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DRIFT 93L/15W  
(093L 131)

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

*Incorporated in British Columbia*

Suite 1130 – 700 West Georgia Street,  
Vancouver 1, B.C.

300,000 Common Shares  
(50¢ Par Value)

RECEIVED  
NOV 7 1972  
BRITISH COLUMBIA  
SECURITIES COMMISSION  
NEW ISSUE

PRICE 30¢ PER SHARE

300,000 Shares	Price to Public	Commissions	Proceeds to Company if all the shares are sold
Per Unit	30¢	25% (7½¢)	22½¢
Total	\$90,000.00	\$22,500.00	\$67,500.00

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.

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

THERE IS NO ESTABLISHED MARKET FOR THE SHARES AT THE PRESENT TIME.

THE CLAIMS HEREIN HAVE NOT BEEN SURVEYED AND THEREFORE, IN ACCORDANCE WITH THE MINING LAWS OF THE APPLICABLE JURISDICTION, THE EXISTENCE OF AND THE AREA OF THE MINING CLAIMS COULD BE IN DOUBT.

THESE SECURITIES ARE SPECULATIVE AND SHOULD BE PURCHASED ONLY BY PERSONS AWARE OF THE RISKS INVOLVED.

ALTHOUGH CERTAIN OF THE COMPANY'S PROPERTIES HAVE KNOWN AREAS OF MINERALIZATION, THERE IS NO KNOWN BODY OF COMMERCIAL ORE THEREON AND THE PROPOSED DEVELOPMENT PROGRAMME REFERRED TO UNDER THE HEADING "BUSINESS AND PROPERTY" IS AN EXPLORATORY SEARCH FOR SUCH ORE BODIES. REFERENCE SHOULD ALSO BE MADE TO THE HEADINGS "ESCROWED SHARES" AND "PRINCIPAL HOLDERS OF SHARES" AND THE COMPARISON OF THE PERCENTAGES OF THE SECURITIES BEING OFFERED TO THE PUBLIC FOR CASH AND THOSE ALREADY ISSUED BY THE COMPANY TO ACQUIRE ITS PROPERTIES.

### PURPOSE OF ISSUE

THE COMPANY PROPOSES TO FOLLOW THE PROGRAMMES RECOMMENDED BY THE COMPANY'S CONSULTING GEOLOGIST AND TO CARRY OUT THE WORK DESCRIBED UNDER THE HEADING "USE OF PROCEEDS TO ISSUER".

DATE OF THIS PROSPECTUS: SEPTEMBER 20TH, 1972.

PROPERTY FILE

93L131-05

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## REGISTRAR AND TRANSFER AGENT

*Montreal Trust Company,  
466 Howe Street,  
Vancouver 1, B.C., Canada*

### THE COMPANY

Driftwood Mines Ltd. (N.P.L.) (hereinafter called “the Company”) was incorporated on July 29th, 1970 by Memorandum of Association under the laws of the Province of British Columbia as a private company and was converted to a public company by Special Resolution passed by the members of the Company at a general meeting held on the 18th day of December, 1970, as evidenced by the Certificate of the Registrar of Companies of the Province of British Columbia issued and dated the 11th day of May, 1971.

The Company’s Registered Office is located at Suite 1130, 700 West Georgia Street, Vancouver, British Columbia. The Company’s Head Office is located at the same address.

### INTRODUCTORY STATEMENT

The Company was incorporated for the purpose of acquiring, exploring and developing mining properties and full particulars of properties presently held are given hereinafter under the heading “BUSINESS AND PROPERTY”.

The Company owns 28 mineral claims and four fractions and holds two mineral claims under option, all in the Babine Range, approximately 12 miles east of Smithers, British Columbia, hereinafter called “the Drift claims”. In addition, the Company owns eight mineral claims on Tomlinson Creek, approximately 40 miles northeast of Hazelton, British Columbia, hereinafter called “the A1 claims”.

The exploration and development of the mineral prospects referred to herein is by nature speculative and the task of developing commercially productive orebodies presents many uncertainties. The Company presently proposes to finance its business ventures by sale of its unissued treasury shares. Accordingly, the Company’s programme is dependent upon and will be limited by the success of its proposed financing. A return on capital to purchasers of shares offered by this Prospectus depends on the development of an economic orebody on the Company’s present areas of mineralization.

The Company has issued 200,000 shares of its capital stock for properties (see section heading “BUSINESS AND PROPERTY”) and a further 164,005 shares for cash: 150,000 shares at 20¢ each, 7,500 shares at 40¢ each, 6,500 shares at 45¢ each and five shares at 50¢ each. Some of the funds so raised were used to acquire the option hereinafter referred to and for initial exploration and development work. If all of the shares offered by this Prospectus are sold, there will be sufficient funds to carry out Phase I and part of Phase II of the recommendations of Sherwin F. Kelly, P.Eng., on the Drift claims, as outlined herein under the headings “BUSINESS AND PROPERTY” and “USE OF PROCEEDS TO ISSUER”.

### BUSINESS AND PROPERTY

#### 1. Drift Claims:

On November 2nd, 1970, the Company purchased from Lloyd Hodgson, Prospector, of Smithers, British Columbia, the following mineral claims in the Omineca Mining Division, in the Province of British Columbia:

<u>Mineral Claim</u>	<u>Record No.</u>
Drift Nos. 1 to 14 incl.	91294 to 91307 incl.
Drift Nos. 25 to 32 incl.	92400 to 92407 incl.

for 200,000 shares of the Company's capital stock, issued to the said Vendor as fully paid and non-assessable shares, to be held in escrow by the Montreal Trust Company, 466 Howe Street, Vancouver, British Columbia, subject to release, transfer or other alienation only with the written consent of the British Columbia Securities Commission.

