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.

> N RECEIVED AUG 11 1978 SUPERINTENDENT OF BROKERS

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QUINSTAR OIL CORPORATION

8-784 Thurlow Street Vancouver, B. C. V6E 1V9

PROSPECTUS

250,000 shares without par value

Price to Public		Commissions	if all shares are sold	
Per Unit	15¢	3.75¢	11.25¢ 2105180A	
Total	\$37,500	\$9,375	\$28,125*	

* less the cost of issue estimated to be \$5,000

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION AS THE COMPANY'S MINING PROP-ERTIES ARE STILL ONLY IN THE EXPLORATION STAGE.

THERE IS NO MARKET FOR THE SHARES OF THE COMPANY.

THIS ISSUE IS SUBJECT TO A MINIMUM SUBSCRIPTION BASED ON THE TOTAL OFFERING (SEE ITEM "PLAN OF DISTRIBUTION" PAGE 1). FOR DETAILS OF THE MINIMUM SUBSCRIPTION SEE PAGE 8.

NO SURVEY OF ANY PROPERTY OR PROPERTY INTEREST HELD BY THE COMPANY HAS BEEN MADE AND, THEREFORE, IN ACCORDANCE WITH THE MINING LAWS OF THE APPROPRIATE JURISDICTION IN WHICH THE PROPERTIES ARE SITUATE, THE EXISTENCE OF AND THE AREA OF THE PROPERTIES COULD BE IN DOUBT.

THE SHARES OFFERED BY THIS PROSPECTUS REPRESENT 17.84% THE TOTAL NUMBER OF SHARES TO BE ISSUED AND OUTSTANDING UPON COMPLETION OF THIS OFFERING AND THE SHARES ISSUED TO PROMOTERS, DIRECTORS AND OTHER INSIDERS FOR CASH AND PROPERTIES REPRESENT 53.53% OF THE TOTAL NUMBER OF SHARES TO BE ISSUED AND OUTSTANDING UPON COMPLETION OF THIS OFFERING.

THE COMPANY'S PROPERTIES ARE WITHOUT A KNOWN BODY OF COMMERCIAL ORE AND THE PROPOSED PROGRAM IS AN EXPLORATORY SEARCH FOR ORE.

THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES IN THE PROVINCE OF BRITISH COLUMBIA ONLY.

DATED: JUNE 30, 1978

Engineer's Report and Addendum

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QUINSTAR OIL CORPORATION.

Prospectus

Index

Item		Page
Share Offering	Frontis	spiece
The Company		1
Plan of Distribution		1
Capitalization		1
Auditors		1
Registrar and Transfer Agent		2
Prior Sales		2
Business and Property Description and Access Acquisition History Work Done Plant or Equipment		2 - 5 3 & 4 3 & 4 3 - 5 3 & 5 3 & 5
Preliminary Expenses	•	5
Use of Proceeds		5 - 7
Minimum Subscription		7
Promoters		7
Directors and Officers		8
Remuneration of Directors and Senior Offi	.cers	9
Escrowed Shares		9
Principal Holders of Securities		10
Interest of Management and Others in Material Transactions		10
Material Contracts		10
Statutory Rights of Withdrawal and Rescission		10 - 11
Financial Statements		12 - 17
Engineer's Report and Addendum		18 - 34
Certificate		35

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The Company is the holder of an option to purchase the following reverted Crown Granted mineral claims:

3 -

<u>Claims</u>		1.1	• •	Lot Nos.	Expiry Dates
Bayview	No.	1	•	4182	June 8, 1979
Bayview	No.	2	,	4181	June 8, 1979

The Bayview Nos. 1 and 2 reverted Crown Granted mineral claims are situate on the Eastern slopes of the Bear River Ridge about $2\frac{1}{2}$ miles from the town of Stewart, B. C. Access is by pack trail from the main Bear River trunk road.

By an agreement dated June 8, 1977 between Larry R. W. Sostad of 837 Friar Crescent, North Vancouver, B. C. and the Company, the Company acquired an option to purchase the Bayview reverted Crown Granted mineral claims for \$5,000 payable to Larry R. W. Sostad, \$3,000 upon execution of the agreement (which has been paid) and \$2,000 on or before the expiration of two years from the date of the agreement.

The purchase price of the above claims was determined and approved by the board of directors.

Work Done

The Company has done no work on these claims and no part of the proceeds of this share offering will be spent thereon.

This property is without a known body of commercial ore. There is no underground or surface plant or equipment.

