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Effective Date: March 10, 1983

PROPERTY FILE

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PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS IN WHICH THIS PROSPECTUS HAS BEEN ACCEPTED FOR FILING AND THEREIN ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES.

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SUE

PROSPECTUS

INTERSTATE ENERGY CORP.

600,000 COMMON SHARES (WITHOUT PAR VALUE)

Shares	Price to Public	Commission	Net Proceeds to be Received by Company ⁽¹⁾
Per Share	\$0.40	\$0.07	\$0.33
Total	\$240,000.00	\$42,000.00	\$198,000.00

(1) Before deduction of legal, audit and printing expenses payable by the Company estimated at \$12,000.00.

The Shares of the Company must be considered speculative securities as the Company's mining properties hereinafter described are in the exploration and development stage and therefore have no known bodies of commercial ore. See also "Speculative Aspects" on Page 3

There is no current market for the Company's shares.

This offering is subject to a minimum subscription being received by the Company within 180 days of the effective date noted above. Further particulars of the minimum subscription are disclosed on Page 2 under the caption "Share Offering and Plan of Distribution" and on Page 4 under the caption "Use of Proceeds".

The claims have not been surveyed and therefore, in accordance with the mining laws of the applicable jurisdictions, the existence of and the area of the mining claims could be in doubt.

If all of the shares offered by this Prospectus are sold to the public, this issue will represent 37.6% of the shares then outstanding as compared to 50.8% that will then be owned by the directors, promoters and controlling persons issued for cash and property.

The Registrar and Transfer Agent is Crown Trust Company of Canada at 750 West Pender Street, Vancouver, British Columbia.

DATED: February 11, 1983



PROPERTY FILE

TABLE OF CONTENTS

	<u>PAGE NO.</u>
DISTRIBUTION SPREAD	Front Page Cover
NAME AND INCORPORATION	1
DESCRIPTION OF BUSINESS AND PROPERTY	1
SHARE OFFERING AND PLAN OF DISTRIBUTION	2
SPECULATIVE ASPECTS	3
USE OF PROCEEDS	4
DESCRIPTION OF SHARES	5
SHARE AND LOAN CAPITAL STRUCTURE	6
PRIOR SALES	6
SALES OTHERWISE THAN FOR CASH	6
DIRECTORS AND OFFICERS	6
REMUNERATION OF DIRECTORS AND SENIOR OFFICERS	8
OPTIONS TO PURCHASE SECURITIES	8
PRINCIPAL HOLDERS OF SECURITIES	8
ESCROWED SHARES	8
POOLED SHARES	9
DIVIDEND RECORD	9
PROMOTERS	9
PENDING LEGAL PROCEEDINGS	10
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	10
MATERIAL CONTRACTS	10
OTHER MATERIAL FACTS	10
SOLICITORS	11
AUDITORS, TRANSFER AGENTS AND REGISTRARS	11
PURCHASER'S STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION	11

PRELIMINARY REPORT
ON THE
WANDA MINERAL PROSPECT
HIGGINS PASSAGE
SKEENA MINING DISTRICT, BRITISH COLUMBIA

FOR

INTERSTATE ENERGY CORPORATION
1000, 789 WEST PENDER STREET
VANCOUVER, BRITISH COLUMBIA

BY

R.T. HEARD, P.ENG.
R.T. HEARD AND ASSOCIATES LTD.
818 CLEMENTS AVENUE
NORTH VANCOUVER, BRITISH COLUMBIA

MAY, 1981

SUMMARY

Interstate Energy Corporation controls by purchase an 8 claim unit called the Wanda Mineral Prospect located in Higgins Passage, British Columbia.

A Phase I program of line cutting and geochemistry has been completed over an old showing called the Molly Group.

One very large molybdenum geochemical anomaly has been found as well as several smaller ones on the 8.14 kilometer grid.

This Phase I program has been financed and paid for and these costs are totalled herein with the recommended three additional exploration programs for a total estimate of \$175,000.

Phase II will ascertain the cause of the anomalies, fill-in geochem the areas, expand the grid and provide for trenching, sampling, and assaying to be performed.

Continuing positive results will lead to a Phase III program of geophysics and to a Phase IV program of diamond drilling.

