



SECURITIES ACT, 1967

Neither the British Columbia Securities Commission nor the Vancouver Stock Exchange has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

BRITISH COLUMBIA SECURITIES COMMISSION
VANCOUVER STOCK EXCHANGE

AFTON MINES LTD. (N.P.L.)

Head office - (Full name of company.)
Suite G1758 West 8th Avenue, Vancouver 1, British Columbia, Registered
office - #801 - 900 West Hastings Street, Vancouver 1, British Columbia
(Address of head office and registered office of company.)

Statement of Material Facts

1. Give details of the circumstances relating to the offering of the securities and any material changes in the affairs of the issuer.	See Item 1 attached
2. Set out the description, designation, and number of shares being offered by the issuer or selling shareholder. If any of the shares being offered are to be offered for the account of a selling shareholder, name such shareholder and state the number of shares owned by him, the number to be offered for his account, and the number to be owned by him after the offering.	See Item 1 attached
3. Set out the price to the public, underwriting discounts or commissions and the estimated net proceeds to the issuer or selling shareholder, on both a per share and an aggregate basis. If it is not possible to state the price to the public or the underwriting discount or commissions, the method by which they are to be determined shall be explained. Give the range of the market price during the previous 90 days.	See Item 1 attached
4. State the principal purposes for which the estimated net proceeds to be derived by the issuer from the sale of the shares to be offered are intended to be used and the approximate amount intended to be used for each such purpose.	See Item 4 attached
5. State the laws under which the issuer was incorporated and whether incorporated by memorandum of association, Letters Patent, or otherwise or under a particular part of an incorporating Statute dealing with mining companies and the date thereof.	The Company was incorporated pursuant to the Companies Act of British Columbia by registration of Memorandum and Articles of Association on 14 December 1965
6. Give names, addresses, and chief occupations for the past five years of the officers and directors of the issuer.	See Item 6 attached
7. State the share capitalization of the issuer showing authorized and issued capital.	5,000,000 shares without nominal or par value with maximum selling price of 50¢ each Issued: 1,924,020
8. Give particulars of any bonds, debentures, notes, mortgages, charges, liens, or hypothecations of the issuer.	None
9. Outline briefly the manner in which the shares being offered are to be distributed, giving particulars of any outstanding or proposed underwriting, sale, or option agreement, including the name and address of each underwriter, purchaser, or optionee. Give similar particulars of sub-underwriting or sub-option agreements outstanding or proposed to be given and particulars of any assignments or proposed assignments of any such agreements. Give names and addresses of persons having any interest, direct or indirect, in underwritten or optioned shares.	See Item 1 attached

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<p>10. Give name and address of any person or company who beneficially owns, directly or indirectly, in excess of 5 per cent of each class of shares of any company named in answer to item 9 hereof and the number and percentage of each class of shares so owned.</p>	<p>See Item 1 attached</p>
<p>11. Give particulars of any payments in cash or securities of the issuer made or to be made to a promoter or finder in connection with the proposed underwriting.</p>	<p>None</p>
<p>12. Give brief particulars of properties owned, leased, held under option, or operated or presently intended to be owned, leased, held under option, or operated by the issuer.</p>	<p>See Item 12 attached</p>
<p>13. State whether any property referred to in item 12 has a known body of commercial ore or reserves of recoverable oil and gas. Give particulars.</p>	<p>None proven at this time</p>
<p>14. Give brief particulars of the exploration and development work of the issuer during the past year and the results thereof on (1) its own properties and (2) other properties. State amounts spent on each.</p>	<p>See Item 12 attached</p>
<p>15. Give brief particulars of property proposed to be acquired by the issuer or any affiliate or acquired by the issuer or any affiliate within the previous three years, including the name and address of the vendor and the cost or proposed cost thereof to the issuer or any affiliate, and if any such vendor is or was an insider or promoter of the issuer or an associate or affiliate of any insider or promoter of the issuer, so state and indicate the nature of the relationship.</p>	<p>See Item 12 attached</p>
<p>16. State the name of any person or company who is or has been a promoter of the issuer within the preceding two years and, if not disclosed in item 15, the nature and amount of anything of value (including money, securities, property, contracts, options, or rights of any kind) received or to be received by each promoter.</p>	<p>None</p>
<p>17. If the property referred to in item 15 was or is to be paid for by the issuance of shares of the issuer or any subsidiary, give (a) the number of shares of the issuer and any subsidiary issued to or to be issued to the vendor after giving effect to such transaction, and (b) the number and, if more than 5 per cent of the shares presently outstanding, the percentage of shares of the issuer and any subsidiary owned or to be owned by the vendor after giving effect to the transaction. If the vendor is a company, give the names and addresses of the insiders of the company.</p>	<p>See Item 12 attached</p>
<p>18. Give the number and, if more than 5 per cent, the percentage of the shares of the issuer held in escrow or in pool and a brief statement of the terms of the escrow or pooling agreement. Give the names and addresses of the beneficial owners of such shares.</p>	<p>See Item 18 attached</p>
<p>19. Give the number of shares of the issuer owned of record or beneficially, directly or indirectly, by each person or company who owns of record, or is known either by the issuer or the selling shareholder to own beneficially, directly or indirectly, more than 5 per cent of such shares, in each case within 10 days from the date hereof. Show separately whether the shares are owned both of record and beneficially, of record only or beneficially only, and show the respective amounts in percentages owned in each such manner. Give names and addresses of the owners referred to above.</p>	<p>See Item 19 attached</p>
<p>20. Give a brief statement of any legal proceedings to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Make a similar statement as to any such proceedings known to be contemplated.</p>	<p>None</p>

