental	\$ 238	\$ 475	\$ 713
Field survey and supplies	2,151	3,095	5,246
Geological consulting and engineering	2,271	1,824	4,095
Helicopter rental	537	—	537
Legal	42		42
Recording fees	120	70	190
Telephone	66	132	198
Travel	832	1,103	1,935
Trenching and road work	—	6,019	6,019
	<u>6,257</u>	<u>12,718</u>	<u>18,975</u>
Administrative			
General	810	2,033	2,843
Promotion	1,159	2,355	3,514
Legal	393	800	1,193
	<u>2,362</u>	<u>5,188</u>	<u>7,550</u>
Total	<u>\$8,619</u>	<u>\$17,906</u>	<u>\$26,525</u>

# GEOLOGICAL REPORT

on the

## BIG TIMOTHY MOUNTAIN PROPERTY

Cariboo Mining Division  
British Columbia

of

## EXETER MINES LTD. (N.P.L.)

October 5, 1969  
Vancouver, B.C.

Thomas R. Tough  
Consulting Geologist

### SUMMARY

The Big Timothy Mountain property, owned by Exeter Mines Ltd. (N.P.L.) consists of 62 mineral claims located approximately 35 miles northeast of 100 Mile House, B.C., and is accessible by road and trail or by helicopter. The property adjoins the producing property of Noranda Mines Ltd., Brynnor Mines (Boss Mountain Division).

The topography is not precipitous with elevations varying from 5500 feet to 7000 feet.

Water is available for all phases of exploration and development.

Railroad facilities are available in 100 Mile House.

Hydroelectric power would be available in the area.

Limited exploratory work was done on the property prior to 1920. During 1969 Exeter Mines Ltd. carried out a limited program of geological mapping and soil sampling.

With proper preparation work could be carried out on a yearly basis. Sulphides of iron, copper, lead and zinc occur on the property.

### CONCLUSIONS

The quartz diorite which underlies the claims is mineralized in limited areas. The minerals are related to quartz veins and breccias which fill shear and fault zones. At the intersections of the shears and faults mineralization tends to increase in areal extent.

The structures and geological relations are similar in character to the molybdenite occurrences to the southeast of the property. It appears probable that they were derived contemporaneously from the same source.

### RECOMMENDATIONS

It is recommended that geological mapping, geophysical and geochemical surveys be done over the entire property. Diamond drilling should be carried out along the known zones and especially at the intersections of such zones. A road should be constructed to provide full access to the property.

It is also recommended that Exeter Mines Ltd. (N.P.L.) allocate the sum of \$69,000.00 to implement and execute the recommended exploration and development programs.

### INTRODUCTION

The following report has been compiled from information obtained by the writer during two trips to the Big Timothy Mountain property of Exeter Mines Ltd. on September 27, 1968 and during July 13-18, 1969. A review of all available Reports of the Minister of Mines of British Columbia was made.

The purpose of the examination was to investigate the various old workings and known mineral occurrences, carry out preliminary soil sampling, geological mapping, and assess the potential of the property.

### PROPERTY

The Big Timothy Mountain property consists of 62 contiguous mineral claims held by location. They are as follows:



<u>Claim Name</u>	<u>Record Number</u>	<u>Expiry Date</u>
Silver Boss 1-16 incl.	47858-73 incl.	October 4, 1970
Silver Boss 17-24 incl.	47874-81 incl.	October 4, 1970
S.B. 25-36 incl.	52792-803 incl.	June 26, 1970
S.B. 37-48 incl.	52804-15 incl.	June 27, 1970
Gus 1-14 incl.	52738-51 incl.	June 30, 1970

The claims adjoin the producing property of Noranda Mines Ltd., Brynnor Mines (Boss Mountain Division), to the north.

#### **OWNERSHIP**

The claims are owned by Exeter Mines Ltd. (N.P.L.) of Vancouver, British Columbia.

#### **LOCATION (52° 120 S. W.)**

The Big Timothy Mountain property is on the plateau-like summit and upper flanks of Big Timothy (Takomkane) Mountain approximately 35 air miles northeast of 100 Mile House, in the Cariboo Mining Division, south-central British Columbia.

