

PROSPECTUS

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93B 009,019
January 11, 1971

GRAMARA MINES LTD. (N.P.L.)

Incorporated in British Columbia

New Issue of 250,000 Common Shares

Gramara Mines Ltd. (N.P.L.) referred to as "the Company" offers 250,000 of its common shares at 40 cents per share.

No. of Shares Offered	Price per Share	Price to Public	Commission	Net Amount to be Received by Company
Per Unit 250,000	40¢	40¢	10¢	30¢
Total —	—	\$100,000	\$25,000	\$75,000

THERE IS NO EXISTING MARKET FOR THE COMPANY'S SECURITIES IN THE PROVINCE OF BRITISH COLUMBIA OR ELSEWHERE.

A PURCHASE OF THE SHARES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION SINCE THE COMPANY'S MINERAL CLAIMS ARE STILL ONLY IN THE EXPLORATION STAGE. SECTIONS HEADED "DESCRIPTION OF BUSINESS AND PROPERTY OF COMPANY," "ESCROWED SHARES" AND "PRINCIPAL HOLDERS OF SECURITIES" SHOULD BE REFERRED TO FOR A COMPARISON OF THE PERCENTAGE OF THE NUMBER OF SHARES OFFERED HEREUNDER FOR CASH AND THOSE ALREADY ISSUED BY THE COMPANY FOR CASH AND OTHER CONSIDERATION.

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.

NO SURVEY HAS BEEN MADE OF THE COMPANY'S LOCATED MINERAL CLAIMS AND THEREFORE IN ACCORDANCE WITH THE MINING LAWS OF THE PROVINCE OF BRITISH COLUMBIA, THEIR EXISTENCE AND AREA COULD BE IN DOUBT.

NO PERSON IS AUTHORIZED BY THE COMPANY TO GIVE ANY 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.

93B009
PROPERTY FILE

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GRAMARA MINES LTD. (N.P.L.)

PROSPECTUS

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1. PLAN OF DISTRIBUTION

The Company is registered as a security issuer and will effect the sale of shares offered hereby itself or through the facilities of registered broker dealers or brokers. The Company may also hire its own licenced salesmen. The Company will pay the broker dealers, brokers or salesmen who sell the shares a commission not exceeding 25% for each share sold.

2. PURCHASER'S RIGHT OF RESCISSION AND WITHDRAWAL

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

- (a) A purchaser has the right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last Prospectus together with financial statements and reports and summaries of reports relating to the securities as filed with the British Columbia Securities Commission, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must have been served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice.
- (b) A purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the Prospectus or any amended Prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after expiration of 90 days from the later of the date of such contract or the date on which such Prospectus or amended Prospectus is received or is deemed to be received by him or his agent.

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

3. USE OF PROCEEDS TO COMPANY

The estimated net proceeds to be derived from the sale of the securities to be offered pursuant to this Prospectus amounts to \$75,000.00. This figure is arrived at by subtracting 10 cents per share or \$25,000.00 in total representing the commission to be paid on the sale of the shares from the price to the public netting the Company 30 cents per share or \$75,000.00 total on the sale of the full 250,000 shares being offered.

The principal purpose of the net proceeds of the sale of securities offered pursuant to this Prospectus is to complete the proposed programme recommended by Alfred R. Allen, P.Eng. in his report dated December 3, 1970. A breakdown of those recommended expenditures is set out below. The full text of Mr. Allen's report is reproduced within this Prospectus and for the full detail reference should be made to his report. Mr. Allen recommends a three-phase programme, the total cost of which is estimated to be \$60,000.00, details of the programme are as follows:

<u>Phase No. 1</u>	<u>Estimated Costs</u>
1. Establish a surveyed grid over the claims area with stations at 100-foot intervals on lines spaced every 400 feet. Conduct a geochemical survey over the property on the grid pattern	\$ 6,500.00

Phase No. 1 (continued)

2. Trench to bedrock where necessary to acquire information pertaining to geological detail	2,200.00
3. Office, overhead and supervision	500.00
4. Contingencies	800.00
Total estimated costs	<u>\$10,000.00</u>

