

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

prospectus



SECURITY PRINTING CORPORATION LTD. VANCOUVER, B.C.

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KLEANZA MINES LTD. (N.P.L.)
Incorporated in British Columbia

PROPERTY FILE

Suite 200—535 Thurlow Street
Vancouver 5, B.C.

200,000 COMMON SHARES
(50¢ Par Value)

SECOND PUBLIC OFFERING
— UNDERWRITTEN —

PRICE 25¢ PER SHARE
PROCEEDS TO COMPANY
\$50,000.00

UNDERWRITING

Pursuant to an Underwriting Agreement dated March 31st, 1969, West Coast Securities Ltd., 845 West Pender Street, Vancouver, B.C. has agreed to purchase on behalf of D.J. Hall & Company Ltd. the entire offering of 200,000 common shares at 25¢ each, to net the Company \$50,000.00, payable on the date this Prospectus is accepted for filing by the British Columbia Securities Commission. West Coast Securities Ltd. and/or D.J. Hall & Company Ltd. will distribute the shares to the public at the market price prevailing from time to time, but in no case shall such price to the public be greater than 200% of the Underwriting price (see heading "PLAN OF DISTRIBUTION").

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.

THE COMPANY'S SHARES ARE TRADING ON THE OVER THE COUNTER SECTION OF THE VANCOUVER STOCK EXCHANGE.

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.

THE COMPANY'S PROPERTIES HAVE KNOWN AREAS OF MINERALIZATION AND THE PROPOSED DEVELOPMENT PROGRAMMES ARE REFERRED TO UNDER THE HEADING "BUSINESS AND PROPERTY". REFERENCE SHOULD ALSO BE MADE TO THE HEADINGS "ESCROWED SHARES", "PRINCIPAL HOLDERS OF SHARES" AND "PRIOR SALES", AS WELL AS

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TO 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.

PRINCIPAL HOLDERS OF SHARES, INCLUDING THE DIRECTORS AND OFFICERS OF THE COMPANY, MAY FROM TIME TO TIME OFFER THEIR SHARES FOR SALE TO THE PUBLIC AT PRICES PREVAILING ON THE DATE OF SUCH SALES, IF ANY, AND THE PROCEEDS FROM SUCH SALES SHALL ACCRUE TO THE BENEFIT OF THE OWNERS THEREOF AND NOT TO THE TREASURY OF THE COMPANY.

PURPOSE OF ISSUE

The Company proposes to carry out the programme recommended by W.M. Sharp, P.Eng., and to make payments and to carry out other work more particularly described under the heading "BUSINESS AND PROPERTY".

REGISTRAR AND TRANSFER AGENT

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

DATE OF THIS PROSPECTUS: APRIL 9th, 1969

THE COMPANY

Kleanza Mines Ltd. (N.P.L.) (hereinafter called "The Company") was incorporated on the 28th day of January, 1966, 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 an Extraordinary General Meeting held on the 15th day of December, 1966, as evidenced by the Certificate of the Registrar of Companies of the Province of British Columbia issued and dated the 17th day of April, 1967.

The Company's Head Office is located at Suite 200 — 535 Thurlow Street, Vancouver, British Columbia, and the Company's Registered Office is located at Suite 201 — 535 Thurlow Street, Vancouver, British Columbia.

INTRODUCTORY STATEMENT

The Company was incorporated in 1966 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 holds 16 mineral claims and one fraction in the Skeena Mining Division approximately 34 miles north northwest of Terrace, British Columbia, which claims are hereinafter called "The Hope Claims"; and 70 mineral claims and one fraction in the Omineca Mining Division approximately 8 miles east of Terrace, British Columbia, which claims are hereinafter called "the Croesus Claims".

The Company also holds 2 mineral claims and one mineral lease in the Omineca Mining Division approximately 25 miles north of Burns Lake, British Columbia, which claims are hereinafter called "the Taltapin Lake Claims"; and 20 mineral claims in the Skeena Mining Division on Gribbell Island, which claims are hereinafter called "the Gribbell Island Claims".

The exploration and development of the mineral prospect is by nature speculative and the task of developing commercially productive ore bodies presents many uncertainties. The Company presently proposes to finance its business ventures by sale of its unissued treasury shares. A return on capital to purchasers of shares offered by this prospectus depends on the development of an economic ore body on the Company's present areas of mineralization.

