

December 15, 1969 DRAFT  
REVISED January 13, 1970

HOMER EXPLORATION COMPANY LTD. (N.P.L.)

671911

(Incorporated under the laws of the  
Province of British Columbia)

P R O S P E C T U S

First Public Issue

300,000 common shares at 25¢ per share

100,000 common shares at 75¢ per share

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PRICE TO PUBLIC	COMMISSION <sup>(2)</sup>	PROCEEDS TO COMPANY <sup>(3)</sup>
Per Unit <sup>(1)</sup> \$1.50 (4 common shares)	37.1/2¢	\$1.12.1/2¢
Total \$150,000	\$37,500	\$112,500.00

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- (1) A unit consists of 3 common shares at 25¢ per share, and 1 common share at 75¢ per share.
- (2) This is the maximum commission payable if all shares offered are sold by registered brokers or salesmen.
- (3) Presuming all of the shares offered herein are sold.

REGISTERED OFFICE:

Suite 801 - 900 West Hastings Street, Vancouver, British Columbia

HEAD OFFICE:

SOLICITORS:

Lawrence & Shaw  
Vancouver, British Columbia

AUDITORS:

Arthur, Andersen & Co.  
1075 Melville Street, Vancouver, British Columbia

REGISTRAR AND TRANSFER AGENTS:

Guaranty Trust Company of Canada  
624 Howe Street, Vancouver, British Columbia

No person is authorized by the Company to give any information or to make any representation, other than those contained in this Prospectus, in connection with the issue and sale of these shares. If given or made, such information or representation cannot be relied upon as having been authorized by the Company.

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.

THESE SECURITIES ARE SPECULATIVE AND SHOULD BE PURCHASED ONLY BY PERSONS AWARE OF THE RISKS INVOLVED.

The Company's properties are without a known body of commercial ore and the proposed development programs referred to under the caption "History and Business" are exploratory searches for ore which is an undertaking involving a significant risk of loss. Reference should also be made to the captions "Principal Holders of Shares" and "Promoters" for a comparison in the percentages of securities being offered to the public for cash and those already issued by the Company to acquire its properties.

THERE IS NO EXISTING MARKET FOR THE SECURITIES OF THE COMPANY.

The date of this Prospectus is February , 1970.

HOMER EXPLORATION COMPANY LTD. (N.P.L.)

P R O S P E C T U S

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RIGHTS OF WITHDRAWAL AND RESCISSION

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

- (a) A Purchaser has a right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last prospectus, together with financial statements and reports and summaries of reports relating to the securities as filed with the British Columbia Securities Commission, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice.
  
- (b) A Purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

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

HISTORY AND BUSINESS

The Company, Homer Exploration Company Ltd. (N.P.L.), (hereinafter referred to as the "Company") was incorporated under the Companies Act of British Columbia as a specially limited public company by registration of Memorandum and Articles of Association with the Registrar of Companies on November 18, 1969, was converted to a specially limited private company on February 4, 1970, and was again converted to a specially limited public company by Certificate of the Registrar of Companies' of British Columbia dated and its Articles of Association were amended accordingly.

The business of the Company since its incorporation has been to engage in the acquisition of mineral claims, and it intends to continue to do so and to explore and, where feasible, develop and operate mineral claims.

THE PROPERTY AND ITS ACQUISITION:

The Company is the recorded and beneficial holder of 135 mineral claims, of which 47 of these claims are situate in the Nanaimo Mining Division of British Columbia and are known as the GAIL, JANE, LOIS, PAT and BARB claims groups, and 88 of which are situate in the Cariboo Mining Division of British Columbia and are known as the BEARCAT group.

According to the report of Donald W. Tully, P. Eng., Consulting Geologist and Professional Engineer, dated December 18, 1969, copy of which is attached hereto, the PAT, GAIL, JANE, BARB and LOIS groups comprise 47 mining claims in five separate groups north and east of Nimpkish Lake. Volcanics and limestones of the Karmutsen, Quatsino and/or Bonanza formations underlie several properties. Coast intrusives, mainly granodiorite intrude the volcanics and sediments. Copper and iron sulphide mineralization has been noted on each of the claim groups excepting the LOIS and PAT properties.