Phase No. 2

1. Map the geology in as much detail as possible, using the outcrop areas and the trenching	\$ 1,000.00
2. Conduct an induced polarization survey over selected areas	6,000.00
3. Strip to bedrock where necessary to check geological details and anomalous conditions if indicated by the induced polarization results. Trench into bedrock where required.	5,000.00
4. Office, overhead, and supervision	1,500.00
5. Contingencies	1,500.00
Total estimated costs	<u>\$15,000.00</u>

Phase No. 3

1. Conduct detailed induced polarization and soil sampling surveys over reduced grid patterns, to establish as closely as possible anomalous boundaries	\$ 3,000.00
2. Drill "scout" holes to 300 feet with percussion equipment on anomalous areas, 5 holes	5,000.00
3. Drill "core" holes where necessary to check zones of mineralization, 2000 feet	22,000.00
4. Office, overhead and supervision	3,000.00
5. Contingencies	2,000.00
Estimated total costs	<u>\$35,000.00</u>

In the event that not all of the shares offered hereby are sold, the Company will endeavour to complete as much of the programme recommended by Mr. Allen as funds will allow and will concentrate on completing the programme one phase at a time, as the programme is broken into three phases constituting expenditures of \$10,000.00, \$15,000.00 and \$35,000.00 each. A portion of the proceeds, not expected to exceed \$15,000.00 will also be used for business administration expenses and legal and accounting services in respect of the Company's operations and preparation of this Prospectus.

The Company may pursuant to the recommendation of a qualified engineer abandon in whole or in part any of its properties or may alter as work progresses the work programme recommended 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 the primary distribution of the shares referred to in this Prospectus, an amendment to this Prospectus will be filed.

No part of the proceeds 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 jurisdiction in which securities offered by this Prospectus may be lawfully sold. Should the Company propose to use the proceeds to acquire non-trustee type securities after initial distribution of the securities offered by this Prospectus, approval by the shareholders will be obtained and disclosure will be made to the securities regulatory bodies having jurisdiction over the sale of the securities offered by this Prospectus.

4. SHARE AND LOAN CAPITAL STRUCTURE

TABLE

Designation of Security	Amount authorized or to be authorized	Amount outstanding as of December 4, 1970 being the date of the most recent Balance Sheet which has been reproduced in this Prospectus	Amount outstanding as of the date of this Prospectus	Amount to be outstanding if all securities being issued are sold
Common Share	5,000,000 50¢ par value	950,002	950,002	1,200,002

5. NAME AND INCORPORATION OF COMPANY

The full name of the Company is GRAMARA MINES LTD. (N.P.L.) and its registered office is at 306-540 Burrard Street, Vancouver 1, B.C. and it maintains no separate business office, but Ram Investments Ltd. maintains an office for it at 201-535 Howe Street, Vancouver, B.C. The Company was incorporated on November 19, 1968 under the name of Mara Minerals Ltd. (N.P.L.), the Company underwent a change of name to its present name by special resolution on November 23, 1970. The Company was incorporated as a Private Company and was converted to a Public Company on January 7th, 1971.

6. DIRECTORS AND OFFICERS

<u>Name and Address</u>	<u>Office Held</u>	<u>Principal Occupations during preceding 5 years</u>
Robert A. Matthews 2055 S.W. Marine Drive Vancouver, B.C.	President and Director	Director of Gibraltar Mines Ltd. (NPL). Director of Morocco Mines Ltd. (NPL).

<u>Name and Address</u>	<u>Office Held</u>	<u>Principal Occupation during preceding 5 years</u>
Robert A. Matthews (Cont'd)		Director of Gibbex Mines Ltd. (NPL). Manager of Vanguard Explorations Ltd. Securities Salesman for T.K. Laidlaw & Co., Turmac Securities and Union Securities.
John A. McKay 2231 East 46th Avenue Vancouver 16, B.C.	Secretary-Treasurer and Director	Retired Bus Operator. Director of Gibbex Mines Ltd. (NPL)
Daniel M. Ralph 841 East 16th Street North Vancouver, B.C.	Director	Fisherman, Officer and Director of Gibbex Mines Ltd. (NPL).

