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THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY MAY BE LAWFULLY OFFERED FOR SALE AND THEREIN ONLY BY PERMITTED TO SELL SUCH SECURITIES. NO SECURITIES COMMISSION OR SIMILAR AGENCY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HERETO. ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

PROSPECTUS

DL/DA

Marmot Claim Group

103P/13

103P

254,146, (102)

MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES
Rec'd JAN 15 1990
SMITHERS, B.C.

MONDANA VENTURES INC.
Incorporated under the laws of the Province of British Columbia
Suite 715, 675 West Hastings Street
Vancouver, British Columbia, V6B 1N2
(herein called the "Issuer")

NEW ISSUE

650,000 common shares at \$0.36 per share

	Price to Public (1)	Commission	Proceeds to Issuer (2)
Per Share.....	\$0.36	\$0.05	\$0.31
Total.....	\$234,000.00	\$32,500.00	\$201,500.00

- (1) The price of the Offering has been determined by the Issuer in negotiation with the Agent.
- (2) Before deduction of the balance of the expenses of this Offering estimated not to exceed \$20,000.

THERE IS NO MARKET THROUGH WHICH THESE SECURITIES MAY BE SOLD.

THE VANCOUVER STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED PURSUANT TO THIS PROSPECTUS. LISTING IS SUBJECT TO THE ISSUER FULFILLING ALL OF THE LISTING REQUIREMENTS OF THE VANCOUVER STOCK EXCHANGE ON OR BEFORE APRIL 10, 1990 INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

THIS OFFERING IS SUBJECT TO A MINIMUM SUBSCRIPTION FOR 650,000 SHARES BEING RECEIVED BY THE ISSUER WITHIN 180 DAYS OF THE EFFECTIVE DATE OF THIS PROSPECTUS. FURTHER PARTICULARS OF THE MINIMUM SUBSCRIPTION ARE DISCLOSED UNDER THE HEADING "PLAN OF DISTRIBUTION" HEREIN.

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED AS SPECULATION. THE PROPERTY IN WHICH THE ISSUER HAS AN INTEREST IS IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY AND IS WITHOUT A KNOWN BODY OF COMMERCIAL ORE. REFER TO "RISK FACTORS" HEREIN FOR FURTHER DETAILS.

ONE OR MORE OF THE DIRECTORS OF THE ISSUER MAY, FROM TIME TO TIME, HAVE AN INTEREST, DIRECT OR INDIRECT, IN OTHER NATURAL RESOURCE COMPANIES. REFER TO "CONFLICTS OF INTEREST" HEREIN FOR DETAILS OF THE PROPOSED CONFLICT RESOLUTION MECHANISM.

NO PERSON IS AUTHORIZED BY THE ISSUER TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE ISSUE AND SALE OF THE SECURITIES OFFERED.

UPON COMPLETION OF THIS OFFERING, THIS ISSUE WILL REPRESENT 32.72% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 42.10% THAT WILL THEN BE OWNED BY THE PROMOTERS, DIRECTORS, OFFICERS AND CONTROLLING PERSONS OF THE ISSUER AND BY UNDERWRITERS. REFER TO "PRINCIPAL HOLDERS OF SECURITIES" HEREIN FOR DETAILS OF SHARES HELD BY THE PROMOTERS, DIRECTORS, OFFICERS AND CONTROLLING PERSONS OF THE ISSUER AND REFER TO "OTHER MATERIAL FACTS" HEREIN FOR FURTHER DETAILS OF SHARES OWNED BY UNDERWRITERS.

WE, AS AGENT, CONDITIONALLY OFFER THESE SHARES SUBJECT TO PRIOR SALE, IF, AS AND WHEN ISSUED BY THE ISSUER AND ACCEPTED BY US, IN ACCORDANCE WITH THE CONDITIONS CONTAINED IN THE AGENCY AGREEMENT REFERRED TO UNDER "PLAN OF DISTRIBUTION" HEREIN.

AGENT

GEORGIA PACIFIC SECURITIES CORPORATION
16th Floor, 555 Burrard Street
Vancouver, British Columbia, V7X 1S6

Rec'd Dec. 18/89

DATED: September 28, 1989

EFFECTIVE DATE: October 12, 1989

SUMMARY OF PROSPECTUS

The following is a summary of the principal features of this Offering. More detailed information is contained in the body of the Prospectus:

- The Offering:** 650,000 common shares at price of \$0.36 per share through the facilities of the Vancouver Stock Exchange, with a minimum subscription of 650,000 common shares. The Agent will receive a commission of \$0.05 per share. Refer to "Plan of Distribution" herein for further details.
- Proceeds to the Issuer:** \$201,500.
- The Property:** The Issuer is the holder of an option to acquire a 100% interest in and to 3 modified grid system and 11 reverted Crown-granted mineral claims located in the Skeena Mining Division, of the Province of British Columbia, which comprise the "Marmot Claim Group".
- Use of Proceeds:** To complete the Stage I exploration program recommended on the Marmot Claim Group at an estimated cost of \$80,000 in accordance with the recommendations received from the Issuer's consulting engineers; to pay the \$22,000 required to keep the Issuer's Property Option in good standing to January 31, 1991; the remaining funds will be set aside for general working capital.
- Dilution:** After the issuance of the securities offered by this Prospectus and the payment of the estimated expenses of this offering, but before the exercise of any outstanding options, the Issuer will have a net book value per common share of \$0.14 based on the June 30, 1989 Financial Statements.
- Accordingly, purchasers of the securities offered hereunder will experience an immediate dilution of \$0.22 per share or 61.11% of the net tangible book value of their investment.
- Management:**
- | | |
|--------------------|--|
| Peter Leroy Greene | - Chief Executive Officer, President and Director; |
| George Perdios | - Director; |
| Byard MacLean | - Director; |
| Angela Nielsen | - Chief Financial Officer, Secretary and Director. |
- Risk Factors:** The purpose of the present offering is to raise funds for exploration. Mineral exploration and development is speculative and highly risky with no assurance of commercial production. No survey has been made to verify the location of the Issuer's claims. Unexpected liabilities may arise as a result of the Issuer's mining operations which adversely effect the Issuer's financial position.
- The shares offered hereunder are speculative. It is probable the investors will not realize a profit on the resale of their shares. Particulars of the foregoing and other risk factors are set forth under the heading "Risk Factors" herein.
- The Issuer:** The Issuer was incorporated on April 10, 1987 under the name Mondana Ventures Inc. The Issuer is engaged in the business of acquiring, exploring and developing natural resources properties.

ters, directors, officers and controlling persons of the Issuer and by underwriters.

THE PROPERTY

Acquisitions

Marmot Claim Group
Skeena Mining Division
Province of British Columbia, Canada

The Issuer is the holder of an option to a 100% right, title and interest in and to the following eleven reverted Crown-granted claims and three 4-post mineral claims (the "Claims") located in the Skeena Mining Division, in the Province of British Columbia:

1. Reverted Crown-granted Claims

<u>Claim Name</u>	<u>Record No.</u>	<u>Size</u>	<u>Expiry Date*</u>
Horseshoe	6419	20.90 Ha	October 14, 1989
Maude & May Fr.	6420	22.65 Ha	October 14, 1989
May	6421	14.73 Ha	October 14, 1989
Peach Fr.	6422	15.62 Ha	October 14, 1989
Peach No. 1	6423	12.55 Ha	October 14, 1989
Peach No. 2	6424	16.55 Ha	October 14, 1989
Sunlight	6425	11.57 Ha	October 14, 1989
Bess	6426	16.66 Ha	October 14, 1989
Fountain	6427	18.18 Ha	October 14, 1989
Glacier & Point Fr.	6428	18.51 Ha	October 14, 1989
Grey Rock	6429	17.88 Ha	October 14, 1989

2. 4-Post Mineral Claims

<u>Claim Name</u>	<u>Record No.</u>	<u>Size</u>	<u>Expiry Date*</u>
Follow	7485	20 units	April 5, 1990
Bear	7486	20 units	April 5, 1990
Cam	7487	20 units	April 5, 1990

*as of the date of this Prospectus.