1. GAIL group:

The GAIL group, comprising approximately 600 acres, consists of 12 contiguous mineral claims located about 2.1/2 miles east of Nimpkish Lake on the southerly slope of Mount Hoy, British Columbia, at elevation 2500-3200 feet above sea-level and is about 35 miles south east from Port Hardy, British Columbia. In connection with

the GAIL group, Donald W. Tully, P. Eng. Consulting Geologist and Professional Engineer, in his report dated December 18, 1969, stated:

"Sedimentary and volcanic rocks of the Vancouver Group form the property basement. Granitic intrusives were observed cutting andesites.

Dr. H.C. Gunning reported garnet and epidote in limestone and reference to minor amounts of copper, lead and zinc in G.S.C. Summary Report, 1931, along Storey Creek.

The writer says pyrite with chalcopyrite grains in a general east-west striking shear zone in granodiorite. Magnetite is an accompanying mineral.

A magnetometer survey would be useful in outlining this mineralized zone which covers a width of at least 250 feet across the observed zone."

2. JANE Group:

The JANE group, comprising approximately 450 acres, consists of 9 mineral claims located at the headwaters of Steele Creek, which is near the southeast corner of Bonanza Lake, and about 37 miles from Port Hardy, British Columbia. The claims lie between 1,000 and 2,500 feet elevation. Access to the area is provided by a series of Canadian Forest Products logging roads. The lower portion of the claim group has been logged off recently. Travel on the logging roads in the area is restricted to weekends and statutory holidays and between the hours of six o'clock p.m. to six o'clock a.m. Monday through Friday.



According to the said report of Donald W. Tully:

"The JANE claim group is situated near the headwaters of Steele Creek and is underlain by andesites, tuffs and sediments that may belong in the Vancouver Group suite of rocks.

In the vicinity of the initial post of JANE No. 1 and JANE No. 2, scattered pyrite and chalcopyrite was reported."

3. LOIS Group:

The LOIS group, comprising approximately 200 acres, consists of 4 mineral claims, located at the north shore of Nimpkish Lake in British Columbia and about five miles from the south end of Nimpkish Lake. The claims area is best reached by helicopter, based in Port Hardy, or boat, which could be landed at the east end of the Lake.

According to the said report of Donald W. Tully the LOIS claims are underlain by Quatsino limestone and Karmutsen volcanics both of which are assigned to the Vancouver Group suite of rocks intruded by acidic intrusives of probably Jurassic age. Although no mineralization was seen, sulphides are reported to occur on this claim group.

4. PAT Group:

The PAT group, comprising approximately 300 acres, consists of 6 mineral claims located four miles south east of Nimpkish Lake near the mouth of Woodengel Creek and is accessible by truck road, and is about 34 miles from Port Hardy, British Columbia.

According to the said report of Donald W. Tully with respect to the PAT group:

"Bonanza, Quatsino and Karmutsen volcanics underlie this claim group. A north-north east trending fault strikes parallel to Steele Creek through the property.

No mineralization was observed on this ground. From a geological standpoint these claims have a favourable environment for mineral potential."

5. BARB Group:

The BARB group, comprising approximately 800 acres, consists of 16 mineral claims located on the north ridge of Mount Hoy and about two miles west of Bonanza Lake, in rugged terrain.

According to the said report of Donald W. Tully with respect to the BARB group:

"The contact zone of a granitic intrusive and the volcanic phase of the Bonanza series traverses the property. G.S.C. Summary Report, 1931, by Dr. H.C. Gunning, reports an area on the ridge leading down to the north east from the highest peak (probably Mt. Hoy) on a slope dropping into Larsen Creek (probably Noomas Creek) to be heavily mineralized with pyrrhotite, pyrite and chalcopyrite over some 500 square feet."