On November 2nd, 1970, the Company purchased from Michael Church, Businessman, of Prince George, British Columbia, the following mineral claims contiguous to the aforesaid mineral claims:

<u>Mineral Claim</u>	<u>Record No.</u>
Drift Nos. 15 to 24 incl.	91284 to 91293 incl.
Drift Nos. 33 to 40 incl.	93836 to 93843 incl.

for 200,000 shares of the Company's capital stock, issued to the said Vendor as fully paid and non-assessable shares, to be held in escrow by the Montreal Trust Company, 466 Howe Street, Vancouver, British Columbia, subject to release, transfer or other alienation only with the written consent of the British Columbia Securities Commission. Included in the purchase, for the consideration aforesaid, were the AI claims hereinafter referred to.

Since the original purchases, the following mineral claims have been lost or abandoned:

<u>Mineral Claim</u>	<u>Record No.</u>
Drift No. 25	92400
Drift No. 27	92402
Drift No. 29	92404
Drift No. 31	92406
Drift Nos. 33 to 40 incl.	93836 to 93843 incl.

and, accordingly, Lloyd Hodgson and Michael Church have each voluntarily surrendered to the Company, by way of gift, 100,000 shares, for a total of 200,000 shares which were subsequently cancelled, as evidenced by a Certificate of the Registrar of Companies of the Province of British Columbia issued and dated the 15th day of June, 1972.

To effect a change in management and control of the Company, the Company, at its Annual General Meeting held on June 5th, 1972, approved the transfer, within escrow, of the remaining 200,000 shares as follows:

Michael Church to Gordon S. Shaw	— 100,000 shares
Lloyd Hodgson to Martin Reid	— 50,000 shares
Lloyd Hodgson to Peter Briker	— 25,000 shares
Lloyd Hodgson to Frank Schnelzer	— 25,000 shares

The aforesaid transfers were approved by the British Columbia Securities Commission on July 10th, 1972. Reference is made to the heading "PRINCIPAL HOLDERS OF SHARES".

The Company staked the following fractional mineral claims to ensure total coverage of the Drift claim area:

<u>Mineral Claim</u>	<u>Record No.</u>
Drift Nos. 1 Fr. to 4 Fr. incl.	95057 to 95060 incl.

In addition, on August 1st, 1970, the Company optioned from Gordon Harvey, Rancher, of Smithers, British Columbia, the following two mineral claims lying in or about the area of the aforesaid Drift claims:

<u>Mineral Claim</u>	<u>Record No.</u>
Summer	31/149
Winter	30/71

for a total option price of \$50,000.00, payable as follows:

- (a) The sum of \$100.00 upon execution of the Option Agreement;
- (b) The sum of \$100.00 on or before the 2nd day of each month from September, 1970 to July, 1973 inclusive;
- (c) The sum of \$2,400.00 on or before September 2nd, 1973;
- (d) The sum of \$2,400.00 on or before September 2nd, 1974;
- (e) The sum of \$2,400.00 on or before September 2nd, 1975;
- (f) The sum of \$5,000.00 on or before September 2nd, 1976;
- (g) The sum of \$5,000.00 on or before September 2nd, 1977;
- (h) The sum of \$10,000.00 on or before September 2nd, 1978;
- (i) The sum of \$19,200.00 on or before September 2nd, 1979.

All payments required to date have been made and the Option Agreement is presently in good standing.

To date, the Company has prospected the area of the Drift claims, cleaned old workings found thereon, done road work, line cutting, trenching and soil sampling and obtained a detailed Geological Report dated November 30th, 1970 by Sherwin F. Kelly, P.Eng., which Report is on file with the British Columbia Securities Commission. A Summarization dated April 12th, 1971 by Sherwin F. Kelly, P.Eng., of the November 30th, 1970 Report is also filed with the British Columbia Securities Commission and is appended hereto and forms part of this Prospectus.

## 2. AI Claims:

On November 2nd, 1970, the Company purchased from Michael Church, Businessman, of Prince George, British Columbia, the following mineral claims in the Omineca Mining Division, in the Province of British Columbia:

<u>Mineral Claim</u>	<u>Record No.</u>
AI Nos. 1 to 8 incl.	87934 to 87941 incl.

The said claims form part of the purchase for which the 200,000 escrowed shares, hereinbefore referred to in the Drift claims, were issued in consideration and of which shares 100,000 have been voluntarily surrendered to the Company by the said Vendor and the balance transferred as aforesaid.

Access to the Al claims is by all-weather road, seven miles of summer road and seven miles of pack trail. To date, the area of the Al claims has been prospected and field reconnaissance has been carried out thereon. There are no underground workings, plant or equipment on the said claims.

The 400,000 shares which were originally allotted for the purchase of the aforesaid mineral properties were allotted at a valuation of 20¢ per share, which valuation was arbitrarily set by the Directors of the Company and did not necessarily bear any correlation whatsoever to the actual worth of the properties which were originally staked and explored by the said Vendors at an approximate cost of \$15,000.00.

#### PLAN OF DISTRIBUTION

The Company intends to distribute the shares offered by this Prospectus at the price of 30¢ per share, subject to the payment, at the discretion of the Board of Directors of the Company, of a commission in respect of some or all of the shares not exceeding 7½¢ per share. Primary distribution to the public will be made by the Company and its Directors under a Security Issuer's Licence and through registered brokers and broker dealers on a "best efforts" basis. No commissions will be paid to any Directors for any sales made by them of the shares offered hereby.

#### USE OF PROCEEDS TO ISSUER

The anticipated net proceeds to be derived from the sale of the shares will not be less than \$67,500.00, less legal, audit and printing expenses.