The Issuer acquired its option to purchase a 100% interest in the Claims under an arm's length agreement dated October 1, 1988, as amended May 24, 1989, entered into with Ken Sinitsin ("Sinitsin") of 208 - 7162 - 133A Street, Surrey, British Columbia and Claude de Miras ("de Miras") of 308 Place Foisy, St. Eustache, Quebec and Sikula Werbes, as escrow agent (the "Option Agreement").

The option granted the Issuer to purchase the Claims will remain in force and effect and is exercisable by the Issuer paying \$116,500 to Sinitsin and de Miras and issuing 20,000 shares to Sinitsin and de Miras as follows:

capital or obtaining financial institution financing. Alternatively, further exploration could be financed by the Issuer offering an interest in its property to be earned by another party or parties carrying out further exploration and development thereof, which alternative is not presently contemplated.

B. Mineral exploration and development is inherently speculative and carries with it many risks that even the most careful evaluation and management cannot overcome. There is no assurance that any production will be obtained. If production is obtained, prices received are subject to market fluctuations.

C. The mining industry in general is intensely competitive and there is no assurance that a ready market will exist for the sale of ore even if commercial quantities of ore are discovered.

D. There is no market for the shares of the Issuer.

E. No survey has been made of the mineral claims held under option by the Issuer and, in accordance with the mining laws of the jurisdiction in which the claims are situate, their precise location and area may be in doubt.

F. Mining operations generally involve a high degree of risk. Hazards such as unusual or unexpected formations and other conditions are involved. The Issuer may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material adverse effect on the Issuer's financial position.

G. The speculative nature of the Issuer's business makes it probable that purchasers will not realize a profit on the shares purchased under the Offering.

H. After the issuance of the securities offered by this Prospectus and the payment of the estimated expenses of this offering, but before the exercise of any outstanding options, the Issuer will have a net book value per common share of \$0.14 based on the June 30, 1989 Financial Statements. Accordingly, purchasers of the securities offered hereunder will experience an immediate dilution of \$0.22 per share or 61.11% of the net tangible book value of their investment.

I. The percentage of shares of the Issuer being offered to the public for cash will represent 32.72% of the shares issued and outstanding upon completion of the sale of the shares qualified hereunder as compared to 42.10% which will be owned by the promo-

Description of The Property

**Marmot Claim Group
Skeena Mining Division
British Columbia, Canada**

The Marmot Claim Group covers approximately 60 mineral units and is located in the Skeena Mining Division, in the Province of British Columbia. Access to the property is via helicopter from Stewart, British Columbia.

Exploration in the area of the property first commenced around the turn of the century. Exploration results from the area show production from various tunnels and shafts yielding gold/silver/ore. Most exploration and production in the area occurred prior to 1928.

From 1928 to 1980, little or no exploration work was done on the Marmot Claim Group itself. In 1980, Dianne and Ulrich Kretschmar mapped the 11 reverted Crown granted mineral claims. These claims were again mapped in 1983 by Garnet Dawson for Esso Resources Canada Limited in the areas of known mineralization on the Claims.

The Marmot Claim Group is the subject of a report dated April 7, 1988, updated April 20, 1989 and revised July 12, 1989, prepared by Frank Di Spirito, B.Sc., P.Eng., Gary Sutton, B.Sc., Nigel Hulme, B.Sc., of Shangri-La Minerals Limited (the "Shangri-La Report") a copy of which, less Appendix B, "Sample Descriptions", Appendix C "Analytical Results" and certain of the large maps not reduceable to 8 1/2" x 11" size, is hereunto annexed and forms a part of this Prospectus. Further details of the exploration carried on to date can be found in the Shangri-La Report with the full report being available for inspection at the Issuer's offices.

The latest exploration work on the property was a program consisting of trenching and geological, geochemical, and geophysical surveys performed by Shangri-La Minerals Limited for the Issuer in August and September 1987.

According to the Shangri-La Report summary:

The claims are underlain by volcanic and sedimentary rocks of the Hazelton and Bowser assemblages, bounded to the south by the Hyder quartz monzonite. Mineralization consisting of silver-lead bearing quartz veins are reportedly found at various places along the margins of the Hyder intrusion. The steep and rugged topography has prevented an examination of these showings.

A zone of altered and mineralized limestone up to 100 m long and 5 m wide in a limestone body at an elevation of

1. Payments.

<u>Amount</u>	<u>Due Date</u>
\$15,000	April 27, 1987 (paid)
\$ 8,500	On execution of the Option Agreement (paid)
\$ 8,000	The earlier of one week after the date the shares of the Issuer are listed on the Vancouver Stock Exchange and August 1, 1989 (Paid by way of Promissory Note bearing annual interest of 18% from August 1, 1989).
\$ 7,000	Upon completion of the work program on the Claims and an engineering report recommending further work being filed with and accepted by the Vancouver Stock Exchange
\$15,000	February 1, 1990
\$15,000	February 1, 1991
\$15,000	February 1, 1992
\$15,000	February 1, 1993
\$18,000	February 1, 1994

2. Share Issuance

<u>Number of Shares</u>	<u>Due Date</u>
20,000 common shares	Upon completion of the work program on the Claims and an engineering report recommending further work being filed with and accepted by the Vancouver Stock Exchange

The Issuer has the right to make the above payments and issue the 20,000 shares at any time before the due dates listed.

Upon payment of the \$116,500 and issuance of the 20,000 shares, the Issuer's option to purchase the Claims will be deemed exercised and all right, title and interest in and to the Claims will pass to the Issuer subject to a 2.5% net smelter returns royalty retained by Sinitzin and de Miras. The Issuer has an option to purchase the 2.5% net smelter returns royalty upon payment of the sum of \$250,000 on or before the third anniversary of production from any mine located on the property.

1200 m includes a quartz vein which returned an assay of 1.50 oz/ton Ag, 0.016 oz/ton Au, 0.5.31% Zn, and 6.25% Pb over a width of 60 cm.

The geochemical survey has outlined a 500 m by 500 m area of talus which shows scattered anomalous values in silver, lead, zinc, and copper downslope from an area of disseminated pyrite and pyrrhotite in bedrock. The mineralized area is related to magnetic and electromagnetic anomalies.

The Shangri-La Report contains recommendations for an exploration program consisting of rock geochemical surveying, sampling, analysis, blast trenching, rock sampling and the establishment of a grid at an estimated cost of \$80,000. Contingent upon favourable results from the recommended program, diamond drilling will be necessary to test geometry and grade of mineralization.

Except as specified herein, there is no plant or equipment located on or under the Marmot Claim Group and the Claims are without a known body of commercial ore. No director, officer, insider or promoter of the Issuer has an interest in the mineral properties located contiguous to the Marmot Claim Group. The recommended exploration program is in exploratory search for ore.

THE PERSONNEL

Directors and Officers

The names, addresses and principal occupations in which each of the Directors and Officers of the Issuer have been engaged during the immediately preceding five years are as follows:

<u>Name and Address</u>	<u>Position with Issuer</u>
*Peter Leroy Greene 4047 Shone Road North Vancouver, B.C. V7G 2N3	Chief Executive Officer, President and Director
Angela Nielsen 1325 Camwell Drive West Vancouver, B.C. V7S 2M3	Chief Financial Officer, Secretary and Director
*George Perdios 1989 Grant Avenue Port Coquitlam, B.C. V3B 1P6	Director

Name and Address

Position with Issuer

*Byard MacLean
3407 West 40th Avenue
Vancouver, B.C.
V6N 3B5

Director

*Members of the Audit Committee.

PETER LEROY GREENE: President and Director of Stacia Ventures Inc., October 1986 to present; Locomotive Engineer with British Columbia Railway, 1955 to present.

ANGELA NIELSEN: Secretary of New Era Minerals Inc., January 1987 to present; previously a student.

