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*Handwritten initials and signature*  
cc → J. Baker  
*(signed)*



Form 12

Securities Act

Date Accepted  
For Filing 20 DECEMBER  
1976

SUPERINTENDENT OF BROKERS  
AND  
VANCOUVER STOCK EXCHANGE  
VANCOUVER CURB EXCHANGE

*File*

STATEMENT OF MATERIAL FACTS

Name of Exchange

VANCOUVER CURB EXCHANGE

Name of Issuer

SUSIE GOLD MINES LTD.

Address of Head Office of Issuer

#906 - 675 WEST HASTINGS STREET, VANCOUVER, BRITISH COLUMBIA

Address of Registered Office of Issuer

#202 - 900 WEST PENDER STREET, VANCOUVER, BRITISH COLUMBIA

Address of Records Office (Section 38 - Companies Act)

#202 - 900 WEST PENDER STREET, VANCOUVER, BRITISH COLUMBIA

Name & address of Registrar & Transfer Agent  
for Issuer's shares in British Columbia.

YORKSHIRE TRUST COMPANY  
900 WEST PENDER STREET  
VANCOUVER, BRITISH COLUMBIA

Neither the Superintendent of Brokers nor the Vancouver Stock Exchange/Vancouver Curb Exchange has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

1. DETAILS OF THE CIRCUMSTANCES RELATING TO  
THE OFFERING OF SECURITIES

NEW OFFERING

Pursuant to an Agency Agreement dated the 10 December 1976, Midland Doherty Ltd. ("the Agent") of 11th Floor, 595 Burrard Street, Vancouver, British Columbia, agreed to act as the Issuer's Agent and use its best efforts to sell to the public in British Columbia 200,000 shares of the Issuer at the market price prevailing from time to time on the Vancouver Curb Exchange but to net the Issuer not less than 20¢ per share. The offering will commence on a date specified by the Vancouver Curb Exchange, being the "effective date" set forth in the first paragraph hereof, and continue for a period of 30 trading days or until all of the 200,000 shares are sold, whichever shall first occur.

The Agent will receive a fee of \$500 on the effective date and a commission of six per cent of the gross sales at the time shares are sold. In the event all shares are sold, the Agent will receive an additional one and one-half per cent of gross sales less the initial fee of \$500.

The range of market price of the shares of the Issuer and the volume of sales for each of the four weeks immediately preceding the date of the certificates to this Statement of Material Facts, on the Vancouver Curb Exchange, is as follows:

<u>WEEK</u>	<u>MARKET RANGE</u>	<u>VOLUME</u>
Nov. 8 - 12	\$0.12 - \$0.13	3,500
Nov. 15 - 19	\$0.12½ - \$0.17	7,500
Nov. 22 - 26	\$0.16 - \$0.17	13,000
Nov. 29 - Dec. 3	\$0.15 - \$0.17	6,500

The following beneficially own, directly or indirectly, in excess of 5% of each class of issued shares of the Agent:

<u>NAME AND ADDRESS</u>	<u>NO. AND CLASS OF SHARES</u>	<u>PERCENTAGE</u>
DAVID B. WELDON 20 Gibbons Place London, Ontario	107,200 COMMON	11.24%

Directors and Insiders of the Issuer may purchase shares from this Offering.

The Agent of 11th Floor, 595 Burrard Street, Vancouver, British Columbia, may be considered the "market maker" of the shares of the Issuer during the period of primary distribution of the shares offered pursuant to this Statement of Material Facts and may, subject to the by-laws of the Vancouver Stock Exchange, make purchases and sales of the shares of the Issuer for the purpose of maintaining an orderly market for the shares of the Issuer and for assisting in the distribution of the offered shares. The Agent owns no shares of the Issuer.

The number of and percentage of the issued and outstanding securities of each class of the Issuer beneficially owned, directly or indirectly, by promoters, directors, senior officers, and persons holding 10% or more of the issued shares, as a group, is 820,001 shares and 54.05%.

2. PARTICULARS CONTRIBUTING TO THE SPECULATIVE NATURE OF THE SECURITIES BEING OFFERED

The mineral properties of the Issuer on which the proceeds from the sale of securities offered by this Statement of Material Facts are to be spent are without a known body of commercial ore and the proposed program is an exploratory search for ore.

