

CARIBOO-BELL COPPER MINES LIMITED

NOTICE OF SPECIAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that a Special General Meeting of the Shareholders of Cariboo-Bell Copper Mines Limited will be held in the Kamloops Room, Holiday Inn, 1133 West Hastings Street, Vancouver, British Columbia, on Thursday, April 15, 1977 at 2.00 p.m., (Vancouver Time) for the following purposes:

1. To consider and, if thought fit, pass as a special resolution a resolution that the Company enter into the Merger Agreement as described in the Information Circular accompanying this Notice of Meeting.
2. To consider and, if thought fit, pass as a special resolution a resolution (which resolution, by its terms, shall be deemed to have been void from the time of its passage and never to have taken effect if, in accordance with the terms of the said Merger Agreement, the merger shall not be proceeded with or the Company shall not participate in the said merger) that the Company be wound up voluntarily and that Jack Angus be appointed liquidator for the purpose of winding up the affairs and distributing the assets of the Company in accordance with and subject to the terms of the said Merger Agreement.

Accompanying this Notice are an Information Circular and a form of Proxy.

TAKE NOTICE that pursuant to the Companies Act, you may until April 13, 1977 give the Company a Notice of Dissent by registered mail addressed to the Company at 14th Floor, 1199 West Hastings Street, Vancouver, B.C. with respect to the first resolution referred to in this Notice of Meeting.

Shareholders are entitled to vote at the Meeting either in person or by proxy. Those unable to attend are requested to read, complete, date, sign and return the enclosed form of Proxy.

DATED at Vancouver, British Columbia, this 21st day of March, 1977.

BY ORDER OF THE BOARD

J.D. MUNROE
Secretary

INFORMATION CIRCULAR
(dated and with information as of February 22, 1977)

INTRODUCTION

SOLICITATION OF PROXIES

This information circular is furnished in connection with the solicitation of proxies by the management of the Company for use at the General Meeting of Shareholders of the Company to be held on the date, at the time and place, and for the purposes set forth in the Notice of Meeting accompanying this information circular. The cost of this solicitation will be borne directly by the Company.

APPOINTMENT AND REVOCATIONS OF PROXY

The persons named in the accompanying form of Proxy are directors of the Company and are nominees of management. A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR HIM AND ON HIS BEHALF AT THE MEETING, OTHER THAN THE MANAGEMENT NOMINEES. A shareholder desiring to do so should strike out the printed names and insert the desired person's name in the blank space provided in the form of Proxy.

A proxy may be revoked by an instrument in writing executed by the shareholder or by his attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer, or attorney, of the corporation, and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or to the chairman of the Meeting on the day of and prior to the Meeting, or any adjournment thereof at which the proxy is to be used.

PROVISIONS RELATING TO VOTING

If there is certainty of instructions in the enclosed form of Proxy, the shares represented thereby will be voted on any poll and, when the shareholder specified a choice with respect to any matter, in accordance with the specification so made.

The enclosed form of Proxy confers discretionary authority with respect to matters where no choice is specified, amendments or variations to matters identified in the Notice of Meeting and other matters not so identified which may properly come before the Meeting. At the time of printing this circular, the management of the Company knows of no such amendments, variation or other matter to come before the Meeting.

PROPOSED MERGER

PURPOSE

It is proposed, subject to shareholder approvals and approvals of regulatory authorities (see "Statutory Provisions and Requisite Approvals of Shareholders" below) to merge the undertakings, properties, assets and liabilities of Cariboo-Bell Copper Mines Limited ("Cariboo-Bell"), Pickle Crow Explorations Limited ("Pickle Crow"), Abex Mines Limited (No Personal Liability) ("Abex") and Beacon Mining Company Limited (No Personal Liability) ("Beacon") into Highland Mercury Mines Limited ("Highland Mercury"). The name "HIGHLAND-CROW RESOURCES LTD." has been selected as the new name for Highland Mercury. Teck Corporation Limited ("Teck"), the largest shareholder of each of the merging corporations, will coincidentally convert any indebtedness to it into Highland-Crow shares as well as subscribing for additional shares to provide for the working capital for the merged corporation.

MERGER TRANSACTIONS

The Merger Agreement, dated as of February 22, 1977, among Highland Mercury, Cariboo-Bell, Pickle Crow, Abex and Beacon, to which Teck is also a party, contemplates the following:

- (a) The consolidation of the issued and authorized capital of Highland Mercury on a 1 for 5 basis, and the subsequent increase of the authorized capital, so that immediately prior to the merger transactions taking place, the authorized capital of Highland Mercury would comprise 5,000,000 new shares of which 460,400 new shares would be outstanding;
- (b) The change of name of Highland Mercury to Highland-Crow Resources Ltd. ("Highland-Crow");
- (c) The sale to Highland-Crow by each of Cariboo-Bell, Pickle Crow, Abex and Beacon of their respective undertakings, properties

and assets, and the assumption by Highland-Crow of their respective liabilities, in consideration of new shares of Highland-Crow as follows:

Cariboo-Bell	245,667 shares	(one for nine outstanding)
Pickle Crow	882,680 shares	(one for five outstanding)
Abex	52,000 shares	(one for fifty outstanding)
Beacon	82,530 shares	(one for forty outstanding)

- (d) The conversion by Teck immediately thereafter of the present outstanding indebtedness to Teck (and a wholly-owned subsidiary) of Cariboo-Bell (\$44,275.00) and Beacon (\$11,862.00) into new shares of Highland-Crow at a price of \$1.00 per share;
- (e) The purchase by Teck immediately thereafter for cash of 100,000 new shares of Highland-Crow at a price of \$1.00 per share, so that immediately after the completion of all the foregoing transactions there will be issued and outstanding a total of 1,879,414 shares of Highland-Crow issued;
- (f) The obtaining of approvals of shareholders and regulatory authorities as conditions precedent to the merger transactions and the continued listing of the new shares of Highland-Crow on the Vancouver Stock Exchange;
- (g) The winding-up, pursuant to the respective statutes having application, of each of Cariboo-Bell, Pickle Crow, Abex and Beacon and the proportionate distribution of new shares of Highland-Crow among the shareholders of those corporations; and
- (h) Adjustments to avoid the issue of fractional shares of Highland-Crow and provisions for the completion of the merger notwithstanding that one of Cariboo-Bell, Pickle Crow, Abex or Beacon may not proceed therewith or that Cariboo-Bell may be subject to dissent proceedings.

The Merger Agreement as well as the Memorandum and Articles of Highland Mercury may be viewed by any interested shareholder, or his representative duly authorized in writing, during business hours at any time up to the holding of the General Meeting at any of 14th Floor, 1199 West Hastings Street, Vancouver, B. C., 49th Floor, Toronto-Dominion Centre, Toronto, Ontario, or Lamaque Mining Ltd., Bourlamaque, P.Q. The foregoing provisions of the Merger Agreement are, as requisite, more particularly explained in later sections of this information circular.

ADVANTAGES OF MERGER

The directors of each of Highland Mercury, Cariboo-Bell, Pickle Crow, Abex and Beacon believe that the merger of the respective undertakings, properties and assets of their corporations is reasonable and fair and will result in the following advantages:

- (a) Highland-Crow will be a larger, more diversified and financially stronger entity than the predecessor corporations alone and should accordingly be able to participate in a broader range of new projects and investment opportunities, and as a result, Highland-Crow's growth potential should be significantly greater than the aggregate growth potential of the predecessors;
- (b) Highland-Crow will have a greater number of shareholders than any of the predecessor corporations alone whereby it is believed that its trading volume should be significantly increased and, as a result, Highland-Crow's new shares should be a more attractive investment;
- (c) Any required future public financing for Highland-Crow should be more easily accomplished, because of a broader asset base and greater appeal to the investment community; and
- (d) "Streamlining" of management and operational duties into Highland-Crow will reduce administrative and other overhead expenses significantly.

Reference is also made to the accompanying letter from your President which forms part of this information circular.