7. DESCRIPTION OF BUSINESS AND PROPERTY OF COMPANY

The Company is a Specially Limited Mining Company engaged in prospecting for, exploring, and developing mining properties. The Company has been active on mineral properties mostly in the McLeese Lake area of the Cariboo Mining Division. The only property presently held by the Company is the Barb Claims in that area and the purpose of this Prospectus is to raise sufficient monies to explore that property. The group consists of Twenty-two located mineral claims situated about 5 miles east of the Fraser River and 34 miles north of Williams Lake. The claims are accessible by road.

<u>Name of Claim</u>	<u>Record Number</u>
Barb 13 to 24	55922 - 55933
Barb 37 to 46	55946 - 55955

The claims were located in January, 1970, by a group known as the McLeese Lake Syndicate, the members of which and the share remuneration received by each is set out below. The Company carried out general prospecting over the area during the summer of 1970 under the direction of Allen Geological Engineering Ltd. The Company spent approximately \$2,500.00 in this programme and is at the date of this Prospectus carrying out a preliminary programme of trenching. The expiry dates of the claims at the date of this Prospectus shows as January 30, 1971, at the Recording Office. The Company, however, will have completed prior to that date sufficient assessment work to keep the claims in good standing for at least one more year. If for some reason the assessment work is not recorded before the due date, the Company will pay cash in lieu of into the Mining Recorder's Office.

As stated earlier the Company acquired the claims from a group known as The McLeese Lake Syndicate for which it issued 750,000 vendors shares to the members of that Syndicate as follows:

<u>Name and Address</u>	<u>Number of Shares</u>
Ram Investments Ltd. 201 - 535 Howe Street Vancouver 1, B.C.	470,000

<u>Name and Address</u>	<u>Number of Shares</u>
Daniel M. Ralph 841 East 16th Street North Vancouver, B.C.	235,000
J. Patrick Gouthro McLeese Lake, B.C.	25,000
Ron Wondga Box 1919 Whitehorse, Yukon	20,000
	<u>750,000</u>

Ram Investments Ltd. is a private company wholly owned by Robert A. Matthews of 2055 S.W. Marine Drive, Vancouver, B.C. Mr. Matthews is a Director and the President of Gramara Mines Ltd. (N.P.L.).

The claims are recorded in the Company's name and are wholly owned by the Company as there is no further consideration payable to the McLeese Lake Syndicate or any other persons.

The Company presently holds no other claims and there is no known body of ore on the Barb Claims nor is there any equipment, plant or underground workings.

8. PROMOTERS

The sole promoter of the Company is Robert A. Matthews. Reference is made to the captions "Material Contracts", "Remuneration and Directors and Officers" and "Description of Business and Property of Company" where the nature of Mr. Matthews' interest is particularized.

9. REMUNERATION OF DIRECTORS AND OFFICERS

The Directors and Officers have not received and will not receive any remuneration in their capacity as officers or directors of the Company.

Ram Investments Ltd., a Company wholly owned by Robert A. Matthews, has since incorporation of the Company received \$300.00 per month as a management fee being a total of \$7,200.00 over the two year period. Ram Investments Ltd. have provided exploration and general management services for this fee, and in addition, office, telephone and secretarial services. It is intended by the Company to increase this fee to \$500.00 per month commencing January 1, 1971.

10. ISSUANCE OF SHARES

The Company offers by this Prospectus 250,000 shares of its capital stock at a price of 40¢ per share. The shares are common shares and they have equal voting and dividend rights. They will rank equally on a liquidation and there are no pre-emptive, conversion or redemption rights, nor are there any sinking or purchase fund provisions.

11. ESCROWED SHARES

Certificates representing 750,000 shares referred to below are held in escrow by the Guaranty Trust Co. of Canada, 540 Burrard Street, Vancouver, B.C., subject to release only with the written

consent of the Superintendent of Brokers for the Province of British Columbia. The shares may not be traded or dealt with in any manner without the consent of the Superintendent of Brokers and in the event of the Company losing or not obtaining a good and marketable title, to or abandoning or discontinuing development of the property for which the shares were issued, the Superintendent of Brokers may require all or any part of the escrowed shares to be surrendered to the Company.