The Company has issued 840,000 shares of its capital stock for properties (see section headed "BUSINESS AND PROPERTY"); and a further 340,550 shares for cash: 100,000 shares at 10¢, 100,000 shares at 20¢, 68,500 shares at 30¢ and 72,050 shares at 35¢; and a further 133,799 shares for exploration and development work performed and equipment purchased and rented. The funds so raised were used to acquire options and for exploration and development work to date. The proceeds of the underwriting hereinbefore referred to will be sufficient to carry out the recommendations of W.M. Sharp, P.Eng., on the Hope Claims and other work outlined herein under the headings "BUSINESS AND PROPERTY" and "USE OF PROCEEDS TO ISSUER".

BUSINESS AND PROPERTY

I HOPE CLAIMS — The Company purchased from Messrs. Donald R. Apolczer, Stephen Piskulski and Clair L.M. Giggey, the following mineral claims, together with certain contiguous mineral claims which the Company has since allowed to lapse, in the Skeena Mining Division, in the Province of British Columbia:

Mineral Claims	Record No.
Bob No. 1 and No. 2	30409 and 30410
Axe No. 1 and No. 2	29297 and 29298
Box No. 1 and No. 2	28971 and 28972
Grissly No. 1 and No. 2	17765 and 17766
Ben No. 2	32665

for 40,000 shares of the Company's capital stock issued as fully paid and non-assessable shares as follows:

Allotee	Address	Shares
Donald R. Apolczer	Terrace, B.C.	20,000
Stephen Piskulski	Terrace, B.C.	5,000
Clair L.M. Giggey	Terrace, B.C.	15,000

In addition, the Company staked the following mineral claim contiguous to the aforesaid mineral claims:

Mineral Claim	Record No.
Ag. No. 1	33189

and, the Company purchased from Daniel W. Small and Richard H. Bates, the following additional mineral claims in the centre of the aforesaid group of mineral claims:

Mineral Claim	Record No.
Hope No. 1 and No. 2	16284 and 16285

for 100,000 of the Company's capital stock issued as fully paid and non-assessable shares, as follows:

Allotee	Address	Shares
Daniel W. Small	2 Halss Crescent Vancouver, B.C.	80,000
Richard H. Bates	Terrace, B.C.	20,000

In addition, Richard H. Bates is entitled to receive 15¢ for each ton of ore produced from the said two mineral claims.

The 100,000 shares so issued may be offered for sale to the public at the discretion of the owners at prices from time to time prevailing on the date of such sales, if any, and the proceeds from the sale of such shares shall accrue to the benefit of the owners thereof and not to the treasury of the Company.

By Option Agreement dated March 21st, 1969, the Company optioned from Steve Piskulski, of Terrace, British Columbia, the following mineral claims, adjoining the aforesaid Hope Claims, by paying the sum of \$1,000.00 upon execution of the said Option Agreement and agreeing to pay an additional \$14,000.00 over an option period hereinafter set forth, provided however, that the property is of sufficient economic significance to justify keeping the Option Agreement in good standing:

Mineral Claim	Record No.
BB No. 1 and No. 2	20517 and 20518
BB No. 3 and No. 4	33187 and 33188
Ross No. 1 Fraction	24745

Payments required in order to keep the Option Agreement in good standing are as follows:

- The sum of \$1,000.00 on or before March 31st, 1969.
- The sum of \$1,000.00 on or before September 30th, 1969;
- The sum of \$1,000.00 on or before March 31st, 1970;
- The sum of \$1,000.00 on or before September 30th, 1970;
- The sum of \$1,000.00 on or before March 31st, 1971;
- The sum of \$1,000.00 on or before September 30th, 1971;
- The sum of \$1,000.00 on or before March 31st, 1972;
- The sum of \$1,000.00 on or before September 30th, 1972;
- The sum of \$2,000.00 on or before March 31st, 1973;
- The sum of \$4,000.00 on or before September 30th, 1973.

The Company has received an extension from the Optionor of 45 days within which period the Company has agreed to make the aforesaid option payment due March 31st, 1969.