SCHEDULES

Enclosed with and forming part of this information circular are the following Schedules to which reference is specifically made for the information contained therein:

- (a) Financial Statements at December 31, 1976 of:

Highland Mercury	-	<u>Schedule A</u>
Cariboo-Bell	-	<u>Schedule B</u>
Pickle Crow	-	<u>Schedule C</u>
Abex	-	<u>Schedule D</u>
Beacon	-	<u>Schedule E</u>

- (b) Pro forma Balance Sheet as at December 31, 1976 of Highland-Crow Resources Ltd. (formerly Highland Mercury) giving effect to the Merger Agreement - Schedule F
- (c) Information as to the Directors of the merging corporations - Schedule G
- (d) Information as to Stock Trading of the stock exchange-listed merging corporations - Schedule H.

HIGHLAND MERCURY MINES LIMITED

GENERAL INFORMATION

Highland Mercury is a British Columbia reporting company which was incorporated under the laws of British Columbia on March 3, 1966. Its authorized capital at present consists of 3,000,000 shares without par value, of which there are issued and outstanding 2,302,000 shares. 60,000 previously issued and outstanding shares which had been gifted back to the company are to be cancelled prior to the shareholders' meetings and the authorized capital diminished accordingly. Highland Mercury's shares are listed and posted for trading on the Vancouver Stock Exchange.

The names, addresses and chief occupations for the last five years of the directors are listed in Schedule G to this information circular. The auditors are Price, Waterhouse & Co., Chartered Accountants, of Vancouver, B.C., who have been auditors since April 2, 1969.

To the knowledge of the directors and senior officers of Highland Mercury, no person or company holds more than 10% of its outstanding voting shares other than Teck Corporation Limited, which owns 240,000 (11.5%) thereof.

PROPERTIES

1. Pinchi Lake Property - Omineca Mining Division, B.C.

This property comprises 71 located claims owned by Highland Mercury and under option to Cominco, Ltd. This property was acquired as a mercury prospect adjoining Cominco's mercury mine. No significant mineralization is known.

2. Summit Lake Properties

These properties comprise two groups totalling 104 claims located near the Yukon/Northwest Territories border. They are 100% owned by Highland Mercury. The properties were acquired on a speculative basis after the discovery of the Howard's Pass lead-zinc deposit in the area. Geochemical soil sampling on one group indicated modest lead-zinc anomalies. No work has been done on the other group.

3. Harman Syndicate

Highland Mercury has a 7% interest in this Syndicate which was formed for the purpose of prospecting in the Selwyn and Mackenzie Mountains area near the Yukon/Northwest Territories border. During 1974 and 1975, a total of 454 claims in 7 groups was staked. The 7 groups include the lead and zinc occurrences considered to offer the best tonnage and grade potential of the many occurrences discovered. Several of the properties have zinc mineralization exposed at intervals or noted in float over lengths of several thousand feet. Preliminary sampling showed better grade material generally in the 4% zinc range over 10-15 feet with some assays to 12% zinc. These properties have a significant potential but because of the remoteness of the area must be considered as a long term exploration project. Exploration costs in the area are high, and successful exploration may not result in early production.

FINANCIAL INFORMATION

Reference is made to Highland Mercury's financial statements for the year ended December 31, 1976 forming Schedule "A" to this information circular.

CARIBOO-BELL COPPER MINES LIMITED

GENERAL INFORMATION

Cariboo-Bell is a British Columbia reporting company. Its authorized capital at present consists of 3,000,000 shares without par value, of which there are issued and outstanding 2,211,005 shares. Cariboo-Bell's shares are listed and posted

for trading on the Vancouver Stock Exchange.

The names, addresses and chief occupations for the last five years of the directors of Cariboo-Bell are listed in Schedule G to this information circular. The auditors are Coopers & Lybrand, Chartered Accountants, of Vancouver, B.C., who have been auditors since June 27, 1974.

To the knowledge of the directors and senior officers of Cariboo-Bell, no person or company holds more than 10% of its outstanding voting shares other than Teck Corporation Limited, which owns 1,212,250 (55%) thereof.

PROPERTIES

Cariboo-Bell is the 100% owner of 126 located mining claims in the Cariboo Mining Division of British Columbia. Drilling work on this property has resulted in an indicated 28,000,000 tons grading 0.49% copper, 0.02 - 0.25 ounces silver per ton, plus low gold values, that could be mined at a strip ratio of 2.4 tons waste to 1.0 tons ore. Primary copper mineralization has been partially oxidized and varies from nearly 80% oxidized at surface to 5% at depth, and probably averages about 25% oxidized. An economic recovery of the oxidized copper has not been achieved in test work to date. Good recoveries of copper and precious metals can be achieved on the sulphide fraction by conventional flotation. A precise value for this property cannot be estimated, depending as it does on a number of factors including the price of copper and the economics of recovering oxidized copper.

FINANCIAL INFORMATION

Reference is made to Cariboo-Bell's financial statements at December 31, 1976 forming Schedule B to this information circular.

PICKLE CROW EXPLORATIONS LIMITED

GENERAL INFORMATION

Pickle Crow is an Ontario public company which was incorporated under the laws of Ontario on June 21, 1968. Its authorized capital at present consists of 5,000,000 shares

without par value, of which there are issued and outstanding 4,413,400 shares. Pickle Crow's shares are listed and posted for trading on the Toronto and Vancouver stock exchanges.

The names, addresses and chief occupations for the last five years of the directors are listed in Schedule G to this information circular. The auditors are Coopers & Lybrand, Chartered Accountants, of Vancouver, B.C., who have been auditors for more than six years.

To the knowledge of the directors and senior officers of Pickle Crow, no person or company holds more than 10% of its outstanding voting shares other than Lamaque Mining Company Limited, a wholly owned subsidiary of Teck Corporation Limited, which owns 1,118,800 (25%) thereof.

PROPERTIES

1. Pickle Crow Gold Mine

This property comprises 98 patented claims totalling 3,911 acres held under a 99 year Lease expiring in the year 2067. The claims are located in Connell and McCullogh Townships in Ontario. These claims include the former Pickle Crow gold mine where 1,448,177 ounces of gold were produced from 3,217,572 tons of ore during the period 1935 to 1966. There are several incompletely tested gold bearing zones that have been proposed for surface exploration by the Company's geological consultants. Such exploration has not, to date, been proceeded with.

2. Granite Mountain Group

This property comprises 40 located claims adjoining the Gibraltar Mine in the Cariboo Mining Division of British Columbia. Pickle Crow has a 4% interest in this property.

3. Copper Mine River Claims

This property comprises 14 leased claims in three groups in the Copper Mine River District, Northwest Territories. Pickle Crow has a 53.6% interest in this property.

4. Magusi River Claims

Pickle Crow has an 8.3% carried interest in the net proceeds from 19 claims after net proceeds of \$275,000.00 have been returned to other interested parties. No significant mineralization is known on these claims.

5. Wark Township, Ontario

Pickle Crow has a 2/3rds interest in a 161 acre lot with mining and surface rights. No significant mineralization is known.

INVESTMENTS

Pickle Crow is the holder of a debenture of Teck Mining Group Limited in the principal amount of \$25,000.00. It is also the owner of 72,526 Class B shares of Teck Corporation Limited, having a quoted market value of \$5.25 per share. Pickfields Mines Limited is a subsidiary of Pickle Crow (not wholly owned) with no known value.

FINANCIAL INFORMATION

Reference is made to Pickle Crow's financial statements at December 31, 1976 forming Schedule C to this information circular.

ABEX MINES LIMITED

GENERAL INFORMATION

Abex is an Ontario corporation with an authorized capital of \$5,000,000.00 divided into 5,000,000 shares with a par value of \$1.00 each, of which 2,600,000 shares are issued and outstanding.

The names, addresses and chief occupations for the last five years of the directors are listed in Schedule G to this information circular. The auditors are Thorne, Riddell & Co., Chartered Accountants, of Toronto, Ontario, who have been auditors for more than five years.