The Company proposes to implement the recommendations made by Donald W. Tully in his said report dated December 18, 1969 consisting of geochemical soil sampling on a 400 foot line spaced grid as a preliminary

reconnaissance survey on each group, with detailed geochemical work as a follow-up on any anomalous results in copper, molybdenum and silver. In addition, a magnetometer survey will be carried out using the ground control established for the proposed geological and geochemical programs. A second stage follow-up program of possible claim acquisition, rock trenching, and additional mapping is recommended should results be obtained in the initial reconnaissance work. The costs of the program estimated by Donald W. Tully are the following:

Air Charter, including helicopters	\$ 8,000
Travel	2,800
Wages, Salaries and overhead	26,000
Equipment	2,200
Assaying (Geochemical)	6,500
Contingencies at 10%	4,500
	<hr/>
	\$50,000
Second stage program of follow-up work	10,000
	<hr/>
	\$60,000
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The 47 mineral claims comprising the GAIL, JANE, LOIS, PAT and BARB groups were acquired from the Stokes Syndicate, 209 - 678 Howe Street, Vancouver, British Columbia, for a consideration of 375,000 shares of the capital stock of the Company, subject to escrow restrictions, which were distributed as follows:

Ronald B. Stokes	74,000 shares
Douglas C. Leighton	40,000 "
Les Story	40,000 "
Ronald Jeffery	40,000 "
Darral Blanchet	40,000 "
Michael Elson	40,000 "
Edwina E. Stokes	2,000 "
Stokes Syndicate	99,000 "

Other than as mentioned in the preceding paragraphs, there is no history known to the Company of previous prospecting, exploration, development or operations on any of these claims. There has been no underground exploration and developments, and there is no surface or underground plant and equipment on the GAIL, JANE, LOIS, PAT and BARB group of claims.

6. BEARCAT Group:

The BEARCAT group, comprising approximately 4,400 acres, consists of 88 mineral claims located on China Mountain about 64 miles north east of 150 Milehouse in the Cariboo District of Central British Columbia. Access is by gravel road through Likely, British Columbia. The 11 miles beyond Likely are rather steep, rising to an elevation of 4800 feet at the property.

According to the report of R.W. Phendler, B.Sc., P.Eng., dated December 23, 1969, copy of which is attached hereto:

"The area in which the China Mountain silver prospect is situated is underlain by interbedded black phyllites and grey argillites of the Midas Formation, which is part of the Cariboo group of Lower Cambrian age. The rocks strike northwesterly and dip between 10° and 35° to the northeast.

The argillites are medium grained, light to medium grey in colour and are moderately competent. Silicification of the argillites has occurred locally, creating generally favourable conditions for the emplacement of quartz veins of considerable size.

The phyllites are fissile, crumpled and distorted, creating rather unfavourable conditions for possible continuity of any quartz veins contained therein. ...

The silver-bearing quartz veins were found on surface and the principal one has been traced for 600 feet along strike. Width of this gently-dipping vein varies between a few inches and 15 feet, averaging about five feet.

The galena mineralization is mainly in the hangingwall part of the vein, but galena has also been observed close to the middle of the vein, associated with vuggy openings partially filled with well formed quartz crystals. ...

A few miles southwest of the three veins, close to Blackbear Creek, another galena-bearing quartz vein system has been exposed. It has been traced along strike for 130' and has been designated the "Falls" showing. Mineralization is sporadic in this vein which averages about two feet in width.

Other quartz veins have been found on the Homer Explorations Co. Ltd. claim group but little is known of their potential. ..."

Little is known of the early history of the showings but the B.C. Department of Mines Annual Report for 1951 states that a Mr. H.G. Miller of Likely shipped 7 tons of hand-picked ore yielding 1 oz. Au, 683 oz. Ag, 6401 pounds of Pb and 15 lbs of Zn. This obviously

was extracted from shallow diggings on the principal vein. The property was apparently dormant between 1951 and 1967 when silver prices made the prospect attractive once again. Underground exploration work (tunnelling) was carried out in 1967-68 by Plutus Mines Ltd. (N.P.L.) but was unsuccessful in locating the downdip extension of the principal vein. Follow-up diamond drilling disclosed the presence of three silver-bearing veins; one intersection approached commercial width and grade (5.0' of 5.35% Pb and 12.10 oz. Ag). An exploration raise was partially completed when work was suspended in late 1968.