21. Give the aggregate direct remuneration, including amounts for services rendered, paid or payable by the issuer and its subsidiaries during the past year to the insiders of the issuer.	See Item 21 attached
22. Give brief particulars of all options to purchase securities (other than such as are granted or proposed to be granted to shareholders as such on a <i>pro rata</i> basis) outstanding or proposed to be given by the issuer and its subsidiaries to any person or company, naming each such person or company and showing separately all such options outstanding or proposed to be given to the insiders of the issuer or its subsidiaries.	None, other than those options granted to Underwriters and described in item 1 attached.
23. State the prices at which shares of the issuer have been issued for cash during the past year. If any shares have been issued for services, state the nature and value of the services and give the name and address of the person or company who received such shares. State the number of shares issued at each price.	200,000 shares at 20¢ per share 200,000 shares at 25¢ per share
24. Give the dates of and parties to and the general nature of every material contract entered into by the issuer or any subsidiary within the preceding two years which is still in effect and is not disclosed in the foregoing.	None
25. Give particulars of any other material facts relating to the shares proposed to be offered and not disclosed pursuant to the foregoing items.	None
26. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost of book value and present market value.	None

27.

CERTIFICATE OF THE COMPANY

Dated 27 October 1971

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

AFTON MINES LTD. (N.P.L.)

C. F. Miller
Chester F. Millar
D. L. Price
Douglas L. Price

John Hafambourg

[Corporate Seal.]

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of our knowledge, information and belief the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts

Dated 27 October 1971
CARLISLE, DOUGLAS & CO. LTD.

Per: *J. J. Jones*

Per: *D. Carlisle*

WEST COAST SECURITIES LTD.

Per: *W. R. Buller*

Per: *J. J. Jones*

SCHEDULE TO THE STATEMENT OF MATERIAL FACTS
OF AFTON MINES LTD. (N.P.L.)
DATED 27 OCTOBER 1971

ITEM 1

By Agreement dated 27 October 1971 (the "Agreement") West Coast Securities Ltd., 845 West Pender Street, Vancouver, British Columbia, and Carlisle, Douglas & Co. Ltd., 890 West Pender Street, Vancouver, British Columbia (the "Underwriters") have agreed to purchase:

- (a) 200,000 unissued treasury shares of the Company at 30¢ per share net to the Company, being an aggregate consideration of \$60,000, on the effective date of the Agreement.

Pursuant to the Agreement the Company has granted the Underwriters:

- (a) The option to purchase all or any part of a further 200,000 unissued treasury shares of the Company at 35¢ per share net to the Company at any time and from time to time within 90 days of the effective date of the Agreement and, if these shares are so purchased;
- (b) The option to purchase all or any part of a further 200,000 unissued treasury shares of the Company at 45¢ per share net to the Company at any time and from time to time within 180 days of the effective date of the Agreement.

The effective date of the Agreement shall be the date upon which this Statement of Material Facts is accepted for filing by the Vancouver Stock Exchange.

All shares purchased pursuant to the Agreement will be offered by the Underwriters to the public through the facilities of the Vancouver Stock Exchange at the market price for shares of the Company on that Exchange at the time of offering.