It is reached by 75 miles of gravel road east from Forest Grove to Hendrix Lake and along the mine access road of Brynnor Mine (Boss Mountain Division) to the surface exposure of their main ore body. A trail, about 2 miles in length, leads northward up Molybdenite Creek to the property. An old road built by Noranda Mines passes close to the Gus claims. Partial access is by logging roads to the west slope of Big Timothy Mountain via Murphy Lake.

Helicopter service is available from Williams Lake, B.C.

Elevations on the property vary from 5,500' to 7,000' with timberline around 6,000'. Sparse patches of stunted balsam fir occur above this elevation. The topography is fairly gentle and rolling with the majority of the claims covering alpine meadows.

Sufficient water is available for all phases of exploration and development.

Winters are long with fairly heavy snow fall. Summer months are short and cool with moderate rainfall.

Hydroelectric power would be available in the area.

#### **HISTORY**

Prior to 1920 several trenches, pits, a shaft, and three adits were dug along shear zones in quartz diorite and these reveal mineralization in the form of pyrite, chalcopyrite, bornite, galena and sphalerite in a gangue of quartz.

In the region of basaltic lava flows a few shallow trenches were cut in occurrences of olivine in an effort to develop an economic deposit of semi-precious peridot.

#### **PRESENT WORK**

During the summer months of 1969 Exeter Mines Ltd. carried out a limited program of soil sampling, geological mapping and prospecting.

#### **GENERAL GEOLOGY**

The geology of the area is shown on Map 1-1963 Quesnel Lake (East Half) of the Geological Survey of Canada. The area is mainly overlain by Paleozoic rocks of the Midas formation which is comprised of metamorphosed sediments. The Snowshoe formation, consisting of metasediments, rests on the Midas formation. Volcanic rocks of Triassic Age occur above the Snowshoe formation. Intrusive rocks of Jurassic to Cretaceous Age occur in several places within the map area. Much of the area is covered with glacial drift and alluvium.

#### **LOCAL GEOLOGY**

The claim group is underlain by quartz diorite which is uniform in colour and texture with local variations. It is medium to coarse grained, with light-grey to pale pink plagioclase and minor quartz. The mafic minerals are green to black hornblende or biotite and magnetite.

The quartz diorite has been highly fractured, faulted, and intruded by irregular dykes and veins. Locally there has been brecciation. The breccia contains fragments of quartz diorite, felsite, and andesite with quartz forming a large portion of the matrix. Chalcopyrite and bornite were noted disseminated within the rock fragments, around the periphery of the fragments, and as masses within the matrix.

Most of the shear zones strike between north and east and dip steeply. The thicker zones trend eastward and dip moderately to the north. Quartz veins occupy some of the shears and similar occurrences have been identified in the Brynnor Mine.

Felsite, aplite, and andesitic dykes cut the quartz diorite and have a north-westerly to westerly trend and are essentially vertical. The aplite is possibly a late injection of the quartz diorite proper. The felsites weather to buff or light brown. The dykes follow fractures and fault zones. Pyrite and chalcopyrite were noted in the aplite dykes and chalcopyrite and bornite occur disseminated in some of the andesite dykes.

The Takomkane basalts lie on the upper portions of the property and cover a limited area. The peak of the mountain is marked by two cinder cones with a breached crater. The flows are small and extend southwest from the crater. The lavas are dark brown, fine-grained, holocrystalline, with a somewhat trachytic texture and amydules. They are composed of magnetite, augite, olivine, and plagioclase and contain irregular shaped bodies of olivine crystals. The contact between the lava and quartz diorite strikes N10°E and dips 60° to the west. In places the lava occurs in pillow-shaped masses with concentric layering, and as ropy and amygdaloidal flows. No ash beds were observed and the basalt appears to have been extruded with no evidence of explosive action. The flows contain fragments of quartz diorite near their base.

#### MINERAL OCCURRENCES

The quartz diorite is cut by a number of parallel and branching quartz veins striking N45°E and dipping steeply to the southeast. The veins have been opened up at intervals along a zone of sheared quartz diorite for a length of about 700 feet. The sheared zone is 25-35 feet wide. The minerals occurring in the veins are pyrite, chalcopyrite, bornite, galena and sphalerite in a gangue of quartz. The mineralization extends into the wall rocks of the zone.