II CROESUS AND TALTAPIN LAKE CLAIMS — The Company purchased from Messrs. Richard H. Bates, Daniel W. Small and John J. Brown, certain of the aforementioned Croesus Claims and Taltapin Lake Claims, being:

Mineral Claim	Record No.
Croesus No. 1 to No. 6 incl.	30813 to 30818 incl.
Croesus No. 9 to No. 16 incl.	34633 to 34640 incl.
Croesus No. 31	59810
Croesus No. 32 to No. 40 incl.	34642 to 34650 incl.
Croesus No. 41 and No. 42	59811 and 59812
Croesus No. 43 to No. 52 incl.	59813 to 59822 incl.
Croesus No. 57 and No. 58	59823 and 59824
T No. 3 and No. 4	37128 and 37129
Lecroy (Lot 4098) Mineral Lease	Mineral Lease M-60
Taltapin No. 1 and No. 2	20121 and 20122

for 750,000 shares issued as fully paid and non-assessable shares of the Company's capital stock. These shares are escrowed with the Montreal Trust Company, 466 Howe Street, Vancouver, B.C. and accrued to the Vendors set out below:

Allotee	Address	Escrowed Shares
Richard H. Bates	Terrace, B.C.	375,000
Daniel W. Small	2 Halss Crescent Vancouver, B.C.	275,000
John J. Brown	302-550 Burrard Street Vancouver, B.C.	100,000

Subsequently certain of the said shares were transferred within escrow with the consent of the British Columbia Securities Commission and the present holders of escrow shares are as follows:

Douglas Chappell	10,000 shares
Earle J. MacLeod	10,000 "
J. Fred Weber	10,000 "
Raymond D. Skoglund	25,000 "
Robert F. Bates	35,000 "
William D. Yorke-Hardy	50,000 "
David J. Fraser	10,000 "
Merl J. Cloutier	25,000 "
Mt. Remo Ventures Ltd.	150,000 "
R. Courtland Sandover-Sly	10,000 "
Gerald Lawrence Bates	50,000 "
Richard H. Bates	310,000 "
Daniel W. Small	40,000 "
Rossmille Holdings Ltd.	15,000 "

In addition, the Company staked in its own right the additional Croesus Claims known as:

Mineral Claim	Record No.
Croesus No. 7 and No. 8	39534 and 39535
Croesus No. 17 to No. 20 incl.	39536 to 39539 incl.
Croesus No. 25 to No. 30 incl.	39540 to 39545 incl.
Croesus No. 59 to No. 66 incl.	39546 to 39553 incl.

Croesus No. 67 to No. 70 incl.	42665 to 42668 incl.
Croesus No. 77 to No. 80 incl.	42671 to 42674 incl.
Croesus No. 101 and No. 102	42695 and 42696
Croesus No. 115 and No. 116	42709 and 42710
Key No. 1 Fraction	65115

By an Agreement dated August 16th, 1968, made between the Company as Optionor and Dome Babine Mines Ltd. (N.P.L.) of 201 - 535 Thurlow Street, Vancouver, British Columbia, as Optionee, the Company granted an option to purchase certain of its Taltapin Lake claims to the said Dome Babine Mines Ltd. (N.P.L.) in consideration for the Optionee's agreeing to explore and develop the said claims. The said Option Agreement was terminated in November 1968, by the Optionee but prior to termination, Dome Babine Mines Ltd. (N.P.L.) had, pursuant to the Agreement earned the right to obtain 10,044 shares of the Company's capital stock by expending the sum of \$6,543.95 in exploration and development work on the said mineral claims and the said shares were issued to Dome Babine Mines Ltd. (N.P.L.) on March 11th, 1969.

III GRIBBELL ISLAND CLAIMS - The Company staked the following mineral claims on Gribbell Island, in the Skeena Mining Division, in the Province of British Columbia:

Mineral Claim	Record No.
Trio No. 1 to No. 4 incl.	32668 to 32671 incl.
Trio No. 5 to No. 12 incl.	32727 to 32734 incl.
Maxi No. 1 to No. 8 incl.	32719 to 32726 incl.

There are no known or proven orebodies on any of the Company's properties, thus the proposed programme as hereinafter set forth is an exploratory search for commercial orebodies. Hereunder is a summary of the report of W.M. Sharp, P. Eng., dated August, 1968, covering the Hope Claims. The full report is available in the public file of the British Columbia Securities Commission.