There is some underground and surface plant and equipment on the property, which were left on the property by the previous owners, Plutus Mines Ltd. (N.P.L.), but the Company has no underground or surface plant and equipment on the property. The Company has done no work on this property.

The Company proposes to implement the recommendations made by R.W. Phendler, B.Sc., P. Eng. of Bacon & Crowhurst Ltd., Consulting Engineers, in his report on the property dated December 23, 1969, consisting of geological and geochemical reconnaissance of the property at an estimated cost of \$15,400 arrived at as follows:

Geological mapping, silt and soil sampling on 88 claims, including professional services, labour, food, lodging, transportation, sample analysis	\$14,000
10% contingencies	<u>1,400</u>
	<u>\$15,400</u>

The 88 mineral claims comprising the BEARCAT group were acquired by the Company from Peter Vajda, 439 Evergreen Place, North Vancouver, British Columbia, Professional Engineer, and Harvey R. Hargitt, 885 East 14th Street, North Vancouver, British Columbia, Insurance Agent, for a total consideration of \$2,200. and 368,000 shares of the capital stock of the Company, subject to escrow restrictions. Messrs. Vajda and Hargitt are insiders and promoters of the Company. Although 368,000 shares of the Company were issued for the BEARCAT group of mineral claims, Messrs. Vajda and Hargitt beneficially own only 60,000 shares each, and they and the other directors agreed that the other 248,000 shares issued for these claims are to be held in trust to be used in the discretion of the directors to further the Company's corporate purposes and may not be used for the benefit of the directors of the Company. These shares are held in trust by James Gall Thom, 5851 Grant Street, North Burnaby, British Columbia, an insider and promoter of the Company, as nominee of the directors, and Mr. Thom has no beneficial interest in these 248,000 shares.

#### DISTRIBUTION OF ISSUE

The Company by this prospectus offers 400,000 common shares of its capital stock which will either be distributed on behalf of the Company

registered as a security issuer in units of 3 common shares at 25¢ each and 1 common share at 75¢ each for a unit price for 4 common shares of \$1.50 net to the Company, to the public in the Province of British Columbia by those of its directors who are designated its trading directors from time to time, acting without commission or other remuneration; or will be distributed to the public through brokers and/or salesmen registered in the Province of British Columbia, as the circumstances may require, at a price of \$1.50 per unit, subject to commission which may be paid or allowed of up to 37.1/2¢ per unit to net the Company not less than \$1.12.1/2¢ per unit.

#### USE OF PROCEEDS

The net proceeds to be derived by the Company from the sale of the shares offered by this prospectus are estimated at \$112,500.00, presuming all shares offered are sold and that commission is paid to registered brokers and/or salesmen on all shares sold. The net proceeds will be used in the following order of priority:

- (a) \$60,000 to carry out the program recommended by Donald W.

Tully, P. Eng. Consulting Geologist and Professional Engineer,  
in his report dated December 18, 1969, copy of which is attached  
to this prospectus, on the 47 claims owned by the Company in the



Nimpkish Lake area, northern Vancouver Island, British Columbia, which program is more specifically dealt with on pages 6 and 7 hereof under the heading "History and Business".

(b) \$15,400 to carry out the recommendations of R.W. Phendler, B.Sc., P. Eng., in his report dated December 23, 1969, copy of which is attached to this prospectus, on the 88 claims known as the BEARCAT group owned by the Company in the Cariboo District of central British Columbia which recommendations are more specifically dealt with on page 10 hereof under the heading "History Business".

(c) \$ \_\_\_\_\_ to retire the indebtedness of Plutus Mines Ltd. (N.P.L.) ("Plutus") which Plutus incurred in partially carrying out its program when it owned the 88 claims referred to in paragraph (b) above subject to the Company hereafter acquiring control of Plutus. For further details, refer to the heading "Proposed Acquisition" on page 15 hereof. In the event of the Plutus debts exceeding the above figure, payment will be made on a pro-rata basis.