A series of grab samples taken by Mr. W. J. Ryan prior to 1920 ran as follows:

Location	Au	Ag oz/ton	Cu %	Pb %	Zn %
shaft	\$ 7	20.00	2.0	25.0	20.0
north of shaft	\$44	30.0	22.0		
50' north of shaft	\$17	28.0	18.5		
basic dyke, rim edge	\$10	7.5	5.0		
1500' east and 900' below edge	\$ 5	2.0			
same, across 4 ft. shear	\$10	4.0			

In 1964 a grab sample from the shaft dump was sent by Mr. C. E. Gunn for assay by the Department of Mines and Petroleum Resources in Victoria, B.C. It assayed 0.07 oz Au/ton, 12.20 oz Ag/ton, 5.31% Cu, 0.10% Pb and 0.01% Zn.

In 1966 the same party sent a second specimen for assay which ran 0.06 oz Au/ton, 11.00 oz Ag/ton, 5.36% Cu, 0.12% Pb, 0.01% Zn and 0.02% Bi.

Samples taken during 1966 by J. C. Hamm of Duval Corporation ran as follows:

Location	Au oz/ton	Ag oz/ton	Cu %	Pb %	Zn %	Mo %
at junction of shears	0.01	0.70	0.39	0.15	tr	0.005
shaft dump	0.02	17.0	3.02	tr	tr	0.005
float below rim	0.02	0.20	0.16			
dyke material below rim	0.02	0.40	2.02			
unaltered wall rock from shaft area	tr	tr	0.43			

A grab sample taken by the writer in 1968 from the shaft area assayed 0.28 oz Au/ton, 6.76 oz Ag/ton and 6.50% Cu.

The southern extremity of the main shear is transected by another shear striking E-W and dipping steeply to the north. Pyrite, chalcopyrite and galena occur as fissure fillings in the veins and disseminated through broken quartz diorite. Pyrite and chalcopyrite were noted as fracture fillings along the E-W shear.

A number of shear zones from 5 to 50 feet in width occur on the northeast rim of the ridge and strike down the slope. Some of the shears, where exposed, contain mineralized breccia.

Bornite and chalcopyrite occur as disseminations in andesitic dykes which also fill some of the shear zones or with quartz and altered quartz diorite.

In one locality on the plateau molybdenite occurrences were noted in quartz veins in float.

#### EXPLORATION AND DEVELOPMENT PROGRAMS

Geological mapping of the entire property is necessary to determine all possible structural and mineralogical relations.

An induced polarization survey will be necessary to outline the limits of known mineral occurrences and to locate possible hidden bodies along the loci of intersections of shears and faults.

The geochemical survey should be completed over all claims.

Access to the claim group by road is a necessity to facilitate the execution of the exploration and development programs.

Surface diamond drilling should be carried out along the main shear zone to determine the extent and grade of mineralization. Drilling will be necessary to check resultant anomalous conditions revealed by geophysical and geochemical surveys.

#### Estimated Cost of Exploration and Development Programs

Road construction	\$ 7,000.00
Linecutting	5,000.00
Geological Mapping	6,000.00
Geophysical Survey	10,000.00
Geochemical Survey	6,000.00
Diamond Drilling 1,500 feet @ \$12/foot	18,000.00
Assaying and Core Boxes	4,000.00
Engineering and Supervision	10,000.00
Living Expenses and Travel	3,000.00
	<hr/>
	\$69,000.00
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It is estimated that the programs will be completed in one year.

Respectfully submitted.

“THOMAS R. TOUGH”

Thomas R. Tough, B.Sc.,

Consulting Geologist

October 5, 1969

Vancouver, B.C.

## CERTIFICATE

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

That I am a Consulting Geologist and an associate of E. P. Shepherd and Associates Ltd., with offices at 314-402 West Pender Street, Vancouver 3, B.C.