History

The 1925 Report of the Minister of Mines shows 9 tons of ore shipped from the Bayview containing 1,462 oz. of silver (162.4 oz/ton), 2,673 pounds of lead and 2,903 pounds of zinc.

In a report dated September 15, 1925 by B. W. W. McDougall, Mining Engineer, prepared for the Bayview Mining Company Limited, it is stated:

"Nearly 300 feet to the North of the area just described and likewise on Bayview No. 2 claim, - and at an elevation of about 4530 feet above sea level, is a vein striking in a North Easterly direction and dipping at an angle of about 20 degrees to the South East, or with the slope of the mountain. The slope of the mountain at this place is considerably steeper than 20 degrees and unless the vein rolls to assume a steeper dip farther down the slopes, the entire lower part of the vein below the exposure has undoubtedly been removed by erosion. The vein is not exposed above this open cut but it possibly exists for some distance farther up the mountain. The cut on the vein is about 50 feet in length. At the North East end the vein narrows down to an insignificant width, it has not yet been trace farther to the North East. The central portion of the cut shows massive lead and zinc sulphides about two feet in thickness with an additional width of about two feet of quartz and more disseminated sulphide mineralization underlaying the heavier sulphide portion. The crystallization is very coarse and the sulphides assay high in silver. The vein has not yet been opened up or traced much beyond the South West end of the open cut.

Ore was being sacked for shipment from this open cut during the latter days of August, 1925. Two grab samples from the tops of the ore filled sacks assayed as follows:

80 sacksOz. Au. 0.80Oz. Ag. 204.1% Pb. 21.5100 sacks"1.00"224.5"

Three samples taken from this open cut assayed as follows:

No.	Elevation	Width	Oz. Au.	Oz. Ag.	% Pb.	<u>% Zn.</u>
19	4530'	24"	0.02	224.5	16.6	14.7
	4530'	24"	0.06	253 . 2	20.3	20.2
21	4530'	6"	0.02	111.0	14.5	27.7

The principal minerals noted are galena and sphalerite, - a number of other ore minerals are also present in minor amounts. Sufficient work has not yet been done to determine the full significance of this showing."

NO PART OF THE PROCEEDS OF THIS SHARE OFFERING WILL BE SPENT ON THE BAYVIEW CLAIMS.

Province of British Columbia Vancouver Mining Division

The Company is the recorded and beneficial owner of the following located mineral claim:

Claim	Re	cord Number	Expiry Date
Quinstar	(20 units)	174	June 3, 1979

The Quinstar claim is about 5 kilometres northeast of Pender Harbour and 1,000 metres south of Mt. Halliwell, on Highway 101, Sechelt Inlet, New Westminster Land District, Vancouver Mining Division, B. C. Access is by main paved highway north from Pender Harbour to the claim group and to other areas on the claim by numerous logging roads and trails.

By an agreement dated February 17, 1978 between Larry R. W. Sostad of 837 Friar Crescent, North Vancouver, B. C. and the Company, the Company purchased the Quinstar claim for \$3,000 and 750,000 shares in its capital stock. The agreement provided that the sum of \$3,000 was payable to Larry R. W. Sostad and the 750,000 shares were issuable 100,000 to John S. Brock, 30,000 to Alexander Stronach and 620,000 to F. Vivian Wong, the latter three persons being directors and promoters of the Company. Other than the division of the 750,000 shares as set forth above, no person is to receive a greater than 5% interest in the consideration received from the Company. The cost of acquisition of the Quinstar claim was approximately \$2,000.

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The purchase price of the Quinstar claim was determined and approved by the board of directors.

Work Done

Prospecting and geological mapping by John P. McGoran and assisted by Larry Sostad at an approximate cost of \$800.

This property is without a known body of commercial ore. There is no underground or surface plant or equipment.

History

In 1971 shallow test pitting had exposed molybdenite, filling fractures in granodiorite. This showing was said to have been diamond drilled and is located on Claims Day 7 and 8, but no evidence of the drilling was found.

A work programme over the area was carried out by Glen E. White, Geophysical Consulting and Services Ltd. Work was performed between July 9 and 20, 1972 and reported on on August 11, 1972. The report describes a geochemical survey which White and four assistants made on the property of Cone Mountain Mines Ltd. near Pender Harbour, B. C. The survey located several definite anomalies of molybdenum, copper and zinc and further exploration work in the area was recommended. Part of the Cone Mountain property is now included in the Quinstar mineral claim.