To the knowledge of the directors and senior officers of Abex, no person or company holds more than 10% of its outstanding voting shares other than Draper, Dobie and Co. Ltd. which holds 383,325 shares. Geophysical Engineering Limited, a subsidiary of Teck, owns 6,250 shares and Teck's principal shareholder, Copperfields Mining Corporation Limited, owns 187,001 shares (7%).

PROPERTIES

1. Emerald Lake Property

This property comprises 5 leased claims totalling 156 acres in Afton Township, Ontario. It includes the former Golden Rose Mine which produced gold valued at \$1,662,400.00 from 144,236 tons milled. No work has been done on this property in recent years.

2. Gull Lake

This property comprises 4 leased claims totalling 106 acres in Phyllis Township, Ontario. No work has been done on this property in recent years.

3. Temagami Townsite

This property is a lease on mineral rights underlying portions of settlement of Temagami, Ontario. No significant mineralization is known.

INVESTMENTS

Abex is the owner of 3,500 shares of Copperfields Mining Corporation Limited having a quoted market value of \$2.05 per share and of 11,202 Class B shares of Teck having a quoted market value of \$5.25 per share. Other investments have no material value.

FINANCIAL INFORMATION

Reference is made to Abex's financial statements at December 31, 1976 forming Schedule D to this information circular.

BEACON MINING COMPANY LIMITED

Beacon is a Quebec company which was incorporated under the Quebec Mining Companies Act on May 15, 1941. Its authorized capital at present is \$4,000,000.00 divided into 4,000,000 shares with a par value of \$1.00 each, of which 3,301,192 shares are issued and outstanding.

The names, addresses and chief occupations for the last five years of the directors are listed in Schedule G to this information circular. The auditors are Coopers & Lybrand, Chartered Accountants, of Toronto, Ontario, who have been auditors since September, 1974.

To the knowledge of the directors and senior officers of Beacon, no person or company holds more than 10% of the outstanding voting shares of Beacon other than Teck Corporation Limited which owns 568,208 shares (17%) and Lamaque Mining Company Limited, a wholly owned subsidiary of Teck, which owns 1,700,407 shares (51½%).

PROPERTIES

Beacon is the 100% owner of the Beacon Property in Louvicourt Township, Ontario. This property comprises a mining concession comprising about 990 acres and development licences comprising about 356 acres. This property adjoins the producing copper-zinc property of Louvem Mining. During the years 1968 and 1969, two zones of base metal mineralization were located, the largest of which has been estimated to contain 150,000 tons grading 1.75% copper to a depth of 450 feet. Favourable geological conditions in one corner of the property have not been adequately tested and drilling has been proposed.

FINANCIAL INFORMATION

Reference is made to Beacon's financial statements at December 31, 1976 forming Schedule E to this information circular.

FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Financial statements of each of the merging corporations at December 31, 1976 form Schedules A, B, C, D and E, respectively, to this information circular and reference is specifically made thereto. The audited statements for each of Cariboo-Bell and Pickle Crow for their respective fiscal years ended September 30, 1976 are available at any of 14th Floor, 1199 West Hastings Street, Vancouver, B. C., 49th Floor, Toronto-Dominion Centre, Toronto, Ontario or Lamaque Mining Co. Ltd., Bourlamaque, P.Q. for review during business hours by any interested shareholder, or his representative duly authorized in writing. The audit of Highland Mercury for its fiscal year ended December 31, 1976 is in the course of completion and no changes from Schedule A are contemplated. No recent audits have

been completed of Beacon or Abex. There are no material changes from the financial statements contained on the foregoing Schedules since the dates thereof other than in the ordinary course of business where appropriate.

Reference is made to the pro forma balance sheet of Highland-Crow as at December 31, 1976 which forms Schedule F to this information circular and which gives effect on a pro forma basis to the transactions described in the Merger Agreement and herein.

VALUATIONS

In establishing proportionate valuations of the respective corporations for the purposes of the merger, management of each have had regard principally to the market value of the shares of each corporation in cases where the same are publicly traded or quoted (see "Stock Trading Quotations" below). Additionally, such valuations as are possible of the assets and liabilities of the respective corporations (including listed investments) have been taken into account, particularly in cases where stock market trading information is available.

The mineral properties of each of the merging corporations previously described are all of a speculative nature. Consequently, it is not practical to value or obtain an independent assessment of the same. In the case of any investments held which are publicly traded, the current market value has been assumed in view of the small proportion which these are of the total shares traded.

The relative valuations established for the purposes of determining the considerations payable on the proposed merger are considered to be reasonable and fair by the respective boards of directors, acting honestly and in good faith, upon the bases above set forth and to the best of their knowledge and belief.

STOCK TRADING QUOTATIONS

The shares of Highland Mercury, Cariboo-Bell and Pickle Crow trade on the respective stock exchanges upon which they are listed; the shares of Abex and Beacon are unlisted. Reference is made to Schedule H to this information circular which contains a table summarizing the trading of the listed stocks including the respective low and high prices over the

periods covered. It is not practical to obtain such information with regard to the unlisted stocks.

SPECIAL INTERESTS AND APPROVALS

INTEREST OF TECK CORPORATION LIMITED

Teck is a direct or indirect shareholder of more than 10% of the issued shares of each of Highland Mercury, Cariboo-Bell, Pickle Crow and Beacon (see previously under details in respect of each of the merging corporations). Pursuant to the Merger Agreement, Teck will convert the outstanding indebtedness of Cariboo-Bell (\$44,275.00) and Beacon (\$11,862.00) into 56,137 new shares of Highland-Crow if the merger is proceeded with. If either of Cariboo-Bell or Beacon is excluded from the merger, the conversion in respect of the indebtedness of that corporation will not be completed. Teck will also purchase for cash upon the merger being proceeded with a further 100,000 new shares of Highland-Crow at a price of \$1.00 per share. As a result of its present holdings of the merging corporations and the completion in full of the transactions above referred to, Teck will hold 619,306 new shares Highland-Crow representing 33% of the issued capital of that corporation.

INTERESTS OF DIRECTORS OF THE MERGING CORPORATIONS

Schedule G to this information circular contains information as to the directors of the merging corporations and their respective shareholdings (including and distinguishing escrowed shares) in each of the merging corporations, Teck and Copperfields Mining Corp. Ltd., the largest shareholder of Teck. No shares of any of the merging corporations, other than these of Highland Mercury are presently held in escrow. The Vancouver Stock Exchange has approved in principle the release of all shares of Highland Mercury presently held in escrow, other than those registered in the name of Teck, upon and subject to the completion of the merger.

STATUTORY PROVISIONS AND REQUISITE APPROVALS OF SHAREHOLDERS

Shareholder approval of the merger by way of special resolutions for each of the merging corporations (except Beacon) is being sought not only because of the respective statutory requirements, where applicable, but also because of the interests of various of the directors disclosed in Schedule G and above. As a consequence the Merger Agreement requires, in the case of Highland Mercury, that the consolidation and subsequent increase in its capital, its change of name and the agreement itself be approved by special resolution of its shareholders and, in the case of the other merging corporations, that the agreement and

the share distribution and the winding-up be approved by respective special resolutions and resolutions of the shareholders of each such corporation. Notwithstanding that such shareholder resolutions are not passed for any one of the merging corporations other than Highland Mercury, the other merging corporations and Highland Mercury may by unanimous corporate agreement proceed with the merger agreement excluding that one; in any other case the merger will not be proceeded with. Meetings of shareholders of all the merging corporations are being called to be held during the month of April, 1977.

STOCK EXCHANGE LISTINGS AND APPROVAL

The shares of Highland Mercury are listed for trading on the Vancouver Stock Exchange and it is a condition of the Merger Agreement that approval in principle of all the transactions shall be obtained from the Vancouver Stock Exchange so that the new shares of Highland-Crow may be substituted for those of Highland Mercury and may continue to be listed for trading on the Vancouver Stock Exchange after giving full effect to the Merger Agreement. The shares of Cariboo-Bell are listed for trading on the Vancouver Stock Exchange and those of Pickle Crow are listed for trading on the Vancouver and Toronto Stock Exchanges, and such listings would be terminated in the event that the merger is proceeded with since shares of Highland-Crow would be distributed to the shareholders of Cariboo-Bell and Pickle Crow.