Designation of Class	Number of Shares Held in Escrow	Percentage of Class
Common Shares	750,000	78.9%

12. PRINCIPAL HOLDERS OF SECURITIES

Shareholders holding more than 10% of the common shares of the Company as of the date of this Prospectus:

Name and Address	Designation of Class	Type of Ownership	Number of Shares	Percentage of Class
Ram Investments Ltd. 201-535 Howe Street Vancouver 1, B.C.	Common	Beneficial and Recorded	570,000	60.0%
Daniel M. Ralph 841 East 16th Street North Vancouver, B.C.	"	"	255,000	26.9%

The following table shows the respective percentage holdings of the directors and senior officers of the Company attributing the 570,000 shares owned by Ram Investments Ltd. as being beneficially owned by Robert A. Matthews, President of the Company.

Designation of Class	Percentage of Class
Common Shares	91.0%

13. PRIOR SALES

Prior to the date of this Prospectus the following shares were sold for cash:

Number of Shares	Price per Share	Discount per Share	Total Cash Received
2	\$0.50	Nil	\$ 1.00
<u>200,000</u>	\$0.10	40 cents	<u>20,000.00</u>
<u>200,002</u>			<u>\$20,001.00</u>

The above shares have been pooled with the Guaranty Trust Company of Canada for a minimum of 30 days after the completion of the sale of the shares offered by this Prospectus. No commissions were paid in respect of the sale of these shares.

14. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Reference is made to the caption "Description of Business and Property of Issuer" and to the caption "Remuneration of Directors and Senior Officers" for the shares received by the directors and senior officers for properties vended to the Company and for cash remuneration anticipated to be received by Ram Investments Ltd., as manager of the Company.

15. AUDITORS, TRANSFER AGENTS AND REGISTRARS

The Auditor of the Company is Brendan Higgins, Chartered Accountant, 149 East 15th Street, North Vancouver, B.C.

The Company's Registrar and Transfer Agent is the Guaranty Trust Company of Canada, 540 Burrard Street, Vancouver 1, B.C.

16. MATERIAL CONTRACTS

There are no material contracts which may be considered outside the usual course of business; but, reference is again made to the captions "Description of Business and Property of the Issuer" and "Remuneration of Directors and Senior Officers" as they pertain to material interests received by directors and senior officers of the Company.

17. OTHER MATERIAL FACTS

There are no other material facts relating to the securities offered by this Prospectus which are not disclosed under the foregoing captions.

18. CERTIFICATE

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

DATED this 11th day of January, A.D. 1971.

"ROBERT A. MATTHEWS"

Robert A. Matthews
Director, President and Promoter

"JOHN A. MCKAY"

John A. McKay
Director, Secretary Treasurer

"D. RALPH"

Daniel M. Ralph
Director

REPORT ON THE HOLDINGS

OF

GRAMARA MINES LTD. (N.P.L.)

CARIBOO M.D., B.C.

INTRODUCTION

The Gramara Mines property is located in the McLeese Lake area of the Cariboo Mining Division, 7 miles south of the Gibraltar property, which is now being prepared for production by Placer Developments Ltd.

The writer examined the Gramara property April 24-25 and October 18-19, 1970.

The purpose of this report is to describe the geology of the claims area, and to outline an exploration programme considered most practicable, to assess the mineral potential of same.

LOCATION AND ACCESSIBILITY

The Gramara property is located in Southern British Columbia, about one mile east of McLeese Lake. This is in the Cariboo Mining Division at latitude 52° - 23' north and longitude 122° - 16' west.

Access is via the main highway from Williams Lake, 34 miles north to McLeese Lake, and by secondary road one mile easterly onto the property.

TOPOGRAPHY

The area is about 5 miles east of the Fraser River. The hills are rounded and the slopes gentle. Drainage is northerly into Sheridan Creek and westerly into McLeese Lake.