PRELIMINARY EXPENSES

Preliminary expenses since incorporation of the Company on April 6, 1977 for administrative and development matters have been \$10,248 and \$7,554 respectively. It is not expected that any further expenditures will be made for preliminary expenses.

USE OF PROCEEDS

The Company plans to carry out the recommendations of Edward O. Chisholm, P.Eng., contained in his report dated June 25, 1977 on the Quinstar claims, a copy of which is attached hereto and forms part of this prospectus. The recommendations are as follows:

Cost Estimate	
Diamond Drilling 500 feet @ \$13/foot \$	6,500
Percussion Drilling 1,000 feet @ \$8/foot	8,000
Engineering wages plus 30%	5,850
Contingencies, assays, etc.	4,650
	25,000
Additional expenditures contemplated are:	
Costs of this issue, including legal, audit and printing	5,000
and the second	

- Vancouver Curb Exchange listing application fee 2,000
- Administration including 6 months
management fees of \$4,500 (6 x \$750)9,000General corporate purposes2,892

\$ 43,892

Sale of shares Funds on hand	\$ 28,125
	\$ 43,892

Note: The reserve for the listing fee of \$2,000 will be lodged with and held by Yorkshire Trust Company.

The proceeds from the sale of shares offered by this prospectus are intended to be used for the purposes set forth above and in carrying out the above program of work and the Company will not discontinue or depart from the recommended program of work unless advised in writing by its, consulting engineer to do so. Should the Company contemplate any such change or departure, notice thereof will be given to all shareholders.

- 6 -

GEOLOGICAL REPORT

ON

13

18 -

QUINSTAR CLAIM OF QUINSTAR OIL CORPORATION PENDER HARBOR AREA

BRITISH COLUMBIA

49[°]42' N Latitude 123[°]58' W Longitude

NTS 92G/12W Topographic Map 1" - 50,000 SECHELT INLET, NEW WESTMINSTER LAND DISTRICT OF THE VANCOUVER MINING DISTRICT

ΒY

EDWARD O. CHISHOLM, P. ENG.

June 25, 1977

E. O. CHISHOLM, M.A., P.ENG.-CONSULTING GEOLOGIST

QUINSTAR OIL CORPORATION

- 17 -

(Incorporated April 6, 1977)

NOTES TO FINANCIAL STATEMENTS

FEBRUARY 28, 1978

1. MINERAL PROPERTIES

Mineral properties owned or under option as at February 28, 1978 consisted of:-

 (a) One (1) located mineral claim, consisting of (20) units, in the Vancouver Mining Division, Province of British Columbia (owned) (more particularly known as Quinstar) acquired for the following consideration:

(i) Cash

\$3,000

7,500

(ii) 750,000 shares issued at a deemed price of l¢ each

\$10,500

(b) Two (2) Crown Granted Mineral Claims in the Skeena Mining Division, Province of British Columbia (optioned) (more particularly known as Bayview No. 1 and Bayview No. 2) acquired for \$5,000 of which \$3,000 has been paid and \$2,000 is due on or before June 9, 1979

3,000

\$13,500

Mining claims are recorded at cost and do not purport to represent present or future value.

2. <u>REMUNERATION OF DIRECTORS AND OFFICERS</u>

No direct remuneration has been paid or is payable to directors and officers of the Company during the period in either capacity as directors, officers or employees, however, \$10,350 has been paid to a director for managerial and professional consulting services.

3. SHARE CAPITAL

Of the 1,151,002 shares issued 750,000 are held in escrow subject to the order of the British Columbia Securities Commission.

4. <u>SIGNIFICANT ACCOUNTING POLICY</u>

The deferred exploration and administrative expenses are included as deferred until such time as they can be offset against income from mineral properties or cleared to deficit account if the properties are abandoned.