The shares of the Issuer must be considered speculative securities as the Issuer's mining properties are in the exploration and development stage.

No survey has been made of the Issuer's located mineral claims and, therefore, in accordance with the mining laws of the jurisdiction in which such claims are situate, their existence and area could be in doubt.

3. DETAILS OF ANY MATERIAL CHANGES OR PROPOSED MATERIAL CHANGES IN THE AFFAIRS OF THE ISSUER.

None.

4. ESTIMATED NET PROCEEDS OF THE ISSUER ARE TO BE SPENT

Although it is not possible to determine the actual net proceeds from the offering of shares pursuant to this Statement of Material Facts, in the event all of the 200,000 shares are sold at the minimum price of \$0.20 per share the proceeds would be \$40,000, less commissions of \$3,000, for a net amount of \$37,000.

The principal purposes for which the estimated net proceeds from the sale of the securities offered by this Statement of Material Facts are to be spent, and in the order of priority, are as follows:

(a)	To pay accounts payable and to provide general working capital -	\$ 37,000
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	Total Proceeds:	\$ 37,000 =====
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5. GIVE THE FULL NAME, HOME ADDRESS AND CHIEF OCCUPATION, THE NUMBER OF SHARES OF THE ISSUER BENEFICIALLY OWNED, DIRECTLY OR INDIRECTLY, BY EACH SENIOR OFFICER OR DIRECTOR OF THE ISSUER AND IF EMPLOYED DURING THE PAST FIVE YEARS, THE NAME OF EACH EMPLOYEE

<u>Name and Address</u>	<u>Chief Occupation</u>	<u>Number of Shares of Issuer Beneficially Owned</u>
DOUGLAS B. STELLING Germansen Landing British Columbia PRESIDENT/DIRECTOR	Prospector	520,001 shares
D'ARCY J. MORROW 2004 Larson Road North Vancouver, B.C. SECRETARY/DIRECTOR	Consulting Engineer	10,000 shares
GEORGE GAMBLE P.O. Box 345 Oakville, California DIRECTOR	Rancher	50,000 shares

6. PARTICULARS OF THE CORPORATE STANDING OF THE ISSUER.

The Issuer was incorporated in British Columbia on 18 March 1975 by Memorandum and Articles.

The last annual report was filed with the Registrar of Companies of British Columbia on 18 March 1976. All filing required to be made by the Issuer under the Securities Act and Companies Act of British Columbia are up-to-date.

The latest audited financial statements of the Issuer were dated 29 February 1976 and were placed before the members of the Issuer at the Annual General Meeting held on 20 September 1976, together with unaudited financial statements of the Issuer as at 30 June 1976.

There is no business which the Issuer is restricted from carrying on.

7. THE AUTHORIZED AND ISSUED SHARE CAPITAL OF THE ISSUER.

The authorized capital of the Issuer consists of 10,000,000 common shares without par value, of which 1,517,002 shares have been issued as fully paid.

8. THE PRICES AT WHICH SECURITIES OF THE ISSUER HAVE BEEN ISSUED DURING THE PAST YEAR.

200,000 shares were issued for cash at 18½¢ per share.

9. PARTICULARS OF ANY BONDS, DEBENTURES, NOTES, MORTGAGES, CHARGES, LIENS, OR HYPOTHECATIONS OF THE ISSUER.

None.

10. PARTICULARS OF IMPORTANT PROPERTIES PRESENTLY OWNED, LEASED, HELD UNDER OPTION OR OPERATED BY THE ISSUER OR ANY SUBSIDIARY THEREOF OR PROPOSED TO BE OWNED, LEASED, HELD UNDER OPTION OR OPERATED BY THE ISSUER OR ANY SUBSIDIARY THEREOF.

(A) SUSIE CLAIMS - Omineca Mining Division, British Columbia

The Issuer owns a 100% interest in mineral claims Susie #1 - #6, record numbers 113402 - 113407, inclusive, Susie #8, record number 113409, Susie #17, record number, 121912, Susie # 19, record number 121914, and Susie #21 - 23 inclusive, record numbers 121916 - 121918, inclusive, situated in the Omineca Mining Division of the Province of British Columbia.

During the past year, the Issuer conducted 4,000 feet of trenching, 35 channel samples, and 100 chip samples as well as detailed mapping, at a total cost of \$31,733.46.