I HOPE GROUP - Summary, Recommendations and Estimated Costs - W.M. Sharp, P.Eng.

"The Hope group, comprising one block of 11 contiguous claims, has been located to cover probable local strike and dip extensions of the known mineralized zone and possible similar parallel zones which may occur within the 600 by 4500 foot claims area. The present group covers ground formerly comprising the original Iona, and subsequent Silver Plate - Silver Cup groups.

The Hope group is situated 34 miles N.N.W. of Terrace, B.C. in the Skeena Mining Division; locally it lies midway between Sand Lake and the north fork of the Cedar River. The property lies at an elevation of, roughly 1250 feet; it is easily accessible via 39 miles of road - including Highway 16 for four miles west of Terrace, and 35 miles northward along main and branch logging roads in the Celgar Forest Management area. Gentle topography and low relief comprise favourable factors relating to rapid exploration of the general property.

The present showings were originally staked in 1913. Since that time only a minor amount of exploratory work has been accomplished. A small tonnage of high-grade silver-lead-zinc shipping ore has accrued from earlier development work.

Mineralization occurs within a composite shear vein and breccia structure, presumably striking at about N 70° W, and dipping moderately to steeply southward. Exploratory work accomplished to date

suggests that the structure and mineralization are best developed where it traverses brittle argillaceous bedding units, and weakens within softer, less friable tuff-graywacke sections. The quartz veins and intervening quartz-argillite breccia are variably mineralized by sphalerite, chalcopyrite, galena, and tetrahedrite. A representative sample of the shaft open cut mineralization, taken by G.S.C. examining personnel in 1953, assayed Au, 0.01 oz/ton; Ag, 28.14 oz/ton; Cu, 4.14 Percent; Pb, 3.8 Percent; Zn, 19.69 Percent.

The writer infers a fair geological potential for a moderate tonnage of good-grade milling ore within the Hope claim group, and submits the following recommendations for exploration of the ground:

Stage I	Grid Preparation, 10 miles @ \$100	\$ 1,000
	Soil sampling, 1 month labour	1,200
	Geochemical analyses, Pb-Ag.	2,000
	Vehicle operation, supplies	300
	General provision, extras and contingencies	500
	TOTAL STAGE I	\$ 6,000
Stage II	E.M. Survey, 10 miles @ \$150	\$ 1,500
	Stripping, Trenching, Clean-up	5,000
	Provision for sampling, engineering	1,500
	Provision for extras and contingencies	1,000
	TOTAL STAGE II	\$ 7,500
Stage III	Diamond Drilling 2000 l.f. @ \$10	\$20,000
	Provision, extras and contingencies	2,000
	TOTAL STAGE III	\$22,000"

II CROESUS AND TALTAPIN LAKE CLAIMS – No current consulting engineering report is available covering the Croesus and Taltapin Lake claims but work on the said claims has proceeded in accord with the recommendations contained in the report of W.M. Sharp, P.Eng., of December, 1966, which report is available in the public files of the British Columbia Securities Commission. Work done has included line-cutting, prospecting, geochemical and gophysical surveying, mapping, short hole diamond drilling and X-ray core diamond drilling.

III GRIBBELL ISLAND CLAIMS – A current consulting engineering report from W.M. Sharp, P.Eng., does not recommend any major work on the Gribbell Island claims at the present time and no such work is currently planned.

PLAN OF DISTRIBUTION

Pursuant to an Underwriting Agreement dated March 31st, 1969, West Coast Securities Ltd., 845 West Pender Street, Vancouver, British Columbia, has agreed to purchase the entire offering of 200,000 common shares at 25¢ each, payable on the date this Prospectus is accepted for filing by the British Columbia Securities Commission. West Coast Securities Ltd. and/or D.J. Hall & Company Ltd. will distribute the shares to the public at the market price prevailing from time to time, but in no case shall such price to the public be greater than 200% the Underwriting price.

The following persons have a greater than 5% interest in West Coast Securities Ltd. and D.J. Hall & Company Ltd. respectively:

West Coast Securities Ltd.