TABLE OF CONTENTS

	<u>Page</u>
SUMMARY	i
TABLE OF CONTENTS	ii
LIST OF FIGURES	iv
INTRODUCTION	1
LOCATION AND ACCESSIBILITY	1
HISTORY	2
PROPERTY	2
GEOLOGY	4
General	4
Mineralization	6
Assay Results	6
GEOCHEMISTRY	7
Field and Analytical Techniques	7
Discussion of Results	7
CONCLUSIONS	8
RECOMMENDATIONS	11

TABLE OF CONTENTS

	<u>Page</u>
ESTIMATED COSTS	12
Phase I	12
Phase II	13
Phase III	13
Total Estimated Costs	13
BIBLIOGRAPHY	14
CERTIFICATE	15

LIST OF FIGURES

	<u>Page</u>
Figure 1. Location Map	3
Figure 2. Claim Map	5
Figure 3. Histogram	9
Figure 4. Geochemistry - Mo Plot	10

INTRODUCTION

The area of the Wanda 8 claim unit was examined on March 7th and March 23rd, 1981.

This field examination was conducted in an attempt to locate a documented molybdenite showing in the area. A claim staking and geochemical survey grid was also to be laid out if results warranted it.

LOCATION AND ACCESS

The Wanda claim group is located on the north side of Higgins Passage which separates Swindle Island and Price Island. It is on the east side of Kitasu Hill at 52° 29' north latitude and 128° 44' west longitude. It is approximately 130 km west of Bella Coola.

Bella Coola is connected by a good road to Williams Lake, 320 km to the east. Williams Lake is situated on Highway 97 between Vancouver and Prince George.

Access to the claim group is either by boat or float equipped aircraft. Charter aircraft are available at Bella Coola, Ocean Falls or Bella Bella.

These places, as well as Klemtu are connected to Vancouver by scheduled sea-plane service.

See Figure 1, Location Map, page 3.

HISTORY

The area was staked originally as the Molly 1-6 group of mineral claims on February, 1973 by a Mr. C.L.M. Giggey. No work was ever done on the claims, payment in lieu having been made, up until 1978.

It is reported that a molybdenite showing was found on the claims in the vicinity of a rock quarry excavated during construction of the Kitasu radio tower, now defunct.

On April 1, 1981 an eight unit claim block was staked by V.L. Paulger and Associates Ltd. Subsequent to the claim location a program of line cutting and geochemical soil sampling was conducted over part of the claims.

The results of this work forms the basis for this report.

PROPERTY

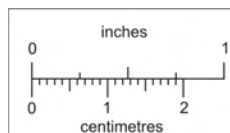
The claim block contains eight claim units. They are described as follows:



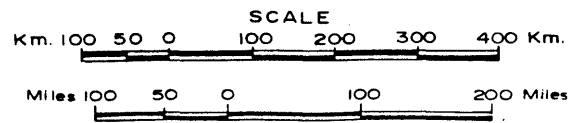
**WANDA
MINERAL
PROSPECT**

FIGURE : 1
**INTERSTATE ENERGY
 CORPORATION**
WANDA MINERAL PROSPECT
 SKEENA MINING DISTRICT, B.C.
LOCATION MAP

RT. HEARD AND ASSOCIATES LTD.



This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.



MAY, 1981

<u>CLAIM NAME</u>	<u>NUMBER OF UNITS</u>	<u>RECORD DATE</u>	<u>RECORD NUMBER</u>
WANDA	8	April 9, 1981	2932

all documented in claim sheets 103A/7 and 10, Skeena Mining Division, British Columbia.