(B) SUE SARA EAST and SUE SARA WEST - Omineca Mining Division, B.C.

The Issuer owns a 100% interest in the Sue Sara East and Sue Sara West groups of mineral claims, comprising 48 mineral claims in the Omineca Mining Division of the Province of British Columbia.

During the past year, the Issuer has conducted a program

of prospecting, geological mapping, soil sampling, and magnetometer surveying as well as additional staking at a total cost of \$22,213.68.

(C) CARIE CLAIMS - Omineca Mining Division, British Columbia

The Issuer owns a 100% interest in the Carie Group of Mineral Claims, comprising of 30 mineral claims, in the Omineca Mining Division of the Province of British Columbia.

During the past year, a program of prospecting, geological mapping, and soil sampling has been completed as well as a gravity survey, at a total cost of \$15,211.94.

11. PARTICULARS OF THE COST OF PROPERTIES ACQUIRED BY THE ISSUER OR ANY SUBSIDIARY THEREOF WITHIN THE PAST THREE YEARS OR PROPOSED TO BE ACQUIRED BY THE ISSUER OR ANY SUBSIDIARY THEREOF.

(A) SUSIE CLAIMS - Omineca Mining Division, British Columbia

By Agreement dated 27 March 1975, the Issuer acquired from Douglas B. Stelling, of Germansen Landing, British Columbia, Susie #1 - #6, #8, #17, #19 and #21 - #23 mineral claims, record numbers 113402 - 113407, inclusive, 113409, 121912, 121914, and 121916 - 121918, inclusive, in the Omineca Mining Division of the Province of British Columbia, in consideration for 750,000 shares in the capital of the Issuer allotted and issued as follows:

Douglas B. Stelling -	500,000 shares
Nautilus Ventures Ltd. -	250,000 shares

The owner of all of the issued and outstanding shares of Nautilus Ventures Ltd. is Mr. Richard W. Hughes, of 2484 Ottawa Avenue, West Vancouver, British Columbia, a former director of the Issuer.

Douglas B. Stelling is a Director and the President and Promoter of the Issuer.

(B) SUE SARA EAST and SUE SARA WEST - Omineca Mining Division, B.C.

By Agreement dated 27 January 1976, between the Issuer and Frank A. Lang, of 1575 Rena Crescent, West Vancouver, British Columbia, and J. Paul Stevenson, of Manson Creek, British Columbia, the Issuer acquired the Sue Sara East and Sue Sara West Groups of mineral claims in the Omineca Mining Division of the Province of British Columbia, in consideration for \$7,500 and the allotment and issuance of 200,000 shares in the capital of the Issuer.

The purchase price shall be payable as follows:

- (i) \$5,000 upon the approval of the Vancouver Curb Exchange of the purchase and sale contemplated by this Agreement ("the approval date"); (paid)
- (ii) 75,000 shares within 90 days from the approval date;
- (iii) \$2,500 within 150 days from the approval date;
- (iv) 75,000 shares within 180 days from the approval date;
- (v) 50,000 shares within 270 days from the approval date.

The 200,000 shares to be allotted and issued pursuant to the Agreement will be allotted subject to the Issuer's filing engineering reports acceptable to the Vancouver Curb Exchange.

(C) CARIE CLAIMS - Omineca Mining Division, British Columbia

By Agreement dated 18 March 1976 between the Issuer and Dauntless Developments Ltd., of #202 - 900 West Pender Street, Vancouver, British Columbia, as to 50%, and J. Paul Stevenson, of Manson Creek, British Columbia, as to 50%, the Issuer acquired the Carie Group of Mineral Claims, in the Omineca Mining Division of the Province of British Columbia, in consideration for \$7,500 and the allotment and issuance of 200,000 shares in the capital of the Issuer.

The purchase price will be payable as follows:

- (i) \$5,000 upon the approval of the Vancouver Curb Exchange of the purchase and sale contemplated by this Agreement ("the approval date"); (paid)
- (ii) 50,000 shares within 90 days from the approval date;
- (iii) \$2,500 within 150 days from the approval date;
- (iv) 50,000 shares within 180 days from the approval date;
- (v) 50,000 shares within 270 days from the approval date;
- (vi) 50,000 shares within 360 days from the approval date.