GEORGE PERDIOS: Director of Kyber Resources Inc., 1987 to present; Secretary and Director of Stacia Ventures Inc., May 4, 1988 to present; Chef at Versailles Steak & Lobster House, May 1982 to present.

BYARD MacLEAN: Management Consultant for Labyrinth Ventures Ltd., July 1985 to present; Director and Secretary of Casau Exploration Ltd., May 1986 to present; Director of Alexa Ventures Inc., September 1986 to January 1989; Director of Yuriko Resources Corp., October 1986 to March 1989; Director of Stacia Ventures Inc., May 4, 1988 to present; and President of International Ionarc Inc., 1977 to 1985.

Conflicts of Interest

Some of the Directors and Officers of the Issuer are or may be on the Board of Directors of other natural resource companies from time to time. To avoid the possibility of conflicts of interest which may arise out of their fiduciary responsibilities to each of the Boards, all Directors have agreed to the following:

1. participation in natural resource prospects offered to them will be allocated between the various companies on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate; and
2. if opportunities are offered to the Issuer by companies on which they serve as directors and/or officers, they will disclose their interest and conflicts to the Issuer and abstain from voting on the approval of the proposed contract or transaction pursuant to Sections 144 and 145 of the Company Act of the Province of British Columbia. Further, any disputes which may arise will be resolved in accordance with the provisions of Sections 144, 145, 146 and 147 of the Company Act of the Province of British Columbia.

GEOLOGICAL, GEOPHYSICAL AND GEOCHEMICAL SURVEYS

ON THE

MARMOT CLAIM GROUP

FOR

MONDANA VENTURES INC.

SKEENA MINING DIVISION
BRITISH COLUMBIA

NTS 103P/13

NORTH LATITUDE : 55° 51'

WEST LONGITUDE: 129° 54'

BY

FRANK DI SPIRITO, B.A. Sc., P.Eng.

GARY SUTTON, B.Sc.

NIGEL HULME, B.Sc.

SHANGRI-LA MINERALS LIMITED

VANCOUVER, B.C.

APRIL 7, 1989

updated APRIL 20, 1989

revised JULY 12, 1989



Shangri-La Minerals Limited

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SECRET

STATE DEPARTMENT OF THE ARMY
PROGRAM REPORT
ON THE
MARMOT CLAIM GROUP
FOR
MONDANA VENTURES INC.

ARMY OF THE UNITED STATES OF AMERICA
WASHINGTON, D.C.

REPORT NO.

DATE: 1964-08-10
BY: [illegible]

MONDANA VENTURES INC. IS A COMPANY
INCORPORATED IN MONTANA
WHICH HAS BEEN ACQUIRED BY
THE ARMY

THIS REPORT IS THE PROPERTY OF THE ARMY
IT IS LOANED TO YOUR AGENCY
AND IT IS TO BE RETURNED TO THE
ARMY AT THE END OF THE LOAN PERIOD
UNLESS OTHERWISE SPECIFIED



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SUMMARY

The Marmot property covers approximately 15 km² located at the headwaters of Marmot River, 10 km southeast of Stewart, British Columbia, within the Skeena Mining Division. A program of trenching and geological, geochemical, and geophysical surveys was performed on the Marmot property by Shangri-La Minerals Limited for Mondana Ventures Inc.

The Marmot property has been explored for precious metals since the early 1900's. Several veins were located, and at least 5 adits were driven. The most recent work was performed by Esso Resources Canada Limited, who examined the old showings in 1983.

The claims are underlain by volcanic and sedimentary rocks of the Hazelton and Bowser assemblages, bounded to the south by the Hyder quartz monzonite. Mineralization consisting of silver-lead bearing quartz veins are reportedly found at various places along the margins of the Hyder intrusion. The steep and rugged topography has prevented an examination of these showings.

A zone of altered and mineralized limestone up to 100 m long and 5 m wide in a limestone body at an elevation of 1200 m includes a quartz vein which returned an assay of 1.50 oz/ton Ag, 0.016 oz/ton Au, 5.31% Zn, and 6.25% Pb over a width of 60 cm.

The geochemical survey has outlined a 500 m by 500 m area of talus which shows scattered anomalous values in silver, lead, zinc, and copper downslope from an area of disseminated pyrite and pyrrhotite in bedrock. The mineralized area is related to magnetic and electromagnetic geophysical anomalies.

A second phase of exploration consisting of prospecting the

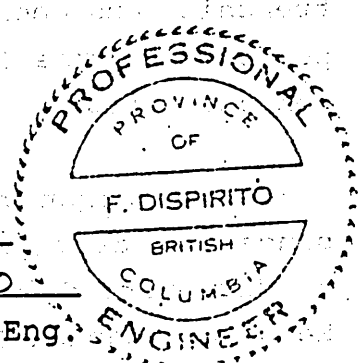
remaining historical showings, blasting and sampling of Phase I targets, and a detailed rock geochemical sampling program is recommended. A sum of \$80,000 should be allocated to complete this work.

Signed at Vancouver, B.C.

Frank Di Spirito

Frank Di Spirito, B.A.Sc., P.Eng.

20 April, 1989



INTRODUCTION

At the request of officers of Mondana Ventures Inc., Shangri-La Minerals has completed an exploration program on the Marmot property, the purpose of which was to identify targets with potential for hosting precious metal mineralization. An initial reconnaissance was conducted on August 10 and August 21, with the main program being conducted from September 2 to September 18, 1987. The program consisted of grid establishment, geologic mapping, trenching, and soil geochemical, magnetometer, and VLF-EM surveys. No work has been subsequently carried out.

PROPERTY STATUS

The Marmot claim group consists of 11 reverted Crown granted mineral claims and 3 modified grid system mineral claims, each of 20 units. Six of the reverted Crown grants lie within the grid system claims, and five partially extend outside of the grid system claims. The Marmot claim group is recorded in the Skeena Mining Division.

NAME	RECORD #	LOT#	EXPIRY DATES	AREA
Bear	7486	-	April 5, 1990	20 units
Follow	7485	-	April 5, 1990	20 units
Cam	7487	-	April 5, 1990	20 units
Horseshoe	6419	4975	Oct. 14, 1989	20.90 ha
Maude &		4980		
May Fr.	6420	4982	Oct. 14, 1989	22.65 ha
May	6421	4981	Oct. 14, 1989	14.73 ha
Peach Fr.	6422	4979	Oct. 14, 1989	15.62 ha
Peach No. 1	6423	4977	Oct. 14, 1989	12.55 ha
Peach No. 2	6424	4978	Oct. 14, 1989	16.54 ha
Sunlight	6425	4749	Oct. 14, 1989	11.57 ha
Bess	6426	4976	Oct. 14, 1989	16.66 ha
Fountain	6427	4750	Oct. 14, 1989	18.18 ha
Glacier &		4984		
Point Fr.	6428	4985	Oct. 14, 1989	18.51 ha
Grey Rock	6429	4983	Oct. 14, 1989	17.88 ha



The claims virtually surround the Montana claim, a reverted Crown grant which is not part of the property.

LOCATION AND ACCESS

The Marmot Property is at north latitude 55° 51', west longitude 129° 54', approximately 10 km southeast of Stewart, B.C., at the headwaters of the Marmot River. The area is shown on NTS map 103P/13.

Access to the property is obtained by helicopter from Stewart. In the early 1900's it was reached by boat to the mouth of the Marmot River. From there a good trail 9 km in length led to the headwaters of the river at the toe of the Marmot Glacier.