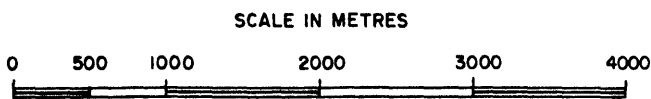
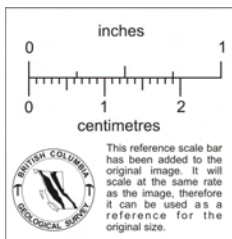
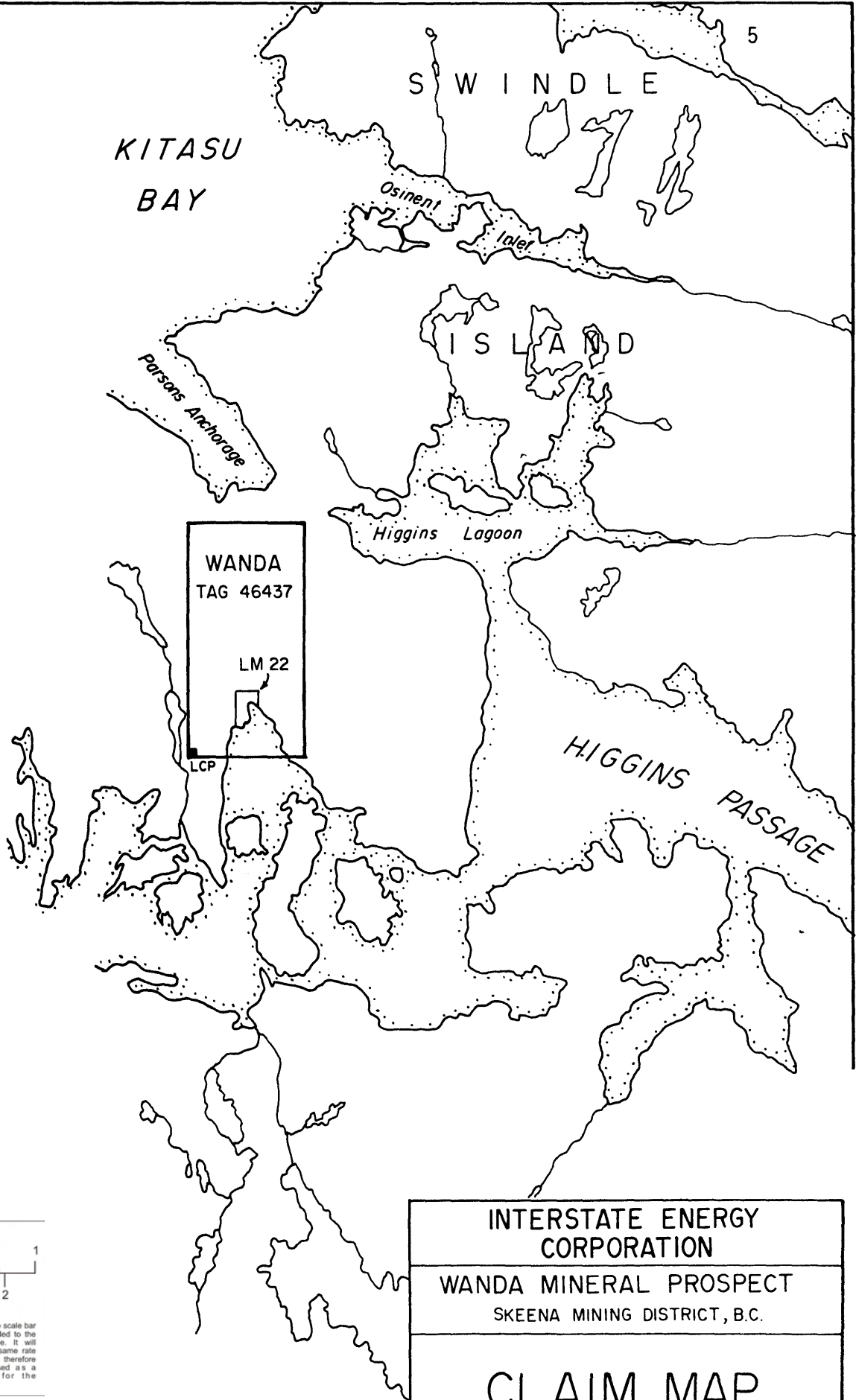
See Figure 2, Claim Map, page 5.

GEOLOGY

General

Regional geology of the area is shown on Geological Survey of Canada Map 1328 A, Laredo Sound at a scale of 1:250,000 and is described in Memoir 372 by A.J. Baer.

Rocks in the area of the claims are Triassic (?) metasediments and meta-volcanics in contact or overlain by basaltic flows of the Lake Island Formation to the northeast and by Permian (?) gneissic diorities to the north and west.