The 200,000 shares to be allotted and issued pursuant to the Agreement will be allotted subject to the Issuer's filing engineering reports acceptable to the Vancouver Curb Exchange.

All of the issued and outstanding shares of Dauntless Developments Ltd. are owned by Mr. Frank A. Lang, of 1575 Rena Crescent, West Vancouver, British Columbia.

12. THE NAME AND ADDRESS OF ANY PERSON OR COMPANY WHO OR THAT IS OR HAS BEEN A PROMOTER OF THE ISSUER WITHIN THE PRECEDING TWO YEARS AND THE NATURE AND AMOUNT OF ANYTHING OF VALUE RECEIVED OR TO BE RECEIVED FROM THE ISSUER.

Douglas B. Stelling, of Germansen Landing, British Columbia, may be considered the Promoter of the Issuer in that he took the initiative in the founding and organizing of the Issuer, but he has received nothing of value for so acting.

Douglas B. Stelling did receive 500,000 shares for the Susie Mineral Claims, described in Items 10 and 11 hereof, and also purchased 20,000 shares at the price of \$0.10 per share.

13. THE NUMBER OF THE SHARES OF THE ISSUER HELD IN ESCROW OR IN POOL AND A BRIEF STATEMENT OF THE TERMS OR THE ESCROW OR POOLING AGREEMENTS.

There are 750,000 shares of the Issuer held in escrow by the Yorkshire Trust Company, 900 West Pender Street, Vancouver, British Columbia, subject to release only with the written consent of the Vancouver Curb Exchange and the Superintendent of Brokers.

14. THE NUMBER OF EQUITY SHARES OF THE ISSUER OWNED BENEFICIALLY DIRECTLY OR INDIRECTLY, BY EACH PERSON OR COMPANY WHO OWNS, OR IS KNOWN BY THE SIGNATORIES HERETO TO OWN BENEFICIALLY, DIRECTLY OR INDIRECTLY, MORE THAN 10% OF THE EQUITY SHARES OF THE ISSUER.

The following information is provided as of 7 December 1976:

<u>NAME AND ADDRESS</u>	<u>NUMBER OF SHARES</u>
Nautilus Ventures Ltd. 2484 Ottawa Avenue West Vancouver, B.C.	240,000 shares
Douglas B. Stelling Germansen Landing British Columbia	520,001 shares
Vancouver Stock Exchange Service Corp. 536 Howe Street Vancouver, B.C. V6C 2E1	185,500 shares



15. A BRIEF STATEMENT OF ANY LEGAL PROCEEDINGS TO WHICH THE ISSUER OR ANY OF ITS SUBSIDIARIES IS A PARTY TO OR WHOSE PROPERTY IS THE SUBJECT OF SUCH PROCEEDINGS.

None.

16. THE AGGREGATE DIRECT OR INDIRECT REMUNERATION PAID OR PAYABLE BY THE ISSUER AND ITS SUBSIDIARIES DURING THE PAST YEAR TO INSIDERS OF THE ISSUER.

None.

17. BRIEF PARTICULARS OF ALL OPTIONS TO PURCHASE SECURITIES OF THE ISSUER UNLESS OTHERWISE DISCLOSED HEREUNDER.

None.

18. THE DATES OF AND PARTIES TO AND THE GENERAL NATURE OF EVERY MATERIAL CONTRACT ENTERED INTO BY THE ISSUER OR ANY SUBSIDIARY WITHIN THE PRECEDING TWO YEARS WHICH IS STILL IN EFFECT AND NOT PREVIOUSLY DISCLOSED HEREIN.

None.

19. PARTICULARS OF ANY OTHER MATERIAL FACTS RELATING TO THE SECURITIES BEING OFFERED AND NOT DISCLOSED UNDER ANY OTHER ITEM.

None.

SUSIE GOLD MINES LTD.

FINANCIAL STATEMENTS

OCTOBER 31, 1976

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# Morgan & Company

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## Chartered Accountants

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1210 - 675 West Hastings Street  
Vancouver, B.C. V6B 1N2  
Telephone (604) 687-5841

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John F. Morgan  
Tor B. Barth  
Lorne M. Beauchamp  
James K.C. Fraser


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### DISCLAIMER OF OPINION

We have prepared the accompanying balance sheet as at October 31, 1976 and statements of deferred exploration and administrative expenditure and of changes in financial position for the period March 1 to October 31, 1976 from the records of Susie Gold Mines Ltd. and from information given to us.