The bid price for the shares of the Company on the Vancouver Stock Exchange at the close of business on 26 October 1971 was 36¢. The range of the bid price during the preceding 90 days was 10¢ to 47¢.

The interests of each of the Underwriters in the Agreement are as follows:

West Coast Securities Ltd.	-- a 50% interest
Carlisle, Douglas & Co. Ltd.	-- a 50% interest

and each Underwriter is entitled to the rights conferred on the Underwriters by the Agreement and is liable to perform the obligations placed upon the Underwriters thereby only to the extent of such interest.

The names and addresses of any persons beneficially owning, directly or indirectly, in excess of 5% of each class of shares of the underwriters are as follows:

WEST COAST SECURITIES LTD.

<u>Name and Address</u>	<u>Class of Shares</u>	<u>Number of Shares</u>	<u>Percentage Held</u>
James D. Thomas, 2088 Westdean Crescent, West Vancouver, B.C.	Class A	399	99.75%
	Class B	600	100%

CARLISLE, DOUGLAS & CO. LTD.

<u>Name and Address</u>	<u>Class of Shares</u>	<u>Number of Shares</u>	<u>Percentage Held</u>
John N. Carlisle, 1102-1575 Beach Avenue, Vancouver, B.C.	Class A	235	22.49%
	Class B	940	22.49%
David J. Douglas, 560 West 50th Avenue, Vancouver, B.C.	Class A	235	22.49%
	Class B	940	22.49%
John N. Jones, 971 Devon Road, North Vancouver, B.C.	Class A	235	22.49%
	Class B	940	22.49%
G. Robert Fay, 555 West 50th Avenue, Vancouver, B.C.	Class A	180	17.23%
	Class B	720	17.23%

ITEM 4

The shares of the Company being underwritten pursuant to the Agreement will net the Company \$60,000. These funds, together with approximately \$67,000 on hand, will be used by the Company:

- (a) To the extent of approximately \$103,000 to implement Stage 1 of the recommendations set out in the report of Bacon & Crowhurst Ltd. referred to under Item 12.
- (b) To pay administration costs and the costs of this offering; and
- (c) If warranted, to start implementation of Stage 2 of the recommendations set out in the said report of Bacon & Crowhurst Ltd.

If the Company realizes any proceeds from exercise of one or more of the options pursuant to this agreement it will if warranted complete the implementation of Stage 2 of said report and, if the proceeds are sufficient and if warranted, the Company will implement Stage 3 of said report. Any funds not used in implementation of the recommendations in said report will be used generally for the purposes of the Company, including the examination of other mineral properties and, where warranted, the acquisition of an interest in and exploration and development of such properties, and for general administrative, legal and accounting costs. If any substantial acquisition is proposed, the Company will not proceed with it without the approval of the Vancouver Stock Exchange.

ITEM 6

<u>Name and Office</u>	<u>Address</u>	<u>Chief Occupation For Last 5 Years</u>
Chester F. Millar President and Director	85 Bonnymuir Dr. West Vancouver, B.C.	President of C.F. Millar Limited, Mining Consultants and Mining Contractors

<u>Name and Office</u>	<u>Address</u>	<u>Chief Occupation For Last 5 Years</u>
Douglas L. Price Director	4611 Northlawn Dr. Burnaby, B.C.	Manager of TransPacific Leasing Services Ltd. of Vancouver, B.C.
John Haramboure Director	497 West 39th Ave. Vancouver, B.C.	Hotel Executive, Fraser Arms Hotel, Vancouver, B.C.
Frederick William Maycock Secretary	1758 West 8th Ave. Vancouver, B.C.	Accountant and Office Manager.

ITEM 12

The Company is the recorded and beneficial owner of Mineral Lease M-22E (the Dominion mineral claim) being Lot 1595, K.D.Y.D. and of the following located mineral claims situate in the Kamloops Mining Division of British Columbia:

<u>Claim Name</u>	<u>Record Number</u>	<u>Expiry Date</u>
Add 1 - 4	45345 - 45348	March 13, 1979
Add 5 - 8	45977 - 45980	April 27, 1979
Add 9 - 13	45981 - 45985	April 27, 1980
Add 14 - 18	45986 - 45990	April 27, 1980
Add 19 - 26	46576 - 46583	June 19, 1979
Afton 1 - 4	11508 - 11511	October 6, 1979
Afton 5 - 7	11696 - 11698	May 8, 1979
Afton Fraction	11736	May 16, 1979
Pot 1 Fr. - 2 Fr.	47978 - 47979	December 3, 1978
Pot 3 Fr. - 4 Fr.	47980 - 47981	December 3, 1978
Pot 5	47982	December 3, 1978
Pot 6 - 8	47983 - 47985	December 3, 1979
Pot 9	47986	December 3, 1979
Add 27	85926	December 4, 1978
Add 28	85927	December 4, 1978
Add 29	85928	December 4, 1978
Add 30	85929	December 4, 1978
Pot 10 Fr.	93413	November 18, 1979
Pot 11 - 14	93414 - 93417	November 18, 1979