Shareholder	Shares Held	Percentage of Issued Shares
James McKissock 2135 Argyle Street Vancouver, B.C.	700 Common Shares 24,300 Preferred Shares	70% 70%
James D. Thomas 2088 Westdean Crescent Vancouver, B.C.	300 Common Shares 14,700 Preferred Shares	30% 30%

D. J. Hall & Company Ltd.

Shareholder	Shares Held	Percentage of Issued Shares
Douglas J. Hall 6070 Blenheim Street Vancouver, B.C.	100 Common Shares (98 of Record)	100%

USE OF PROCEEDS TO ISSUER

The net proceeds to be derived from the sale of shares will be not less than \$50,000.00, less legal, audit and printing expenses.

The net proceeds will be used to pay the costs of the proposed programme recommended by W.M. Sharp, P.Eng., referred to under the heading "BUSINESS AND PROPERTY", in the following manner as funds permit:

Stage I	\$ 6,000.00
Stage II	7,500.00
Stage III	22,000.00
	<u>\$35,500.00</u>

In addition, the proceeds of this distribution will be used, in part, to retire current liabilities of the Company in the amount of approximately \$15,000.00, which liabilities were incurred for miscellaneous exploration and field expenses, consulting fees and administrative expenses.

Excess monies 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 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. Monies in the Company's treasury will not be used to invest, underwrite, or trade in securities other than those that qualify as investments in which life insurance companies may, under the laws of Canada, invest their funds. Should the Company propose to use monies in its treasury to acquire securities other than as

aforementioned after primary distribution of the securities offered by this Prospectus has ceased, approval of the shareholders will be obtained and disclosure will be made to the regulatory authorities having jurisdiction over the sale of the shares 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 amendment thereto.

SHARE CAPITAL STRUCTURE

Designation of Security	Amount authorized by Memorandum of Association	Amount Outstanding as of date of Balance Sheet contained herein (within 30 days of the date hereof)	Amount to be Outstanding after Underwriting
Capital Stock Par Value 50¢	3,000,000 (\$1,500,000)	1,314,349	1,514,349

CASH SHARES:

The following cash shares were issued by the Company for cash while it was a Private Company and no commissions were paid by the Company on the sale of the said shares:

Number of Shares	Price	Cash Received
100,000	10¢	\$10,000
100,000	20¢	\$20,000
50,000	30¢	\$15,000
		<u>\$45,000</u>

The following shares were issued by the Company for cash by sale to the public pursuant to the terms of a prospectus dated April 10th, 1967, and amended by a supplementary prospectus dated June 15th, 1967, which sales are further referred to under the heading "PRIOR SALES".

Number of Shares	Price	Cash Received
18,500	30¢	\$ 5,550
72,050	35¢	\$25,217.50

PRIOR SALES

By a prospectus dated April 10th, 1967, 350,000 of the Company's shares were offered for sale to the public at a price of 60¢ per share thereon and by an amendment dated June 15th, 1967, to that prospectus, the number of shares to be offered for sale was increased to 600,000 shares and the price per share was reduced to 35¢, allowing a maximum selling commission thereon of 5¢ per share.

Prior to the expiration of the said amended prospectus, 18,500 shares were sold for 30¢ and 72,050 shares were sold for 35¢. Over the past 12 months the price range on the Over-the-Counter market for the Company's shares has been approximately 17¢ to 55¢.

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 British Columbia Companies Act. 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, provided however that they represent by proxy not less than one-half 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 a second or deciding vote. There are no conversion rights and there are no special liquidation rights, pre-emptive rights or subscription rights. The presently outstanding capital stock is not subject to any call or assessment and the shares offered thereby, when issued and sold as described in this prospectus, will not be subject to any call or assessment. Certificates representing 750,000 issued shares of the Company are held in escrow as referred to under the section headed "ESCROWED SHARES".

DIVIDENDS

No dividends have been paid to date by the Company.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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

- (a) a purchaser has a right to rescind a contract for the purchase of 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 such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

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

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>
Richard H. Bates Box 580 Terrace, B.C.	President and Director
Douglas Chappell 1004, 11025-82nd Avenue Edmonton, Alberta	Director
Daniel W. Small 2 Halss Crescent Vancouver, B.C.	Secretary-Treasury and Director
J. Fred Weber Box 1540 Terrace, B.C.	Director
Robert F. Bates 4823 Lazelle Avenue Terrace, B.C.	Director

Since 1966, Richard H. Bates has been the Company's Mining Manager. For the balance of the five years preceding the date of this prospectus, Mr. Bates was self employed as an independent prospector in the Smithers-Terrace area.