DISSENT PROCEEDINGS

Pursuant to the Companies Act of British Columbia, any shareholder of Cariboo-Bell may initiate dissent proceedings against that corporation whereunder, if Cariboo-Bell proceeded with the merger, it would be required to purchase all the shares of that shareholder. The price to be paid is the fair value of the shares as of the day before the shareholders' meeting of Cariboo-Bell and the Supreme Court of British Columbia may fix the price and terms of the sale or establish arbitration for that purpose. The Merger Agreement provides that either there may be unanimous agreement among the merging corporations (including Cariboo-Bell) to proceed with the merger if any such dissent proceedings are taken or the merger may be proceeded without Cariboo-Bell in such event.

SUBSEQUENT EVENTS

CHARTER OF HIGHLAND-CROW

The existing memorandum, as amended in accordance with the provisions of the Merger Agreement, and the existing

articles of Highland Mercury will upon the completion of the merger continue to be the memorandum and articles of Highland-Crow. Reference is made to the heading "Merger Transactions" above for a description of the manner of viewing this documentation.

ANNUAL GENERAL MEETING OF HIGHLAND-CROW

An annual general meeting of the shareholders of Highland-Crow is required to be held by June 30, 1977 at which meeting the election or re-election of directors and the appointment or reappointment of auditors will take place. Until that time, the present directors and auditors of Highland Mercury may continue as directors and auditors respectively of Highland-Crow although certain of the directors of the other merging corporations may be appointed to the Board.

WINDING-UP OF OTHER MERGING CORPORATIONS

It is proposed that each of the merging corporations (other than Highland Mercury) be wound up and their respective assets, being only shares of Highland-Crow, be distributed rateably among their respective shareholders in accordance with the statutory provisions relating to each. Jack Angus, whom it is proposed be appointed liquidator of Cariboo-Bell, is a partner in the law firm of Butler, Angus. W. H. Maedel, whom it is proposed be appointed liquidator of each of Pickle Crow, Abex and Beacon, is Secretary of Teck. No remuneration is proposed to be paid to either person proposed as liquidator (in his capacity as liquidator) by any of the merging corporations.

The liquidations will be commenced immediately upon the merger becoming effective. However, as noted previously, any one of the merging corporations (other than Highland Mercury) may be excluded from the merger in which case the liquidation of that corporation will not be proceeded with even though the merger is otherwise completed.

SHARE EXCHANGES

In giving effect to each of the liquidations, the liquidator will expeditiously, as soon as all necessary clearances have been obtained, forward to each affected shareholder documentation, including instructions and a letter of transmittal. The latter in turn is to be completed and returned accompanied by the share certificate(s) in the merging corporation held by that shareholder. Upon proper

compliance with the instructions each such shareholder will receive a share certificate of Highland-Crow for the number of its shares to which he is entitled upon the completion of the merger and his surrender for cancellation of shares in the merging corporation.

Because of the consolidation of the shares of Highland Mercury and the change of its name to Highland-Crow, shareholders of that corporation will also be required and entitled to exchange their shares for the new shares of Highland-Crow to which they are proportionately entitled. Instructions and letters of transmittal, similar to those described above, will be forwarded and exchanges of share certificates will be similarly effected.

FRACTIONAL SHARES

The number of shares held by any shareholder of a merging corporation may not convert to an exact number of shares of Highland-Crow upon giving effect to the respective exchange or consolidation ratios. Any shareholder so affected will be given the opportunity at the time of his exchanging his shares either to pay or to receive (on the basis of \$1.00 per Highland-Crow share) the appropriate cash amount to adjust this fraction.

TAX CONSEQUENCES OF THE MERGER

The merging corporations selling their net assets to Highland Mercury as part of the merger are of the opinion that none of these sales create any income which is subject to Canadian income tax within the respective corporations. However, each individual shareholder of the merging corporations (other than Highland Mercury) may, upon the completion of the merger and the respective liquidations, be deemed to have made a capital gain or suffered a capital loss for Canadian tax purposes depending upon the adjusted cost base of his own shares. Each such shareholder will be deemed to have disposed of his present shareholding and acquired Highland-Crow shares at a price established by the value attributed to the Highland-Crow shares. Upon the basis of Highland-Crow being valued at \$1.00 per share, the value attributed to existing shares would be:

Cariboo-Bell	\$.11 1/9
Pickle Crow	.20
Abex	.02
Beacon	.02 1/2

A new cost base will thereby be created for each such shareholder in respect of his holding of Highland-Crow shares.

It should be noted that if the shares of the merging corporations (other than Highland Mercury) are inventory of the individual shareholders rather than capital property, the deemed disposition will be treated as an inventory disposal rather than on a capital basis.

Since Highland Mercury is the continuing corporation in the merger, its individual shareholders will not be deemed to have disposed of their shares and thus will not be subject to any capital gain or loss for tax purposes arising out of the merger transactions. Nor will any new cost base be created for such shareholders although the cost base per share will be increased in a 5 for 1 proportion as a consequence of the consolidation of those shares.

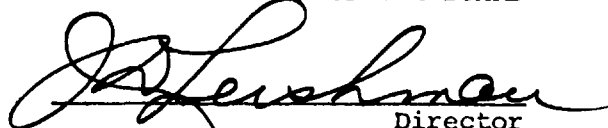
SCHEDULE A

HIGHLAND MERCURY MINES LIMITED

BALANCE SHEET AS AT DECEMBER 31, 1976

A S S E T S	1976	1975
	\$	\$
CURRENT ASSETS		
Cash	964	6,136
Accounts receivable and accrued interest	3,510	5,188
Short-term investments - at cost	<u>90,000</u>	<u>125,000</u>
	94,474	136,324
INVESTMENT IN AFFILIATED COMPANY - at cost	50	50
INVESTMENT IN HARMAN SYNDICATE - at cost	27,888	20,888
MINERAL CLAIMS - at cost (note 2) (\$405,000 measured by the issue of 850,000 shares)	439,768	439,768
DEFERRED EXPLORATION AND ADMINISTRATION EXPENSES - per statement attached	220,694	232,532
INCORPORATION EXPENSES	<u>1,224</u>	<u>1,224</u>
	<u>784,098</u>	<u>830,786</u>
L I A B I L I T I E S		
ACCOUNTS PAYABLE	<u>14,152</u>	<u>20,948</u>
S H A R E H O L D E R S ' E Q U I T Y		
CAPITAL STOCK (note 3)	1,173,000	1,073,000
DEFICIT	<u>(403,054)</u>	<u>(263,162)</u>
	<u>769,946</u>	<u>809,838</u>
	784,098	830,786

SIGNED ON BEHALF OF THE BOARD


Director


Director

These Statements are Unaudited

HIGHLAND MERCURY MINES LIMITED

STATEMENT OF DEFERRED EXPLORATION AND ADMINISTRATION EXPENSES

FOR THE YEAR ENDED DÉCEMBER 31, 1976

	Balance December 31, 1975 \$	Exploration expenses \$	Administration expenses \$	Claims abandoned or terminated \$	Balance December 31, 1976 \$
Cin claim group	161,024	-	-	-	161,024
Honsberger	-	36,925	6,444	43,369	-
Lou-Mex project, Van. Isl.	36,551	35,427	6,182	78,160	-
Matthews Lake claims	-	2,400	419	-	2,819
Ore claim group, N.W.T.	19,504	6,720	1,173	-	27,397
Peso claim group, Y.T.	13,403	12,145	1,835	-	27,383
Rinaldi claims, Ontario	-	4,567	796	5,363	-
Shunsby Ursel, Ungava	2,050	-	-	-	2,050
General exploration	-	18	3	-	21
	<u>232,532</u>	<u>98,202</u>	<u>16,852</u>	<u>126,892</u>	<u>220,694</u>

STATEMENT OF ADMINISTRATION EXPENSES

	1976 \$	1975 \$
Administration fees	2,994	3,005
Legal and audit	5,294	10,089
Listing and filing fees	2,267	2,112
Management expense	1,636	2,528
Shareholders' expense	3,398	4,144
Share issue commission	5,000	-
Transfer agent's fees	1,735	1,705
Travel and transportation	1,022	2,812
Office general	<u>2,840</u>	<u>3,143</u>
	26,186	29,538
Less: Interest on investments	<u>9,334</u>	<u>7,943</u>
	<u>16,852</u>	<u>21,595</u>

Administration expenses are allocated to each claim on the basis of exploration expenses incurred during the year.