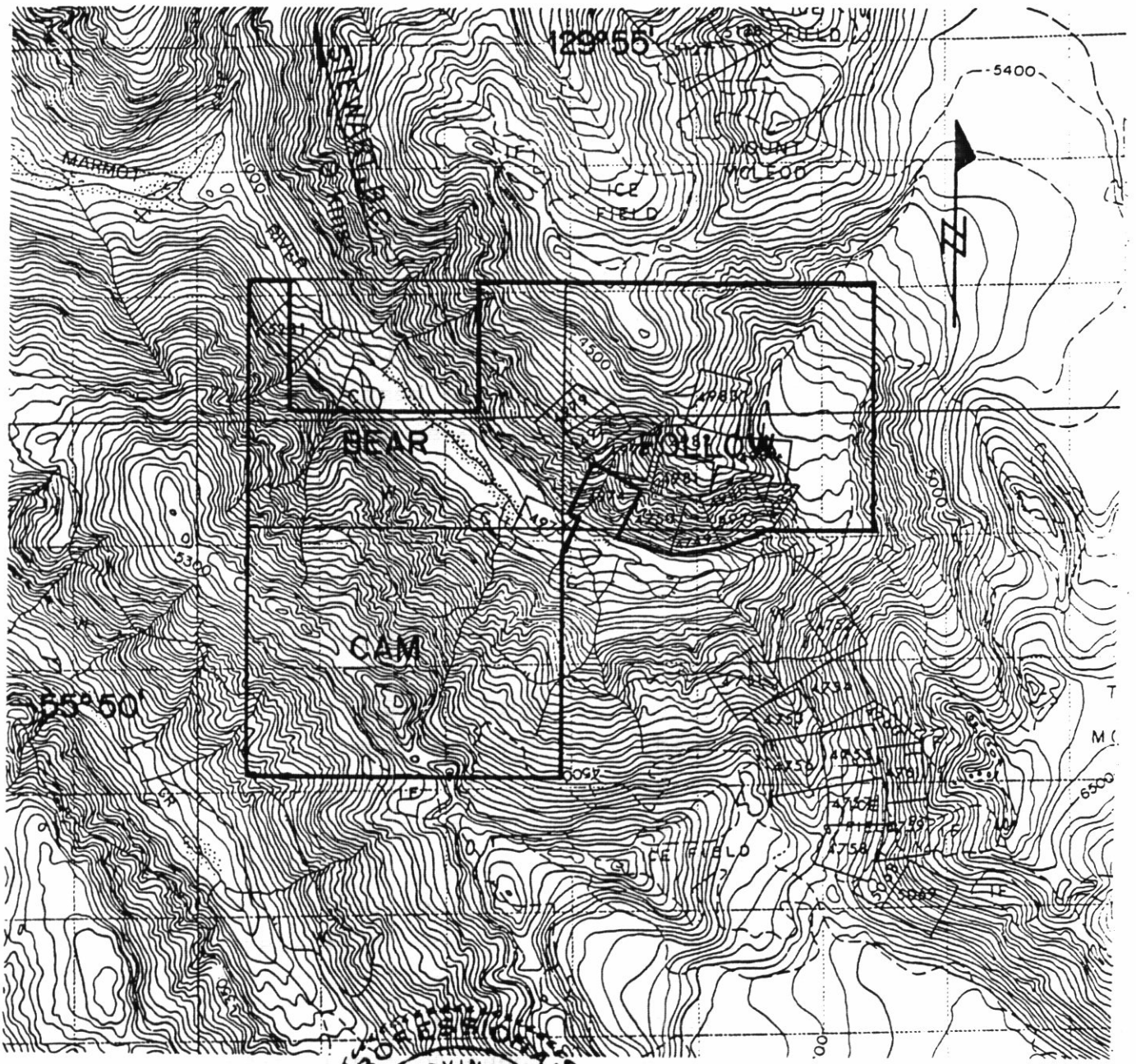
PHYSIOGRAPHY

The Marmot claim group lies near the eastern boundary of the Coast Mountains. This area is characterized by steep slopes and deep glacial cut valleys. The receding Marmot Glacier occupies the Marmot River valley above the river, and is mostly within the claim group. The elevations range from 300 m in the valley to 1,700 m along the ridge.

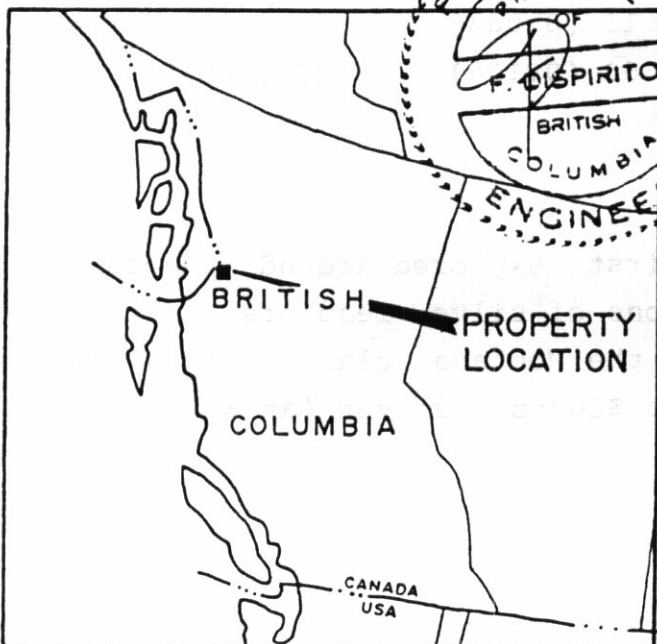
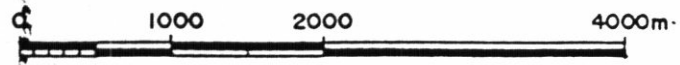
The Marmot River valley is flat bottomed with steep talus slopes up to the base of the cliffs. The valley is covered with thick growths of alder, vine maple and devil's club, which makes it difficult to hike along the valley. The valley walls are quite sheer, and are inaccessible to those not skilled in mountaineering techniques.

The majority of the present exploration program was conducted on steep alpine meadows and talus slopes above the





SCALE 1:50000



To accompany a report by F. DiSpirito, B.A.S.

MARMOT PROJECT

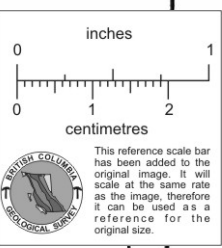
FOR: MONDANA VENTURES INC.

BY: SHANGRI-LA MINERALS LIMITED

LOCATION MAP

SKEENA M.D., B.C.

NTS 103 P / 13	DATE: NOVEMBER 1987
DRAWN BY: MJM	FIGURE N° 1



valley walls. The alpine meadows are climbable in most areas, but care must be taken when approaching the valley walls.

Weather conditions limit work in this area to summer and early autumn. During late autumn to early spring a heavy accumulation of snow can be expected and the danger of avalanches is high. At the higher elevations, snow patches often remain throughout the year and therefore the best time to carry out an exploration program is during the late summer.

REGIONAL HISTORY

The Stewart area is one of the major precious metals producers in British Columbia, with such well-known former producers as the Silbak Premier (1.8 million ounces gold produced through 1968), and the Big Missouri (58,000 ounces gold through 1968). With the renewed interest in the Stewart area, the properties have been re-evaluated. A decision has recently been made to proceed with production at both properties as a joint venture - the Premier Gold Project - with Westmin Resources Limited as the operator. The following table lists currently defined open pit mineable reserves (Northwest Prospector, Feb./Mar. 1988).

	<u>Reserves</u> (tonnes)	<u>Gold</u> g/tonne (oz/ton)	<u>Silver</u> g/tonne (oz/ton)
Silbak Premier	5.9 million	2.16 (0.063)	80.2 (2.34)
Big Missouri	1.5 "	3.60 (0.105)	29.5 (0.86)

PROPERTY HISTORY

The Marmot River valley was first explored around the turn of the century. By 1913, five tons of silver-lead ore had been shipped to the Tacoma smelter from the Montana claim. This ore yielded \$221 to the ton in gold (at \$20/oz), silver (at \$0.57/oz) and lead (at \$3.93/lb) (MMAR 1913).



In 1915, a 30 ft (9 m) tunnel was driven on a quartz vein and a 30 ft x 20 ft (9 m x 6 m) shaft was sunk. These workings produced sixteen tons of gold-silver-lead ore that yielded approximately \$200 to the ton. A new vein that was discovered in the area was stripped and sampled, yielding over \$100 to the ton in gold, silver and lead (MMAR 1915).