INTERSTATE ENERGY CORPORATION	
WANDA MINERAL PROSPECT	
SKEENA MINING DISTRICT, B.C.	
CLAIM MAP	
RT. HEARD AND ASSOCIATES LTD.	
May, 1981	FIGURE 2

Mineralization

The quarry was examined closely but only veins of crushed quartz were found which were collected for character assay.

Pyrite is abundant in the metavolcanics and much iron staining is seen, probably after pyrite.

A large 10 meter wide calcite vein was observed cutting through the metavolcanics.

Assay Results

A description of assay locations and results follows:

<u>SAMPLE LOCATION</u>	<u>SAMPLE TYPE</u>	<u>ASSAY RESULTS</u>			
		<u>AU O/T</u>	<u>Ag O/T</u>	<u>Pb %</u>	<u>Zn %</u>
Quarry Qtz vein along fault zone	1 foot chip	< .002	< .02	< .01	< .01

GEOCHEMISTRY

Field and Analytical Techniques

A grid was cut on the property using chain saws, picket lines, horizontal chaining methods and flagging for clarity as the brush is extremely dense. A 990 meter baseline was cut along the west boundary of the claim groups and crosslines were cut every 90 meters and stations were established at 30 meter intervals on all lines.

Soil samples were collected of the "B" soil horizon wherever possible at all stations. These were collected in kraft sample bags. The samples were sent to Bondar - Clegg and Company Limited, North Vancouver, B.C. where they were dried, screened, and part of the 80 mesh fraction was digested using the hot Lefort aqua regia technique and analyzed by atomic absorption. Only the molybdenum content of the samples was determined.

Discussion of Results

A histogram of sample results was plotted to determine background. See Figure 3, Histogram, page 9. Sixty-eight percent of the values lie below two ppm, 23% lie between two and four ppm and is considered just over threshold or possibly anomalous, seven percent are weakly anomalous at four to six ppm and two percent are in the definitely anomalous category.

All results were plotted and contoured. See Figure 4, Geochemistry Mo Plot, page 10.

The Mo Plot shows a large weakly anomalous area with semi-isolated highs within it, which has a northerly striking orientation. Several other areas of anomalous values are also found to the west of the main area and one very anomalous zone is located on the baseline, which is in the order of 150 meters long.