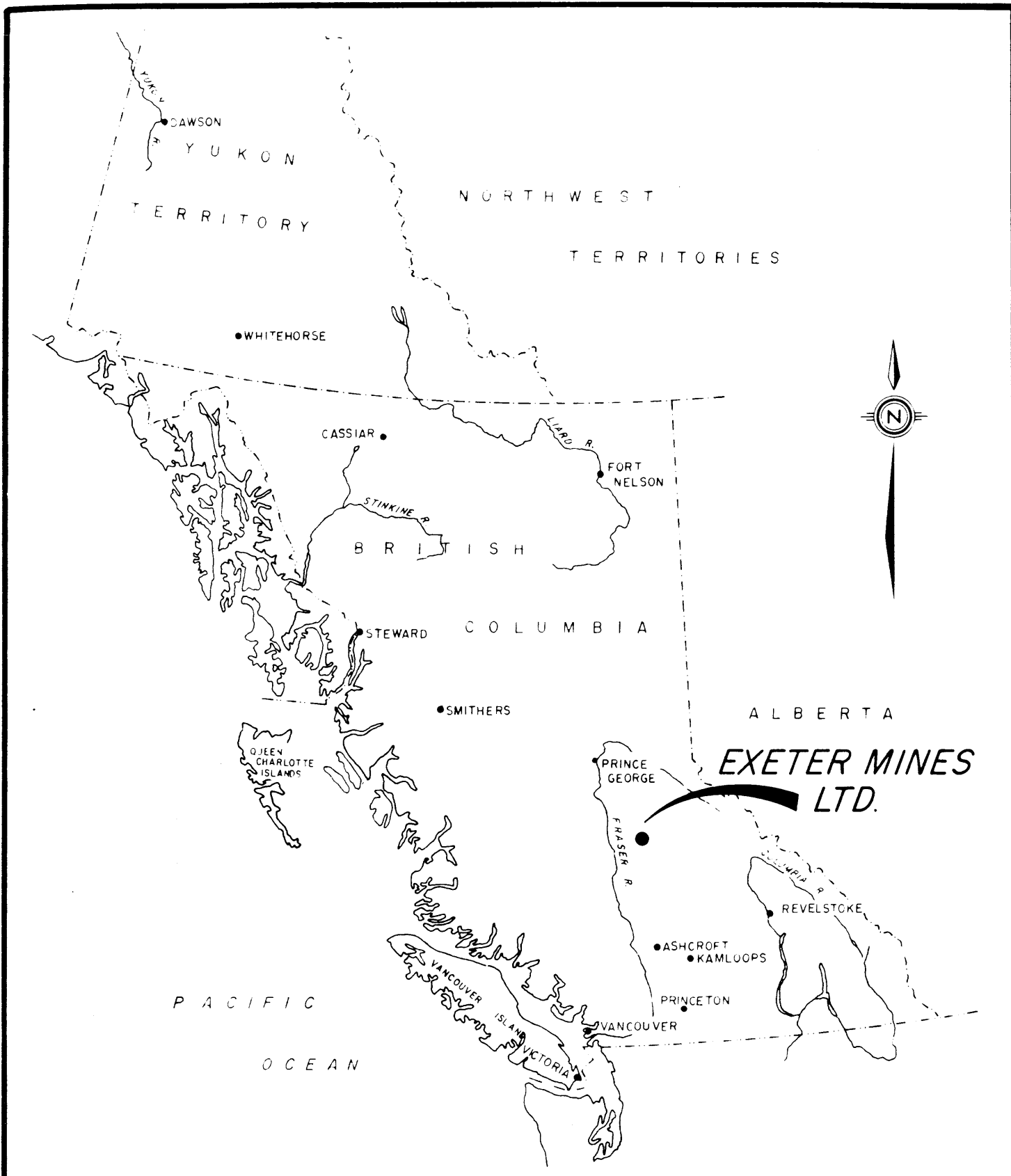
I further certify that:

1. I am a graduate of the University of British Columbia (1965) and hold a B.Sc. degree in Geology.
2. I have been active in the mining industry for the past 11 years, and as a professional for the past four years.
3. I have applied for full registration with the Association of PROFESSIONAL Engineers of British Columbia, and am registered as an Engineer-in-Training.
4. The information for the accompanying report was obtained from personal examinations of the property on September 27, 1968, and during July 13-18, 1969; and a study of pertinent data.
5. That I have no direct or indirect interest whatsoever in the property described herein, nor in the securities of Exeter Mines Ltd. (N.P.L.) and do not expect to receive any interest therein.