Elevations range from 3,000 to 4,000 feet above sea level, and the predominant physical feature is Granite Mountain, seven miles to the north which attains an elevation of 4,587 feet.

PROPERTY

The Gramara Mines property is made up of the following adjoining located mineral claims.

<u>Claims</u>	<u>Record Numbers</u>
Barb 13 - 24	55922A - 55933A
Barb 37 - 46	55946A - 55955A

During the examination by the writer many of the lines and posts were observed by the writer and the claims are located in accordance with the Mineral Act of British Columbia.

GEOLOGY

The Cache Creek formation, which is composed of argillite, greenstone, chert, limestone and tuff, underlies the claims area.

On the adjoining properties, to the north and east, the Granite Mountain igneous complex outcrops over sizeable areas. As mapped by the Geological Survey of Canada, the granitic rocks are

exposed over an area about 12 miles long and 6 to 8 miles wide.

At the southern end, the intrusives outcrop in the shape of a "tongue" which widens to the north on Granite Mountain. In the claims area the Permian sedimentary and volcanic rocks of the Cache Creek formation show the effects of the Upper Jurassic intrusive phase by extensive faulting, fracturing, tight folding and alteration.

There are mineral deposits in the granitic rocks, the largest being the Gibraltar copper-molybdenum orebodies now being prepared for production.

There are also mineralized zones within the Cache Creek strata, some of which contain copper-iron mineralization in sufficient quantities to warrant extensive exploratory work.

The Permian sedimentary and volcanic rocks and younger granitic intrusives have been overlain by Tertiary, and some recent, basalt, andesite, rhyolite, dacite and minor tuff, shale, conglomerate and sandstone. These mask the older rocks particularly over large areas to the west of the property.

On the Barb claims there is overburden over 95 percent of the surface area and hence only minor widely separated outcrops have been observed by the writer.

In the Cache Creek rocks of these outcrops no heavily mineralized zones have been observed, but pyrite along with minor chalcopyrite, malachite and azurite have been detected. Sizeable angular pieces of limestone float have been noted to contain pyrite and maraposite.

SUMMARY AND CONCLUSIONS

The Barb Group of mineral claims is located in the McLeese lake area, where many new prospects are being investigated and one large copper-molybdenum open pit is being prepared for production.

The property lies near the southwest contact of the Granite Mountain igneous complex, and exposures of Cache Creek rocks observed to date show evidence of strong faulting, fracturing, folding and alteration.

It is concluded that detailed investigation of the property is warranted.

The stripping and trenching that has been arranged with T and A Contracting should be started immediately.

A suggested three-phase field programme is herewith recommended.

RECOMMENDATIONS

The field programme on the Barb Group should be carried out in three phases.

The last two may require modifications depending on results acquired during phase one.

<u>Phase No. 1</u>	<u>Estimated Costs</u>
1. Establish a surveyed grid over the claims area with stations at 100-foot intervals on lines spaced every 400 feet. Conduct a geochemical survey over the property on the grid pattern,	\$ 6,500.00
2. Trench to bedrock where necessary to acquire information pertaining to geological detail,	2,200.00
3. Office, overhead and supervision,	500.00

Phase No. 1 (continued)

4. Contingencies,	<u>800.00</u>
Total estimated costs,	<u>\$10,000.00</u>

Phase No. 2

1. Map the geology in as much detail as possible, using the outcrop areas and the trenching,	1,000.00
2. Conduct an induced polarization survey over selected areas,	6,000.00
3. Strip to bedrock where necessary to check geological details and anomalous conditions if indicated by the induced polarization results. Trench into bedrock where required,	5,000.00
4. Office, overhead, and supervision,	1,500.00
5. Contingencies,	<u>1,500.00</u>
Total estimated costs,	<u>\$ 15,000.00</u>

Phase No. 3

1. Conduct detailed induced polarization and soil sampling surveys over reduced grid patterns, to establish as closely as possible anomalous boundaries,	\$ 3,000.00
2. Drill "scout" holes to 300 feet with percussion equipment on anomalous areas, 5 holes,	5,000.00
3. Drill "core" holes where necessary to check zones of mineralization, 2,000 feet,	22,000.00
4. Office, overhead and supervision,	3,000.00
5. Contingencies,	<u>2,000.00</u>
Estimated total costs	<u>\$35,000.00</u>

The three-phase programme, estimated to cost \$60,000.00, will require about 6 months to complete.