The mineral lease was acquired from Mr. Alfred Holmwood for a cash consideration of \$800.

Mineral claims Pot 1 Fr. to Pot 5 Fr., Pot 6 to Pot 9, and Add 27 to Add 30 were acquired by the Company by staking and have been assigned a value of \$1. Mineral claims Pot 10 Fr., and Pot 11 to Pot 14 were acquired by the Company from Chester F. Millar, the President and a director of the Company, in April 1971 at a cost to the Company of \$337.80, Mr. Millar's cost of staking.

Mineral claims Afton 1 to 7, Afton Fr. and Add 1 to 26 were originally optioned by Axel Berglund of Prince George, B.C. to Colonial Mines Limited. This option was assigned by Colonial Mines to the Tamarack Mining Syndicate which on 7 April 1966 assigned it to the Company. In consideration for this assignment the Tamarack Mining Syndicate received 450,000 shares of the Company and Colonial Mines Limited received 40,000 shares of the Company. In exercising the option the Company issued a further 300,000 of its shares to Mr. Berglund and paid to him \$50,000. 92,500 of the shares issued to the Tamarack Mining Syndicate, Colonial Mines Limited and Mr. Berglund were subsequently surrendered to the Company and cancelled.

The members of the Tamarack Mining Syndicate and the number of

shares received by each from the Company upon assignment of the option referred to in the preceding paragraph are as follows:

Chester F. Millar	128,571 shares
Douglas L. Price	64,287 shares
John Haramboure	64,285 shares
Jack Cewe	64,285 shares
Edwin T. Flynn	64,286 shares
A. David Ross	64,286 shares

Messrs. Millar, Price and Haramboure, presently directors of the Company, were also directors of the Company on 7 April 1966, the date upon which the aforementioned option was assigned to the Company, as were Messrs. Cewe, Flynn and Ross.

In the spring and summer of 1971, pursuant to an agreement with the Company, now terminated, Corbin J. Robertson caused the property to be mapped geologically and caused 21 holes to be drilled thereon at a cost of approximately \$15,000. Of these, 5 holes were abandoned in overburden at depths of 100 - 140 feet, 15 were completed in bedrock at 300 feet, and one was completed in bedrock at 260 feet. None of these holes was drilled within 1000 feet of Diamond Drill Hole 70-4. Subsequently, the Company initiated a percussion drill program in the immediate vicinity of Diamond Drill Hole 70-4. This program was laid out on 100 foot centres, a move which, according to the report of Bacon & Crowhurst Ltd. herein referred to "appears to have established that the trend of the better mineralization is NW-SE, i.e. parallel to the regional geological trend". The sketch accompanying the report showing the layout of the percussion holes and the assay results therefrom is reproduced and attached to this Statement of Material Facts. In its report of October 26, 1971, Bacon & Crowhurst Ltd. recommends that further percussion drilling be done, and some diamond drilling should be planned to check the percussion work and to reach greater depths than 300 feet, and all material drilled should be assayed. The report sets out the following cost estimate:

"Stage 1 (Native Copper)

Percussion drilling, 20 - 300' holes = 6000' @ \$3.00/ft.	\$18,000
Diamond drilling 6 - 800' holes = 4800' @ \$12.00/ft.	57,600
Core assays, 480 samples @ \$3.00 ea.	1,440
Helper to split core, etc. (salary, board for 2 months)	2,000
2 vehicles @ \$500.00/month each, for 2 months	2,000
Engineering, geology, supervision	8,000
	<u>\$89,040</u>
15% contingencies	13,356
Total	<u>\$102,396</u>

Stage 2 (Pothook)

Diamond drilling, 6 - 400' holes = 2400' @ \$12.00/ft.	\$28,800
Core assays - 240 samples @ \$3.00 ea.	720
Helper to split core, etc. (salary, board for 1 month)	1,000
2 vehicles @ \$500.00/month each, for 1 month	1,000
Engineering, geology, supervision	4,000
	<u>\$35,520</u>
15% contingencies	5,328
Total	<u>\$40,848</u>