Since 1968, Douglas Chappell has been a Sales Representative for the DeHavilland Corporation, in Edmonton, Alberta. For the balance of the five years preceding this prospectus, Mr. Chappell was a pilot for and General Manager of Trans Provincial Air Carriers Ltd. in Terrace, British Columbia.

Since 1966, Daniel W. Small has been a partner in the law firm of MacLeod & Small, in Vancouver. For the balance of the five years preceding the date of this prospectus, Mr. Small was a lawyer with the firms of Clark, Wilson & Co., and Griffiths-McLelland & Co., both in Vancouver.

For the five years preceding the date of this prospectus, J. Fred Weber has been President and Managing Director of the radio and television service in Terrace.

For the five years preceding the date of this prospectus, Robert F. Bates has been employed as a Works Supervisor by the District of Terrace, in Terrace.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

The sum of \$16,125.00 was paid to the Company's President from the date of the incorporation of the Company to the date of the financial statements forming part hereof for managing exploration and development programmes on the Company's properties. Of this sum, the sum of \$4,125.00 was paid in cash and the balance was settled by the acceptance by the President of 40,000 shares of the Company's capital stock issued at 30¢ per share. No additional remuneration has been paid since the aforesaid date.

ESCROWED SHARES

At the present time, certificates representing 750,000 shares referred to below are held in escrow by Montreal Trust Company, 466 Howe Street, Vancouver, B.C., subject to release, transfer or other alienation only with the written consent of the British Columbia Securities Commission.

<u>Capital Stock</u>	<u>Number of Shares Held in Escrow</u>	<u>Percentage of Class</u>
Par Value 50¢	750,000	49.53%

The percentage is calculated on the basis of there being 1,514,349 shares issued and outstanding following the sale of this offering.

PROMOTERS

Richard H. Bates and Daniel W. Small are the promoters of the Company by virtue of the statutory definition of "Promoters" contained in Section 2 (1) of the Securities Act, 1967.

Particulars of the status of Richard H. Bates and Daniel W. Small as Vendors of certain of the Hope Claims are shown under the section headed "BUSINESS AND PROPERTY" and the said Vendors are to receive 100,000 shares of the Company's capital stock in consideration therefor. Richard H. Bates is also to receive 15¢ for each ton of ore produced from the said mineral claims. The said shares are to be allotted at the par value of 50¢ per share or for a total of \$50,000.00 which amount does not necessarily bear any correlation whatever to the actual worth of the property which was originally acquired by the Vendors at an approximate cost of \$8,000.00. The shares are to be issued in consideration for the said Vendors transferring all their right, title and interest in and to the mineral claims hereinbefore described and the price of 50¢ per share was arbitrarily set by the Directors of the Company.

Particulars of the status of Richard H. Bates and Daniel W. Small as Vendors of certain of the Croesus and Taltapin Lake claims are shown under the section headed "BUSINESS AND PROPERTY" and the said Vendors received 650,000 shares of the Company's capital stock in consideration therefor. These shares were allotted at the par value of 50¢ per share or for a total of \$325,000.00, which amount does not necessarily bear any correlation whatever to the actual worth of the property which was originally acquired by the Vendors at an approximate cost of \$3,000.00. The shares were issued in consideration for the said Vendors transferring all their right, title and interest in and to the aforesaid mineral claims and the price of 50¢ per share was arbitrarily set by the Directors of the Company.

PRINCIPAL HOLDERS OF SHARES

Set forth hereunder are the particulars of the present principal holders of shares in the Company calculated as of March 28th, 1969, that is to say within 30 days prior to the date of this Prospectus:

<u>Name and Address</u>	<u>Class of Security</u>	<u>Type of Ownership</u>	<u>No. of Shares Owned</u>	<u>Percentage of Class</u>
Richard H. Bates Box 580, Terrace, B.C.	Capital Stock, Par Value 50¢ per share	Of Record and Beneficial	321,000	21.20%

The foregoing and the following percentages are calculated on the basis of their being 1,514,349 shares issued and outstanding following the sale of this offering.

The following shares are beneficially owned by the Directors and Officers of the Company as a group.