Vancouver, B.C.
December 3rd, 1970

Respectfully submitted,
ALLEN GEOLOGICAL ENGINEERING LTD.
Per "ALFRED R. ALLEN" P. Eng.
Alfred R. Allen

CERTIFICATE

I, Alfred R. Allen, certify that:

I am a graduate of the University of British Columbia and hold the following degrees therefrom:

BASc Geological Engineering 1939
MASc Geological Engineering 1941

I am a member of the Association of Professional Engineers of the Province of British Columbia.

I have practised my profession for the past twenty-eight years.

I hold no interest in the properties or securities of Gramara Mines Ltd. (N.P.L.), or affiliates thereof, nor do I expect to receive any, directly or indirectly.

My report of December 3rd, 1970, entitled, Report on The Holdings of Gramara Mines Ltd. (N.P.L.), Cariboo M.D., is based upon field examinations of the property on April 24-25 and October 18-19, 1970.

I consent to this report being filed with the British Columbia Securities Commission.

I have examined the posts and lines of most of the claims and I am of the opinion that they are staked in accordance with the requirements of the British Columbia Mineral Act.

"ALFRED R. ALLEN" P. Eng.
Alfred R. Allen.

REFERENCES

Annual Reports, B.C. Minister of Mines, '57-'66
 Geological Survey of Canada, Paper 1533, Sheet 93 B/9
 Geological Survey of Canada, Maps 12-1959, 3-1961
 Keevil Mining, Maps and Reports, 1960-62
 A.R. Allen, Reports, Gibraltar Mines, 1964-67
 Cominco, Reports and Maps, 1966-67



AUDITOR'S REPORT

To the Shareholders of
Gramara Mines Ltd. (N.P.L.)
Vancouver, B.C.

I have examined the Balance Sheet of Gramara Mines Ltd. (N.P.L.) as at December 4, 1970, and the Statement of Source and Application of Funds for the period then ended. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

I have not verified title to the mineral claims directly with the Government Registry Offices. I have received confirmation from the Solicitor of the Company that the Company is the beneficial owner of all claims recorded in the books of the Company. The Solicitor has further certified that all such claims are in good standing.

In my opinion the accompanying Balance Sheet and Statement of Source and Application of Funds, supplemented by the notes and schedules attached thereto, present fairly the financial position of the Company at December 4, 1970, and the source and use of its funds for the period then ended, in accordance with generally accepted accounting principles.

"BRENDAN P. HIGGINS"
Chartered Accountant

December 10, 1970.
North Vancouver, B.C.

Exhibit 'A'

GRAMARA MINES LTD. (N.P.L.)

Incorporated under the laws of British Columbia
Balance Sheet as at December 4, 1970

ASSETS

CURRENT ASSETS		
Cash at bank	\$ 3,603.29	
Prepaid expenses	261.29	\$ 3,864.58
MINERAL PROPERTIES at cost		
Mineral claims (Note 1)		75,000.00
DEFERRED EXPLORATION, DEVELOPMENT and ADMINISTRATION EXPENDITURES per Schedule 1		
		11,253.70
INCORPORATION COSTS		
		<u>1,100.00</u>
		<u>\$ 91,218.28</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable and accrued liabilities		\$ 1,200.00
SHAREHOLDERS' EQUITY		
Share Capital		
Authorized		
5,000,000 shares with a par value of 50¢ each		\$2,500,000.00
Issued	\$ 475,001.00	
Deduct: Discount thereon	<u>380,000.00</u>	\$ 95,001.00
Deficit		
Cost of option on Poison Creek claims now abandoned	\$ 1,800.00	
Exploration, development and administration attributable to abandoned claims	<u>3,182.72</u>	<u>(4,982.72)</u>
		<u>90,018.28</u>
		<u>\$ 91,218.28</u>

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

APPROVED ON BEHALF OF THE BOARD

"ROBERT A. MATTHEWS" Director
"JOHN A. McKAY" Director

This is the Balance Sheet referred to in the report of Brendan P. Higgins, Chartered Accountant, dated December 10, 1970

"BRENDAN P. HIGGINS"
Chartered Accountant

Exhibit 'B'

GRAMARA MINES LTD. (N.P.L.)