In accordance with the terms of our engagement, we have not performed an audit, and consequently do not express an opinion on these financial statements.

Vancouver, Canada  
December 2, 1976

  
Chartered Accountants

SUSIE GOLD MINES LTD.

BALANCE SHEET

OCTOBER 31, 1976

(with comparative figures as at February 29, 1976)  
(prepared without audit)

ASSETS

	October 31, 1976 (unaudited)	February 29, 1976 (audited)
CURRENT ASSETS		
Cash in bank		\$ 8,471.77
Cash in solicitors' trust account	\$ 523.56	8.96
Bank term deposits, including accrued interest		58,767.81
	<u>523.56</u>	<u>67,248.54</u>
OFFICE FURNITURE, at cost (Note 1)	<u>254.99</u>	<u>254.99</u>
INTEREST IN MINERAL PROPERTIES, at cost (Note 2)	<u>30,000.00</u>	<u>22,500.00</u>
DEFERRED EXPLORATION AND ADMINISTRATIVE EXPENDITURES, per attached statement	<u>108,953.78</u>	<u>39,044.98</u>
INCORPORATION COSTS	<u>656.17</u>	<u>656.17</u>
	<u>\$ 140,388.50</u>	<u>\$ 129,704.68</u>
LIABILITIES		
CURRENT LIABILITIES		
Bank overdraft	\$ 495.12	
Accounts payable	20,572.71	\$ 10,284.01
Due to shareholder	543.67	543.67
	<u>21,611.50</u>	<u>10,827.68</u>
SHAREHOLDERS' EQUITY		
SHARE CAPITAL		
Authorized:		
10,000,000 shares of no par value		
Issued:		
767,002 shares for cash	123,702.00	123,702.00
Less commission	12,425.00	12,325.00
	<u>111,277.00</u>	<u>111,377.00</u>
750,000 shares for mineral properties	7,500.00	7,500.00
<u>1,517,002 shares</u>	<u>118,777.00</u>	<u>118,877.00</u>
	<u>\$ 140,388.50</u>	<u>\$ 129,704.68</u>

Approved on behalf of the Board:

    "D'OUGLAS B. STELLING". . . Director

    "D'ARCY J. MORROW"

    . . . . . Director

SUSIE GOLD MINES LTD.

NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 1976

1. ACCOUNTING POLICIES

In common with most mining companies in the exploration stage the Company defers all direct expenditures on properties and areas in which it is interested and all administrative expenditure. At such time as the Company loses or abandons title or its interest in any property the accumulated expenditure on such property and the attributable portion of administrative expenditure will be charged to deficit. If any property reaches commercial production applicable deferred expenditure will be amortized over the productive period.

No depreciation has been recorded on the Company's office furniture.

2. INTEREST IN MINERAL PROPERTIES

a) Susie mineral claims, Omineca Mining Division, B.C.

The Company has acquired these claims for the following consideration:

Cash	\$ 7,500.00	
750,000 shares at an attributed value of 1¢ per share	<u>7,500.00</u>	\$ 15,000.00

b) Sue, Sara East and Sara West claims, Omineca Mining Division, B.C.

The Company has entered into an agreement to acquire these claims for the following consideration:

Cash (\$ 5,000.00 paid)	7,500.00	
200,000 shares to be issued subject to the filing of satisfactory engineering reports with the regulatory authorities (no shares yet issued)		

c) Carie claims, Omineca Mining Division, B.C.

The Company has entered into an agreement to acquire these claims for \$ 7,500.00 cash (\$ 5,000.00 paid) and 200,000 shares of the Company to be issued subject to the filing of satisfactory engineering reports with the regulatory authorities (no shares yet issued).	7,500.00	
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\$ 30,000.00

3. SHARE CAPITAL

750,000 of the issued shares are held in escrow subject to release only on the approval of the regulatory authorities.

SUSIE GOLD MINES LTD.