The balance of the proceeds will be used to provide for omissions and contingencies, to defray normal administrative, legal and accounting expenses with respect to the operation of the Company, for the examination of other properties with a view to their acquisition or option and, if warranted, for the acquisition of such other properties.

The above development program is an exploratory search and, as a result, it may be varied as the results of each step are obtained.

Monies in the Company's treasury will not be used to invest, underwrite or trade in securities other than those that qualify as investments in which trust funds may be invested under the law of the jurisdictions in which the securities offered by this Prospectus may be sold. Should the Company propose to use the proceeds to acquire non-trustee type securities after the initial distribution of the securities offered by this Prospectus, approval of the shareholders will be obtained and disclosure will be made to the regulatory securities bodies having jurisdiction over the sale of the securities offered by this Prospectus.

In the event that the funds raised by this Prospectus are insufficient to carry out all of the foregoing proposals, the Company will give priority to the program on its Nimpkish Lake property and carry it out to the extent and in a manner recommended by D.W. Tully, P. Eng., Consulting Geologist, and the recommendations on the 88 claims in the Blackbear Creek area will be given second order of priority.

PROPOSED ACQUISITION

The sum of \$ \_\_\_\_\_ to be derived by the Company for the sale of the shares offered hereunder for the purpose of retiring the indebtedness of Plutus Mines Ltd. (N.P.L.) will be placed in a special trust account with the Registrar and Transfer Agent of the Company, and will only be used for said purpose if, as and when the Company acquires not less than 50.1% of the issued shares of Plutus, and voting control of Plutus. In the event that the Company does not acquire such shares and voting control of Plutus within six months after the completion of the sale of the shares offered by this Prospectus, and if it appears to the directors of the Company that the acquisition is unlikely to be accomplished within a reasonable time thereafter, this sum of \$ \_\_\_\_\_ will continue to be held in trust by the Registrar and Transfer Agent of the Company, and may only be utilized by the Company for other corporate purposes upon either the filing of an amendment to this Prospectus acceptable to the British Columbia Securities Commission, or if the primary distribution of the shares offered by this prospectus has been completed, upon approval of the shareholders being obtained for any other corporate purposes.

DESCRIPTION OF CAPITAL STOCK

The Common shares of the Company are the Company's only class of stock. All the shares issued by the Company rank equally as to dividends, carry one vote per share, have no conversion, special liquidation, preemptive or subscription rights, and presently outstanding shares are not subject to any call or assessment. The shares offered hereunder when issued and sold as described in this Prospect will not be subject to any call or assessment.

There are no indentures or agreements limiting the payment of dividends.

CAPITALIZATION

<u>Designation of Security</u>	<u>Amount Authorized</u>	<u>Amount Outstanding as of (date of most recent Balance Sheet)</u>	<u>Amount Outstanding as of February 15, 1970</u>	<u>Amount to be Outstanding of all securities being offered are sold</u>
Common shares	5,000,000			

The following shares have been sold to date by the Company for cash:

<u>Designation of Security</u>	<u>Amount Sold</u>	<u>Price</u>	<u>Commission</u>	<u>Net Proceeds to Company</u>
Common shares				

For particulars of the indebtedness of Plutus Mines Ltd. (N.P.L.) which the Company proposes to discharge, subject to acquiring more than 50% of the issued shares and voting control of Plutus, refer to the headings "Use of Proceeds" and "Proposed Acquisition".

ESCROWED SHARES

Certificates representing 743,000 common shares of the Company issued for mining properties, as set forth under the caption "History and Business" are held in escrow by Guaranty Trust Company of Canada at its principal office in Vancouver, British Columbia.

These shares cannot be sold, dealt in, assigned or transferred without the written consent of the British Columbia Securities Commission, and are also subject to the condition that in the event of the Company losing or not obtaining a good and marketable title to, or abandoning or discontinuing development of any of the property which was or formed part of the consideration for any of the shares so held in escrow, or in the event of the property not being as represented, the holders of such shares have agreed to notify the British Columbia Securities Commission and, if so required, to surrender by way of gift to the Company for cancellation, such number of escrowed shares as the British Columbia Securities Commission in its sole discretion deems fair and equitable.