“THOMAS R. TOUGH”

Thomas R. Tough  
Consulting Geologist

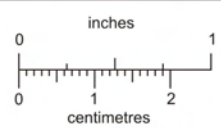
October 5, 1969



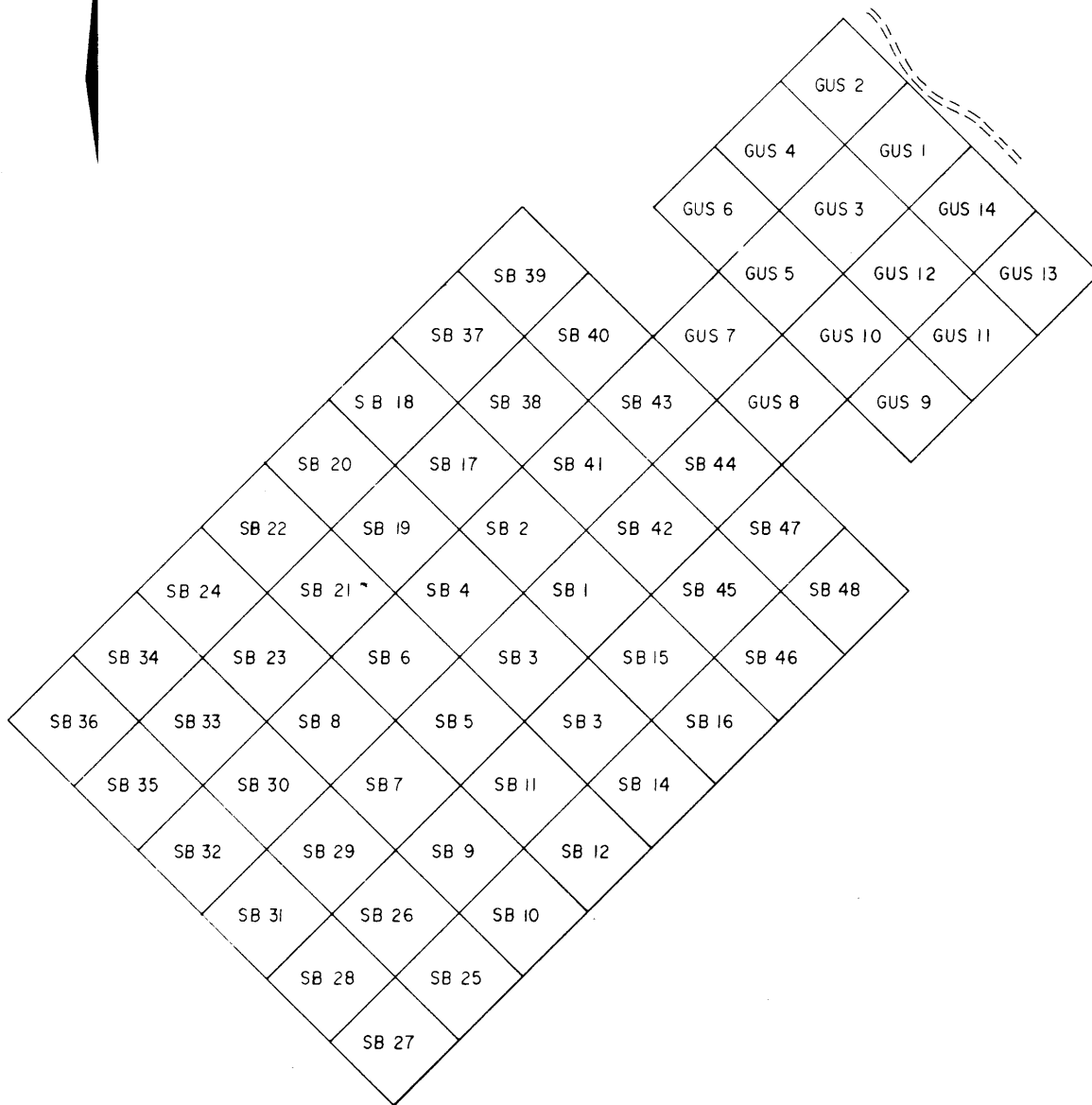
**EXETER MINES LTD.**

T. TOUGH & ASSOCIATES LTD  
**EXETER MINES LTD. (N.P.L.)**  
**LOCATION MAP**

CARIBOO M.D., BC  
 SCALE 1" = 150 miles



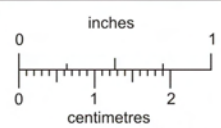
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VANCOUVER, B.C.