The net proceeds will be used to pay the costs of Phase I of the proposed programme recommended by Sherwin F. Kelly, P.Eng., in the Summarization of his Geological Report referred to under the heading "BUSINESS AND PROPERTY" in the following manner:

Phase I	
Grid line cutting	\$ 1,120.00
Geological mapping	\$ 1,000.00
Magnetometer survey	\$ 600.00
Soil sampling survey	\$ 1,880.00
Induced polarization survey	\$ 5,200.00
Rehabilitation of workings	\$ 1,500.00
Diamond drilling (including core splitting and assays)	\$22,450.00
Bulldozing	\$ 2,000.00
Transportation	\$ 500.00
Engineering and supervision	\$ 3,000.00
Contingencies	\$ 3,750.00
	<u>\$43,000.00</u>

The remaining funds will be used to commence and carry out, as funds permit, Phase II of the aforesaid proposed programme recommended by Sherwin F. Kelly, P.Eng., in the following manner:

Phase II	
Grid line cutting	\$ 3,500.00
Geological mapping	\$ 3,000.00
C/F.	\$ 6,500.00

Phase II (Cont'd.)	
B/F	\$ 6,500.00
Magnetometer survey	\$ 1,750.00
Soil sampling survey	\$ 7,050.00
Induced polarization survey	\$ 4,200.00
Diamond drilling (including core splitting and assays)	\$36,000.00
Bulldozing	\$ 4,000.00
Transportation	\$ 1,000.00
Engineering and supervision	\$ 4,000.00
Contingencies	\$ 6,500.00
	<u>\$71,000.00</u>

Excess monies, if any, will form part of the general working capital of the Company to be used for general operating expenses. Monies in its treasury, as available, will be used by the Company to carry out the programmes of acquiring, staking, exploring and developing other properties, either alone or in concert with others, and to generally carry out exploration programmes as opportunity and finances may permit but monies will not be expended on any new properties acquired without an amendment to this Prospectus being filed and accepted if the securities of the Company are then in the course of primary distribution to the public. No part of the proceeds shall be used to invest, underwrite or trade in securities other than those that qualify as investments in which trust funds may be invested under the laws of the jurisdiction 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 of the shareholders must be obtained and disclosure made to the regulatory bodies having jurisdiction over the sale of the securities offered by this Prospectus. Additionally, monies will not be advanced to other persons or companies except to the extent necessary to enable the Company to implement its exploration and development programme as set forth in this Prospectus and any amendments thereto.

In the event that all of the shares offered hereunder are not sold, the proceeds derived from any sales shall be applied to the exploration and development of the Drift claims in an orderly manner as funds permit. In the event that a variation in the use of proceeds is thought desirable by the Company's Board of Directors, shareholders' approval will be sought for such variation.

#### SHARE CAPITAL STRUCTURE

The authorized capital of the Company is \$1,500,000.00 divided into 3,000,000 shares with a nominal or par value of 50¢ each.

Designation of Security	Amount authorized by Memorandum of Association	Amount outstanding as of date of Balance Sheet contained herein	Amount outstanding within 30 days of the date hereof	Amount outstanding if all securities being issued are sold
Capital Stock	3,000,000 shares	364,005 shares	364,005 shares	664,005 shares

**Cash Shares:**

The following shares have been issued by the Company for cash and no commissions were paid by the Company on the sale of the said shares:

<u>Number of Shares</u>	<u>Price</u>	<u>Cash Received</u>
5	50¢	\$ 2.50
150,000	20¢	\$30,000.00
7,500	40¢	\$ 3,000.00
6,500	45¢	\$ 2,925.00

The shares sold for 20¢ have been pooled with the Montreal Trust Company for a period of Thirty (30) days following the completion of the sale of the shares offered hereunder. Notwithstanding any such pooling subdivisions, no such shares will be released from pool without consent first having been obtained from the British Columbia Securities Commission. The shares at 40¢ and 45¢ were sold by the Company under its Prospectus dated May 12th, 1971 and share certificates therefor were delivered to the subscribing shareholders.

**DESCRIPTION OF CAPITAL STOCK**

The Company has only one class of stock, being 50¢ par value shares. These shares may be discounted pursuant to the provisions of the Companies Act, Province of British Columbia. All shares issued by the Company rank equally as to dividends. There are no indentures or agreements limiting the payment of dividends. All shares issued by the Company rank equally as to voting power, one vote for each share. At all special or general meetings of the Company two shareholders personally present constitute a quorum, providing however that they represent in person or by proxy not less than one-tenth of the issued capital of the Company. The Articles of Association of the Company provide that at meetings of shareholders a resolution may be voted upon by a show of hands unless a poll is demanded by a shareholder. On a show of hands, every shareholder present in person shall have one vote. On a poll, every shareholder shall have one vote for each share held by him. In each case, in the event of a tie vote, the Chairman has no second or deciding vote. Certificates representing 200,000 issued shares of the Company are held in escrow as referred to under the section headed "ESCROWED SHARES"; and certificates representing 150,000 issued shares of the Company are held in pool as referred to under the section headed "SHARE CAPITAL STRUCTURE".

**DIVIDENDS**

No dividends have been paid to date by the Company.

**STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

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

- (a) a purchaser has 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 British Columbia Securities Commission, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the

- expiration of three months from the date of service of such notice;
- (b) a purchaser has the right to rescind a contract for the purchase of a 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 the 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.