These Statements are Unaudited

HIGHLAND MERCURY MINES LIMITED

STATEMENT OF DEFICIT

FOR THE YEAR ENDED DECEMBER 31, 1976

	1976 \$	1975 \$
MINING OPTIONS TERMINATED DURING THE YEAR	13,000	-
EXPLORATION AND ADMINISTRATIVE EXPENDITURES - applicable to properties abandoned during the year	<u>126,892</u>	<u>128,537</u>
DEFICIT FOR THE YEAR	139,892	128,537
DEFICIT - BEGINNING OF YEAR	<u>263,162</u>	<u>134,625</u>
DEFICIT - END OF YEAR	<u><u>403,054</u></u>	<u><u>263,162</u></u>

These Statements are Unaudited

HIGHLAND MERCURY MINES LIMITED

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 1976

	1976 \$	1975 \$
SOURCE OF WORKING CAPITAL		
Issuance of shares	<u>100,000</u>	<u>185,000</u>
USE OF WORKING CAPITAL		
Exploration and administration expenses	115,054	125,267
Purchase of mineral claims	-	50,000
Investment in Harman Syndicate	7,000	7,390
Mining claims under option	<u>13,000</u>	<u>-</u>
	<u>135,054</u>	<u>182,657</u>
INCREASE (DECREASE) IN WORKING CAPITAL	(35,054)	2,343
WORKING CAPITAL - BEGINNING OF YEAR	<u>115,376</u>	<u>113,033</u>
WORKING CAPITAL - END OF YEAR	<u>80,322</u>	<u>115,376</u>
	<u> </u>	<u> </u>
REPRESENTED BY:		
Current assets	94,474	136,324
Current liabilities	<u>14,152</u>	<u>20,948</u>
WORKING CAPITAL - END OF YEAR	<u>80,322</u>	<u>115,376</u>
	<u> </u>	<u> </u>

These Statements are Unaudited

HIGHLAND MERCURY MINES LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1976

1. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed by the Company.

Mineral claims and deferred exploration and administration expenses-

The amounts shown for mineral claims and deferred exploration and administration expenses represent costs to date and do not necessarily reflect present or future values.

Exploration, development preproduction and administration costs incurred are deferred until the property to which they relate is placed in production or abandoned. The deferred costs and the cost of mineral claims will be amortized over the useful life of the orebody following commencement of production or written off if the property is abandoned.

2. MINERAL CLAIMS

On January 14, 1971 the Company entered into an agreement with Cominco Ltd. whereby further exploration and development of the Company's mineral claims, known as the Cin group, was to be carried out and financed by Cominco up to a maximum expenditure of \$100,000 covering approximately a three year period ended December 1, 1973. The expenditure requirements have been met for the first two years, but Cominco did not proceed with development and exploration work to the end of the third year. Amendments to the agreement have been made whereby the remaining requirements have been deferred, but Cominco has undertaken to maintain the claims in good standing until 1978. Provision is also made whereby Cominco may resume its activities or, on one year's notice, terminate the agreement.

3. CAPITAL STOCK

Authorized -

3,000,000 shares without nominal or par value

		1976	1975
		\$	\$
Issued and fully paid	<u>Shares</u>		
For cash	1,392,000	738,000	638,000
For exploration expenses	120,000	30,000	30,000
For mineral claims	<u>850,000</u>	<u>405,000</u>	<u>405,000</u>
	<u>2,362,000</u>	<u>1,173,000</u>	<u>1,073,000</u>

These Statements are Unaudited

HIGHLAND MERCURY MINES LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1976

3. CAPITAL STOCK - (Continued)

Pursuant to deed of gift and surrender dated December 6, 1973, 60,000 of the Company's issued shares were surrendered by a shareholder at no cost to the Company. These shares are held in escrow by the Canada Trust Company for account of the Company.

In May 1976 the Company issued 200,000 units at \$.50 each for a total consideration of \$100,000. Each unit consisted of one share (\$.475), and one share purchase warrant (\$.025) which entitled the holder to purchase one additional share for \$.60 before the expiry date of September 28, 1976. No additional shares were purchased as a result of these warrants.

4. OPTION AGREEMENTS

During the year the Company terminated its option agreements on the Rinaldi, Honsberger and Lou-Mex claims. Accordingly the cost of the options and related deferred costs have been written off.

These Statements are Unaudited

SCHEDULE B

CARIBOO-BELL COPPER MINES LIMITED

BALANCE SHEET AS AT DECEMBER 31, 1976

A S S E T S

	\$
CASH	3
INVESTMENT IN AFFILIATED COMPANY - at cost	50
MINERAL CLAIMS (notes 1 and 2)	800,000
DEFERRED COSTS (notes 1 and 2)	<u>1,319,977</u>
	<u>2,120,030</u>

L I A B I L I T I E S

ADVANCES FROM PARENT COMPANY - without interest or fixed repayment terms	<u>44,275</u>
---	---------------

S H A R E H O L D E R S ' E Q U I T Y

CAPITAL STOCK

Authorized -
3,000,000 shares without par value


Issued and fully paid -
2,211,005 shares 1,775,755

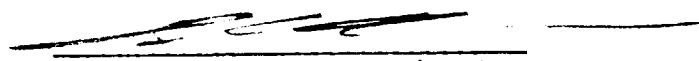
CONTRIBUTED SURPLUS 300,000

2,075,755

2,120,030

SIGNED ON BEHALF OF THE BOARD


Director


Director

These Statements are Unaudited

CARIBOO-BELL COPPER MINES LIMITED

STATEMENT OF DEFERRED COSTS

FOR THE THREE MONTHS ENDED DECEMBER 31, 1976

	Total September 30, 1976 \$	Expenditures during the period \$	Total December 31, 1976 \$
EXPLORATION EXPENSES			
Diamond and percussion drilling	488,389		488,389
Drill roads and site preparation	23,850		23,850
Tranching and line cutting	17,562		17,562
Sampling and assaying	56,164		56,164
Metallurgy	17,990		17,990
Prospecting	22,483		22,483
Engineering and geology	187,754		187,754
Geochemical and geophysical	3,476		3,476
Temporary buildings	26,891		26,891
Freight	15,566		15,566
Road	20,487		20,487
Camp operations	82,041		82,041
Mine general	189,102		189,102
Water lines	7,307		7,307
Claim holding costs	8,340		8,340
	<u>1,167,402</u>		<u>1,167,402</u>
ADMINISTRATION EXPENSES			
Corporate capital tax	7,187		7,187
Legal and audit	18,612	50	18,662
Transfer agent	15,019	350	15,369
Shareholders' expense	9,438		9,438
Office and supervision	58,311		58,311
Travel and freight	8,770		8,770
Insurance and storage	7,822		7,822
Other	36,523	105	36,628
	<u>161,682</u>	<u>505</u>	<u>162,187</u>
INCORPORATION EXPENSE	<u>2,812</u>	—	<u>2,812</u>
	1,331,896	505	1,332,401
Deduct: Interest on investment	<u>12,424</u>	—	<u>12,424</u>
	<u>1,319,472</u>	<u>505</u>	<u>1,319,977</u>

These Statements are Unaudited

CARIBOO-BELL COPPER MINES LIMITED

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE THREE MONTHS ENDED DECEMBER 31, 1976

	1976 \$
SOURCE OF WORKING CAPITAL	
Advances from parent company	<u>500</u>
USE OF WORKING CAPITAL	
Deferred costs	<u>505</u>
INCREASE (DECREASE) IN WORKING CAPITAL	(5)
WORKING CAPITAL (DEFICIENCY) - BEGINNING OF PERIOD	<u>8</u>
WORKING CAPITAL (DEFICIENCY) - END OF PERIOD	<u>3</u>
	<u> </u>
REPRESENTED BY:	
Cash	3
Accounts payable and accrued liabilities	<u>-</u>
WORKING CAPITAL (DEFICIENCY) - END OF PERIOD	<u>3</u>
	<u> </u>

These Statements are Unaudited

CARIBOO-BELL COPPER MINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED DECEMBER 31, 1976

1. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed by the company.