Stage 3 (Pothook)

Diamond drilling, 9 - 400' holes = 3600' @ \$12.00/ft.	\$43,200
Core assays - 360 samples @ \$3.00 ea.	1,080
Erection of drill core storage rack	1,000
Helper to split core, etc. (salary, board for 2 months)	2,000
2 vehicles @ \$500.00/month each, for 2 months	2,000
Engineering, geology, supervision	8,000
	<u>\$57,280</u>
15% contingencies	8,592
Total	<u>\$65,872"</u>

A copy of the aforementioned report may be reviewed during normal business hours at the head office of the Company.

ITEM 18

697,500 shares of the Company, being approximately 36.3% of the outstanding shares of the Company are held in escrow by The Canada Trust Company, 901 West Pender Street, Vancouver, B.C. subject to release, hypothecation, assignment or other alienation only upon the written consent of the B.C. Securities Commission and the Vancouver Stock Exchange. The names and addresses of the beneficial owners of these shares are as follows:

<u>Name and Address</u>	<u>Number of Shares</u>
Jack Cewe 309 Cedar Street New Westminster, B.C.	36,786
Axel Berglund 1773 Maple Street Prince George, B.C.	200,000
Edwin T. Flynn 411-850 West Hastings Street Vancouver, B.C.	29,285
John Haramboure 497 West 39th Avenue, Vancouver, B.C.	36,786
Douglas L. Price 4611 Northlawn Drive Burnaby, B.C.	36,785
A. David Ross 1282 Chartwell Crescent West Vancouver, B.C.	44,286
Chester F. Millar 85 Bonnymuir Drive West Vancouver, B.C.	73,572
Canada West Petroleum P.O. Box 4183 Station D Vancouver 9, B.C.	40,000
C. William Mc.Burge 202-580 Granville Street, Vancouver, B.C.	100,000
Carl N. Davidson Richet Street, R.R. #2 Prince George, B.C.	1,000
William H. Henderson 1321 Burden Street, Prince George, B.C.	5,000
William L. McMillan 270-15th Avenue, Prince George, B.C.	10,000

<u>Name and Address</u>	<u>Number of shares</u>
Lenwood T. Maxwell 1320 - 5th Avenue, Prince George, B.C.	13,500
Elis Ongman R. R. #1, Peachland, B.C.	27,000
Ron Philp 108 - 325 Howe Street Vancouver, B.C.	30,000
Mrs. Marjorie Walsh 1613 - 7th Avenue Prince George, B.C.	13,500

ITEM 19

To the knowledge of the Company the following are the only persons owning of record more than 5% of the outstanding shares of the Company:

<u>Name and Address</u>	<u>Number of Shares Owned of Record</u>
Axel Berglund 1773 Maple Street, Prince George, B. C.	230,000

ITEM 21

There was no direct remuneration paid to directors and officers of the Company. During the past year \$6300 was paid to L & M Developments Limited, a Company controlled by the former Secretary of the Company, as consideration for office premises and services and corporate secretarial services and \$4,176.01 was paid to C. F. Millar Ltd., a Company controlled by the President of the Company as consideration for drilling and engineering services rendered.

TERMS OF RESCISSION

A person who has entered into a contract for the purchase of securities offered hereby is entitled to rescind such contract within 60 days of receipt of the written confirmation of such purchase if he is still the owner of such securities and has not received this Statement of Material Facts before delivery of the confirmation. This Statement of Material Facts shall be deemed conclusively to be received in the ordinary course of mail by the person or company to whom it is addressed.

ATLANTIC COAST LUMBER CO. (U.P.L.)

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1971

Name and Address	Number of Shares
Leewood T. Maxwell 1330 - 5th Avenue Prince George, B.C.	13,500
Ellis Campbell R. R. #1 Beachland, B.C.	27,000
Don Philip 108 - 75th Street Vancouver, B.C.	30,000
Mrs. Margorie Welsh 1513 - 7th Avenue Prince George, B.C.	13,500

ITEM 19

To the knowledge of the Company the following are the only persons owning of record more than 5% of the outstanding shares of the Company:

Name and Address	Number of Shares
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Auditors' Report

Balance Sheet

Statement of Deferred Exploration and Administration Expenditures

Statement of Source and Application of Funds

Notes to Financial Statements

ITEM 21

There was no direct remuneration paid to directors and officers of the Company during the year ended to a M Development, as consideration for services and services and corporate secretarial services and \$1,150.00 was paid to C. F. Miller Ltd. a company controlled by the President of the Company as compensation for secretarial services rendered.