**MANAGEMENT – DIRECTORS AND OFFICERS**

The names of the Directors and Officers of the Company and the positions presently held are listed below:

<u>Name and Address</u>	<u>Position with Company</u>
Gordon Septimus Shaw, 8038 Granville Street, Vancouver 14, B.C.	President and Director
Theodor Alouis Hidber, P.O. Box 400, Terrace, B.C.	Vice-President and Director
Peter Briker, 1141 Prince Rupert Boulevard, Prince Rupert, B.C.	Secretary-Treasurer and Director

For the five years preceding the date of this Prospectus, Gordon Septimus Shaw has been the proprietor of Mayfair Antiques Ltd., Antique Dealer, Vancouver, British Columbia.

For the five years preceding the date of this Prospectus, Theodor Alouis Hidber has been a dairy operator/owner in Terrace, British Columbia.

Since March 1st, 1972, Peter Briker has been the manager/owner of an hotel in Prince Rupert, British Columbia. For the five years prior thereto, Mr. Briker was the manager/owner of a box manufacturing company in Prince Rupert.

**REMUNERATION OF DIRECTORS AND SENIOR OFFICERS**

Lloyd Hodgson, who was a Director of the Company from the time of its incorporation until April 8th, 1971, received the sum of \$2,034.00 in salary and benefits from the Company for services rendered to the Company as Director and Prospector. Mr. Hodgson, although no longer a Director of the Company, has continued to act on a part-time basis as the Company's Prospector and will be remunerated for services rendered in that regard. If Directors should perform services for the Company, apart from their duties as Directors, it is intended to remunerate them for such services as provided by the Articles of Association of the Company.

## ESCROWED SHARES

Capital Stock	Number of Shares held in Escrow	Percentage of Class
Par Value 50¢	200,000	54.94

As of September 19th, 1972, 200,000 shares are held in escrow by the Montreal Trust Company, Vancouver, British Columbia, subject to the direction or determination of the British Columbia Securities Commission (Commission). 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 holders make any transfer or record any trading of the shares without the consent of the Commission.

In the event the Company loses or abandons or fails to obtain title to all 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 Commission 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 Commission 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 Head Office of the Company.

## PROMOTERS

Apart from the Board of Directors, acting as such, no one person at this time may be considered to be the promoter of the Company. Lloyd Hodgson, who was, until April 8th, 1971, a Director of the Company, may be deemed to be a promoter thereof by virtue of the statutory definition of "Promoter" contained in Section 2 (1) of the Securities Act, 1967. Lloyd Hodgson and Michael Church sold the Drift and Al claims to the Company and received, in consideration therefor, a total of 400,000 escrowed shares of the Company's capital stock, dividend equally between the said Vendors, of which 200,000 such shares were voluntarily surrendered to the Company and the balance transferred, as set forth under the heading "BUSINESS AND PROPERTY".

## PRINCIPAL HOLDERS OF SHARES

As of September 19th, 1972, the following table sets forth the number of shares owned of record or beneficially, directly or indirectly, by each person who owns more than 10% of the issued shares of the Company:

Name and Address	Class of Security	Type of Ownership	No. of Shares Owned	Percentage of Class
Gordon Septimus Shaw, 8038 Granville St., Vancouver 14, B.C.	( ( (Capital (Stock Par (Value 50¢ (Per Share	) ) Direct, of Record and Beneficial	110,000	30.22
Martin Reid, 55 Valleyview Drive, Edmonton, Alta.	( ( (	) ) )	50,000	13.27

The shares offered by this Prospectus represent 45.18% and the shares issued to the promoters, Directors and Senior Officers of the Company as a group for cash and properties represent 27.45% of the total number of shares issued and outstanding upon completion of this offering.

## INTEREST OF MANAGEMENT

Reference is hereby made to the sections headed "BUSINESS AND PROPERTY" and "PROMOTER" for particulars concerning the acquisition of properties and subsequent transfers involving management. Copies of Agreements covering the acquisitions and the Geological Report and Summarization thereof referred to under the heading "BUSINESS AND PROPERTY" may be inspected at the Head Office of the Company during normal business hours while primary distribution of the securities offered hereunder is in progress. The Company is indebted to Lloyd Hodgson for Company expenses in the amount of \$875.00 advanced by him personally.

## PRELIMINARY EXPENSES

The expenses incurred in the formation and incorporation of the Company and the administration, exploration and development costs to date are as follows:

Incorporation expenses	\$ 1,254.00
Administration expenses, including costs of first public offering	\$19,418.00
Exploration and development expenses	<u>\$ 9,655.00</u>
<b>TOTAL:</b>	<u><u>\$30,327.00</u></u>

Additional exploration expenses in the approximate amount of \$3,500.00 have been incurred since the date of the Company's Financial Statements.

It is not anticipated that there will be any further expenditures on preliminary matters.

## AUDITORS

The Auditors of the Company are Messrs. Riddell, Stead & Co., 1960 - 505 Burrard Street, Vancouver, British Columbia.

## OTHER MATERIAL FACTS

There are no other material facts relating to the securities offered hereunder.

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 20th day of September, 1972.

"G.S. SHAW"

Gordon Septimus Shaw, Director/Promoter

"T.A. HIDBER"

Theodor Alouis Hidber, Director/Promoter

"P. BRIKER"

Peter Briker, Director/Promoter

Summarization of Detailed Report

Dated November 30, 1970

to

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

SMITHERS, B.C.

on the

**DRIFT CLAIMS  
ON HARVEY MTN., NEAR SMITHERS**

by

*Sherwin F. Kelly, P.Eng., - Geologist and Geophysicist*

April 12, 1971

### INTRODUCTION

At the request of Lloyd Hodgson, President of Driftwood Mines Ltd. (N.P.L.), I inspected a number of old workings on a group of claims on Harvey Creek, a tributary of Driftwood Creek, in the Babine Mountains near Smithers, British Columbia. The claims involved were Drift No. 1 to 24. The investigation was made from September 11 to September 15, 1970. This report summarises my findings.