<u>Designation of Class</u>	<u>Number of Shares Held in Escrow</u>	<u>Percentage of Class</u>
Common shares	743,000	_____ %

shares of the Company issued for cash have been voluntarily pooled by the holders thereof with Guaranty Trust Company of Canada at its principal Vancouver office, to be held until 30 days after the Company has completed the sale of its shares offered to the public by this Prospectus or until such later time as the Superintendent of Brokers of the Province of British Columbia may direct.

PRINCIPAL HOLDERS OF SHARES

Set forth below are particulars of the principal holders of shares of the Company holding beneficially more than 10% of the issued shares as at the date of this Prospectus:

<u>Name and Address</u>	<u>Designation of Class</u>	<u>Type of Ownership</u>	<u>Number of Shares Owned</u>	<u>Percentage of Class</u>
James Gall Thom 5851 Grant St. North Burnaby British Columbia.	Common shares	Of record only	248,000	
"		Of record and beneficially		

The directors and senior officers as a group beneficially own       % of the issued common shares of the Company as at the date of this Prospectus.

DIVIDENDS

No dividends have been paid to date by the Company.

DIRECTORS AND OFFICERS

The name and addresses of the directors and officers of the Company and their positions presently held are as follows:

<u>Name and Address</u>	<u>Capacity</u>	<u>Principal Occupation During past Five Years</u>
Hendrik Jacobus Offers, 4450 Piper, Burnaby, British Columbia.	President and a Director	Insurance underwriter from 1959 to June 1965 with Osler, Hammond and Nanton Limited of Vancouver, British Columbia and from June 1965 to September 1966 with C.L. Rencher Ltd. of Vancouver, British Columbia. From September 1966 to October 1968, employee of Plutus Mines Ltd. (N.P.L.). From October 1968 to date self-employed.
John Reginald Ashe, 6507 Cypress Street, Vancouver, British Columbia.	Secretary-Treasurer and a Director.	Managing Director of Locke & Ree Ltd., Insurance Brokers, Vancouver, British Columbia.
James Gall Thom, 5851 Grant Street, North Burnaby, British Columbia.	Director	Sales Director of Rendell Tractor and Equipment Limited, Vancouver, British Columbia.

<u>Name and Address</u>	<u>Capacity</u>	<u>Principal Occupation During Past Five Years</u>
Harvey Russell Hargitt, 885 East 14th Street, North Vancouver, British Columbia.	Director	For the past 4 years insurance agent with Whitlam Agencies Limited, South Burnaby, British Columbia. Prior thereto Insurance Underwriter with Halifax Insurance Company, Vancouver, B.C.
Peter Vajda, 439 Evergreen Place, North Vancouver, British Columbia.	Director	For the past five years professional engineer and President, Columbia Engineering Company Limited, Vancouver, British Columbia.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS ~

No remuneration has been paid to any director or senior officer of the Company except for \$2,000. paid to H. J. Offers, the President of the Company, and \$1,000. paid to J. R. AShe, the Secretary-Treasurer of the Company, for their expenses incurred in and about the formation of the Company. These two directors and senior officers used these funds to subscribe for 20,000 shares and 10,000 shares respectively of the Company at a price of 10¢ per share.

The Company intends to pay a salary of \$ \_\_\_\_\_ per month to the President of the Company in his capacity as managing director commencing the \_\_\_ day of \_\_\_\_\_, 1970.

PRELIMINARY EXPENSES

The preliminary expenses of the Company for administration are \$ \_\_\_\_\_.

The Company has expended no funds to date for development.



PROMOTERS

By virtue of the statutory definition of promoter contained in the Securities Act, 1967, the promoters of the Company are Hendrik Jacobus Offers, John Reginald Ashe, James Gall Thom, Harvey Russell Hargitt and Peter Vajda.

Reference is made to the caption "History and Business" concerning the claims vended by Messrs. Vajda and Hargitt to the Company in consideration of \$2,500 and 368,000 vendors shares in the capital stock of the Company, of which Messrs. Vajda and Hargitt are entitled to share the sum of \$2,500 equally and also 120,000 shares equally, and the remaining 248,000 shares are held in trust by James Gall Thom to be used in the discretion of the directors to further the Company's corporate purposes and may not be used for the benefit of the directors of the Company.