TERMS OF RESCISSION

A person who has entered into a contract for the purchase of securities offered hereby is entitled to rescind such contract within 90 days of receipt of the written confirmation of such purchase if he is still the owner of such securities and has not received this Statement of Material Facts before delivery of the confirmation. This Statement of Material Facts shall be deemed conclusively to be received in the ordinary course of mail by the person or company to whom it is addressed.

Thorne,
Gunn,
Helliwell
& Christenson

CHARTERED ACCOUNTANTS

D. J. KEISEY
 B. FAHY
 H. F. WHELAN
 G. SPART
 W. R. C. PATRICK
 G. M. MILLER
 W. G. MITCHELL
 J. C. MCKINLEY
 R. C. STEWART
 D. G. USHER
 CONSULTANTS
 J. L. HELLIWELL
 H. H. ADAM

AUDITORS' REPORT

To the Shareholders of
Afton Mines Ltd. (N.P.L.)

We have examined the balance sheet of Afton Mines Ltd. (N.P.L.) as at June 30, 1971 and the statements of deferred exploration and administration expenditures and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at June 30, 1971 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Thorne, Gunn, Helliwell & Christenson

Vancouver, Canada
August 3, 1971

Chartered Accountants

AFTON MINES LTD. (N.P.L.)
(Incorporated under the laws of British Columbia)

BALANCE SHEET - JUNE 30, 1971
(with comparative figures at June 30, 1970)

	<u>ASSETS</u>	<u>1971</u>	<u>1970</u>
CURRENT ASSETS			
Cash		\$ 3,352	\$ 20,105
Bank term deposits		85,000	-
		<hr/>	<hr/>
		88,352	20,105
MINING CLAIMS, at cost represented by 697,500 shares issued and cash payments of \$49,300 (notes 1 and 2)		91,300	91,300
DEFERRED EXPLORATION AND ADMINISTRATION EXPENDITURES (note 1)		110,892	92,302
ORGANIZATION EXPENSES		1,394	1,394
		<hr/>	<hr/>
		\$291,938	\$205,101
		<hr/> <hr/>	<hr/> <hr/>
	LIABILITIES		
CURRENT LIABILITIES			
Accounts payable and accrued liabilities		\$ 1,511	\$ 4,674
	SHAREHOLDERS' EQUITY		
CAPITAL STOCK			
Authorized			
5,000,000 Shares of no par value			
Issued (note 2)	<u>Shares</u>		
For cash	1,226,520	\$248,927	
For mining claims	697,500	41,500	
	<hr/>		
	1,924,020	290,427	200,427
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		\$291,938	\$205,101
		<hr/> <hr/>	<hr/> <hr/>

Approved by the Board

"C.F. Millar" Director

"D.L. Price" Director

ALTON MINES LTD. (INC.)

STATEMENT OF DEFERRED EXPLORATION AND ADMINISTRATION EXPENDITURES

YEAR ENDED JUNE 30, 1971
(with comparative figures for 1970)

	<u>1971</u>	<u>1970</u>
Exploration expenditures		
Assaying	\$ 267	\$ 41
Engineering	202	121
Drilling	-	31,079
Licences, assessments and sundry	1,771	2,965
Staking	338	-
	<u>2,578</u>	<u>34,206</u>
Administration expenditures		
Legal and audit	5,899	2,512
Accounting, office and management	1,442	1,472
Transfer agency fees	1,160	990
Rent and services	8,250	6,750
Stock exchange application fee	-	2,000
	<u>16,751</u>	<u>13,724</u>
Less interest earned	739	1,702
	<u>16,012</u>	<u>12,022</u>
Expenditures for the year	18,590	46,228
Balance deferred at beginning of year	92,302	46,074
	<u>92,302</u>	<u>46,074</u>
	<u>\$110,892</u>	<u>\$92,302</u>
	<u>110,892</u>	<u>92,302</u>
	<u>\$110,892</u>	<u>\$92,302</u>

ATLANTIC COAST LINES LTD. (N.P.L.)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

YEAR ENDED JUNE 30, 1971
(with comparative figures for 1970)