### LOCATION AND ACCESS

The Drift group of 24 mineral claims lies about 12 miles due northeast of Smithers, B.C., on the west-facing slope of a mountain known locally as Harvey Mtn. This is the mountain between Lagopus Mtn. on the northwest and Astlais Mtn. on the southeast. Harvey Creek drains the west slope of Harvey Mtn. and flows into Driftwood Creek at the base of the slope.

The Harvey Creek area is accessible by paved and gravel roads from Smithers, but the final access road, up Harvey Mtn., requires a four-wheel drive vehicle. This access road leads to an old cabin, beside Harvey Creek, long the base for operations of the original claim owner, C.G. Harvey; it is fifteen road miles from town.

### HISTORY OF PROPERTY

The group of claims originally worked by C.G. Harvey, is now incorporated in the Drift claims, and has over half a century of exploration history. From about 1915, C.G. Harvey explored and worked numerous showings on either side of Harvey Creek. His operations are recorded in numerous volumes of the Annual Report of the Minister of Mines of British Columbia (1917, 1918, 1919, 1921, 1922, 1925, 1927, 1928, and 1929) and in the 1924 Summary Report, Part A, of the Geological Survey of Canada.

As no milling facilities were available, the early developers had to rely on mining only straight shipping ore. They mined the high-grade from scattered trenches, pits, adits and shafts and made no attempt to follow or explore for, disseminated mineralization which today could constitute a good grade of milling ore. Early in his work, Harvey shipped 25 tons of high grade, hand-sorted ore, worth \$200 per ton. The most important metal was silver, apparently carried by the tetrahedrite, or grey copper. The principal minerals present were found to be chalcocite, tetrahedrite, bornite, chalcopyrite, covellite and some copper carbonates.

An early report, 1918, mentions two, well-defined veins, representing mineral deposition in sheeted zones in andesites of the Hazelton series. Ten years later, the most comprehensive description of the Harvey workings is found in the Annual Report for 1928. By that time, ten veins had been revealed, occurring within a width of some 1500 feet, stretching up the mountainside, with an eleventh reported another seven hundred feet to the north. The mineral occurrences are described as being replacement fissures in andesite, with more or less parallel northwest strikes (along the mountainside) and northeast dips (into the mountain). These generally conform with the bedding planes of the volcanics. Vein widths, where clearly exposed, are from 4 to 40 feet, but because of the flat dip, true widths may be narrower. The veins are, in general, separated by distances of 20 feet to 150 feet, and the principal minerals are chalcopyrite and grey copper (tetrahedrite) with occasional galena. Silver, it was observed, appears to average 10 to 15 oz. per ton for each percent of copper.

Rich lenses of quartz-calcite-sulphide ore occur in places, but it was observed that "While such rich lenses may prove narrow and irregular, the width of mineralization is in most cases very considerable, so much so to suggest that possibilities may be found to exist along the lines of a large tonnage of low-grade material."

Several workings had been opened by 1928, including two shafts on two veins and an adit on a third. Samplings at various stages of the workings on the lowest, or No. 1 vein, had yielded: - 24.88 oz. silver per ton and 3.5% copper across 8 ft.; 16.85 oz. silver per ton and 1.41% copper across 7 ft.; and 0.04 oz. gold per ton, 42 oz. silver per ton and 4% copper, in a selected sample.

In 1929, Consolidated Mining and Smelting Co. of Canada briefly held an option on the property. A long adit cross-cut below the lowest vein, had been driven to 392 feet. It encountered some mineralization 264 feet from the portal. Following cancellation of the option, Harvey continued the cross-cut to a total length of 473 feet and started raising from the end. Presumably, he had not proceeded far enough to encounter the down-dip continuation of the vein in the shaft.

In 1927 a shipment is recorded of 5 tons of ore from C.G. Harvey's property, which yielded 3 ounces of gold, 256 ounces of silver and 365 lbs. of copper. A shipment of 31 lbs. in 1940, reported to come from the Harvey property, assayed 0.04 oz. of gold per ton, 80.20 oz. of silver per ton, 7.30% copper, 0.30% lead and 0.90% zinc.

### WORKINGS

The list of old workings in the Annual Reports of the Minister of Mines, is not complete, as more work was apparently done after 1929 and not reported. I visited and sampled six trenches, five adits and three shafts and inclines. Lloyd Hodgson furthermore reports that C.G. Harvey's son, who has a ranch on Driftwood Creek, near the access road to the claims, states that there are still more workings on the property which he, Lloyd Hodgson, has not yet seen.

There is now no equipment, surface or underground, on the property.

### MINERAL SHOWINGS

The mineralized exposures which I visited in the company of Lloyd Hodgson and Lorne Robinson, were located on the north and south banks of Harvey Creek and not very far from the creek. They all appeared to have been outcrops which had been trenched, pitted, or on which adits had been driven or shafts sunk. They all exhibit similar characteristics, showing quartz veins a few inches wide or silicified zones, carrying chalcopyrite, some pyrite, and varying amounts of bornite and of tetrahedrite. In some localities, a little galena was observed. In addition to the siliceous veins, the sulphide mineralization usually penetrates the wall rocks, forming zones of disseminated mineralization of varying widths. Extensive fracturing of the country rock is characteristic of all exposures.

Some eleven exposures, or groups of exposures were examined, located within an area extending 1200 feet (horizontal map distance) NE-SW, up and down the hillside, by 700 feet NW-SE, roughly parallel to the hill contours. The vertical range is in the neighborhood of 600 feet; the median elevation is probably around 4,700 feet. All the showings visited were on claims Drift No. 8, No. 10, No. 19 and No. 21.