### CLAIM MAP





BIG TIMOTHY MOUNTAIN PROPERTY  
CARIBOO M.D., B.C.  
SCALE: 1" = 3000'

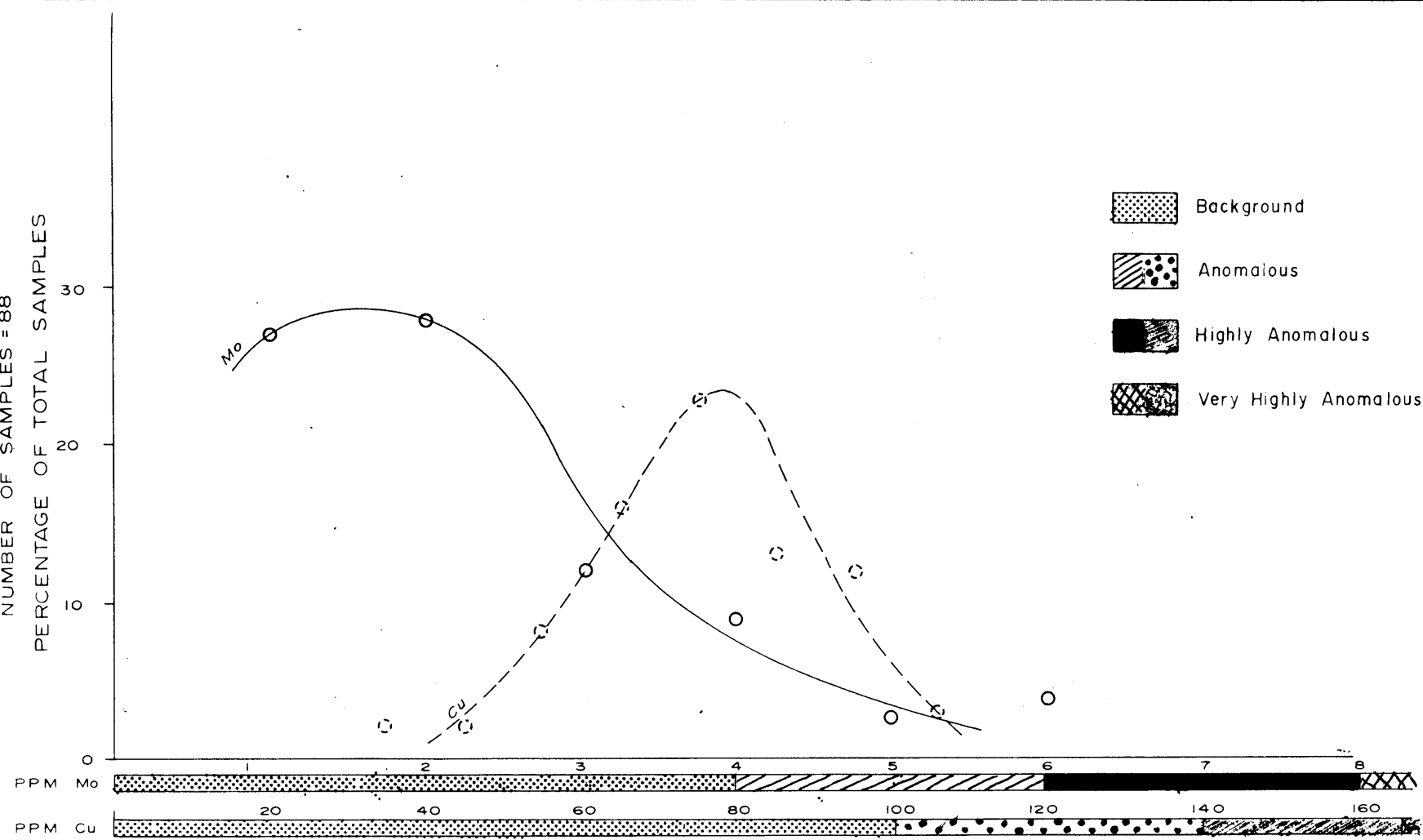


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NUMBER OF SAMPLES = 88  
 PAGE 23  
 PERCENTAGE OF TOTAL SAMPLES

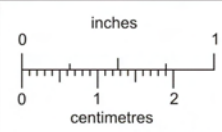
-  Background
-  Anomalous
-  Highly Anomalous
-  Very Highly Anomalous



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## SOIL SAMPLE STATISTICAL ANALYSIS

BIG TIMOTHY MOUNTAIN PROPERTY  
 CARIBOO M.D., B.C.



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