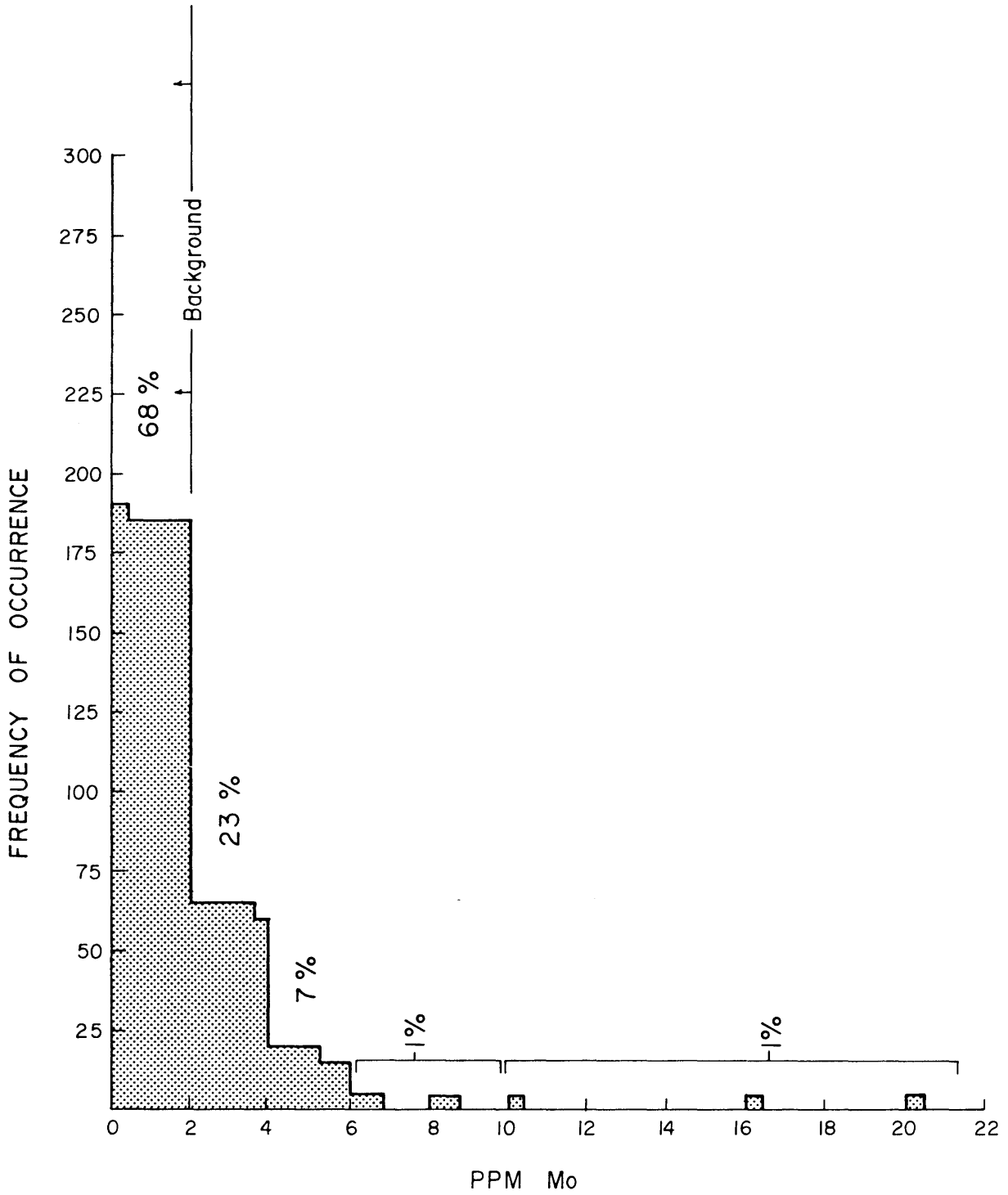
Although the underbrush was extremely thick, soil samples were of good quality as the moss layer was easily breached with the use of a mattock.