Not all of the old shafts and adits could be adequately examined because of dangerous conditions, or by reason of filling by sloughed material. Most of them, however, are reasonably accessible. Some samples were selected specimens, some were of randomly chipped exposures, and others were chipped across measured heights or widths. Consequently, the assays can not be used to arrive at weighted averages. The assay sheet herewith lists all the samples assayed. The "Description" column identifies each sample locality by giving the number (A-46, etc.) marked on the nearby survey stake; these stakes were set by Lloyd Hodgson in the course of surveying the trails and workings.

Of the trenches sampled, the highest exposure visited on the north side of Harvey Creek, yielded the lowest silver values. A sample (No. 1) chipped 5 feet vertically across the mineralized face, yielded 0.74 oz. silver per ton, 0.64% copper and 0.40% lead. The highest silver assays were from the lowest workings, a trench south of Harvey Creek not far from Harvey's old cabin and near the portal of the long adit, driven below the lowest, or No. 1 vein. A sample (No. 24) chipped vertically across 2.5 ft. of the mineralized face, assayed 40.90 oz. silver per ton, 4.24% copper and 0.07% lead.

The lowest copper values recorded in the trenches, were found in a trench on the north side of Harvey Creek, about half-way down the slope between the highest and lowest exposures. The sample (No. 11) was chipped across a horizontal length of 11 ft. in the southeast wall of the trench, but starting 8.5 feet back from the face. The assays yielded 0.48% copper, 6.79 oz. silver per ton and 0.15% lead. The highest copper values in the trenches were again from the lowest workings, another trench close to the portal of the long adit. A sample (No. 23) chipped over a height of 5 ft. in a corner of the trench, assayed 4.32% copper, 5.70 oz. silver per ton and 0.04% lead.

Of the adits investigated, one on the north side of Harvey Creek and about one-third of the way down the slope from the highest to the lowest workings, yielded both low and high values. A sample (No. 5) chipped across the 7 ft. wide face, assayed 0.51 oz. silver per ton, 0.08% copper and 0.02% lead, lows for both copper and silver. But one (No. 6) chipped across 5 feet horizontally along the entry wall, just outside the portal, assayed 14.25 oz. silver per ton and 2.86% copper, with 0.23% lead. Selected samples at that site (No. 8) gave 11.97 oz. silver per ton, 8.02% copper and 1.31% lead.

High silver and lead values were found in a rock face between two adits close together, one above the other, on the south bank of Harvey Creek, not far from the lowest workings. A sample (No. 17) chipped across 8.5 ft. assayed 15.11 oz. silver per ton, 1.76% copper and 4.99% lead. These values are higher than those obtained from sampling in the two adits (No. 14, No. 15, No. 16).

The long adit-cross cut was sampled (No. 22) where it intersected a mineralized zone about 437 feet from the portal. It was chipped vertically across a height of 4 ft., from both walls. The assay showed 11.89 oz. of silver per ton, 1.26% copper and 0.14% lead.

Of the shafts looked at, a collapsed shaft and adit high up on the slope gave the lowest silver but good copper and lead values, from a selected sample (No. 2) picked from the dump. It assayed 2.88 oz. silver per ton, 2.34% copper and 6.80% lead.

High silver and high copper were found in a random sampling (No. 18) of a mineralized zone in a shaft and workings in bad condition, well down the slope and not far above the portal of the long adit. Sampling was random and not extensive (also No. 19 and No. 20). Sample No. 18 assayed 20.16 oz. silver per ton, 4.96% copper and 0.26% lead. Low copper, 0.96% with 12.97 oz. of silver per ton and 0.04% lead was also found in one of the samples (No. 19) at this location.

Another shaft and adit near-by, showed a strong breccia zone in the shaft. This was sampled across 4 feet, opposite the opening of the adit which leads from the surface to the bottom of the shaft. The sample (No. 21) assayed 4.18 oz. silver per ton, 1.92% copper and 0.01% lead.

The arithmetical (not weighted) averages for all 24 samples taken are: 2.01% copper, 8.89 oz. silver per ton and 0.98% lead.

The strikes and dips of the rock fractures which apparently served as conduits for mineralizing solutions, are not confined to northwesterly strikes and northeasterly dips, but also exhibit other orientations. This indicates that the copper-silver deposits probably occur in an intersecting system of fractures of many orientations, forming a mineralized stockwork. The source of the mineralizing solutions may have been an intrusive in a magmatic chamber, beneath what is now Harvey Mountain. If so, pursuing the mineralized zones on strike and dip into the mountain mass, could well find the mineralization growing stronger and more abundant as the source is approached.

## CONCLUSIONS

My inspection of the Driftwood Mines property on Harvey Creek, confirms the findings recounted in the Annual Reports of the Minister of Mines of British Columbia in the period 1917 to 1940. In addition, I had the advantage of inspecting workings not included in those early accounts, because presumably developed at later dates. It is evident that C.G. Harvey and his associates discovered many outcrops of copper-silver ore on the mountainside around Harvey Creek. They developed these sufficiently to demonstrate the presence of copper-silver mineralization in grades which are commercial by today's standards. It remains to be seen whether such ore material is present in sufficient tonnages and over adequate mining widths, to repay extraction. The possibility of open-pit operation should definitely be kept in mind.

The abundant glacial overburden which masks much of the bed rock on Harvey Mtn., may conceal more mineralized zones than those thus far found as outcrops. Consequently, an energetic and well-reasoned exploration program should be aimed at a thorough examination of these claims; it could well reveal many more mineralized zones. Geophysical and geochemical techniques are needed, plus careful geological mapping. Such a program is strongly recommended.

## RECOMMENDATIONS

A grid of lines should be cut, flagged and picketed, oriented northeasterly and spaced 200 feet apart, in the area of the showings. This would provide for detailed investigation of that portion of the property. Over the balance of the claims, a reconnaissance spacing of 400 ft. could be used, with allowance for closer spacings in zones of interesting observations.