	1971	1970
SOURCE OF FUNDS		
Issue of shares	\$90,000	\$63,000
APPLICATION OF FUNDS		
Exploration and administration expenditures	18,590	46,228
Purchase of mining claims	-	5,000
	18,590	51,228
INCREASE IN WORKING CAPITAL	71,410	11,772
WORKING CAPITAL AT BEGINNING OF YEAR	15,431	3,659
WORKING CAPITAL AT END OF YEAR	\$86,841	\$15,431

ALTON MINES LTD. (N.P.L.)
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 1971

MINING CLAIMS

The amounts shown for mining claims and deferred exploration and administration expenditures represent costs incurred to date and are not intended to reflect present or future values.

PAYABLE STOCK

Capital stock has been issued for the following consideration:

	<u>Number of shares</u>	<u>Value</u>
For cash		
Balance July 1, 1970	826,520	\$158,927
Issued during year at 20 cents	200,000	40,000
Issued during year at 25 cents	200,000	50,000
	1,226,520	\$248,927
Balance June 30, 1971	1,226,520	\$248,927
For mining claims		
Balance July 1, 1970 and June 30, 1971	697,500	\$ 41,500

AFTON MINES LTD. (N.P.L.)

FINANCIAL STATEMENTS

THREE MONTHS ENDED SEPTEMBER 30, 1971
(unaudited)

This statement shows for mining claims and deferred exploration and administration expenditures represent costs incurred to date and are not intended to reflect present or future values.

Split stock has been issued for the following consideration:

Value	Number of shares
2158,927	826,520
40,000	200,000
20,000	200,000
<u>2218,927</u>	<u>1,226,520</u>
<u>2,41,500</u>	<u>697,500</u>

- Accountants' Comments
- Balance Sheet
- Statement of Deferred Exploration and Administration Expenditures
- Statement of Source and Application of Funds
- Notes to Financial Statements

For cash balance July 1, 1971 issued during year at 25 cents balance June 30, 1971 For mining claims balance July 1, 1970 and June 30, 1971

Thorne,
Gunn,
Helliwell
& Christenson

CHARTERED ACCOUNTANTS

VANCOUVER PARTNERS

D J KELSEY	G M MILLER	J M MOYNES
B FAHY	W G MITCHELL	H B SMITH
R E BURRELL	J C MCKINNEY	J G HALPIN
G SPARE	R G STEWART	K S GUNNING
	D G USHER	

CONSULTANTS

W R C PATRICK	J L HELLIWELL	H H ADAIR
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ACCOUNTANTS' COMMENTS

The accompanying balance sheet of Afton Mines Ltd. (N.P.L.) as at September 30, 1971 and the statements of deferred exploration and administration expenditures and source and application of funds for the three months then ended were not audited by us. Certain audit procedures are not carried out until the end of the fiscal year of the company and accordingly we are not in a position to express an opinion on these interim financial statements.

Thorne, Gunn, Helliwell & Christenson

Vancouver, Canada
October 14, 1971

Chartered Accountants

AFTON MINES LTD. (N.P.L.)
(Incorporated under the laws of British Columbia)

BALANCE SHEET - SEPTEMBER 30, 1971
(unaudited)

CHARTERED ACCOUNTANTS

Thorne
Gunn
Helliwell
& Christenson

ASSETS

CURRENT ASSETS

Cash	\$ 912
Bank term deposits	85,000
	<u>85,912</u>

MINING CLAIMS, at cost represented by 697,500 shares issued and cash payments of \$49,800 (notes 1 and 2)	91,300
---	--------

DEFERRED EXPLORATION AND ADMINISTRATION EXPENDITURES (note 1)	130,552
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ORGANIZATION EXPENSES	<u>1,394</u>
-----------------------	--------------

\$309,158

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accrued liabilities	\$ 18,731
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SHAREHOLDERS' EQUITY

CAPITAL STOCK

Authorized
5,000,000 Shares of no par value

Issued (note 2)

	<u>Shares</u>	
For cash	1,226,520	\$248,927
For mining claims	697,500	41,500
	<u>1,924,020</u>	<u>290,427</u>

\$309,158

Approved by the Board

C.F. Millar

"C.F. Millar" Director

D.L. Price

"D.L. Price" Director

AFTON MINES LTD. (N.P.L.)