Deferred costs

Exploration, development, preproduction and administration costs incurred are deferred until the property to which they relate is placed in production or abandoned. The deferred costs will be amortized over the useful life of the orebody following commencement of production or written-off if the property is abandoned.

Values

The amounts shown for mineral claims and deferred costs represent the costs to date and do not necessarily reflect present or future values.

2. MINERAL PROPERTIES

The company owns 128 mineral claims located in the Cariboo Mining Division of British Columbia.

These Statements are Unaudited

SCHEDULE C

PICKLE CROW EXPLORATIONS LIMITED

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 1976

A S S E T S	1976	1975
	\$	\$
CASH AND SHORT-TERM DEPOSITS	100,238	38,037
ACCOUNTS AND INTEREST RECEIVABLE	<u>995</u>	<u>254</u>
	<u>101,233</u>	<u>38,291</u>
INVESTMENT IN RELATED COMPANIES - at cost		
Debentures	25,050	25,050
Marketable securities (market value 1976 - \$ 308,236 1975 - \$ 297,454)	<u>261,041</u>	<u>351,291</u>
	<u>286,091</u>	<u>376,341</u>
MINERAL CLAIMS - at cost and nominal value (note 3)	<u>1,001</u>	<u>1,001</u>
DEFERRED COSTS (note 2)	<u>73,791</u>	<u>58,224</u>
	<u>462,116</u>	<u>473,877</u>

L I A B I L I T I E S

ACCOUNTS PAYABLE	1,573	1,954
MINORITY INTEREST - in net assets of subsidiary	<u>13,484</u>	<u>13,364</u>
	<u>15,057</u>	<u>15,318</u>

S H A R E H O L D E R S ' E Q U I T Y

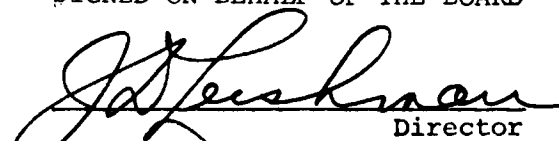
CAPITAL STOCK


Authorized -

5,000,000 common shares without par value

Issued and fully paid -
4,413,400 shares

DEFICIT	<u>876,069</u>	<u>864,569</u>
SIGNED ON BEHALF OF THE BOARD	<u>447,059</u>	<u>458,559</u>
	<u>462,116</u>	<u>473,877</u>


Director


Director

These Statements are Unaudited

PICKLE CROW EXPLORATIONS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE THREE MONTHS ENDED DECEMBER 31, 1976

	1976 \$	1975 \$
USE OF WORKING CAPITAL		
Deferred costs - net	<u>1,656</u>	<u>4,152</u>
INCREASE (DECREASE) IN WORKING CAPITAL	(1,656)	(4,152)
WORKING CAPITAL - BEGINNING OF PERIOD	<u>101,316</u>	<u>40,489</u>
WORKING CAPITAL - END OF PERIOD	<u>99,660</u>	<u>36,337</u>

REPRESENTED BY:

Current assets	101,233	38,291
current liabilities	<u>1,573</u>	<u>1,954</u>
WORKING CPAITAL - END OF PERIOD	<u>99,660</u>	<u>36,337</u>

These statements are Unaudited

PICKLE CROW EXPLORATIONS LIMITED

CONSOLIDATED STATEMENT OF DEFERRED COSTS

FOR THE THREE MONTHS ENDED DECEMBER 31, 1976

	1976 \$	1975 \$
BALANCE - BEGINNING OF PERIOD	72,135	54,092
EXPLORATION EXPENDITURES DURING THE PERIOD		
Miscellaneous	<u>-</u>	<u>335</u>
ADMINISTRATION EXPENDITURES DURING THE PERIOD		
Administration fee	500	300
Advertising and public relations	240	354
Legal and audit	436	170
Miscellaneous	333	535
Tax - Capital and corporation	918	-
Travel	18	-
Transfer agent	<u>1,350</u>	<u>2,923</u>
	<u>3,795</u>	<u>4,282</u>
	3,795	4,617
Deduct: Interest and other income	<u>2,139</u>	<u>465</u>
TOTAL EXPENDITURES FOR THE PERIOD	<u>1,656</u>	<u>4,152</u>
BALANCE - END OF PERIOD	<u><u>73,791</u></u>	<u><u>58,244</u></u>

These Statements are Unaudited

PICKLE CROW EXPLORATIONS LIMITED
CONSOLIDATED SCHEDULE OF INVESTMENTS
AS AT DECEMBER 31, 1976

	Shares \$	Cost \$	Market Value \$
TECK CORPORATION LIMITED - Class "B"	<u>72,526</u>	<u>261,041</u>	<u>308,236</u>

These Statements are Unaudited

PICKLE CROW EXPLORATIONS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED DECEMBER 31, 1976

1. PRINCIPLES OF CONSOLIDATION

These financial statements include the accounts of Pickle Crow Explorations Limited and its partially-owned subsidiary company Pickfields Mines Limited.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed by the company:

Deferred Costs

Exploration, development, preproduction and administration costs incurred are deferred until the property to which they relate is placed in production or abandoned. The deferred costs will be amortized over the useful life of the orebody following commencement of production or written-off to deficit if the property is abandoned.

Values

The amounts shown for mineral properties and deferred costs represent costs to date, less amount written-off, and do not necessarily reflect present or future values.

3. MINERAL CLAIMS

The company owns 14 mineral claims in the Mackenzie Mining District, N.W.T. and holds 99 mineral claims in Ontario under a long-term lease.

The company will have an 8.3% carried interest in 19 mineral claims in Magusi Area of Quebec after the carried interest of other parties has returned to them \$275,000.

The company also holds a 4% working interest in 40 mineral claims in the Cariboo-Mining Division, British Columbia.

These Statements are Unaudited

ABEX MINES LIMITED (No Personal Liability)

SCHEDULE D

BALANCE SHEET

UNAUDITED

DECEMBER 31, 1976

A S S E T S

	December 31, 1976	December 31, 1975
CURRENT		
Cash	\$ 1,911	\$ 1,685
Term deposit	-	36,036
Marketable securities, at cost (quoted market value \$58,599)	36,852	3,229
Due from broker	2,242	-
Accrued interest receivable	-	76
Prepaid expenses	-	100
	<u>41,005</u>	<u>41,126</u>
INVESTMENTS, at cost less amounts written off	<u>51</u>	<u>51</u>
MINING PROPERTIES, at cost	<u>53,420</u>	<u>53,420</u>
DEFERRED CHARGES		
Development	29,287	29,028
Administration	28,216	26,672
	<u>57,503</u>	<u>55,700</u>
	<u>\$ 151,979</u>	<u>\$ 150,297</u>