The grid should be utilized for geological mapping, magnetic surveys, soil sampling surveys and induced polarization surveys. The magnetic work will be useful principally for gaining structural and formational data to supplement the geological mapping. Induced polarization will yield information on the locations of sulphide mineralization. The soil sampling will provide data as to the metals present. Correlation of the results of these various techniques will define targets for drilling.

Drilling should be conducted on the showings already opened up, to gain information on strikes and dips and on wall-rock mineralization and its persistence. This ought to follow a program of cleaning and rehabilitating the old workings, in order to conduct detail sampling and to obtain better information on trends, strikes and dips. The spotting of drill holes will thus be facilitated.

A two-stage program is suggested. The first will concentrate on detail geological, geophysical and geochemical work in the area of the showings. It includes rehabilitating, examining and sampling the old workings and putting down test drill holes. The second phase will consist of reconnaissance



over the balance of the claims, with fill-in detail work and drilling of targets outlined. The two stages can proceed simultaneously if so desired. A total outlay of \$114,000 is recommended, apportioned as follows: —

**ESTIMATED EXPENDITURES**

Phase I

Grid line cutting . . . . .	\$ 1,120
Geological mapping . . . . .	\$ 1,000
Magnetometer survey . . . . .	\$ 600
Soil sampling survey . . . . .	\$ 1,880
Induced polarization survey . . . . .	\$ 5,200
Rehabilitation of workings . . . . .	\$ 1,500
Diamond drilling (including core splitting and assays) . . . . .	\$22,450
Bulldozing . . . . .	\$ 2,000
Transportation . . . . .	\$ 500
Engineering and supervision . . . . .	\$ 3,000
Contingencies . . . . .	\$ 3,750
	\$43,000

Phase II

Grid line cutting . . . . .	\$ 3,500
Geological mapping . . . . .	\$ 3,000
Magnetometer survey . . . . .	\$ 1,750
Soil sampling survey . . . . .	\$ 7,050
Induced polarization survey . . . . .	\$ 4,200
Diamond drilling (including core splitting and assays) . . . . .	\$36,000
Bulldozing . . . . .	\$ 4,000
Transportation . . . . .	\$ 1,000
Engineering and supervision . . . . .	\$ 4,000
Contingencies . . . . .	\$ 6,500
	\$71,000

The recommended program should be carried out under the supervision of a competent geologist.

The showings on this group of Drift claims offer an unusual assemblage of mineralized zones and veins, carrying good grades of copper and silver. An intensive exploration program is called for, to delimit the areas of mineralization and determine grades and tonnages. Possibilities exist for either underground or open pit mining, which require careful evaluation.

Respectfully submitted,

“S.F. KELLY”  
 Sherwin F. Kelly, P.Eng.,  
 Geologist and Geophysicist

Adelphi Hotel  
 Merritt, B.C.  
 April 12, 1971

**CERTIFICATE OF QUALIFICATIONS**

I, Sherwin F. Kelly, P.Eng., residing at the Adelphi Hotel, in Merritt, B.C. certify that: —

I am a Registered Professional Engineer in the Province of British Columbia.

I graduated from the University of Kansas in 1917, receiving the degree of B.Sc. in Mining Engineering.

I followed post-graduate work in geology and mineralogy at the Sorbonne, the Ecole des Mines and the Museum d’Histoire Naturelle in Paris, and at the University of Kansas and the University of Toronto. I also taught those subjects and the University of Kansas and at the University of Toronto.

Since 1921, I have practised as a geologist and geophysicist in France, North Africa, Canada, the United States, Mexico, Cuba, Central America and South America.

My extended report on the property of Driftwood Mines Ltd., near Smithers, B.C., dated November 30th, 1970 and the summarization thereof, dated April 12th, 1971, were based on a five-day inspection of the Drift claims, September 11 to 15, 1970, and reference material found in numerous reports and maps. These included: the Annual Reports of the B.C. Minister of Mines for 1917, 1918, 1919, 1921, 1922, 1925, 1927, 1928, 1929, 1940 and the Summary Report, 1924 Part A, of the Geological Survey of Canada, with accompanying map, “Driftwood Creek Sheet, (West Half)” ; plus geological maps of the GSC, “Houston,” map 671A, 1942, “Smithers — Fort St. James,” map 971A 1949, and “Geological Compilation Map of the Smithers, Hazelton and Terrace Areas,” 69-1, 1969.

I also received a great deal of valuable information, as well as assistance from Mr. Lloyd Hodgson.

I have examined an Affidavit on Application for Certificate of Work, filed in the office of the Mining Recorder at Smithers, B.C. on August 9th, 1972, and the accompanying receipt for fees paid on recording such work, No. 619813D, dated August 9th, 1972. This certificate covered some line cutting, but most of the work recorded consisted of building and repairing roads and digging three small trenches. The work was essentially assessment work carried out largely in preparation for initiating the program of exploration recommended in my reports. Therefore, it in no way alters the recommendations for exploration on this property, as set forth in my Summarization dated April 12th, 1971. The conclusions stated in that summary report are hereby re-affirmed and the recommendations for exploration work on this property are still valid and are hereby re-iterated.

I hereby certify that I have no interest in the claims herein reported on, nor in the company owning them, nor have I been promised any such interest.

I consent to the inclusion and use in the company’s prospectus dated September 20th, 1972, of the Summarization dated April 12th, 1971, of my report to Driftwood Mines Ltd. dated November 30th, 1970.