Work continued on the Montana claim, and by 1919 the tunnel was 60 ft (18 m) long. Two drifts had been run at the end of the tunnel, one 10 ft (3 m) southwest and the other 40 ft (12 m) northeast. The 1919 Annual Report of the Minister of Mines describes the vein as rather flat, outcropping 20 ft (6 m) above the portal. Striking northeast and dipping 25° northwest, the vein is reported to be up to 6 ft (1.8 m) wide. High grade mineralization of galena, blende (sphalerite) and grey-copper (tetrahedrite) carried high silver values over widths of 2 ft (0.6 m). The vein had been traced on surface for 800 ft (244 m).

On the Horseshoe claim, a showing of quartz mineralized with pyrrhotite, chalcopyrite, and galena carried values up to \$20/ton in gold and silver (MMAR 1919).

Along the contact of the greenstone and the limestone belt a 6 ft (1.8 m) wide vein that is traceable for several hundred feet (~100 m) was discovered. The Canyon Tunnel was driven 117 ft (36 m) following a vein outcropping in Montana Creek, southeast of the old Montana vein, but no significant mineralization was encountered.

On the Peach No.1 claim a tunnel was driven along the contact of a dyke for 180 ft (55 m). The tunnel followed a vein of galena and sphalerite which contained approximately 200 oz/ton silver (MMAR 1925).



In 1926 and 1927, exploration was concentrated on sphalerite mineralization in a faulted block of limestone on the Horseshoe claim. In 1926 numerous surface cuts and two tunnels were excavated yielding values up to 17% zinc. Little precious metals were encountered, although values of \$20/ton in gold were reported (MMAR 1926). The mineralization was present in the uppermost block of a series of fault-blocks of limestone, in 3 fairly continuous veins. The longest and most northerly vein was traced over 400 vertical ft (122 m) and is reported to be from 3 to 12 ft (0.9 m to 3.7 m) wide, assaying up to 12% zinc (MMAR 1927). Mineralization consisted of sphalerite and much lesser pyrite and galena, carrying very low gold and silver values (MMAR 1927).

From 1928 to 1980, little or no exploration work was done on the Marmot property. In 1980, Dianne and Ulrich Kretschmar mapped the reverted Crown grants at 1:20,000 scale. These claims were again mapped in 1983 by Garnet Dawson for Esso Resources Canada Limited at a 1:5,000 scale. Work was restricted to areas of known mineralization (the middle portion of the claims) and samples were collected from several of the old workings. The adit on the Peach No. 1 claim was sampled, returning assays up to 2.43 g/t (.07 oz/ton) Au, 9145.1 g/t (266.6 oz/ton) Ag, 0.785% Cu, 11.50% Pb, and 24.90% Zn from various grab samples. Grab samples of the Montana vein (the adit was not found) assayed up to 0.684 g/t (.02 oz/ton) Au, 225.8 g/t (6.58 oz/ton) Ag, 0.585% Cu, 0.90% Pb, and 4.99% Zn. East of Montana Creek, an inaccessible adit was seen on a cliff face. Eighteen 0.5 m-2.0 m wide chip samples from the largest sphalerite-bearing zone on the Horseshoe claim averaged 23.91 g/t (.70 oz/ton) Ag and 2.60% Zn.



SURVEY SPECIFICATIONS

Grid Establishment

A control grid consisting of 2.5 km of baseline and 14.8 km of crossline was established using hip chain, compass and clinometer. The rough terrain necessitated the division of the grid into two separate parts. The baselines trend north-south, and crosslines were established in an east-west orientation for both parts of the grid. Stations were marked every 25 m using Tyvex tags.

Ground Magnetometer Survey Method

The magnetometer survey was conducted using an EDA Omni IV Magnetometer. This instrument measures the magnitude of the earth's total magnetic field to an accuracy of 0.5 gamma. Diurnal variation during the survey was minimal, hence the data was uncorrected. Readings were taken at 25 m intervals along the crosslines over a total of 13.25 line-km.

Ground VLF-EM Method

The ground very low frequency electromagnetic (VLF-EM) survey was conducted using a Sabre Electronics Model 27 VLF Electromagnetometer. The survey covered 14.8 km of the grid, taking readings at 25 m intervals on each crossline.

The VLF-EM method uses the primary electromagnetic fields generated by the United States Navy VLF marine communication stations. These stations operate at frequencies between 15 and 25 KHz and have a vertical antenna current, which results in a horizontal primary magnetic field. Secondary magnetic fields arise due to currents induced in conductors. The VLF-EM method measures the dip of the magnetic field resulting from the sum of



the primary and secondary fields.

For maximum coupling, a transmitter station located in the direction of the geological strike and/or the strike of possible conductors is selected, since the direction of the horizontal field is perpendicular to the direction of the transmitting station. The transmitter location used for this survey was therefore Seattle, Washington.

The data is filtered as described by D.C. Fraser, Geophysics, Vol. 4, No. 6. The advantage of this method is that it removes the "D.C." bias and attenuates long spatial wavelengths to increase the resolution of local anomalies. It also phase shifts the dip angle by 90° so that the right crossovers and inflections are transformed into peaks that yield contourable quantities.

Geochemical Survey Method

A total of 424 soil samples, 61 rock samples and 1 silt sample were collected and analyzed. Soil samples were taken from the "B" (or "C" where necessary) horizon with a cast iron mattock at every 25 m station. Soil samples of no less than 200 g were placed in a Kraft paper gusset bag and air dried before shipment to the laboratory. All soil samples were analyzed by Acme Analytical Laboratories Ltd. using an Induction Coupled Plasma Spectrophotometer for 30 elements and atomic absorption for gold.

Soil development on the Marmot property is limited. Much of the property is covered with talus slopes with little or no vegetation. The gentler slopes have some vegetation that produces thin, poorly developed soil horizons. The lack of well developed soil horizons necessitated the collection of the "C" horizon in most cases. In some areas no sample could be collected.



GEOLOGY

Regional Geology

The Stewart area consists of moderately folded volcanic and sedimentary rocks of the Hazelton Group intruded by several stages of plutonism. The western margin of this area is dominated by the Coast Crystalline Belt. The structure of the Stewart area in a broad sense is made up of an upright anticline and a slightly overturned syncline while in detail the rocks show strong deformation (Grove, 1971).

Correlation and nomenclature of the volcanic and sedimentary rocks of the area vary with different authors. Grove (1971) has identified them as the Lower Jurassic Hazelton assemblage consisting of predominantly volcanic and volcanoclastic rocks unconformably overlain by the Middle to Upper Jurassic Bowser assemblage of non-marine and marine sediments and minor volcanics.

Alldrich (1985) summarizes the geologic history on the basis of field relationships and K/Ar dating as follows:

Period	Age (Ma)	Event
Tertiary	~50	Formation of argentiferous vein deposits and spatially associated molybdenum and tungsten deposits
Tertiary	~50	Intrusion of Hyder quartz monzonite and Boundary granodiorite stocks
Tertiary	~50	Crustal extension and intrusion of major dyke swarms
Tertiary?	?	Deformation, north-trending fold axes
Jurassic	~180	Marine transgression, onset of sedimentation



15-11070

Jurassic ~180? Formation of gold-silver vein deposits
 Jurassic ~180 Felsic volcanism; predominantly
 subaerial
 Jurassic 190 Deposition of epiclastic sediments and
 interbedded dacitic tuffs and flows
 Jurassic ~200 Emplacement of Premier porphyry dykes
 and flows
 Triassic 210 Intrusion of Texas Creek granodiorite
 and Summit Lake granodiorite stocks
 Triassic to
 Jurassic 230-200 Andesite volcanic activity;
 predominantly subaerial, with two
 periods of marine transgression

Property Geology

Rocks of both the Bowser and Hazelton assemblages underlie the property and have been intruded by several small felsic dykes. Granodiorite and alaskite phases of the Hyder quartz monzonite form the walls of the Marmot River valley.