All of the claims acquired by the Company at the time of acquisition were unproven. It was not possible to assign any particular value thereto and accordingly such shares were allotted at an arbitrary value of 10¢ per share which amount does not necessarily bear any correlation to the actual worth of the properties. The properties vended to the Company by the Stokes Syndicate were prospected and staked by the Stokes Syndicate at a cost of approximately \$2,600. The properties vended to the Company by Messrs. Vajda and Hargitt were obtained by Messrs. Vajda and Hargitt at a cost to them of \$ 2,200.00 .

For particulars of 20,000 shares issued to Mr. Offers at 10¢ per share and the salary to be paid to him, and of the 10,000 shares issued to Mr. Ashe at 10¢ per share, refer to the heading "Remuneration of Directors and Senior Officers" on page 20 of this prospectus. Messrs. Thom, Hargitt and Harvey have each purchase \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_, shares respectively of the Company at a price of 10¢ per share.

MATERIAL CONTRACTS AND OTHER  
MATERIAL FACTS

The only material contracts entered into by the Company since its incorporation are its agreement with the Stokes Syndicate with respect to the acquisition of the Nimpkish Lake group of claims, the agreement with Harvey R. Hargitt and Peter Vajda and with respect to the acquisition of the BEARCAT group of claims and management contract with H. J. Offers, a director and senior officer of the Company. Copies of the material contracts may be inspected at the registered office of the Company during normal business hours while the shares offered by this prospectus are in the course of primary distribution to the public.

As indicated under the heading "Proposed Acquisition" on page 15 hereof, the Company intends to take the requisite steps necessary with a view to acquiring not less than 50.1% of the issued shares of Plutus Mines Ltd. (N.P.L.) ("Plutus") and voting control of said company. These steps will be pursued shortly after completion of the primary distribution of the shares offered to the public by this Prospectus. In the event that the Company does not acquire such shares and voting control of Plutus after six months of completion of the sale of the shares offered with this Prospectus, and if it appears to the directors of the Company that the acquisition is unlikely to be accomplished within a reasonable time thereafter, the Company will abandon its intention to acquire said interest in Plutus. The Company also intends to take the requisite steps necessary with a view to acquiring not less than 50.1% of the issued shares of McMartin Explorations Limited (N.P.L.) ("McMartin") and voting control of said Company. In the event that the Company does not acquire such shares and voting control of McMartin after six months of completion of the sale of the shares offered by this Prospectus, and if it appears to the directors of the Company that the acquisition

is unlikely to be accomplished within a reasonable time thereafter, the Company will abandon its intention to acquire said interest in McMartin. These steps will be pursued shortly after completion of primary distribution. Plutus and McMartin are "specially limited companies" incorporated under the laws of the Province of British Columbia.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL  
TRANSACTIONS

None of the directors or senior officers of the Company, or any associate or affiliate of them, has had any material interest in any transaction which has or will materially affect the Company other than those transactions which are described elsewhere in this Prospectus, except that John Reginald Ashe is an insider and shareholder of McMartin and a shareholder of Plutus, Hendrik Jacobus Offers is a shareholders of Plutus and an insider and shareholder of McMartin, Harvey R. Hargitt, Peter Vajda, and James Thom are shareholders of McMartin and Plutus.

There are no other material facts.

DATED this                    day of February, 1970.

CERTIFICATE OF THE DIRECTORS AND PROMOTERS OF THE  
COMPANY

The foregoing constitutes, full, true, and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of the Securities Act, 1967, and the regulations thereunder.

HENDRIK JACOBUS OFFERS  
Director and a Promoter

JOHN REGINALD ASHE  
Director and a Promoter

JAMES GALL THOM  
Director and a Promoter

HARVEY RUSSELL HARGITT  
Director and a Promoter

PETER VAJDA  
Director and a Promoter

FINANCIAL STATEMENTS

(to be inserted here).....

GEOLOGICAL REPORTS(TO BE INSERTED HERE)