Respectfully submitted,

“S.F. KELLY”  
 Sherwin F. Kelly, P.Eng.,  
 Geophysicist and Geologist

Box 277  
 Merritt, B.C.  
 September 20th, 1972

## AUDITORS' REPORT

To The Shareholders,  
Driftwood Mines Ltd. (N.P.L.)

We have examined the balance sheet of Driftwood Mines Ltd. (N.P.L.) as at June 30, 1972 and the statements of deferred costs and source and application of funds for the six months then ended. 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 June 30, 1972 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 applied on a basis consistent with that of the preceding period.

"RIDDELL, STEAD & CO."  
Chartered Accountants

July 10, 1972.

## DRIFTWOOD MINES LTD. (N.P.L.) BALANCE SHEET AS AT JUNE 30, 1972

### ASSETS

	June 30, 1972	December 31, 1971
<b>CURRENT ASSETS</b>		
Cash	\$ 155	\$ 5,240
Subscriptions receivable	3,000	—
Deposit	—	65
	3,155	5,305
<b>MINERAL CLAIMS AND OPTION PAYMENTS at cost</b> (Notes 1 and 2)	42,300	81,800
<b>EQUIPMENT at cost</b>	2,732	2,732
Accumulated depreciation	820	546
	1,912	2,186
<b>DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATION EXPENDITURES</b>	29,073	26,693
<b>INCORPORATION EXPENSE</b>	1,254	1,254
	\$ 77,694	\$117,238

### LIABILITIES

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 892	\$ 10
Advances from shareholders	874	1,375
	1,766	1,385

### SHAREHOLDERS' EQUITY

<b>CAPITAL STOCK (Note 3)</b>		
Authorized		
3,000,000 shares of \$.50 each par value		
Issued		
164,005 shares for cash	82,003	81,503
400,000 shares for mineral claims	200,000	200,000
564,005 shares (1971 - 563,005 shares)	282,003	281,503
(200,000) shares donated back to Company		
364,005		
Discount	166,075	165,650
<b>DEFICIT</b>	115,928	115,853
Cost of claims abandoned	40,000	—
<b>SIGNED ON BEHALF OF THE BOARD</b>	75,928	115,853
"G.S. SHAW" Director	\$ 77,694	\$117,238
"T.A. HIDBER" Director		

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

STATEMENT OF DEFERRED COSTS  
FOR THE SIX MONTHS ENDED JUNE 30, 1972

	Balance December 31, 1971	Expenditures for the Six Months Ended June 30, 1972	Balance June 30, 1972
<b>EXPLORATION AND DEVELOPMENT</b>			
Depreciation	\$ 546	\$ 274	\$ 820
Geologists' fees and expenses	1,780	—	1,780
Licences	870	—	870
Recording	484	—	484
Supplies and sundry	1,792	10	1,802
Transportation	3,899	—	3,899
	<u>9,371</u>	<u>284</u>	<u>9,655</u>
<b>ADMINISTRATION</b>			
Director's salary and benefits	6,882	—	6,882
Legal and audit	866	1,722	2,588
Office and sundry	623	46	669
Security issue costs	7,567	328	7,895
Telephone and telegraph	689	—	689
Travel	695	—	695
	<u>17,322</u>	<u>2,096</u>	<u>19,418</u>
	<u>\$ 26,693</u>	<u>\$ 2,380</u>	<u>\$ 29,073</u>

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

STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE SIX MONTHS ENDED JUNE 30, 1972

	Six Months Ended June 30, 1972	Twelve Months Ended December 31, 1971
<b>SOURCE OF FUNDS</b>		
Shares issued (Note 3)	\$ 3,000	\$ 5,850
<b>APPLICATION OF FUNDS</b>		
Deferred costs	2,380	21,899
Less expenditures not requiring the use of funds		
— Depreciation	<u>274</u>	<u>546</u>
	2,106	21,353
Option payments	500	1,200
Share subscriptions refunded	2,925	—
Equipment purchased	<u>—</u>	<u>2,733</u>
	5,531	25,286
<b>DECREASE IN WORKING CAPITAL</b>	2,531	19,436
Working capital at beginning of period	<u>3,920</u>	<u>23,356</u>
<b>WORKING CAPITAL AT END OF PERIOD</b>	<u>\$ 1,389</u>	<u>\$ 3,920</u>

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

### NOTES TO FINANCIAL STATEMENTS AS AT JUNE 30, 1972

#### 1. MINERAL CLAIMS

During the six months ended June 30, 1972, the following mineral claims were allowed to lapse:

<u>Mineral Claim</u>	<u>Record Number</u>
Val 1 - 12 inclusive	86924 - 86935
Ed 1 - 6 inclusive	87922 - 87927
D.L. 1 - 14 inclusive	99318 - 99331
Keith 3	87930
Karl 4	87558

#### 2. OPTION AGREEMENT

The Company has an option to acquire two mining claims at a cost of \$50,000, payable on a scheduled basis with final maturity on September 2, 1979. The payments required to June 30, 1972 amounting to \$2,300 have been made.

The agreement provides that should the Company abandon its option before September 2, 1973, it will assume certain obligations for assessment work at a cost estimated at \$5,000.

#### 3. CAPITAL STOCK

The Company issued a prospectus May 12, 1971 offering 300,000 treasury shares at \$.45 a share. Of these, 13,000 shares were subscribed but not allotted at December 31, 1971. During the six months ended June 30, 1972, 6,500 shares were allotted and the subscriptions for the remaining 6,500 shares were cancelled with full refund made to the subscribers. A further 7,500 shares were subscribed for in April, 1972 at \$.40 a share and allotted to the subscribers on June 15, 1972.

200,000 shares originally issued for mining claims have been gifted back to the Company and are available to reissue.

200,000 shares of the Company's capital stock are held in escrow subject to the order of the British Columbia Securities Commission.