In 1987, work was concentrated on the ground north of the Marmot River, in the area of the reverted Crown grants. Due to large cliffs and canyons, much of the southern portion of these claims remains unmapped. Reconnaissance traverses along the valley show that this area is underlain by the Hyder quartz monzonite (unit 7) and by black argillite and andesitic pyroclastics (unit 1) of the Hazelton assemblage.

Most of the outcrops mapped in 1987 consist of green andesite flows and tuffs (unit 2) and maroon and green andesite lapilli tuff and tuff breccia (unit 3). The contact between units 2 and 3 is gradational and indistinct. East of Montana

Canyon, the contact is marked by a northwesterly trending foliation.

Several bodies of recrystallized grey limestone (unit 4) are present near the contact between units 2 and 3. Fault slices of unit 2 are common in the westernmost limestone body.

The northeastern portion of the program area is underlain by the Middle Jurassic Bowser assemblage (unit 5). This is an assemblage of volcanic and sedimentary rocks subdivided on the property into siltstone, argillite, bedded lapilli tuff, and green-black andesite. These subunits do not form thick layers, and are all interbedded with one another.

Mineralization on the property consists of disseminated pyrite and pyrrhotite found in the Bowser lapilli tuff, sulphides associated with quartz veins and fractures in the Hazelton and Bower assemblages as well as in the intrusive rocks, and sphalerite-galena mineralization associated with silicified zones in limestone.

The black to dark blue mineralized zones in limestone are present on the steep south-facing slope of the westernmost limestone body. Schistose, well-weathered slices of unit 2 are found nearby. The main zone is branching and discontinuous, approximately 80 m long and 1 to 5 m wide, with indefinite boundaries. A series of chip samples over this zone analysed up to 9.320% Zn, 0.180% Cu, 0.173% Pb, and 180 ppm (5.25 oz/ton) Ag (sample MM13). This zone outcrops again 50 m upslope and a selective grab sample, MM9, analysed 81 ppm (2.36 oz/ton) Ag and 6.050% Zn. Rubble from a vein (probably a continuation of aforementioned mineralization) was found just over the crest of the hill and a trench was excavated here. The trench exposed a



contact between the limestone and green andesite, mineralized with pyrite, sphalerite, and galena over a width of 1.1 m. Grab samples collected before the trench was excavated, MM16 and MM17, contained 9.5 ppm Ag, 8.530% Zn, 0.062% Pb, and 61.0 ppm Ag, 4.89% Zn, 1.310% Pb respectively. Samples collected after the trench was excavated analyzed as follows: MM30, 51.5 ppm Ag, 5.310% Zn, 6.250% Pb over 50 cm; MM31, 9.5 ppm Ag, 1.520% Zn, 0.075% Pb over 60 cm; MM32, 54.5 ppm Ag 4.550% Zn , 1.400% Pb over 30 cm. Sample MM33, a selective sample of the blast rubble, contained 200.0 ppm Ag, 5.790% Zn, and 5.870% Pb. Two other zones and two tunnels reported by the Minister of Mines in 1926 and 1927 were not located. These not most likely located down slope and cannot be accessed without climbing equipment.

Two old trenches were discovered approximately 150 m west of the limestone veins, where sulphide mineralization is associated with the sheared contact between units 2 and 3. A sample of the heaviest mineralization, MMJ5, contained 31 ppm Ag, 0.044% Zn, and 0.023% Pb.

A reconnaissance traverse through the Glacier and Point Fraction claims discovered low-grade copper, gold, and silver values (MM26, 27) in limestone and andesite.

A narrow quartz vein following a fissure striking to the northwest and dipping subvertically is located at the base of high cliffs near the eastern boundary of the Montana claim. The vein strikes onto the Marmot property, Mineralized with chalcopryrite and molybdenite, a sample of the vein (MM38) assayed 0.89 oz/ton Ag and 0.67% Cu. A sample of talus float found below the vein, MM37, assayed 1.5oz/ton Ag and 1.03% Cu.

Samples from the Bowser assemblage rocks, although frequently hosting quartz-carbonate veins and mineralized with disseminated pyrite and pyrrhotite, contained only low amounts of the elements analyzed for (gold, silver, copper, lead, zinc). Several anomalous gold values of the survey are located within 200 m of these areas.

Two high grade silver veins, on the Montana and Peach No. 1 claims, were not examined during the 1987 program. An adit following the Peach No. 1 vein at the southern corner of the Peach No. 1 claim was located from the air, but no route was found to access it. The Montana vein was not located; the old trail has eroded away and the canyon is rugged and dangerous.

GEOPHYSICAL RESULTS

Magnetometer Survey

The total magnetic field strength data is presented as Fig. 3. The magnetic relief on the property is quite strong, with field strength values ranging from less than 57,000 to greater than 58,200 gammas.

The highest magnetic values are associated with andesites of the Hazelton assemblage.

The most significant magnetic anomaly (see Fig. 6, Compilation Map) is a linear, northerly trending magnetic high approximately 300 m in length, and open to the south. It is centered at 750N/350W, just east of the contact of the Hazelton andesites with tuffs of the Bowser assemblage. The anomaly is apparently related to a zone of disseminated sulphides, and is probably due to pyrrhotite.

VLF-EM Survey

The results of the VLF-EM survey are presented as Fig. 4. There are several very strong north-northwesterly trending conductors, which are apparently related to graphitic horizons of argillites of the Bowser Lake Group.



The zone of disseminated sulphides in the northern portion of the east grid is bounded to the west by a strong north-northwesterly trending conductor (see Compilation Map, Fig. 6). The conductor is probably due to a graphitic horizon within the argillites, but deserves mention due to its proximity to the mineralized zone. If the conductor is related to the mineralized zone, it may be caused by more massive mineralization at depth.

GEOCHEMICAL RESULTS

Analytical results for gold, silver, lead, zinc, and copper are plotted on Figures 5a to 5e. Anomalous thresholds were chosen after studying the plotted results.

Nearly all of the anomalous values in zinc, and copper as well as a few in silver and lead are located in the northern portion of the east grid, in an area approximately 500 m by 500 m, which is underlain by andesites and sediments of the Bowser assemblage. This area also shows higher background levels than do other parts of the survey area. The rocks to the west, upslope, of this area were noted to contain disseminated pyrite and pyrrhotite.

A few anomalous silver, zinc, and lead values are associated with the limestone body at the southern end of the East Grid. A silt sample collected from a creek flowing from the base of the cliffs south of the limestone bodies showed only background values.

On the West Grid, anomalous lead and silver values are located in two areas. These are in the south where the Peach No. 1 vein may be located, and one in the northwest where disseminated sulphides were noted in outcrop. Also, most of the anomalous gold values of the survey are located within 200 m of these areas.



CONCLUSIONS AND RECOMMENDATIONS

The 1987 exploration program has located several targets which warrant further exploration. Lead-zinc mineralization with associated silver is located in a limestone body at an elevation of 1,200 m on the Horseshoe claim. This mineralization is present in what appears to be replacement veins which can be traced for 80 m. Grades of up to 200.0 ppm (5.83 oz/ton) silver, 5.79% zinc, and 5.87% lead - worth approximately \$165/ton at current metal prices-have been noted. Two old adits reportedly explore this mineralization at a lower elevation. Further work consisting of blast trenching and sampling is recommended to investigate the extent and grade of the occurrence. Due to the steepness of the slope, personnel with climbing experience should be hired to complete this work.

The geochemical survey has outlined a 500 m by 500 m area with above background and anomalous values in silver, lead, zinc, and copper downslope from an area of disseminated sulphides in bedrock. The mineralized area is related to magnetic and electromagnetic geophysical anomalies. Detailed mapping in conjunction with a rock chip geochemical survey is recommended to locate the source of the anomalies.