<u>Designation of Class</u>	<u>Percentage of Class</u>
Capital Stock Par Value 50¢ per share	30.44%

Principal holders of shares, including the Directors and Officers of the Company, may from time to time offer their shares for sale to the public at prices prevailing at the date of such sales, if any, and the proceeds from such sales shall accrue to the benefit of the owners thereof and not to the treasury of the Company.

INTEREST OF MANAGEMENT

Reference is hereby made to the sections headed "BUSINESS AND PROPERTY" and "PROMOTERS" for particulars concerning the acquisition of properties from Richard H. Bates, Daniel W. Small, and John J. Brown. Copies of the Agreements covering such acquisitions 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.

AUDITORS

The auditors of the Company are Dunwoody & Company, Suite 660 – 505 Burrard Street, Vancouver 1, British Columbia.

THERE ARE NO OTHER MATERIAL FACTS OR MATERIAL CONTRACTS.

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 9th day of April, 1969.

"RICHARD H. BATES"

"DOUGLAS CHAPPELL"

"DANIEL W. SMALL"

"J. FRED WEBER"

"ROBERT F. BATES"

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 prospectus as required by Part VII of the Securities Act, 1967, and the regulations thereunder.

DATED this 9th day of April, 1969.

D. J. HALL & COMPANY LTD.

WEST COAST SECURITIES LTD.

"D.J. HALL"

President

"W.R. BULLER"

"J. THOMAS"

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

BALANCE SHEET
AS AT 31 MARCH 1969

	1969	1968
CURRENT ASSETS		
Cash in bank	\$ 1,051	\$ 1,576
MINING EQUIPMENT – at cost	\$8,548	
Less – accumulated depreciation	<u>3,924</u>	<u>6,562</u>
MINING CLAIMS AND PROPERTIES		
– at cost – Note 1	411,506	397,967
EXPLORATION AND DEVELOPMENT COSTS	124,287	84,534
ORGANIZATION EXPENSE	<u>1,068</u>	<u>1,068</u>
	<u>\$542,536</u>	<u>\$491,707</u>
CURRENT LIABILITIES		
Accounts payable	3,393	1,173
Demand loans	<u>11,600</u>	<u>–</u>
	14,993	1,173
SHAREHOLDERS' EQUITY		
Share capital – Note 2		
Authorized		
3,000,000 shares with a par value of 50¢ each	\$1,500,000	
Issued and fully paid	<u>541,378</u>	<u>490,534</u>
1,314,349 shares – Note 2		
Deficit – cost of mineral claims abandoned	<u>13,835</u>	<u>–</u>
	527,543	–
Contingent Liability – see Note 1 re commitment to issue 50,000 shares on 18 April 1969 for acquisition of mineral claims.	<u>\$542,536</u>	<u>\$491,707</u>

APPROVED ON BEHALF OF THE BOARD:

“RICHARD H. BATES” Director
“D. W. SMALL” Director

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

STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT
AND OTHER EXPENDITURES
FOR THE PERIOD FROM INCORPORATION, 28 JANUARY 1966 TO 31 MARCH 1969

	Period ended 31 Mar. 1967	Year ended 31 Mar. 1968	Year ended 31 Mar. 1969	Total to date
EXPLORATION COSTS				
Assay expense	\$ 248	\$ 27	\$ 408	\$ 683
Engineering and consulting	2,754	997	1,157	4,908
Equipment rental and repairs	8,654	9,628	2,597	20,879
Explosives	924	26	–	950
Exploration, drilling and field camp	5,671	9,645	11,910	27,226
Recording and assessment	794	999	36	1,829
Transportation	683	1,019	1,657	3,359
Line cutting		1,502	–	1,502
Wages, supervision and employee benefits	14,196	10,500	11,903	36,599
Depreciation on equipment	515	1,471	1,938	3,924
	<u>34,439</u>	<u>35,814</u>	<u>31,606</u>	<u>101,859</u>
ADMINISTRATION				
Head office administration	1,265	4,870	2,346	8,481
Legal expense	1,191	5,614	5,325	12,130
Printing and office	1,005	336	476	1,817
	<u>3,461</u>	<u>10,820</u>	<u>8,147</u>	<u>22,428</u>
	<u>\$37,900</u>	<u>\$46,634</u>	<u>\$39,753</u>	<u>\$124,287</u>