STATEMENT OF DEFERRED EXPLORATION AND ADMINISTRATIVE EXPENDITURES

FOR THE PERIOD MARCH 1 TO OCTOBER 31, 1976  
 (with comparative figures for the period from the date of incorporation  
March 18, 1975 to February 29, 1976)  
 (prepared without audit)

	March 18, 1975 to February 29, 1976 (audited)	March 1, 1976 to October 31, 1976 (unaudited)	Balance at October 31, 1976
<b>EXPLORATION EXPENDITURES</b>			
Susie claims, Omineca Mining Division, Province of British Columbia	\$ 11,149.91	\$ 20,583.55	\$ 31,733.46
Sue, Sara East and Sara West claims, Omineca Mining Division, Province of British Columbia	225.00	21,988.68	22,213.68
Carie claims, Omineca Mining Division, Province of British Columbia	225.00	14,986.94	15,211.94
Sundry areas	695.07	695.07	695.07
	<u>11,599.91</u>	<u>58,254.24</u>	<u>69,854.15</u>
<b>ADMINISTRATIVE EXPENDITURES</b>			
Accounting and audit fees and disbursements	1,192.96	3,769.53	4,962.49
Legal fees and disbursements	5,690.78	1,667.40	7,358.18
Management and supervision	3,500.00	3,000.00	6,500.00
Stock exchange fees	3,300.00		3,300.00
Transfer agent fees and disbursements	1,787.14	836.83	2,623.97
Office and sundry expense	2,314.57	950.52	3,265.09
Printing and stationery	2,205.42	455.39	2,660.81
Rent and telephone	3,650.26	928.62	4,578.88
Travel and accomodation	4,217.88	1,309.41	5,527.29
Promotion	223.22		223.22
Free miners licence	400.00	400.00	800.00
	<u>28,482.23</u>	<u>13,317.70</u>	<u>41,799.93</u>
Less interest income	1,037.16	1,663.14	2,700.30
	<u>27,445.07</u>	<u>11,654.56</u>	<u>39,099.63</u>
<b>TOTAL DEFERRED EXPENDITURES - to balance sheet</b>	<b>\$ <u>39,044.98</u></b>	<b>\$ <u>69,908.80</u></b>	<b>\$ <u>108,953.78</u></b>

SUSIE GOLD MINES LTD.

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE PERIOD MARCH 1 TO OCTOBER 31, 1976  
(with comparative figures from the date of incorporation,  
March 18, 1975 to February 29, 1976)  
(prepared without audit)

	March 1, 1976 to October 31, 1976 (unaudited)	March 18, 1975 to February 29, 1976 (audited)
SOURCE OF FUNDS		
Proceeds from the issue of shares from the treasury		\$ <u>111,377.00</u>
APPLICATION OF FUNDS		
Acquisition of interest in mineral properties	\$ 7,500.00	15,000.00
Purchase of office furniture		254.99
Exploration and administrative expenditures, per attached statement - net	69,908.80	39,044.98
Incorporation costs		656.17
Commission on prior period share issues	<u>100.00</u>	
	<u>77,508.80</u>	<u>54,956.14</u>
INCREASE (DECREASE) IN WORKING CAPITAL	(77,508.80)	56,420.86
WORKING CAPITAL AT BEGINNING OF THE PERIOD	<u>56,420.86</u>	<u>-</u>
WORKING CAPITAL AT END OF THE PERIOD	\$ <u>(21,087.94)</u>	\$ <u>56,420.86</u>
REPRESENTED BY:		
Current assets	\$ 523.56	\$ 67,248.54
Less current liabilities	<u>21,611.50</u>	<u>10,827.68</u>
	\$ <u>(21,087.94)</u>	\$ <u>56,420.86</u>

SUSIE GOLD MINES LTD.

FINANCIAL STATEMENTS

FEBRUARY 29, 1976




## AUDITORS' REPORT

The Shareholders  
Susie Gold Mines Ltd.  
Vancouver, Canada

We have examined the balance sheet of Susie Gold Mines Ltd. as at February 29, 1976 and the statements of deferred exploration and administrative expenditures and changes in financial condition for the period from the date of incorporation, March 18, 1975 to February 29, 1976. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at February 29, 1976 and the results of its operations and the source and application of its funds for the period ended on that date in accordance with generally accepted accounting principles.

Vancouver, Canada  
June 28, 1976

  
Chartered Accountants

SUSIE GOLD MINES LTD.