Rock-climbing geologists, equipped with ropes and other climbing tools could access the adit on the Peach No. 1 claim and map and sample it. Trenching upslope of the adit should expose the vein further along its strike length. The area of anomalous lead and silver geochemistry northwest of here should be mapped and sampled in greater detail. Montana canyon as well as the area of low-grade copper, gold and silver values on the Glacier and Point Fraction claims is also warranted.

Estimated Cost of Recommended Program

Grid Establishment, allow	\$ 1,500
Rock Geochemical Survey, Sampling Analysis and Freight 500 Samples @ \$25/sample	12,500
Blast Trenching, allow	25,000
Geological Support	10,000
Rock Sample Assays and Freight 200 samples @ \$25/sample	5,000
Helicopter Support, allow	4,000
Engineering and Interpretation Report	9,000
Contingencies, 12% (approx.)	9,000
Total	\$ 80,000

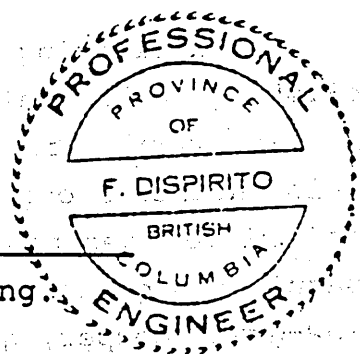
Contingent upon favourable results of the recommended program, diamond drilling would be necessary to test geometry and grade of mineralization.

Signed at Vancouver, B.C.

Frank Di Spirito

Frank Di Spirito, B.A.Sc., P.Eng.

April 20, 1989



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APPENDIX A
Certificates

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CERTIFICATE

I, Frank Di Spirito, of the City of Vancouver in the Province of British Columbia, do hereby certify:

1. I am a Consulting Engineer resident at 1319 Shorepine Walk, Vancouver, British Columbia, V6H 3T7; for the firm of Shangri-La Minerals Limited at #1318 - 510 West Hastings Street, Vancouver, British Columbia, V6B 1N2.

2. I am a graduate of the University of British Columbia (1974) and hold a Bachelor of Applied Science in Geological Engineering.

3. I am a registered member, in good standing, of the Association of Professional Engineers of British Columbia.

4. Since graduation, I have been involved in numerous mineral exploration programs throughout Canada and the United States of America.

5. This report is based upon data collected by a Shangri-La Minerals crew during August and September, 1987 and an evaluation of publicly held information pertaining to the said property.

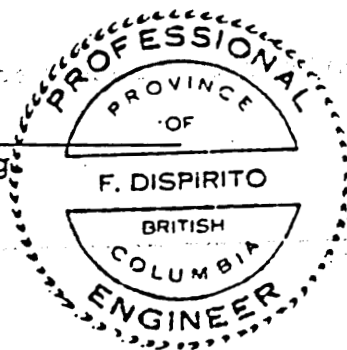
6. I have no direct or indirect interest in the property described herein, or in any securities of Mondana Ventures Inc., nor do I expect to receive any.

7. This report may be utilized by Mondana Ventures Inc. for the inclusion in a Prospectus or Statement of Material Facts.

Respectfully submitted at Vancouver, B.C.

Frank Di Spirito

Frank Di Spirito, B.A.Sc., P.Eng.
July 12, 1989




Shangri-La Minerals Limited

CERTIFICATE

I, Gary Sutton, of the municipality of Burnaby in the Province of British Columbia, do hereby certify that:

- I) I am a Consulting Geologist with the firm of Shangri-La Minerals Limited at #1318 - 510 West Hastings Street, Vancouver, British Columbia, V6B 1N2.
- II) I graduated in 1987 from the University of British Columbia, and hold a Bachelor of Science degree with specialization in Geology.
- III) Since 1986, I have been involved in numerous mineral exploration programs throughout British Columbia.
- IV) This report is based upon field work carried out by this author and a Shangri-La Minerals Limited crew in August and September, 1987.
- V) I hold no direct nor indirect interest in the property, or in any securities of Mondana Ventures Inc. or any associated company nor do I expect to receive any.
- VI) This report may be utilized by Mondana Ventures Inc. for inclusion in a Prospectus or Statement of Material Facts.

Respectfully submitted at Vancouver, B.C.



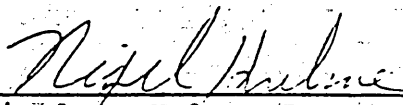
Gary Sutton, B.Sc.
July 12, 1989

CERTIFICATE

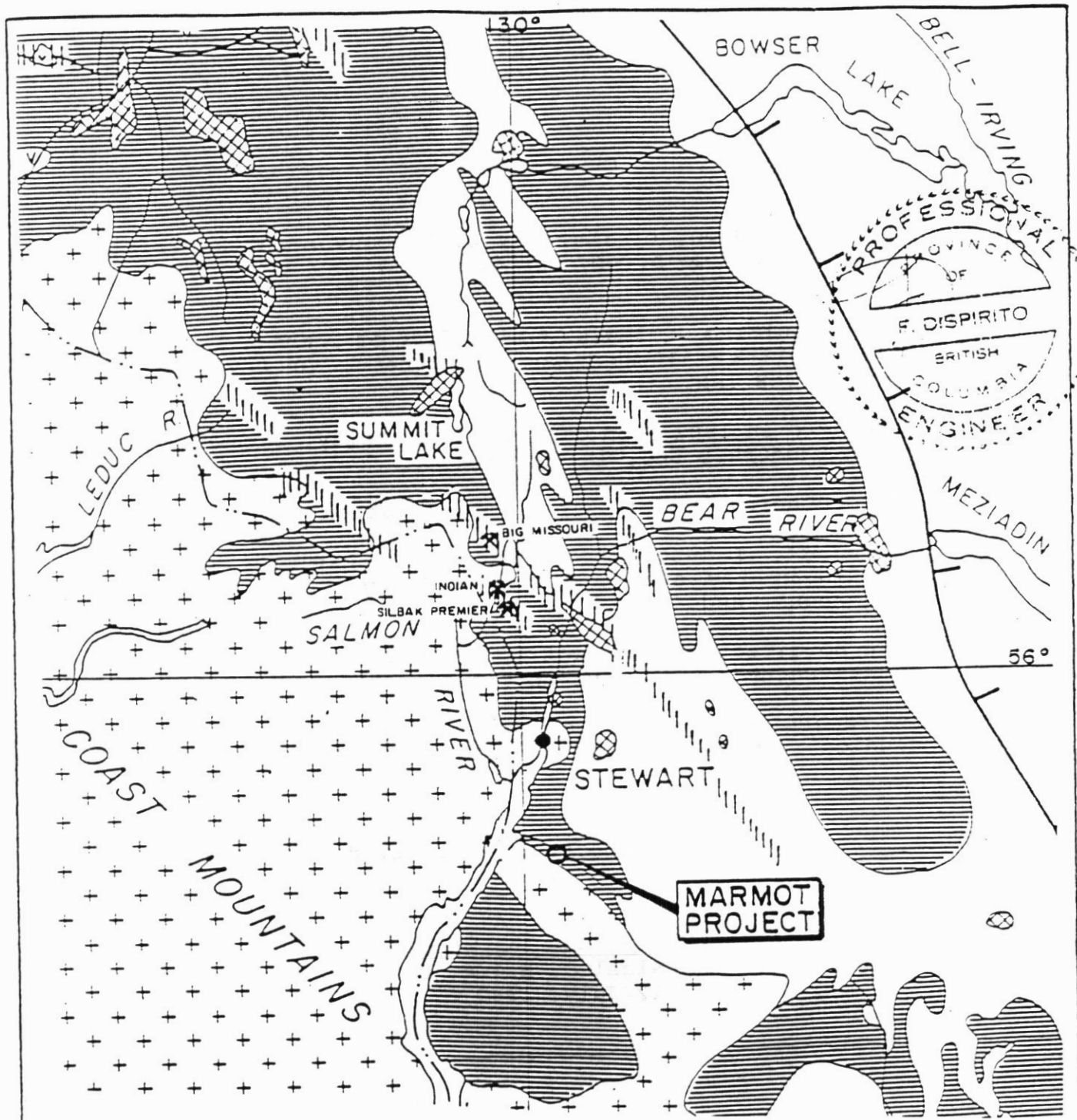
I, Nigel J. Hulme, of the City of Vancouver in the Province of British Columbia, do hereby certify that;

- I) I am a Consulting Geologist to the firm of Shangri-La Minerals Limited at 1318 - 510 West Hastings Street, Vancouver, British Columbia, V6B 1N2.
- II) I graduated in 1982 from Carleton University, Ottawa, Ontario with an Honours B.Sc., in Geology.
- III) I have been involved in mineral exploration since 1979.
- IV) This report is based on results of an exploration program conducted by the author and by a Shangri-La Minerals crew during August and September, 1987.
- V) I have no direct or indirect interest in the property nor in Mondana Ventures Inc., nor do I expect to receive any.
- VI) This report may be utilized by Mondana Ventures Inc. for inclusion in a Prospectus or Statement of Material Facts.