TABLE OF CONTENTS

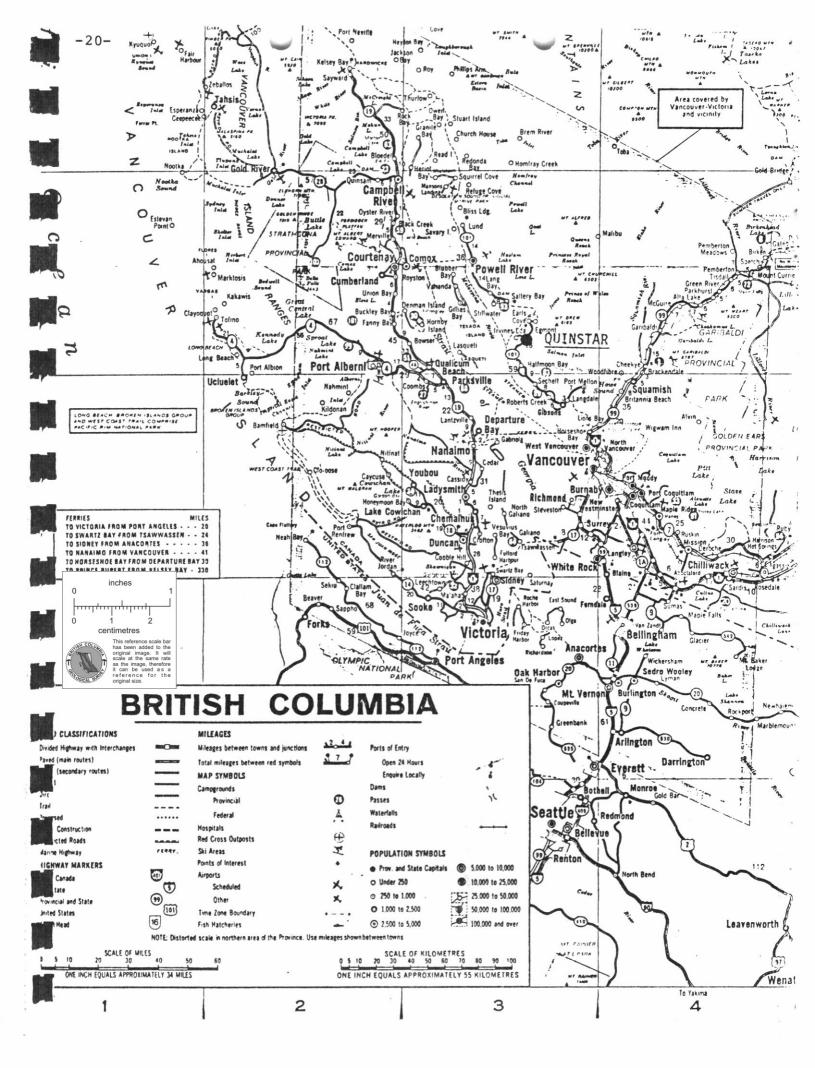
- 19 -

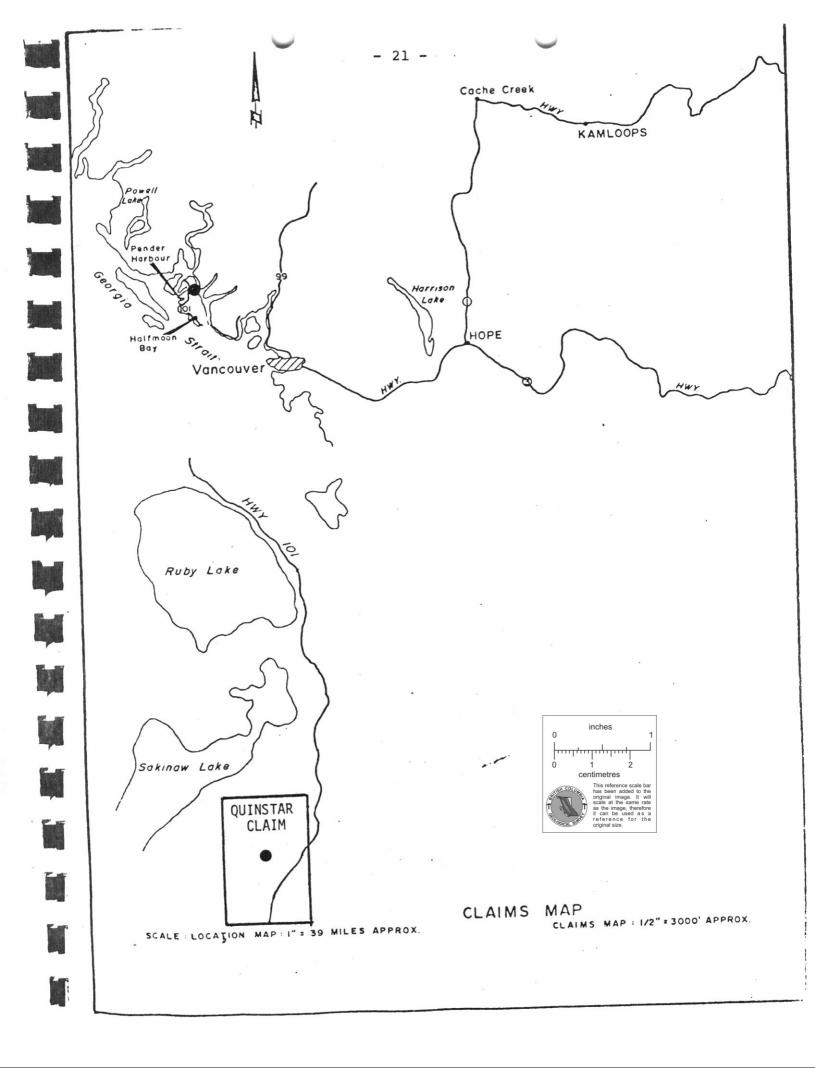
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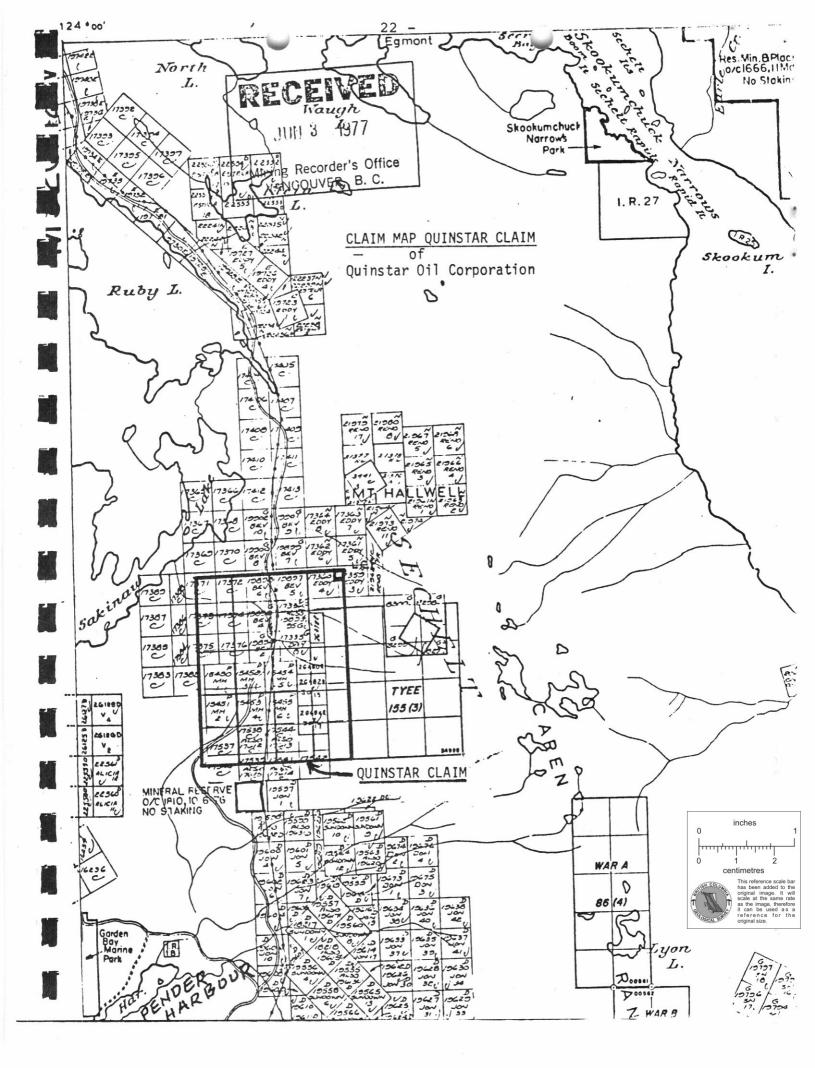
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	Page
SUMMARY	23
INFORMATION	23
PROPERTY	24
ACCESS	25
TOPOGRAPHY	25
WORK DONE IN 1971	26.
RESULTS OF GEOCHEMICAL SURVEY	27
DISCUSSION OF RESULTS	29
RECOMMENDATIONS & CONCLUSIONS	30
COST ESTIMATE	31
LIST OF REFERENCES	32
CERTIFICATE	33

E. O. CHISHOLM, M.A., P.ENG CONSULTING GEOLOGIST







SUMMARY

16 M

The Quinstar claim of 20 units recently staked covers the location of a former surface discovery of scattered molybdenite and chalcopyrite in an 80 feet wide shear zone in granodiorite located on Highway 101 some 8 miles north of Pender Harbour, B.C. A few shallow rock trenches on the road cut exposed the zone across a width of 80 feet. The immediate area is heavily wooded and covered with shallow overburden. Geochemical survey work previously carried out by former owners showed an anomalous zone some 2,000 feet long and 500feet wide overlying the zone of exposed mineralization. The geological association of scattered molybdenum and chalcopyrite in altered and fractured granodiorite rocks of the Coast Range batholith warrants further investigation of the anomalous area and a programme of diamond and percussion drilling is recommended at an estimated cost of \$25,000.00.