CONCLUSIONS

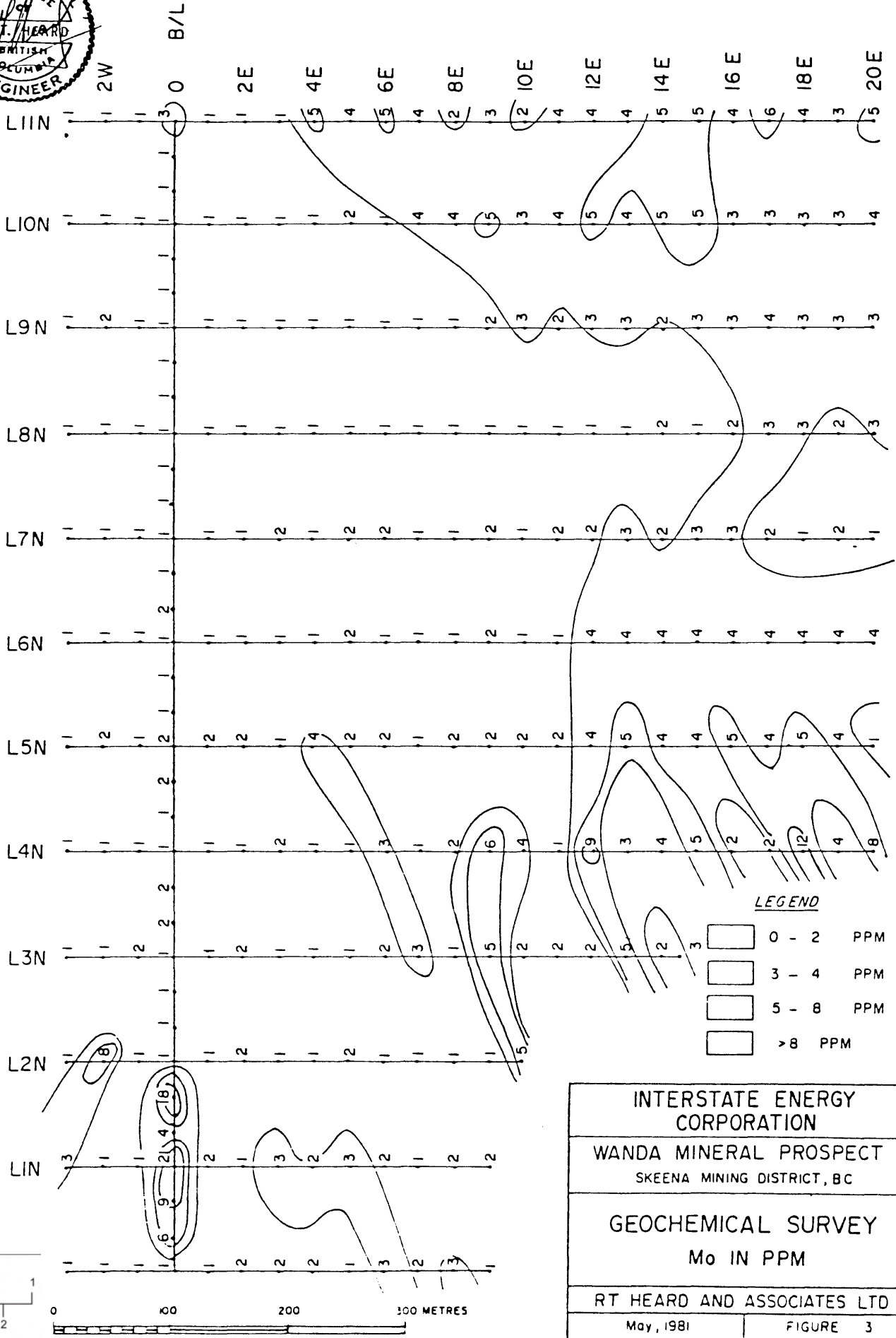
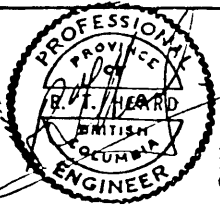
The Wanda group of eight claims was located to cover the area of an old showing in the Molly 1-6. A line grid of 8.14 kilometers was cut over the area and 278 soil samples were collected and analyzed for molybdenum.

Several geochemical anomalies were found which warrant some follow-up work to ascertain their cause.

A limited exploration program has been prepared to accomplish this and its implementation is recommended.



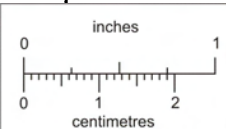
INTERSTATE ENERGY CORPORATION	
WANDA MINERAL PROSPECT SKEENA MINING DISTRICT, B.C.	
HISTOGRAM Mo IN PPM	
RT. HEARD AND ASSOCIATES LTD.	
May, 1981	FIGURE 3



LEGEND

- 0 - 2 PPM
- 3 - 4 PPM
- 5 - 8 PPM
- > 8 PPM

INTERSTATE ENERGY CORPORATION	
WANDA MINERAL PROSPECT SKEENA MINING DISTRICT, BC	
GEOCHEMICAL SURVEY Mo IN PPM	
RT HEARD AND ASSOCIATES LTD	
May, 1981	FIGURE 3



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RECOMMENDATIONS

A four-phase exploration program is proposed. Phase I has been virtually completed and is included to complete the historical record of this project.

The Phase II program of follow-up geochemistry, geology, trenching, sampling and assaying, is recommended.

A Phase III program of geophysics and a Phase IV program of drilling will be predecated by the results of Phase II.

ESTIMATED COSTS

Phase I (Sunk Costs)

1. Mobilization and demobilization (including air fares and charters, freight, etc.)		\$ 2,817.30
2. Claim staking Wanda - 8 units		1,000.00
3. Line cutting - Bareline - 990 m		
- Crossline - variable		
- Total - 8.14 kilometers		6,500.00
4. Geochemistry - 278 samples - collection	\$1,000.00	
- analysis	<u>791.24</u>	1,791.24
5. Geology, professional fees		2,000.00
6. Miscellaneous		<u>-</u>
		*\$14,108.54
	Add Contingency	<u>891.46</u>
	Total	<u><u>\$15,000.00</u></u>

*Subject to revision as all invoices have not been received.