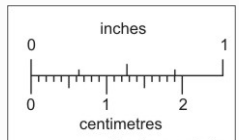
Respectfully submitted at Vancouver, B.C.



Nigel J. Hulme, B.Sc.
12 July, 1989



- SEDIMENTS - VOLCANICS**
- Stewart Complex - Triassic and Jurassic (undivided)
 - Sushul Assemblage - Cretaceous and Tertiary (undivided)
 - Palaeozoic
 - Tertiary and Recent Volcanics
 - Bowser Assemblage - Middle Jurassic to Upper Jurassic (undivided)
- INTRUSIVES**
- Coast - undivided
 - Omineca - Tapley - undivided
 - Skeena - undivided
 - Dye Swarms - undivided
- Mine

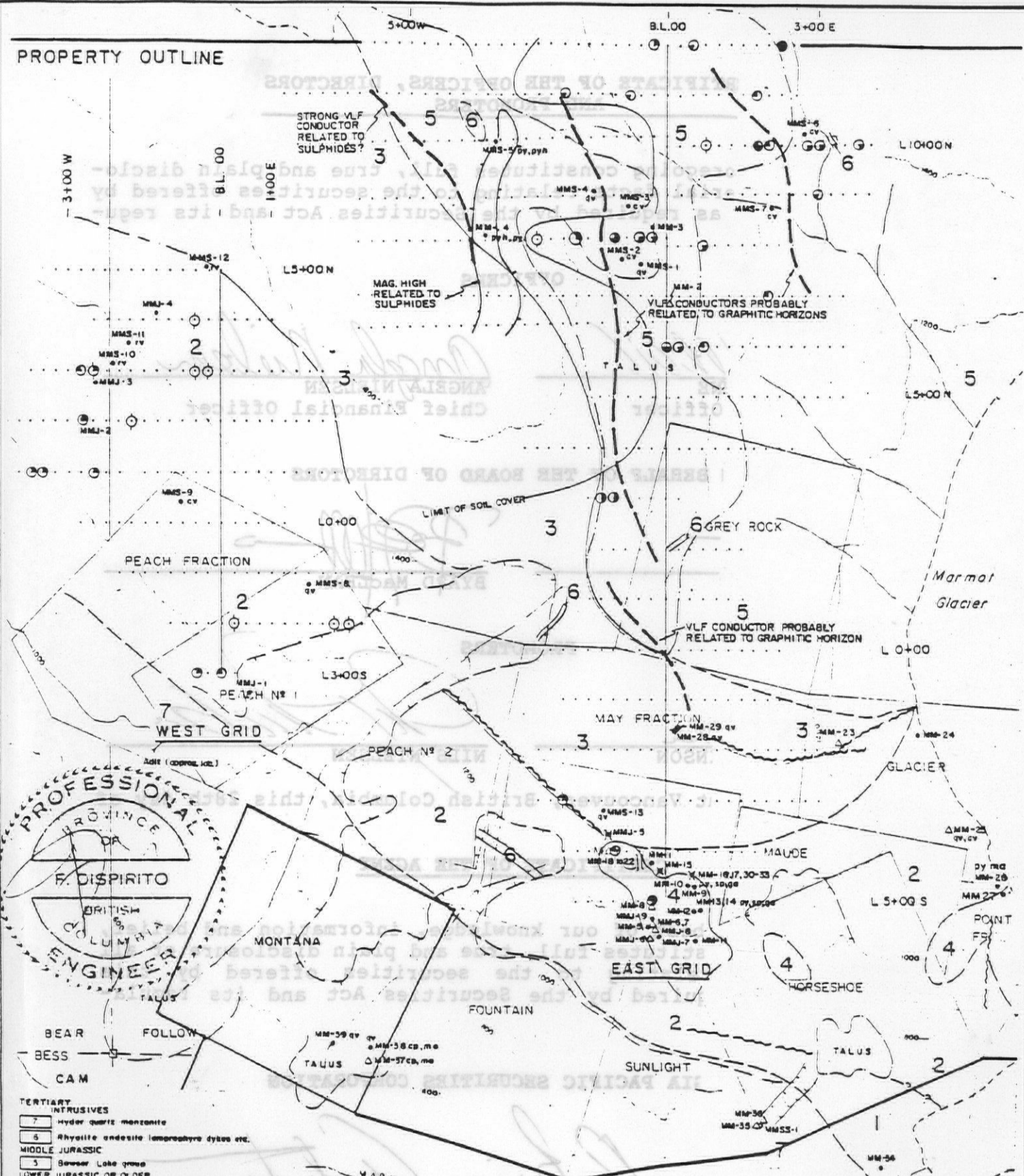


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To accompany report by F. Di Spirito, B.A.Sc., P.Eng.

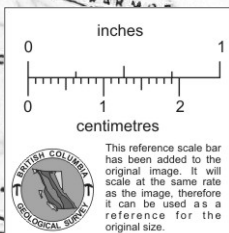
MARMOT PROJECT	
MONDANA VENTURES INC.	
BY: SHANGRI-LA MINERALS LIMITED	
REGIONAL GEOLOGY	
AFTER BCOMPR. BULL. 58, '70	
N.T.S. 03 P - 13	DATE: JULY 1989
DRAWN BY:	FIGURE NO. 2c

PROPERTY OUTLINE



- TERTIARY INTRUSIVES**
- 7 Hydr quartz monzonite
 - 5 Rhyolite andesite lamprophyre dykes etc.
- MIDDLE JURASSIC**
- 5 Beaver Lake group
- LOWER JURASSIC OR OLDER HAZELTON GROUP**
- 4 Limestone
 - 3 Maroon & green andesite pyroclastics
 - 2 Green andesite pyroclastics & flows
 - 1 Black argillite & andesite pyroclastics

- Shear
- Geological contact
- Rock, hear, silt sample
- Trench
- Talus
- Cliff



- py Pyrite
- pyh Pyrrhotite
- cb Chalcopyrite
- sa Selenite
- ga Galena
- me Melnikovite
- qv Quartz vein
- cv Carbonate vein



MONDANA VENTURES INC.
MARMOT PROJECT
COMPILATION MAP

N.T.S. 103P-13 SKEENA M.D., B.C.

**CERTIFICATE OF THE OFFICERS, DIRECTORS
AND PROMOTERS**

foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Corporation as required by the Securities Act and its regulations.

OFFICERS

[NAME]
Officer

ANGELA NIELSEN
Chief Financial Officer

BEHALF OF THE BOARD OF DIRECTORS

BYARD MACLEAN

PROMOTERS

[NAME]

NILS NIELSEN

at Vancouver, British Columbia, this 28th day of

CERTIFICATE OF THE AGENT

best of our knowledge, information and belief, this certificate constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Corporation as required by the Securities Act and its regulations.

SIA PACIFIC SECURITIES CORPORATION

By: _____
R. BRIAN ASHTON

Vancouver, British Columbia, this 28th day of