BALANCE SHEET

FEBRUARY 29, 1976

ASSETS

CURRENT ASSETS

Cash in bank	\$ 8,471.77
Cash in solicitors' trust account	8.96
Bank term deposits, including accrued interest	<u>58,767.81</u>

\$ 67,248.54

INTEREST IN MINERAL PROPERTIES, at cost  
(Note 2)

22,500.00

OFFICE FURNITURE, at cost (Note 1)

254.99

DEFERRED EXPLORATION AND ADMINISTRATIVE EXPENDITURES,  
per attached statement

39,044.98

INCORPORATION COSTS

656.17

\$ 129,704.68

LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$ 10,284.01
Due to shareholder	<u>543.67</u>

\$ 10,827.68

SHAREHOLDERS' EQUITY

SHARE CAPITAL

Authorized:

10,000,000 shares of no par value

Issued (Note 3):

767,002 shares for cash	\$ 123,702.00
Less commission	<u>12,325.00</u>

111,377.00

750,000 shares for mineral  
properties

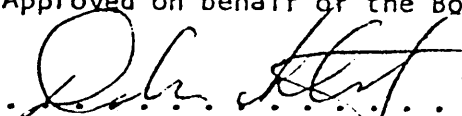
1,517,002 shares

7,500.00

118,877.00

Approved on behalf of the Board

\$ 129,704.68

 Director

 Director

SUSIE GOLD MINES LTD.

NOTES TO FINANCIAL STATEMENTS

FEBRUARY 29, 1976

1. ACCOUNTING POLICIES

In common with most mining companies in the exploration stage the Company defers all direct expenditures on properties and areas in which it is interested and all administrative expenditure. At such time as the Company loses or abandons title or its interest in any property the accumulated expenditure on such property and the attributable portion of administrative expenditure will be charged to deficit. If any property reaches commercial production applicable deferred expenditure will be amortized over the productive period.

No depreciation has been recorded on the Company's office furniture.

2. INTEREST IN MINERAL PROPERTIES

a) Susie mineral claims, Omineca Mining Division, B.C.

The Company has acquired these claims for the following consideration:

Cash	\$ 7,500.00	
750,000 shares at an attributed value of 1¢ per share	<u>7,500.00</u>	\$ 15,000.00

b) Sue, Sara East and Sara West claims, Omineca Mining Division, B.C.

The Company has entered into an agreement to acquire these claims for the following consideration:

Cash	7,500.00	
200,000 shares to be issued in batches of 75,000, 75,000 and 50,000 each 90, 180 and 270 days after approval of the agreement by the regulatory authorities and subject to the filing of satisfactory engineering reports with such authorities.		

Subsequent to February 29, 1976 the agreement was approved and \$ 5,000.00 of the cash consideration was paid.

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\$ 22,500.00

SUSIE GOLD MINES LTD.

NOTES TO FINANCIAL STATEMENTS

FEBRUARY 29, 1976

2. Cont'd.

Subsequent to February 29, 1976 the Company entered into an agreement to acquire the Carie mineral claims in the Omineca Mining Division of B.C. for \$ 7,500.00 cash (\$5,000.00 paid at the date of the audit report) and 200,000 shares of the Company to be issued subject to approval of the agreement (approval obtained) and the filing of satisfactory engineering reports with the regulatory authorities (no shares yet issued).

3. SHARE CAPITAL

During the period the Company issued 767,002 shares for net cash proceeds of \$ 111,377.00 and 750,000 shares for mineral properties at an attributed value of \$ 1.00 per share.

750,000 of the issued shares are held in escrow subject to release only on the approval of the regulatory authorities.

4. DIRECTORS' REMUNERATION

No remuneration was paid during the period to any of the directors as such while a total of \$ 3,500.00 was paid in respect of management and supervision services rendered to a company with which one of the directors was associated.

During the period one of the directors was paid \$ 7,500.00 cash and issued 500,000 escrowed shares of the Company while a company controlled by another director was issued 250,000 shares - all for vending the Susie mineral claims to the Company.

SUSIE GOLD MINES LTD.