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

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE PERIOD FROM INCORPORATION, 28 JANUARY 1966 TO 31 MARCH 1969

	Period ended 31 Mar. 1967	Year ended 31 Mar. 1968	Year ended 31 Mar. 1969
FUNDS PROVIDED			
Issue of shares	\$520,000	\$79,152	\$58,022
Less – discounts allowed	80,000	28,618	7,178
	<u>\$440,000</u>	<u>50,534</u>	<u>50,844</u>
FUNDS APPLIED			
Mining equipment purchased	3,273	5,275	–
Option payments on mining claims		2,100	2,200
Mining properties	395,867	–	25,174
Exploration and development – less depreciation	37,385	45,163	37,815
Organization expense	1,068		
	<u>437,593</u>	<u>52,538</u>	<u>65,189</u>
INCREASE OR (DECREASE) IN WORKING CAPITAL	<u>2,407</u>	<u>(2,004)</u>	<u>(14,345)</u>
WORKING CAPITAL BEGINNING OF YEAR	<u>–</u>	<u>2,407</u>	<u>403</u>
WORKING CAPITAL (DEFICIENCY END OF YEAR	<u>\$ 2,407</u>	<u>\$ 403</u>	<u>(\$13,942)</u>

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

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 1969

NOTE 1 – MINING CLAIMS AND PROPERTIES, at cost:

To date, the company has acquired mineral claims and properties in British Columbia for the following considerations:–

(a) 820,000 shares of capital stock issued at par value of 50¢ each (750,000 shares held in escrow)	\$410,000
(b) cash payments for staking and registering claims for the company	506
(c) cash payments on options to purchase mining claims	1,000
	<u>\$411,506</u>

During the year ended 31 March 1969, the company allowed one hundred and seven mineral claims to lapse. These claims were acquired at costs of staking and registration by the company. In addition, the company abandoned 10 mineral claims which it had acquired by the issuance of 20,000 shares from the treasury.

The company executed an agreement during the year to purchase two mineral claims in the Skeena Mining Division of British Columbia from two directors of the Company, for a consideration of 100,000 treasury shares. Approval was obtained from the British Columbia Securities Commission to issue 50,000 free shares in October 1968 and a further 50,000 shares on 18 April 1969 provided that should the company abandon the property in the meantime then the liability for the balance of shares would be cancelled.

On 21 March 1969 the company executed an option to purchase five mineral claims in the Skeena Mining Division of British Columbia for the sum of \$15,000 cash, with \$1,000 paid to 31 March 1969.

NOTE 2 – SHARE CAPITAL

Capital stock has been issued for the following consideration:–

	No. of Shares	Par Value	Net Discount	Net
For cash	\$ 340,550	\$170,275	\$ 94,507	\$ 75,768
For mining properties and claims	840,000	420,000	–	420,000
In settlement of liabilities	133,799	66,899	21,289	45,610
	<u>\$1,314,349</u>	<u>\$657,174</u>	<u>\$115,796</u>	<u>\$541,378</u>

Of shares issued for mining properties and claims, 20,000 relate to claims subsequently abandoned. These shares were valued at 50¢ per share.

During the year ended 31 March 1969, 18,000 shares were issued for cash at 35¢ each, netting the

company \$6,300; 48,044 shares were issued in settlement of liabilities amounting to \$19,544; 50,000 shares were issued to acquire mineral claims, being recorded at par value of \$25,000.

The company executed an underwriting agreement dated 31 March 1969 for the sale of 200,000 shares at 25¢ each, to net the company \$50,000, payable upon acceptance by the British Columbia Securities Commission of a prospectus relating to the said underwriting.

AUDITORS' REPORT

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

We have examined the balance sheet of Kleanza Mines Ltd. (N.P.L.) as at 31 March 1969, and the statements of deferred exploration, development and other expenditures and source and application of funds for the period from incorporation, 28 January 1966 to 31 March 1967 and the years ended 31 March 1968 and 1969. 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 31 March 1969 and the results of its operations and source and application of its funds for the period then ended, in accordance with generally accepted accounting principles applied on a basis consistent for the reporting period.

“DUNWOODY & COMPANY”

Chartered Accountants.

16 April 1969