- 23 -

INFORMATION

The following report is compiled from information obtained by the writer during an examination of the property on June 13th, 1977 accompanied by Larry R.W. Sostad, prospector of Vancouver, B.C., who staked the claims in June, . 1977. Other information was obtained from the assessment work files of the B.C. Department of Mines, Vancouver, B.C. and private reports and government reports on previous work on file with the company.

The purpose of the examination was to assess the possible mineral potential of the property and to recommend

E. O. CHISHOLM. M.A. P.ENG.

a preliminary exploration programme.

An initial work programme has been recommended and additional work will depend on its outcome.

24

PROPERTY

The property consists of one claim comprising 20 units recently staked by L.R.W. Sostad of Vancouver and recorded June 3, 1977 at the Vancouver office of the B.C. Department of Mines.

<u>Claim Name</u>	No. of Units	Expiry Date
Quinstar Claim	20	June 3, 1978

OWNERSHIP OF CLAIM

The Quinstar Claim is held by Quinstar Oil Corporation of Vancouver, British Columbia.

LOCATION

Latitude 49° 42' North Longitude 123° 58' West Vancouver Mining Division British Columbia Claim Map M92G/12W Sechelt Inlet, New Westminster Land District on Highway 101, 5 kilometres NE of Pender Harbour, B.C. and 1,000 metres south of Mt. Halliwell. Geological Map 42-1963 Topographical Map NTS 92G/12W 1:50,000

E. O. CHISHOLM, M.A., P.ENG

By main paved highway north from Pender Harbour to claim group. Access to other areas on claim by numerous logging roads and trails.

- 25 -

TOPOGRAPHY

The claim covers in part an area on the NW flank of the Caren Range and extends along the Highway 101 towards Ruby Lake. The claim along the highway is at elevations from 100 to 800 feet.

The underbrush is generally dense like all southern coastal areas. The low-lying claims generally are covered with deep overburden whereas the flanks and steeper sections expose large areas of rock outcrops and precipitous cliffs.

GENERAL GEOLOGY

Bulletin 39 of the B.C. Department of Mines shows the Sechelt Peninsula as part of the main batholithic mass of the Coast Range and consists mainly of quartz diorite, all of Jurassic age.

Entrapped in these batholithic masses are found sediments of an older but of unknown age and consist of basalt, andesites, limestone, dolometic limestones, cherts and argillites. The above sediments have been enfolded and usually appear as canoe shaped bodies having a north, northwesterly trend and steep dips. They have a large strike length and moderate widths. The depth that these sedimentary bodies extend to is not known. These sedimentary bodies are referred to as roof pendants. The Cambrian Chieftain property described by W.R. Bacon in Bulletin 39 describes the mineral showings as:

- 26 -

" chalcopyrite, pyrite, magnetite and sphalerite as fracture fillings in a typical skarn zone environment."

The above combinations of sediments and intrusives are favourable loci for the development of important ore bodies.

WORK DONE IN 1971

During my examination of the property on June 13, 1977, I visited an area where shallow test pitting had exposed molybdenite, filling fractures in granodiorite. This showing was said to have been diamond drilled and is located on Claims Day 7 and 8, but no evidence of the drilling was found.

Time did not permit me locating the claim posts on this particular visit.

A work programme over the area was carried out by Glen E. White, Geophysical Consulting and Services, Ltd. Work was performed between July 9 and 20, 1972 and reported on August 11, 1972.

O. CHISHOLM. M.A., P.ENG

- 27 -

RESULTS OF GEOCHEMICAL SURVEY

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A geochemical survey was made on the following claims:

 Bev
 1 - 4
 4

 Day
 7 - 10
 4

 Eddy
 1 - 8
 8

 John
 1 - 12
 12

 28

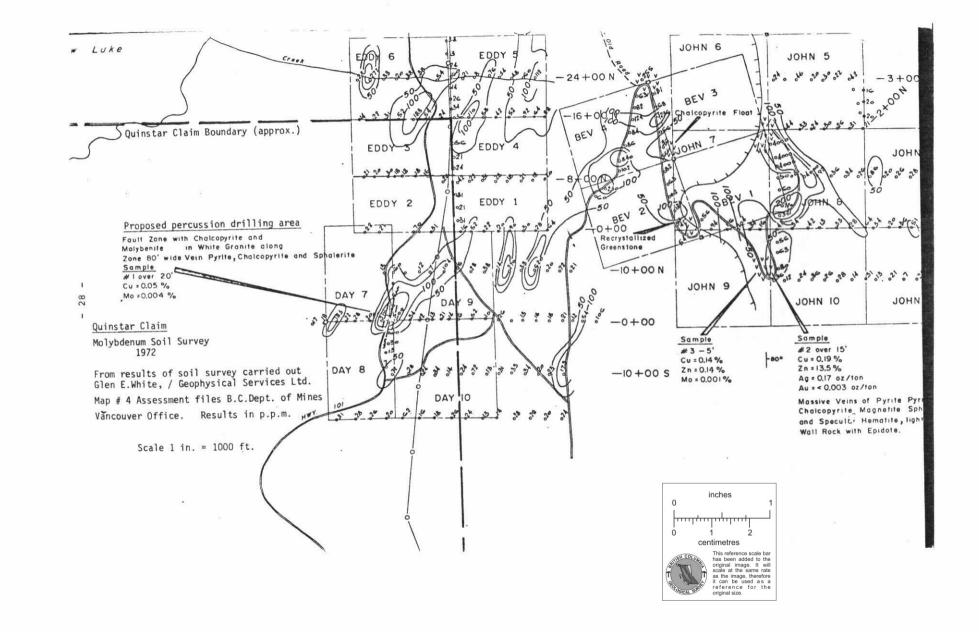
The claim staking lines were used as base lines and grid lines at 800' spacing were turned off the base lines at right angles using chain and compass survey method. Soil samples were taken of the "B" horizon with the use of augers at 200' intervals. A base map was prepared from the chain and compass survey aided by air photos of the area. The soil samples were analysed by the atomic absorption method for copper, molybdenum and zinc.

> Soil samples taken 450 Rock chip samples taken 3

Three base maps were prepared that outline the areal extent and intensity of each element analysed for i.e. copper, molybdenum and zinc.

The copper and zinc trends show a very strong lineation conforming to the roof pendant outlines, whereas the molybdenum response was much less intense and conforms to a major north-south fracture and fault system. The copper

O. CHISHOLM, M.A.



response was strong in the vicinity of the Bev, John, Eddy and Day claim areas. 1.

The zinc anomalies correspond very much to those of the copper trends and appear to be closely related genetically.

DISCUSSION OF RESULTS

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The geology noted on the property confirms that the Quinstar claim is underlain by the Jarvis group as depicted by W.R. Bacon on his Geological Map of Lower Jervis Inlet, 1957.

A copper-molybdenum showing is located near the common claim post for old mineral claims Day 7-10 or new covered by Quinstar Unit No. 3. This showing appears to be controlled by a N - S fault along which quartz enriched solutions have altered the diorite removing the ferro-magnesium minerals and depositing minor chalcopyrite and molybdenum mineralization.

The mineralization located by the writer consists of chrysacolla and "copper pitch", a black manganiferous variety containing copper oxides, which form flat coatings on the slip planes of joints and shears in the altered granite. Sparse chalcopyrite and fine molybdenite was noted in some narrow quartz veinlets. The alteration and secondary minerals indicates considerable surface leaching.

O. CHISHOLM. M.A., P.ENG

Glen W. White reports in part on assessment work, File #3757, B.C. Department of Mines, Vancouver, as follows:

" The molybdenum geochemical data, Figure 4, reaches a high of 110 p.p.m. molybdenum in this area. A possible continuation of this zone is shown by the high molybdenum values in Eddy 2, 3 and 6 mineral claims. A high of 35 p.p.m. molybdenum occurs in mineral claim John 8 where it is associated with high copper values of the Cambrian Chieftain showing. "

RECOMMENDATIONS & CONCLUSIONS

The Quinstar molybdenum copper occurrence is coincident with a substantial molybdenum anomaly that has not been explained by work carried out to date. The geological setting is favorable for the occurrence of a molybdenum/copper deposit and should be tested by drilling and sampling to a depth beneath the zone of leached surface rock.

A programme of two diamond drill holes spaced 100 feet apart angled across the mineralized zone to a depth of 250 feet, is recommended, followed by a series of vertical percussion holes at intervals along strike of the zone to a depth of 100 feet.

E. O. CHISHOLM, M.A., P.ENG.

- 30 -

COST ESTIMATE

Diamond Drilling 500 feet @ \$13.00/foot		\$ 6,500.00
Percussion Drilling 1,000 feet @ \$ 8.00/foot		8,000.00
Engineering wages plus 30%		5,850.00
Contingencies, assays, etc.		4,650.00
η	otal Cost	\$25.000.00

O. CHISHOLM, M.A., P.ENG. CONSULTING GEOLOGIST

- 31 -

Respect submitted,

Edward O. Chisholm, P.Eng. Vancouver, B.C. June 25, 1977

LIST OF REFERENCES

32 -

1. Bacon, W.R., 1957, Bulletin #39, B.C. Department of Mine

2. G.L. White, 9 July, 1972. Assessment work files, B.C. Department of Mines, Vancouver, B.C., on Geochemical Survey of Eddy 1-8 and Day 7-10, etc., Pender Harbour Area, B.C.

3. Douglas Parent, P.Eng., November 22, 1972, Vancouver, B.C. Property Examination Cone Mountain Mines Ltd.

> E. O. CHISHOLM. M.A., P.ENG.-CONSULTING GEOLOGIST

1.2.2.5

4. Larry R.W. Sostad, Prospector, North Vancouver. Personal communication.

CERTIFICATE

I, Edward O. Chisholm of the City of Vancouver in the Province of British Columbia, hereby certify that:

33 .

- 1) I am a geologist with offices at 821-602 West Hastings Street, Vancouver, B.C. V6B 1P2.
- 2) I am a graduate of the University of Toronto, Ontario, Master of Arts, 1945.
- 3) I am a member of the Professional Engineers of Ontario and British Columbia.
- I have no direct interest or indirect interest in either the property or securities of Quinstar Oil Corporation or its affiliates, nor do I expect to receive any such interest.
- 5) This report is based on an examination of the property on June 13, 1977, on unpublished reports provided by the optionees and published government reports of the British Columbia Department of Mines.

DATED AT VANCOUVER, BRITISH COLUMBIA THIS 25th DAY OF JUNE, 1977.

O. CHISHOLM, M.A., P.EN

EDWARD O. CHISHOLM, P.ENG.

E. O. CHISHOLM, M.A. P.ENG.

34 -

CONSULTING GEOLOGIST

RESIDENCE PHONE 731-5957 1349 WEST 32ND AVENUE VANCOUVER. B.C. V6H 2J4 BUSINESS PHONE (604) 682-2701 821-602 WEST HASTINGS STREET VANCOUVER. B.C. V6B 1P2

July 10, 1978

ADDENDUM

Geological Report on Quinstar Claim of Quinstar Oil Corporation, Pender Harbor Area, Vancouver M.D., by E.O. Chisholm, P.Eng., dated June 25, 1977

On June 26 and 27, 1977 geologist John P. McGoran, B.Sc. and prospector Larry R.W. Sostad prospected and mapped geology of part of the Quinstar mineral claim just north of Pender Harbour, B.C.

Metavolcanic and metasedimentary rocks of the Jervis Group occur near the east boundary of the claim. They contain one to ten percent pyrite and have a rusty surface. Most of the claim is underlain by medium grained hornblende diorite which shows chloritization of feldspars and hornblende.

The diorite is intruded by dykes and larger bodies of alaskite which has a rusty weathered surface but is almost white on fresh fracture. This appears to be a Tertiary intrusive rock.

Molybdenite, chalcopyrite, pyrite and pyrrhotite occur in quartz veins, in fractures and disseminated within the alaskite. The iron sulphides (pyrite and pyrrhotite) occur with the molybdenite and chalcopyrite in a ratio of 5:1.

A quartz vein at the main showing near paved Highway 101 is 4 to 5 inches wide and contains 2 to 5% molybdenite. This vein is crossed by a 2-inch quartz vein also containing molybdenite. McGoran has concluded that the deposit is a Tertiary intrusive with the aspects of a porphyry copper-molybdenum deposit.

The old base map used for the 1972 soil survey map prior to page 6 of my report of June 25, 1977 shows the east boundary of the Quinstar claim as being about 1,000 metres west of its actual position on the ground. The claim map prior to page 1 of my report shows the location of the claim more accurately.

Edward Chisholm, P.Eng.