STATEMENT OF DEFERRED EXPLORATION AND ADMINISTRATIVE EXPENDITURES

FOR THE PERIOD FROM THE DATE OF INCORPORATION,

MARCH 18, 1975 TO FEBRUARY 29, 1976

EXPLORATION EXPENDITURES

Susie claims, Omineca Mining Division,  
Province of British Columbia

Engineering	\$ 1,564.81	
Soil sampling	2,348.17	
Road building	4,401.66	
Transportation, travel and accomodation	2,570.27	
Recording fees	120.00	
Field and sundry expense	<u>145.00</u>	
		\$ 11,149.91

Carie claims, Omineca Mining Division,  
Province of British Columbia

Engineering	225.00	
Sundry areas, Province of British Columbia		
Engineering	<u>225.00</u>	
		\$ 11,599.91

ADMINISTRATIVE EXPENDITURES

Accounting	1,192.96
Legal fees and disbursements	5,690.78
Management and supervision	3,500.00
Stock exchange fees	3,300.00
Transfer agent fees and disbursements	1,787.14
Office and sundry expense	2,314.57
Printing and stationery	2,205.42
Rent and telephone	3,650.26
Travel and accomodation	4,217.88
Promotion	223.22
Free miners' licence	<u>400.00</u>
	28,482.23
Less interest income	<u>1,037.16</u>

27,445.07

TOTAL DEFERRED EXPENDITURE - to balance sheet

\$ 39,044.98

SUSIE GOLD MINES LTD.

STATEMENT OF CHANGES IN FINANCIAL CONDITION

FOR THE PERIOD FROM THE DATE OF INCORPORATION

MARCH 18, 1975 TO FEBRUARY 29, 1976

SOURCES OF FUNDS

Proceeds from the issue of shares from the treasury \$ 111,377.00

APPLICATION OF FUNDS

Acquisition of interest in mineral properties	\$ 15,000.00	
Purchase of office furniture	254.99	
Exploration and administrative expenditures, per attached statement - net	39,044.98	
Incorporation costs	<u>656.17</u>	
		<u>54,956.14</u>

WORKING CAPITAL AT END OF THE PERIOD

\$ 56,420.86

REPRESENTED BY:

Current assets	\$ 67,248.54
Current liabilities	<u>10,827.68</u>

\$ 56,420.86

\*\*\*SUSIE GOLD MINES LTD.\*\*\*

LIST OF ACCOUNTS PAYABLE AS

AT 31 OCTOBER 1976

NAME OF ACCOUNT =====	AMOUNT OUTSTANDING =====
Angela Developments Ltd. -	\$ 637.83.
Agilis Engineering Ltd. -	\$ 122.09
Morgan & Company -	\$ 2,272.80
Evergreen Press Limited -	\$ 58.72
Inversiones Tesoro Ltd. -	\$ 14.34
Tim Brock -	\$ 79.23
J.P. Stevenson and Frank A. Lang (Sue Sara East and Sara West) -	\$ 2,500.00
Columbia Airlines Ltd. -	\$ 418.00
Gillian Mines Ltd. -	\$ 20.07
Merin Management Ltd. -	\$ 9,223.14
Stellac Corporation Ltd. -	\$ 2,090.54
Repko -	\$ 375.00
Yorkshire Trust Company -	\$ 224.95
Pacific Press Limited -	\$ 36.00
J.P. Stevenson and Frank A. Lang (Carie Claims) -	\$ 2,500.00
 TOTAL OF ACCOUNTS PAYABLE:	 \$20,572.71 =====

## 20. STATUTORY RIGHTS OF RESCISSION

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

- (a) A purchaser has a right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last Statement of Material Facts, together with financial statements and a summary of engineering reports as filed with the Vancouver Stock Exchange, 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 such security, while still the owner thereof, if the Statement of Material Facts or any amended Statement of Material Facts offering such security contains an untrue statement of 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 Statement of Material Facts or amended Statement of Material Facts 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.

## 21. CERTIFICATE OF THE DIRECTORS AND PROMOTERS OF THE ISSUER:

The foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

10 DECEMBER 1976

(Date)

SUSIE GOLD MINES LTD.

Per:

DOUGLAS B. STELLING

Per:

D'ARCY J. MORROW

Per:

GEORGE GAMBIE

## CERTIFICATE OF THE UNDERWRITER(S):

To the best of our knowledge, information, and belief, the foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

10 DECEMBER 1976

(Date)

MIDLAND DOHERTY LTD.

Per: