

Preliminary Prospectus Dated August 16, 1983.

EFFECTIVE DATE:

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 PERSONS PERMITTED TO SELL SUCH SECURITIES. 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.

NEW ISSUE:

PROSPECTUS

VITAL RESOURCES LTD.
(INCORPORATED UNDER THE LAWS OF
THE PROVINCE OF BRITISH COLUMBIA)

600,000 UNITS CONSISTING OF 600,000 SHARES
WITHOUT PAR VALUE AND 1,200,000 SERIES "A" WARRANTS

WE, AS AGENT, CONDITIONALLY OFFER THESE UNITS IF, AS, AND WHEN ISSUED BY THE COMPANY AND ACCEPTED BY US, SUBJECT TO THE AGENCY AGREEMENT REFERRED TO UNDER THE HEADING "SHARE OFFERING AND PLAN OF DISTRIBUTION", AND SUBJECT TO PRIOR SALE.

	Price to Public	Agents' Commission	Proceeds to Issuer if the Shares are Sold
Per Unit	\$ 1.00	\$ 0.15	\$ 0.85
Total	\$600,000	\$90,000	\$510,000

*BEFORE DEDUCTION OF LEGAL, AUDIT, PRINTING AND OTHER EXPENSES PAYABLE BY THE COMPANY IN CONNECTION WITH THIS PROSPECTUS, ESTIMATED NOT TO EXCEED \$25,000.

THE COMPANY HAS AGREED TO ISSUE TO THE AGENT A SERIES "B" NON-TRANSFERABLE WARRANT ENTITLING THE AGENT TO PURCHASE UP TO 200,000 COMMON SHARES, WHICH IF EXERCISED ARE QUALIFIED FOR SALE PURSUANT TO THIS PROSPECTUS, AS DESCRIBED UNDER "SHARE OFFERING AND PLAN OF DISTRIBUTION" ON PAGE 1.

THE SHARES OF THE COMPANY MUST BE CONSIDERED SPECULATIVE SECURITIES AS THE COMPANY'S MINING PROPERTIES ARE IN THE EXPLORATION AND DEVELOPMENT STAGE. REFERENCE IS MADE TO THE SECTION HEADED "RISK FACTORS" ON PAGE 2 HEREOF.

THERE IS CURRENTLY NO MARKET FOR THE SHARES OR WARRANTS OF THE COMPANY. THE VANCOUVER STOCK EXCHANGE HAS CONDITIONALLY APPROVED THE LISTING OF THE SECURITIES OF THE COMPANY. LISTING IS SUBJECT TO THE COMPANY FULFILLING ALL OF THE REQUIREMENTS OF THE EXCHANGE, INCLUDING DISTRIBUTION OF THESE SECURITIES TO A MINIMUM NUMBER OF PUBLIC SHAREHOLDERS, WITHIN 90 DAYS OF THE COMPLETION OF THE SHARE OFFERING UNDER THIS PROSPECTUS.

SUBSCRIPTIONS FOR UNITS WILL BE RECEIVED SUBJECT TO REJECTION OR ALLOTMENT IN WHOLE OR IN PART, AND THE RIGHT IS RESERVED TO CLOSE THE SUBSCRIPTION BOOKS AT ANY TIME WITHOUT NOTICE. IT IS EXPECTED THAT DEFINITIVE SHARE CERTIFICATES FOR THE COMMON SHARES AND SERIES "A" WARRANTS WILL BE AVAILABLE FOR DELIVERY ON OR ABOUT , 1983.

WHEN ALL OF THE SHARES OFFERED BY THIS PROSPECTUS ARE SOLD TO THE PUBLIC THE ISSUE WILL REPRESENT 19.43% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 31.67% THAT WILL THEN BE OWNED BY THE PROMOTERS, DIRECTORS AND SENIOR OFFICERS OF THE COMPANY AND WHICH WERE ISSUED FOR CASH OR SERVICES.

AGENT: CANARIM INVESTMENT CORPORATION LTD.
2200 - 609 Granville Street
Vancouver, British Columbia
V7Y 1H2

THIS PROSPECTUS IS DATED THE 16th DAY OF August, 1983.

This is a Preliminary Prospectus relating to these securities, a copy of which has been filed with the Securities Commissions and similar authorities in the Provinces of British Columbia, Alberta, Saskatchewan and Manitoba but which has not yet become final for the purpose of distribution to the public. Information contained herein is subject to completion or amendment. These securities may not be sold to, nor may offers to buy be accepted from, residents of such provinces prior to the time a receipt for the final prospectus is obtained from the appropriate Securities Commissions or similar authorities.

THE COMPANY

Vital Resources Ltd. (the "Company") was incorporated on March 4, 1975 under the name Vital Mines Ltd. by filing a Memorandum and Articles with the Registrar of Companies under the British Columbia Company Act. The name of the Company was changed to "Vital Resources Ltd." on May 1, 1981. The Company's registered office is at 3000 - 1055 West Georgia Street, Vancouver, British Columbia, V6E 3R3. The Company is also extra-provincially registered in the Province of Ontario and has an office at 500 - 67 Richmond Street West, Toronto, Ontario, M5H 1Z5.

SHARE OFFERING AND PLAN OF DISTRIBUTION

By an Agency Agreement (the "Agency Agreement") dated for reference June 3, 1983, the Company has appointed Canarim Investment Corporation Ltd. (the "Agent") as its exclusive agent to offer for sale the 600,000 common shares and 1,200,000 Series "A" Warrants (one share and two Series "A" Warrants being referred to as a "Unit") offered under this Prospectus, subject to compliance with necessary legal requirements and the terms and conditions of the Agency Agreement. The 600,000 Units to be offered for sale by the Agent will be offered to the public in British Columbia, Alberta, Saskatchewan and Manitoba at \$1.00 per Unit.

The Agent has agreed to use its best efforts to procure subscriptions for the Units offered hereby during a 90 day offering period following the Effective Date of the Prospectus. The Company has agreed to pay fees to the Agent in the amount of \$90,000 in consideration of services rendered by it under the Agency Agreement. The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of the financial markets and may also be terminated on the occurrence of certain stated events.

The Agent has agreed to purchase all Units which remain unsubscribed for at the conclusion of the 90 day offering period. In consideration therefor, the Company has agreed to allot and issue to the Agent 200,000 Series "B" non-

transferrable Warrants forthwith following the completion of the offering, entitling the Agent to purchase up to 200,000 common shares of the Company at a price of \$1.10 per share.

Two Series "A" Warrants will entitle the holder thereof to purchase one common share in the capital of the Company at the price of \$1.10.

The rights to purchase common shares of the Company represented by Series "A" Warrants and the Series "B" Warrants expire 180 days after the shares of the Company are listed on the Vancouver Stock Exchange, or 12 months after the date of the Prospectus, whichever is earlier.

Particulars of the Series "A" Warrants and the Series "B" Warrants are described under "Capitalization and Description of Shares" herein.

Shares acquired by the Agent through the exercise in whole or in part of the Series "B" non-transferable Warrants are also qualified for sale to the public by this Prospectus at market prices for the Company's shares from time to time.

The Company has also granted to the Agent the right of first refusal on future equity and debt financing for a period of 12 months following the Effective Date.

The Agent reserves the right to offer selling group participation, in the normal course of brokerage business to selling groups of other licensed broker dealers, brokers and investment dealers, and may determine the commission payable provided that such commission does not exceed the commission payable by the Agent.

RISK FACTORS

The Company's business of mineral exploration and development is a highly speculative business and, therefore, the purchase of Common shares offered hereby must be considered a speculative investment. There is no assurance that expenditures to be made by the Company will result in any discoveries of commercial quantities of ore. No survey has been made of the Company's mineral claims and, therefore, in accordance with the mining laws of the Province of British Columbia, their existence and area could be in doubt.

DESCRIPTION OF BUSINESS AND PROPERTIES OF THE COMPANY

Business:

The Company's principal business is the acquisition, exploration and development of natural resource properties.

Properties:

A. SOUP CLAIMS

The Company has the right to acquire a 100% interest in eleven mineral claims situate in the Omineca Mining Division of British Columbia approximately 130 air miles north-northwest of Smithers, more particularly described as follows:

<u>Name of Claim</u>	<u>Record Number</u>	<u>Expiry Date</u>
Soup 1	26941	Aug. 7/92
Soup 2	26942	Aug. 7/92
Soup 3	26943	Aug. 7/92
Soup 4	26944	Aug. 7/92
Soup 5	26945	Aug. 7/92
Soup 6	26946	Aug. 7/92
Soup 7	26947	Aug. 7/92
Soup 8	26948	Aug. 7/92
Soup 9	26949	Aug. 7/92
Soup 10	26950	Aug. 7/92
Soup 11 (fr)	4206	Aug. 15/92

(hereinafter called the "Soup Claims")

By an Agreement dated May 28, 1981, between the Company and Alastair James Sinclair, Elizabeth Ursula White, and Dorothea K. Renney, all of 2972 West 44th Avenue, Vancouver, British Columbia (the "Vendors"), the Company acquired an option to purchase the Soup Claims for cash payments totalling \$60,000 and the allotment and issue of 150,000 common shares of which \$36,000 has been paid and 45,000 shares have been issued to date. In order to maintain the option in good standing and to acquire a 100% interest in the Soup Claims, the Company is required to pay a further

\$24,000 and issue a further 15,000 shares on or before April 30, 1984, and issue a further 90,000 shares on or before April 30, 1986. Other than the 45,000 shares presently owned by them, the Vendors have no interest in either the Company or its properties and the Option Agreement was entered into on an arms-length basis.

The Soup Claims are located approximately 15 kilometres south-east of Johanson Lake and cover about 200 hectares. They are best reached by helicopter from Johanson Lake which is served by a road from either Fort St. James or Prince George, where all supplies are available.

The Soup Claims were optioned by the Company to Noranda Exploration Company, Limited (N.P.L.) by agreement dated May 7, 1982. That option has now lapsed.

The Soup Claims are part of the original Shell group staked for Leitch Gold Mines in 1947. These lapsed and the present claims were staked in 1964 by W.H. White. In that year Southwest Potash (now Amax) examined and sampled the property. In 1965 K.C. McTaggart geologically mapped the claim group. Falconbridge, in 1971, drilled three short x-ray holes, and in 1977 BP Minerals completed eleven lines of continuous chip samples. In 1982 Noranda Explorations conducted a detailed soil and limited rock sampling program.

Known mineralization in the claim group consists of zones of magnetite-rich skarn containing some copper and gold. The skarn is continuous for over 6000' and is between 20' and 100' thick. Sampling by Southwest Potash averaged 0.08 oz. Au and 0.55% Cu over three lines averaging 28' spaced 500' apart. X-ray drilling by Falconbridge did not confirm these values, but instead averaged 0.02 oz. Au and 0.25% Cu. Core recoveries were approximately 50%. A three metre sample by BP Minerals ran greater than 10,000 p.p.b. Au while a grab sample taken by the B.C. Department of Mines assayed 0.86 oz. Au/ton.

The 1982 geochemical survey prepared by Noranda at a cost of \$12,000 disclosed four separate areas of soils containing more than 500 p.p.b. Au over maximum widths of 300 m. These total approximately 20 hectares. The highest value obtained was 9400 p.p.b. Au. The areas are also anomalous in that their copper content exceeds 1000 p.p.m.

If these soil samples reflect bedrock values, open pitting will be possible.

Mineral dressing tests carried out by the Ontario Research Foundation on similar copper and gold bearing magnetite from the Company's nearby Klisum property show that the gold occurs in chalcopyrite and pyrite and is readily concentrated by inexpensive flotation methods.

The Company intends to carry out drilling, consisting of two vertical diamond drill holes totalling 2,500 feet (750 metres) on the northern part of the Soup Claims to sample the gold-copper-bearing magnetite zones at depth, at an estimated cost of \$150,000, being Phase I of the recommended program of work of N.C. Carter, Ph.D., P.Eng. as set out in his Report on the Soup and Klisum Mineral Claim Groups dated March 21, 1983 (hereinafter called the "Carter Report"). A copy of the Carter Report is reproduced in this Prospectus. Phase II of the recommended program of work, consisting of additional drilling, would be contingent upon the results of Phase I.

B. KLISUM GROUP

The Company owns a 55% beneficial interest in 42 mineral claims situate in the Omineca Mining Division, Province of British Columbia approximately four miles northwest of the Soup Claims and more particularly described as follows:

<u>Name of Claim</u>	<u>Record Number</u>	<u>Expiry Date</u>
UTA - 4	127781	Aug 29/92
UTA - 6	127783	Aug 29/92
UTA - 8	127785	Aug 29/92
KLI - 1	89985	Aug 10/92
KLI - 2	89986	Aug 10/92
KLI - 3	89987	Aug 10/92
KLI - 4	89988	Aug 10/92
KLI - 5	89989	Aug 10/92
KLI - 6	89990	Aug 10/92
KLI - 7	89991	Aug 10/92
KLI - 8	89992	Aug 10/92
KLI - 9	89993	Aug 10/92
KLI - 10	89994	Aug 10/92
KLI - 11	89995	Aug 10/92
KLI - 12	89996	Aug 10/92

KLI - 13	89997	Aug 10/92
KLI - 14	89998	Aug 10/92
KLI - 15	89999	Aug 10/92
KLI - 16	90000	Aug 10/92
KLI - 17	90001	Aug 10/92
KLI - 18	90002	Aug 10/92
KLI - 19	90003	Aug 10/92
KLI - 20	90004	Aug 10/92
KLI - 21	91832	Sept 11/92
KLI - 25	91836	Sept 11/92
KLI - 26	91837	Sept 11/92
KLI - 27	91838	Sept 11/92
KLI - 28	91839	Sept 11/92
KLI - 39	99985	July 12/92
KLI - 40	99986	July 12/92
KLI - 41	99987	July 12/92
KLI - 42	99988	July 12/92
KLI - 43	99989	July 12/92
KLI - 44	99990	July 12/92
KLI - 45	99991	July 12/92
KLI - 46	99992	July 12/92
KLI - 47	99993	July 12/92
KLI - 48	99994	July 12/92
KLI - 49	99995	July 12/92
KLI - 50	99996	July 12/92
Chris 1	4855	Oct 25/83
Chris 2	4856	Oct 25/83

(hereinafter called the "Klisum Group")

The Company acquired the right to earn up to an 80% interest in the Klisum Group by agreement made November 23, 1977, among the Company, Sumac Mines Ltd. and Kennco Explorations, (Western) Limited ("Kennco"). To date the Company has incurred expenditures of more than \$100,000 on the Klisum Group and presently holds a 55% interest therein. The Company may increase its interest to 80% by expenditures as follows:

<u>Total Accumulated Expenditures</u>	<u>% of Interest</u>
\$ 200,000	55%
\$ 300,000	60%
\$ 500,000	65%
\$ 700,000	70%
\$1,000,000	75%
\$1,500,000	80%

At any time after the Company has acquired a 50% interest until it has acquired an 80% interest, Kennco may elect to participate in an exploration and development program on the Klisum Group by the payment to the Company of that percentage of costs that is equal to Kennco's then interest in the Klisum Group. If the Klisum Group is developed to commercial production, the Company is entitled to receive repayment of its total expenditures less \$100,000 and less any moneys contributed by Kennco on account of the Company's expenditures, and Kennco shall be entitled to receive repayment of moneys contributed by it on account of the Company's expenditures by distribution out of 80% of the net proceeds in proportion to their respective contributions. The remaining 20% of net proceeds will be distributed to the Company and Kennco according to their respective interests in the Klisum Group. After repayment of costs and expenditures aforesaid, the net proceeds, subject to working capital requirements, will be distributed to the Company and Kennco according to their then respective interests. All mineral claims or interests therein acquired by the Company or Kennco located in whole or in part within 1/2 mile of any of the claims comprising the Klisum Group are included and subject to the terms of the Agreement. Kennco chose not to participate in the 1981 program of work with the result that its interest was reduced to 45%. The Company expended \$101,601 on the 1981 program. In 1982 the respective interests of Kennco and the Company remained the same.

The Klisum Group is approximately 1800 hectares in size and access is by way of helicopter from Johanson Lake which is reached by wheel or float - equipped aircraft from Smithers or by the Omineca Mining Road. Supplies and provisions for the camp are available at Prince George and/or Fort St. James.

The Klisum Group was first staked by Kennco in 1970 during follow-up exploration of their Babine area reconnaissance program. In 1970, a preliminary program of stream silt sampling and magnetic surveys was made over part of the property and in 1971, was extended over the balance of the property. In 1973, the property was optioned to Sumac Mines Ltd., which completed 3 short X-ray drill holes in 1973 and further drilling of 11 BQ holes in 1974. Since acquiring its option in 1977, the Company has expended \$106,186 on the Klisum Group on an exploration and development program consisting of drilling, sampling, and

geochemical surveys to acquire the 55% interest referred to above.

The Carter Report states that the present drilling on the Klisum Group is sufficient to warrant a preliminary calculation of indicated reserves in the Discovery Zone. The zone is estimated to contain indicated reserves to 300 feet of more than 1,000,000 tons with an average grade of 0.03 Au/ton, 0.22 Ag/ton and 0.43% Cu.

The Discovery Zone of the Klisum Group is a magnetite-rich skarn and is marked by a prominent magnetic anomaly about 900 feet long, and a small, strongly weathered surface exposure. The skarn consists of epidote, quartz, pyrite, chalcopyrite and minor gold, scheelite and an unidentified silver mineral.

The Company intends to carry out further drilling on the Discovery Zone and on the anomalous zone of geochemistry and magnetics extending eastwards about 5,000 feet from the zone as well as soil geochemical sampling and magnetic profiles at intervals along a 12,000 foot length of a sulphide-bearing unit within the Klisum Group, all as more particularly set forth and recommended in the Carter Report, at an estimated cost of \$50,000.

The Klisum Group also contains the Ginger gold prospect. The 1947 Minister of Mines Report mentions channel samples of 1.38 oz. Au over 26" and 0.36 oz. Au over 72" in quartz veins. These will be investigated further.

C. HOUSTON PROPERTY

The Company owns a 100% interest in three mineral claims situate in the Omineca Mining Division, Province of British Columbia, more particularly described as follows:

<u>Name of Claim</u>	<u>Record Number</u>	<u>Expiry Date</u>
Red	315	June 4/86
Red 2	448	Oct. 13/83
Jay 2	867	Nov. 10/86

(hereinafter called the "Houston Property")

The Houston Property was acquired by staking pursuant to the terms of an agreement ~~made as of January 25, 1976,~~ between Mattagami Lake Mines Limited (NPL) ("Mattagami") and

the Company. Following expenditures of \$486,282 by Mattagami or its successors within the Noranda Group, the property has now been returned to the Company and the agreement terminated.

The Houston Property consists of approximately 2,500 hectares and is located approximately 25 miles southwest of Houston, B.C.

Very high grade Copper, Lead, Zinc, Silver float was discovered on the property coincident with a large Lead-Zinc-Silver geochemical soil anomaly. Exploration to date has not revealed the source of the float or causes for the geochemical anomaly. As all exploration possibilities have not been exhausted, the Company intends to retain the claims.

The Company has no present intention of carrying out further work on this property other than to maintain it in good standing and has not allocated any of the proceeds of this offering for further exploration of this property.

There is no underground plant or equipment or surface plant or equipment located on the Soup Claims, Klisum Group or Houston Property.

THE COMPANY'S PROPERTIES ARE WITHOUT KNOWN BODIES OF COMMERCIAL ORE AND THE PROPOSED PROGRAMS ARE AN EXPLORATORY SEARCH FOR ORE.

USE OF PROCEEDS

Available Funds

Net Proceeds of this issue \$510,000

Use of Available Funds (in order of priority)

To pay legal, audit, printing and other expenses in connection with this Prospectus (estimated) 25,000

To pay the Vancouver Stock Exchange, Resource Section, Listing Fee (to be held in trust by Canada Permanent Trust Company pending application)	3,500
<u>To pay accounts payable as at June 30, 1983</u>	<u>6,155</u>
To repay a <u>shareholder's</u> loan	18,000
To carry out Phase I of the program of work on the Soup Claims as recommended by the Carter Report consisting primarily of diamond drilling	\$150,000
To carry out the program of work on the Klisum Group as recommended by the Carter Report consisting primarily of geological mapping, soil, silt and rock geochemical surveys and a magnetometer survey	\$ 50,000
To provide working capital	<u>\$257,345</u>
TOTAL	<u><u>\$510,000</u></u>

In the event the Series "A" Warrants to purchase an additional 600,000 shares and/or the Series "B" non-transferable Warrants granted to the Agent to purchase an additional 200,000 shares of the Company are exercised, the proceeds from the sale of such shares will be added to the working capital of the Company.

Working capital will be used to defray normal administration costs, for further mineral exploration, and for mineral property acquisition by staking and recording, purchase or option, as the Directors of the Company may determine. In particular, and if the results obtained from carrying out Phase I of the program of work on the Soup Group justify further expenditures, the Company will use working capital to carry out Phase II of the program of work on the Soup Claims as recommended by the Carter Report consisting primarily of further diamond drilling at an estimated cost of \$150,000.

The Company may, pursuant to the recommendations of a qualified engineer, abandon, in whole or in part, any of its properties or may alter, as work progresses, the work program recommended or may make arrangements for the performance of all or any portion of such work by other persons or companies and may use any monies so diverted for the purposes of conducting work or examining other properties acquired by the Company after the date of this Prospectus, although the Company has no present plans in this regard. If any such event occurs and is considered a material matter during the primary distribution of the shares referred to in this Prospectus, an amendment to this Prospectus will be filed. If any such event occurs subsequent to the completion of the primary distribution, shareholders will be notified.

No part of the proceeds will be used to invest, underwrite, or trade in securities other than those that qualify as investments in which trust funds may be invested under the laws of the jurisdiction in which the securities offered by this Prospectus may be lawfully sold. Should the Company intend to use the proceeds to acquire other than trustee type securities after the distribution of the securities offered by this Prospectus, approval by the shareholders of the Company must first be obtained and notice of the intention filed with the regulatory securities bodies having jurisdiction over the sale of the securities offered by this Prospectus.

CAPITALIZATION AND DESCRIPTION OF SHARES

Designation	Amount of Security Authorized	Amount Outstanding as of the Date of the Balance Sheet Contained in Prospectus	Amount Outstanding as of June 3 1983	Amount Outstanding on Completion of Distribution Hereunder
Common Shares	10,000,000	<u>2,487,400</u>	2,487,400	3,087,400*

*In addition, the Company has reserved 800,000 shares to provide for the exercise of the Series "A" and Series "B" Warrants. There is no assurance the warrants will be exercised.

Common Shares

All shares of the Company, both issued and unissued, are of the same class and rank equally as to dividends, voting powers and participation in assets of the Company on a winding-up or dissolution. No shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights, and no provisions for redemption, purchase for cancellation, surrender of, sinking fund or purchase fund. Provisions as to the creation of, modifications, amendments or variations of such rights or such provisions are contained in the Company Act of British Columbia.

Series "A" Warrants and
Series "B" Warrants

The Series "A" Warrants to be issued pursuant to this offering will be in bearer form. The Series "B" Warrants to be issued to the Agent will be in registered form and will be non-transferable.

The warrants will contain anti-dilution provisions, including, among other things, provisions for appropriate adjustment in class, number and price of shares issuable pursuant to any exercise thereof upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the shares of the Company or payment of stock dividends.

Prior Issue of Shares

For cash:

<u>Date</u>	<u>No. of Shares</u>	<u>Price Per Share</u>	<u>Cash Received</u>
March 11, 1975	10	\$1	\$10
June 15, 1976	20	\$10	\$200
September 15, 1980	200,000	\$1.25	\$250,000

On September 11, 1980, the then 50 issued shares of the Company (20 shares having been issued on June 27, 1980 for services rendered at a deemed price of \$200 per share) were subdivided 20,000 for 1 resulting in an issued capital of 1,000,000 shares.

On March 24, 1981, the then 1,200,000 issued shares of the Company were subdivided 2 for 1 resulting in an issued capital of 2,400,000 shares.

No commissions were paid on the sale of any of the shares for cash.

For other than cash:

<u>Date</u>	<u>No. of Shares</u>	<u>Deemed Price Per Share</u>
June 27, 1980	20	\$200
May 28, 1981	15,000	\$1.25
April 26, 1982	15,000	\$1.25
April 29, 1983	15,000	\$1.25
June 1, 1983	42,400	\$.625

Of the 2,487,400 issued shares of the Company as at the date hereof, a total of 1,200,000 shares have been escrowed (see heading "Escrowed Shares") and 400,000 shares have been pooled. All of the escrowed shares and pooled shares are owned by the Promoters or their immediate families and one business associate.

The 400,000 shares pooled with Canada Permanent Trust Company are to be released as follows:

- (a) 25% of the shares on the first day the shares of the Company commence trading on the Vancouver Stock Exchange (the "Approval Date");
- (b) 25% of the shares three months following the Approval Date;
- (c) 25% of the shares six months following the Approval Date;
- (d) the balance of the shares nine months following the Approval Date.

*Funders
Fals
Bristow
+ Rich/Heel*

In the event the Company is not listed for trading within 12 months of the date of issue of a receipt by the Superintendent or within 18 months of the execution of the pooling agreements, all the pooled shares will be released to pooled shareholders and will be available for trading immediately upon listing on the Vancouver Stock Exchange.

PRIOR SALES

During the past 12 month period, shares of the Company have been issued as follows:

- (a) 15,000 shares at a deemed price of \$1.25 per share on April 29, 1983, to the Vendors of the Soup Claims;
- (b) 20,000 shares at a deemed price of \$0.625 per share on June 1, 1983, to John Harvie for past services rendered to the Company;
- (c) 22,400 shares at a deemed price of \$0.625 per share on June 1, 1983, to William G. Bristow (as to 4,800), Gordon W. Fancy (as to 8,800) and Timothy Blake (as to 8,800) for past services rendered to the Company.

ESCROWED SHARES

Designation of Class	Number of Shares held in Escrow	Percentage of Class
Common	1,200,000	64.71%

As at the date hereof, these 1,200,000 shares are held by Canada Permanent Trust Company subject to the direction or determination of the Superintendent or the Vancouver Stock

Exchange (the "Exchange"). The escrow restrictions provide that the shares may not be sold, assigned, hypothecated, alienated, released from escrow, transferred within escrow, or otherwise in any manner dealt with, without the express consent of the Superintendent or the Exchange.

The terms of the Escrow Agreement provide that in the event the Company loses, abandons, or fails to obtain title to all or part of the property or assets for which it allotted all or part of the escrow shares, the Company will declare such event to the Superintendent or the Exchange; and the holders of such shares, the trustee thereof, and the Company have agreed that such number of such shares as the Superintendent or the Exchange determines shall have become subject to cancellation shall be surrendered to the Company by way of gift for cancellation. Further, the Escrow Agreement acknowledges that a portion of the consideration for the issuance of the escrow shares is to encourage the escrow shareholders to act in the best interest of the Company, and if the Company becomes successful due in part to the efforts of the shareholders, or any one of them, and in such case and notwithstanding that the property or asset has been lost or alienated, the shareholders shall be entitled to maintain their ownership of the escrow shares and to a release of the shares from the terms of the Escrow Agreement, from time to time, in accordance with the general policies of the Superintendent or the Exchange.

copy // The complete text of the Escrow Agreement is available for inspection at the records office of the Company, 3000 - 1055 West Georgia Street, Vancouver, B.C.

PRINCIPAL SHAREHOLDERS

Set forth below are the names and addresses of the holders of 10% or more of the shares of the Company and particulars of their shareholdings as at the date hereof:

Name and Address	Designation of Class	Type of Ownership	Number of Shares Owned	Percentage Class
Charles John Sullivan 91 Bessborough Dr. Toronto, Ontario M4G 3J3	Common	Beneficial & of Record	487,500	19.59%
Terence Rodgers 7208 Fitzsimmons Drive Whistler, B.C. V0N 1B0	Common	Beneficial & of Record	334,500	13.44%
John Barakso 575 Saville Crescent, North Vancouver B.C. V7N 3A9	Common	Beneficial & of Record	320,000	12.86%
Bradley Resources Corporation* 274 Riverside Ave Westport, Conn. 06880	Common	Beneficial & of Record	316,000	12.7%

*Bradley Resources Corporation is a private corporation owned by George W. Holbrook, Jr. of P.O. Box 352, Westport, Connecticut, and members of his family.

The directors and senior officers as a group own, directly or indirectly, 978,000 shares of the Company representing 39.32% of the issued shares.

OPTIONS TO PURCHASE SECURITIES

Other than as disclosed in this prospectus, there are no outstanding or proposed options to purchase securities of the company.

DIRECTORS AND OFFICERS

<u>Name & Address</u>	<u>Office Held In Company</u>	<u>Principal Occupation During Past Five Years</u>
CHARLES JOHN SULLIVAN 91 Bessborough Drive Toronto, Ontario M4G 3J3	President and Director	Geologist; self-employed consultant mineral exploration 1971 to present.
TERENCE RODGERS 7208 Fitzsimmons Whistler, B.C. VON 1B0	Secretary-Treasurer and Director	Geologist; self-employed mineral exploration consultant 1971 to present.
JOHN DUNCAN HARVIE 3 Sandfield Road Don Mills, Ontario M3B 2B5	Director	Engineer 1979 to present; senior engineer Imperial Oil Limited 1943 to 1979.
PAUL L. SULLIVAN 151 Pacific Avenue Toronto, Ontario M6P 2P6	Director	Sales Engineer, Computel Systems Ltd. 1981 to present; sales engineer Perkin Elmer (Canada) 1979 to 1981; engineer Canada Systems Group 1976 to 1979.

Mr. C. J. Sullivan has been employed in mineral exploration since 1938, first in Australia and then in Canada. He discovered the Rum Jungle uranium deposit and, as President of Kennco Explorations, was instrumental in the discovery of the Stikine, Berg and Huckleberry porphyry copper deposits, and what is now the Equity silver mine, all

in B.C. He was a pioneer in the use of large scale geochemical surveys.

Mr. Rodgers started his involvement in minerals by working on gold mines in S. Rhodesia in 1953 which were the subject of his doctoral thesis. As Chief Geologist of Brunswick Mining & Smelting Corp. he was responsible for the discovery of major ore bodies. More recently he was instrumental in the discovery of the Kutcho Creek massive sulphide deposit in northern B.C.

Mr. Harvie, as sometime General Manager of Production and Exploration for Imperial Oil was involved in the development of Norman Wells, Leduc, Redwater, Golden Spike and other Alberta oil and gas fields. Later, as Manager of Business Development he was involved in planning for Syncrude. He also directed coal exploration in Alberta and mineral exploration culminating in the important Midwest Lake Uranium discovery.

Mr. Paul Sullivan has been involved with Geosearch Consultants Ltd., conducting geophysical exploration in Ontario and B.C. and has provided mining and petroleum companies with large scale computer systems for the analysis of geophysical data.

Mr. Sullivan and Mr. Rodgers expect to devote a major part of their time and attention to the affairs of the Company.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL CONTRACTS

Other than as disclosed in this prospectus, the directors, officers and principal shareholders and their respective affiliates or associates have no interest in any past or proposed material transaction of the Company.

John D. Harvie, a director of the Company, received 20,000 shares of the Company at a deemed price of \$0.625 per share on June 1, 1983, for past services rendered to the Company.

John J. Barakso, an insider of the Company, owns 320,000 shares of the Company (after subdivisions). He was originally issued shares having a deemed total value of \$2,000 for past services rendered to the Company.

Paul L. Sullivan, a director of the Company, owns 128,000 shares in the Company.

AUDITORS AND TRANSFER AGENT

The auditors of the Company are Morgan and Company, chartered accountants, 1210 - 675 West Hastings Street, Vancouver, B.C.

The Transfer Agent of the Company is the Canada Permanent Trust Company, 701 West Georgia Street, Vancouver, B.C., V7Y 1E5.

PENDING LEGAL PROCEEDINGS

There are no pending legal proceedings involving the Company as at the date of this prospectus.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

The Company has paid the President \$17,000 for services rendered from 1979 to and including 1981 and issued 3 common shares (prior to the subdivisions referred to under the heading "Capitalization and Description of Shares" herein) for a deemed price per share of \$200.00. The President has not received any further remuneration for his services to the Company.

The Company has paid the Secretary-Treasurer \$28,000.00 for services rendered in 1981 and 1982 and issued 7 common shares to the Secretary-Treasurer (prior to the subdivisions referred to under the heading "Capitalization and Description of Shares" herein) for a deemed price per share of \$200.00. The Secretary-Treasurer as a professional geologist undertook to acquire properties for the Company of geological merit. The Secretary-Treasurer has not received any further remuneration for his services to the Company.

The Company has not paid and does not intend to pay any direct remuneration, pension benefits and other remuneration to any other of the Company's directors and senior officers.

PROMOTERS

Charles John Sullivan, of 91 Bessborough Drive, Toronto, Ontario, M4G 3J3, a Director and President of the Company, and Terence Rodgers, of 7208 Fitzsimmons Drive, Whistler, B.C., VON 1B0, a Director and Secretary-Treasurer of the Company, have taken the initiative in founding and organizing the Company and are its Promoters.

Charles John Sullivan has received \$17,000 and the shares for services rendered referred to under the heading "Remuneration of Directors and Senior Officers" herein. Mr. Sullivan holds 487,500 shares of the Company of which 39,500 shares were purchased at \$0.625 per share.

Terence Rodgers has received \$28,000.00 and the shares for services rendered referred to under the heading "Remuneration of Directors and Senior Officers" herein. Mr. Rodgers holds 334,500 shares of the Company of which 14,500 shares were purchased at \$0.625 per share.

Neither Mr. Sullivan nor Mr. Rodgers have received any consideration in the form of cash, shares or otherwise for acting as Promoters.

DIVIDEND RECORD

No dividends have been paid or declared on any shares of the company.

MATERIAL CONTRACTS

There are no material contracts other than those disclosed in this prospectus, all of which may be inspected at the records office of the company during normal business hours while primary distribution of the shares offered hereunder is in progress and for the period of thirty days thereafter.

OTHER MATERIAL FACTS

There are no other material facts relating to the shares offered under this prospectus other than those disclosed pursuant to the foregoing items.

CERTIFICATE OF DIRECTORS, OFFICERS AND PROMOTERS

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part 7 of the Securities Act (British Columbia), by Part VIII of the Securities Act (Alberta), by Part VIII of the Securities Act (Saskatchewan) and by Part VII of the Securities Act (Manitoba) and by the respective regulations thereunder.

C. J. Sullivan

CHARLES JOHN SULLIVAN, Director
& President (Chief Executive Officer)

T. Rodgers

TERENCE RODGERS, Director &
Secretary-Treasurer (Chief
Financial Officer)

J. Harvie

JACK HARVIE, Director

PAUL L. SULLIVAN, Director

C. J. Sullivan

CHARLES JOHN SULLIVAN, Promoter

T. Rodgers

TERENCE RODGERS, Promoter

Dated: August 16, 1983

CERTIFICATE OF AGENT

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 required by Part 7 of the Securities Act (British Columbia), by Part VIII of the Securities Act (Alberta), by Part VIII of the Securities Act (Saskatchewan) and by Part VII of the Securities Act (Manitoba) and by the respective regulations thereunder.

CANARIM INVESTMENT CORPORATION
LTD.

Per: _____

Per: _____

The persons beneficially owning not less than 5% of the issued shares of Canarim Investment Corporation Ltd. are Intercan Holdings Ltd. and Michael W. Murphy. The persons beneficially owning not less than 5% of the issued shares of Intercan Holdings Ltd. are A. E. Turton Investments Ltd., wholly owned by Alfred E. Turton, the MacLachlan Investments Corporation, wholly owned by Peter M. Brown, Petersham Holdings Ltd., wholly owned by Brian D. Harwood, and Channing Investments Corporation, wholly owned by Charles Channing Buckland.

DATED: August 16, 1983