Phase II (10 day program)

1. Mobilization and demobilization	\$ 5,000.00
2. Geochemistry, including grid expansion	10,000.00
3. Geology	3,000.00
4. Trenching	5,000.00
5. Sampling and Assaying, MoS ₂ , WO ₃ , Zn 50 samples @ \$25/sample	1,250.00
6. Supervision	3,000.00
7. Professional Fees, including reporting	<u>3,000.00</u>
	\$30,250.00

Say, \$35,000

Phase III

Geophysics, I.P. Survey \$25,000

Phase IV

Diamond Drilling, all inclusive \$100,000

Total Estimated Costs

Phase I	\$ 15,000
Phase II	35,000
Phase III	25,000
Phase IV	<u>100,000</u>
Total	<u><u>\$175,000</u></u>

BIBLIOGRAPHY

Baer, A.J. (1973): Bella Coola - Laredo Sound Map - Areas, British Columbia, Geological Survey of Canada Memoir 372.

Hutchison, W.W., H.C. Berg, and A.V. Okulitch (1979): Map 1385 A, Skeena River, British Columbia - Alaska, Sheet 103, Geological Survey of Canada, Compilation.

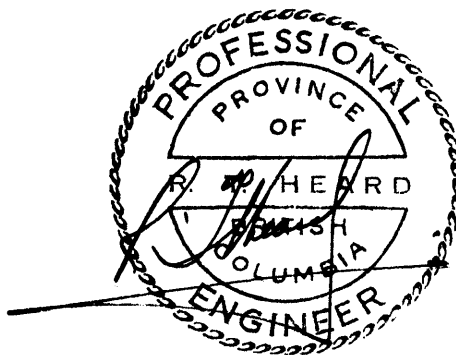
CERTIFICATE

I, RICHARD TERRENCE HEARD, with business and residence addresses in North Vancouver, British Columbia, do hereby certify that:

1. I am a registered Professional Engineer in the Association of Professional Engineers of Yukon Territory, a registered Professional Engineer in the Association of Professional Engineers, Geologists and Geophysicists of Alberta, and, a registered Professional Engineer of the Association of Professional Engineers of the Province of British Columbia.
2. I am a graduate of Haileybury School of Mines, Haileybury, Ontario, 1958 and of the Montana College of Mineral Science and Technology, Butte, Montana (Bachelor of Science in Geological Engineering in 1971).
3. I have been practicing my profession as an exploration geologist for 20 years and as a Professional Engineer for the past 8 years.
4. I have no interest, direct or indirect in Interstate Energy Corporation, nor do I expect to receive any interest, either direct or indirect, in the properties or securities pertaining thereto.

5. I have conducted a completely independent analysis of all data available for this property.
6. I have visited the property reviewed in this report on two occasions, March 7th and 23rd, 1981.
7. I hereby grant my permission for Interstate Energy Corporation to use this report for any legal purposes normal to the business of Interstate Energy Corporation Ltd.

Dated at Vancouver, British Columbia this 8th. day of May, 1981.



R.T. Heard, P.Eng.



R.T. Heard & Associates Ltd.

303-5000 50 Avenue, Red Deer, Alberta, Canada T4N 6C2

818 Clements Ave., N. Vancouver, B.C. Canada V7R 2K7

(403) 343-2833

February 11, 1983

Office of Superintendent of Brokers
800-1050 West Pender St.
Vancouver, British Columbia

Dear Sirs:

RE: Interstate Energy Corp.

In May, 1981, we submitted a "Preliminary Report on the Wanda Mineral Prospect, Higgins Passage, Skeena Mining District, British Columbia," (the "Report"), for the above noted company. At the request of the company, we have reviewed the Report carefully and can advise that, in our opinion, the information contained in the Report and specifically the recommendations and cost estimates set out therein, remain valid.

We hereby give our consent, to the inclusion of the Report and this letter in a Prospectus, to be filed for the above noted company.

Yours Very Truly,

R.T. HEARD & ASSOCIATES LTD.

per: R.T. Heard, P. Eng.
President

RTH/jb