Notes to the Financial Statements
As at December 4, 1970

1. MINERAL PROPERTIES

BARB numbers 13 - 24 and 37 - 46 mineral claims
McLeese Lake, Cariboo Mining Division, B.C.
Acquired for 750,000 shares at 10¢ per share,
to be held in escrow at the discretion of the
Superintendent of Brokers.

\$ 75,000.00

2. SHARE CAPITAL

Shares issued and discounts related thereto are
classified as follows:

During the period from November 19, 1968 (the date of
incorporation) to December 4, 1970

	Number of shares issued	Par value	Discounts	Net
For cash	200,002	\$100,001.00	\$ 80,000.00	\$ 20,001.00
For properties	750,000	375,000.00	\$300,000.00	\$ 75,000.00
	950,002	\$475,001.00	\$380,000.00	\$ 95,001.00

3. DIRECTORS' REMUNERATION

The Directors of the Company received no direct remuneration during the period from the date of incorporation to December 4, 1970. The Company has, however, paid an amount of \$6,938.71 for management charges, rent and telephone to Ram Investments Ltd., which is wholly owned by a Director, Robert A. Matthews.

GRAMARA MINES LTD. (N.P.L.)

Statement of Source and Application of Funds
For the period from November 19, 1968 (the date of incorporation)
to December 4, 1970

	November 1968 to December 4, 1969	December 5, 1969 to December 4, 1970
SOURCE OF FUNDS		
Sale of shares	\$ 10,001.00	\$ 10,000.00
APPLICATION OF FUNDS		
Cost of option on Poison Creek claims now abandoned		\$ 1,800.00
Exploration, development and administration expenditures before write offs	\$ 3,567.84	10,868.58
Incorporation costs	1,100.00	—
	\$ 4,667.84	\$ 12,668.58
Increase (decrease) in working capital	\$ 5,333.16	(\$ 2,668.58)
Working capital at beginning of period	—	5,333.16
Working capital at the end of period	\$ 5,333.16	\$ 2,664.58
REPRESENTED BY		
Current assets	\$ 10,001.00	\$ 3,684.58
Current liabilities	4,667.84	1,200.00
	<u>\$ 5,333.16</u>	<u>\$ 2,664.58</u>

Schedule 1

GRAMARA MINES LTD. (N.P.L.)

Statement of Deferred Exploration, Development and Administration Expenditures

For the period from November 19, 1968 (the date of incorporation) to December 4, 1970

EXPLORATION AND DEVELOPMENT

BARB Claims		
Management	\$ 2,312.90	
Prospecting fees	2,500.00	
Recording	25.00	
Telephone	289.11	\$ 5,127.01
Poison Creek Claims		
Engineering fees	\$ 1,000.00	
Recording	450.00	1,450.00
		<hr/>
		\$ 6,577.01

ADMINISTRATION

Accounting	\$ 150.00	
Audit	200.00	
Auto expense	18.58	
Legal expenses	1,000.00	
Licence	200.00	
Management	2,312.90	
Office	12.25	
Promotion	1,268.11	
Rent	1,734.69	
Secretarial expenses	500.00	
Telephone	389.11	
Travel	73.77	7,859.41
		<hr/>
		\$ 14,436.42

DEDUCT: Portion transferred to Deficit on
abandonment of option of Poison Creek claims

3,182.72

\$ 11,253.70

**GRAMARA
MINES LTD. (N.P.L.)**

PROSPECTUS

RECEIVED

FEB 26 1971

**BRITISH COLUMBIA
SECURITIES COMMISSION**