L I A B I L I T I E S

CURRENT		
Accounts payable and accrued liabilities	\$ <u>500</u>	\$ <u>655</u>

S H A R E H O L D E R S ' E Q U I T Y

CAPITAL STOCK		
Authorized		
5,000,000 shares with a par value of \$1 each		
Issued		
2,600,000 common shares	2,600,000	2,600,000
Less: discount thereon	<u>2,126,125</u>	<u>2,126,125</u>
	473,875	473,875
	<u>322,396</u>	<u>324,233</u>
DEFICIT	<u>151,479</u>	<u>149,642</u>
	<u>\$ 151,979</u>	<u>\$ 150,297</u>

Approved by the Board



Director

Director

ABEX MINES LIMITED (No Personal Liability)

STATEMENT OF DEFERRED CHARGES

UNAUDITED

DECEMBER 31, 1976

	<u>Balance at December 31, 1975</u>	<u>Expenditures during period</u>	<u>Balance at December 31, 1976</u>
DEVELOPMENT			
Assaying	\$ 12	-	\$ 12
Consulting	588	-	588
Diamond drilling	11,125	-	11,125
Engineering	3,547	-	3,547
Field expenses and supervision	97	-	97
Government fees	2,335	\$ 259	2,594
Licences	1,511	-	1,511
Linecutting	1,500	-	1,500
Reports	150	-	150
Sundry	437	-	437
Surface exploration	150	-	150
Surveys	7,062	-	7,062
Transportation	<u>514</u>	<u>-</u>	<u>514</u>
	<u>29,028</u>	<u>259</u>	<u>29,287</u>
ADMINISTRATION			
Administration fees	12,550	-	12,550
Audit	3,150	800	3,950
Government fees and taxes	1,551	135	1,686
Legal	2,129	-	2,129
Meetings and reports	483	497	980
Postage, telephone and telegraph	64	-	64
Printing and stationery	43	-	43
Publicity	853	-	853
Stock transfer expenses	5,668	100	5,768
Sundry	<u>181</u>	<u>12</u>	<u>193</u>
	<u>26,672</u>	<u>1,544</u>	<u>28,216</u>
	<u>\$55,700</u>	<u>\$1,803</u>	<u>\$57,503</u>

ABEX MINES LIMITED (No Personal Liability)

SUPPLEMENTARY INFORMATION

DECEMBER 31, 1976

	<u>Number of shares</u>	<u>Book value</u>	<u>Market value</u>
MARKETABLE SECURITIES			
Copperfields Mining Corporation	3,500	\$ 3,229	\$ 5,950
Teck Corporation Limited - Class "B"	9,973	<u>33,623</u>	<u>52,649</u>
		<u>\$36,852</u>	<u>\$ 58,599</u>
INVESTMENTS			
Bamoos Minerals Limited	1,633	1	-
Teck Mining Group Limited	100	<u>50</u>	<u>-</u>
		\$ <u>51</u>	<u>-</u>
CURRENT LIABILITIES			
Accrued audit		400	
Accrued capital tax		<u>100</u>	
		\$ <u>500</u>	

ABEX MINES LIMITED (No Personal Liability)

STATEMENT OF DEFICIT

UNAUDITED

FOR THE YEAR ENDED DECEMBER 31, 1976

	Year ended December 31, 1976	Year ended December 31, 1975
DEFICIT, at beginning of period	\$324,233	\$326,708
Deduct: Interest income	547	2,475
Gain on sale of marketable securities	1,290	-
	<u>1,837</u>	<u>2,475</u>
DEFICIT, at end of period	<u>\$322,396</u>	<u>\$324,233</u>

STATEMENT OF CHANGES IN FINANCIAL POSITION

UNAUDITED

FOR THE YEAR ENDED DECEMBER 31, 1977

	Year ended December 31, 1976	Year ended December 31, 1975
Working capital derived from:		
Interest income	\$ 547	\$ 2,475
Gain on sale of marketable securities	1,290	-
	<u>1,837</u>	<u>2,475</u>
Working capital applied to:		
Development	259	309
Administration	1,544	862
	<u>1,803</u>	<u>1,171</u>
Increase in working capital	34	1,304
WORKING CAPITAL, at beginning of period	<u>40,471</u>	<u>39,167</u>
WORKING CAPITAL, at end of period	<u>\$40,505</u>	<u>\$40,471</u>

BALANCE SHEET AS AT DECEMBER 31, 1976

UNAUDITED

ASSETS

	December 31, 1976 \$	September 30, 1976 \$
CURRENT ASSETS		
Cash	20	23
MINERAL PROPERTIES - at cost	471,678	471,678
DEFERRED EXPENDITURES - at cost	483,109	483,106
	<u>954,807</u>	<u>954,807</u>

LIABILITIES

CURRENT LIABILITES

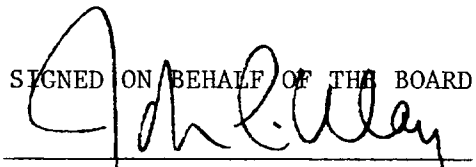

Accounts payable	5,382	5,382
Due to parent company - Lamaque Mining Company Limited	7,083	7,083
Due to affiliated company - Teck Corporation Limited	4,779	4,779
	<u>17,244</u>	<u>17,244</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK

Authorized - 4,000,000 common shares at \$1 par value		
Issued - 3,301,192 common shares	3,301,192	3,301,192
Less: Discount	<u>2,363,067</u>	<u>2,363,067</u>
	938,125	938,125
DEFICIT	<u>562</u>	<u>562</u>
	<u>937,563</u>	<u>937,563</u>
	<u>954,807</u>	<u>954,807</u>

SIGNED ON BEHALF OF THE BOARD


 Director

 Director

BEACON MINING COMPANY LIMITED (No Personal Liability)

STATEMENT OF DEFICIT

UNAUDITED

FOR THE THREE MONTHS ENDED DECEMBER 31, 1976

	1976	1975
	<u>\$</u>	<u>\$</u>
BALANCE - BEGINNING OF PERIOD	<u>562</u>	<u>561</u>
BALANCE - END OF PERIOD	<u>562</u>	<u>561</u>

BEACON MINING COMPANY LIMITED (No Personal Liability)

STATEMENT OF CHANGES IN FINANCIAL POSITION

UNAUDITED

FOR THE THREE MONTHS ENDED DECEMBER 31, 1976

	1976 <u>\$</u>	1975 <u>\$</u>
APPLICATION OF FUNDS		
Deferred expenditures	<u>3</u>	<u>-</u>
DECREASE IN FUNDS DURING THE PERIOD	3	-
WORKING CAPITAL DEFICIENCY - BEGINNING OF PERIOD	<u>17,221</u>	<u>14,439</u>
WORKING CAPITAL DEFICIENCY - END OF PERIOD	<u>17,224</u>	<u>14,439</u>

BEACON MINING COMPANY LIMITED (No Personal Liability)

STATEMENT OF DEFERRED EXPENDITURES
UNAUDITED

FOR THE THREE MONTHS ENDED DECEMBER 31, 1976

	1976	1975
	<u>\$</u>	<u>\$</u>
DEFERRED EXPENDITURES - BEGINNING OF PERIOD	483,106	477,203
Miscellaneous	<u>3</u>	<u>-</u>
EXPENDITURES FOR THE PERIOD	<u>3</u>	<u>-</u>
DEFERRED EXPENDITURES - END OF PERIOD	<u>483,109</u>	<u>477,203</u>

SCHEDULE F

PRO FORMA BALANCE SHEET

of

HIGHLAND-CROW RESOURCES LTD.

dated as of December 31, 1976

after giving effect to the full merger provided for in the agreement dated February 22, 1977 between Highland Mercury, Cariboo-Bell, Pickle Crow, Abex, Beacon and Teck (save that no adjustments respecting dissent rights of shareholders of Cariboo-Bell or fractional new shares have been made) and, in particular, after giving effect to:

- 1) the conversion of the outstanding shares of Highland Mercury (after cancellation of 60,000 shares previously gifted back) into new shares at the rate of 1 for 5 and the increase in its authorized capital;
- 2) The acquisition of the respective undertakings of Cariboo-Bell, Pickle Crow, Abex and Beacon in exchange for an aggregate 1,262,877 new shares; and
- 3) the conversion by Teck of its indebtedness from Cariboo-Bell and Beacon aggregating \$56,137.00 into 56,137 new shares and its purchase for cash of 100,000 new shares at \$1.00 per share.

SCHEDULE F

Highland-Crow Resources Ltd.

(formerly Highland Mercury Mines Limited)

PRO FORMA BALANCE SHEET AS AT DECEMBER 31, 1976

ASSETS

CURRENT ASSETS	\$
Cash	203,136
Accounts receivable	6,747
Short-term investments	<u>90,000</u>
	299,883
INVESTMENTS IN RELATED AND OTHER COMPANIES	426,355
MINERAL CLAIMS	1,262,411
DEFERRED EXPLORATION AND ADMINISTRATION EXPENSES	220,694
INCORPORATION EXPENSES	<u>1,224</u>
	<u>2,210,567</u>

LIABILITIES

ACCOUNT PAYABLE	<u>21,607</u>
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SHAREHOLDERS' EQUITY

CAPITAL STOCK

Authorized - 5,000,000 shares without nominal or par value	
Issued and fully paid - 1,879,414 shares	2,592,014
DEFICIT	<u>403,054</u>
	<u>2,188,960</u>
	<u>2,210,567</u>

S C H E D U L E G

The names and addresses, chief occupations for the last five years, and the beneficial shareholdings, direct or indirect, of the merging corporations, Teck and Copperfields Mining Corp. Ltd. (the principal shareholder of Teck) are as follows:

<u>Name and Address</u>	<u>Principal Occupations</u>	<u>Director- ships</u>	<u>Shareholdings</u>						
			<u>Copper- fields</u>	<u>Teck</u>	<u>Highland Mercury</u>	<u>Cariboo- Bell</u>	<u>Pickle Crow</u>	<u>Abex</u>	<u>Beacon</u>
W. J. C. Baird 96 Castle Knock Rd. Toronto, Ontario	Accountant, Copperfields and Geophysical Engi- neering Ltd.	Abex	-	-	-	-	-	-	-
W. R. Bergey 5746 Cranley Drive West Vancouver, B.C.	Exploration Manager, Western Canada, Teck Mining Group Limited, President, Cariboo- Bell	Cariboo- Bell	200	1,400B	-	-	-	10,000	-
D. S. Brown 109 Pandora Circle Scarborough, Ont.	Accountant, Secretary- Treasurer, Geophysical Engineering Ltd., President, Abex	Abex Beacon	34	-	-	-	100	-	-
B. O. Brynelsen 1962 Knox Road Vancouver, B.C.	Director, Brenda Mines Limited and Brameda Resources Limited	Highland Mercury	-	-	-	-	-	-	-
Michael Butler, Box 381 Brentwood Bay, B.C.	Barrister and Solicitor, Partner, Butler, Angus, formerly Associate Coun- sel, Randall, Meyer & Pollard and Partner, Farris, Vaughan, Wills & Murphy	Highland Mercury, Cariboo- Bell, Teck	-	100A	160,499 (106,250 escrowed)	-	-	-	-

S C H E D U L E G (Continued)

<u>Name and Address</u>	<u>Principal Occupations</u>	<u>Director- ships</u>	<u>Shareholdings</u>						
			<u>Copper- fields</u>	<u>Teck</u>	<u>Highland- Mercury</u>	<u>Cariboo- Bell</u>	<u>Pickle Crow</u>	<u>Abex</u>	<u>Beacon</u>
R. W. Falkins 1015 King Georges Way West Vancouver, B.C.	Mining Executive, President, Highmont Mining Corp. Ltd. (NPL) and Torwest Resources (1962) Ltd. (NPL)	Highland Mercury	1,000	600B	135,498 (106,250 escrowed)	-	-	-	-
J. C. Frantz 512 West 29th St. North Vancouver, B.C.	Exploration Manager, Teck	Pickle Crow, Beacon	-	700A 2,600B	-	-	-	10,000	-
R. E. Hallbauer 2975 Marine Dr. West Vancouver, B.C.	President, Brameda Resources Limited and Vice-President, Teck	Highland Mercury, Cariboo- Bell, Teck	-	100A 22,900B	137,498 (106,250 escrowed)	-	-	-	-
K. I. Hymas 250 Glen Manor Drive West Toronto, Ontario	Assistant General Manager, Eastern Operations, Teck	Pickle Crow	-	1,400B	-	-	-	-	-
N. B. Keevil, Jr. 1416 Acadia Vancouver, B.C.	Executive Vice- President, Teck	Cariboo- Bell, Teck	144,067	15,900A 77,533B	-	-	-	-	-
J. D. Leishman 635 Glenmaroon West Vancouver, B.C.	Retired Medical Doctor, Director of various companies, President, Highland Mercury and Pickle Crow	Highland Mercury, Pickle Crow, Teck	-	6A 800B	163,498 (131,250 escrowed)	-	-	-	-

S C H E D U L E G (Continued)

<u>Name and Address</u>	<u>Principal Occupations</u>	<u>Director- ships</u>	<u>Shareholdings</u>						
			<u>Copper- fields</u>	<u>Teck</u>	<u>Highland Mercury</u>	<u>Cariboo- Bell</u>	<u>Pickle Crow</u>	<u>Abex</u>	<u>Beacon</u>
W. H. Maedel 98 Highbourne Rd. Toronto, Ontario	Secretary, Teck and associated corpora- tions	Beacon	-	-	-	-	-	-	-
J. L. May 74 Flaming Rose- way Willowdale, Ont.	President, Geophysical Engineering Limited	Beacon	-	-	-	-	-	-	2,000
H. H. Waller 992 No. 1 Road Richmond, B. C.	Vice-President and Director, Torwest Resources (1962) Ltd. (NPL), Director, United Hearne Resources Ltd.	Pickle Crow	5,000	1,000B	3,000	-	-	-	-
R. W. Wilson, Jr. 4590 Skyline Drive North Vancouver, B. C.	Mining Engineer	Cariboo- Bell	100	100A 100B	-	500	-	-	-
J. W. Stephenson 109 Ridley Blvd. Toronto, Ontario	Accountant, Guaranty Trust Company of Canada	Abex	-	-	-	-	-	-	-

In the case of Messrs. Butler, Keevil and Leishman, totals
include shareholdings of associates.

S C H E D U L E H

Listed Stock Trading

		<u>1976</u>		<u>1975</u>		
<u>Month</u>	<u>Volume</u>	<u>Low</u> (¢)	<u>High</u>	<u>Low</u>	(¢)	<u>High</u>
<u>HIGHLAND MERCURY MINES LIMITED</u>				14½		56
January	68,600	23	28			
February	31,000	17	23			
March	14,700	18	20			
April	68,750	16	26			
May	391,500	25	49			
June	612,500	36	44			
July	321,400	27	48			
August	680,000	19	29			
September	59,000	17	23			
October	19,000	12½	15			
November	63,900	12	16			
December	92,200	12½	20			
January, 1977	83,500	17	22			
<u>CARIBOO-BELL COPPER MINES LIMITED</u>				6		16
January	5,100	11	17			
February	9,500	7	12			
March	4,700	9	12			
April	4,500	8	12			
May	500	9	9			
June	2,500	10	12			
July	4,500	9	11½			
August	7,000	11	12			
September	1,000	10	10			
October	5,500	8	9			
November	4,750	8	9			
December	17,450	5½	8½			
January, 1977	2,000	8	9			
<u>PICKLE CROW EXPLORATIONS LIMITED</u>				15		46
January	43,000	15	21			
February	32,800	18	24			
March	41,800	16½	19			
April	25,300	13	18			
May	12,100	16½	18			
June	13,300	15	17			
July	94,500	10	15			
August	14,000	10	12			
September	22,800	10	13			
October	50,100	11	19			
November	26,600	12	13			
December	54,500	12½	18			
January, 1977	129,000	15	20			