STATEMENT OF DEFERRED EXPLORATION AND ADMINISTRATION EXPENDITURES

THREE MONTHS ENDED SEPTEMBER 30, 1971
(unaudited)

Exploration expenditures			
Assaying		\$ 537	
Drilling		16,958	
Licences, assessments and sundry		1,076	
		<u> </u>	\$ 18,571
Administration expenditures			
Legal and audit		1,130	
Accounting, office and management		44	
Transfer agency fees		431	
Rent and services		300	
		<u> </u>	
		1,905	
Less interest earned		816	
		<u> </u>	1,089
Expenditures for the period			19,660
Balance deferred at beginning of period			110,892
BALANCE DEFERRED AT END OF PERIOD			<u><u>\$130,552</u></u>

AFTON MINES LTD. (N.P.L.)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

THREE MONTHS ENDED SEPTEMBER 30, 1971
(unaudited)

	1,076		
	16,958		
	237		
	<u>18,271</u>		
APPLICATION OF FUNDS			
Exploration and administration expenditures			\$19,660
DECREASE IN WORKING CAPITAL			<u>19,660</u>
WORKING CAPITAL AT BEGINNING OF PERIOD			86,841
WORKING CAPITAL AT END OF PERIOD			<u>\$67,181</u>
			<u><u>110,942</u></u>
			<u><u>130,222</u></u>

AFTON MINES LTD. (N.P.L.)
NOTES TO FINANCIAL STATEMENTS

THREE MONTHS ENDED SEPTEMBER 30, 1971
(unaudited)

BACON & CROWHURST LTD.

1701 West 10th Street
Vancouver, B.C.

PROPERTY OF

of the property of

AFTON MINES LTD.

1. MINING CLAIMS

The amounts shown for mining claims and deferred exploration and administration expenditures represent costs incurred to date and are not intended to reflect present or future values.

2. CAPITAL STOCK

Capital stock, which is unchanged since June 30, 1971, has been issued for the following consideration:

	Number of <u>shares</u>	<u>Value</u>
For cash	1,226,520	\$248,927
For mining claims	697,500	\$ 41,500

September 30, 1971

AFTON MINES LTD.



BACON & CROWHURST LTD.

1720-1055 West Hastings Street
Vancouver 1, B.C.

PROGRESS REPORT
on the property of
AFTON MINES LTD.

IRON MASK AREA
KEELOPPS MINING DIVISION, B.C.

by

G. R. BACON, Ph.D., P. Eng.

Vancouver, B.C.

October 26th, 1971.

TABLE OF CONTENTS

The West... south of the Trans-Columbia Highway, about nine miles west of Lumbago, Allen Mines Ltd, holds or holds...

Page

PROGRESS	1
COSE ESTIMATE	4
CERTIFICATE	5

ILLUSTRATION

Sketch showing Zone II Percussion Holes - 1" = 100' In envelope at back of report

Zone II is the site of the recent percussion drilling program but, prior to this work, the property was under option during the spring and summer of 1971 to Sulstana Minerals Corp. This company, in spite of sparse outcrop, mapped the property geologically on a scale of 1" = 1000 feet. Subsequently, using a percussion drill as a prospecting tool, Sulstana drilled 21 holes. Of these, five holes were abandoned in exploration at depths of 100-160 feet, fifteen were completed in bedrock at 300 feet, and one was completed in bedrock at 280 feet.

On this drilling did not indicate to Sulstana "a potential for a porphyry type copper-gold-silver deposit," the option was terminated.

PROGRAM

The Afton property is mainly south of the Trans-Canada Highway, about nine miles west of Kamloops. Afton Mines Ltd. holds or holds options on 47 mineral claims and one mineral lease.

In a report dated November 25, 1970, Bacon & Crowhurst Ltd. summarized the work that had been performed on the property to that date. On Page 18 of this report mention is made of an Induced Polarization zone, Zone II "where a recent diamond drill hole (70-4) intersected significant amounts of native copper (250' of 0.35% Cu), abundant magnetite, and virtually no pyrite. Zone II, incidentally, also corresponds closely to the position of an electromagnetic conductive zone, a strong geochemical anomaly, and a saline lake."

Zone II is the site of the recent percussion drilling program but, prior to this work, the property was under option during the spring and summer of 1971 to Quintana Minerals Corp. This company, in spite of sparse outcrop, mapped the property geologically on a scale of 1" = 1000 feet. Subsequently, using a percussion drill as a prospecting tool, Quintana drilled 21 holes. Of these, five holes were abandoned in overburden at depths of 100-140 feet, fifteen were completed in bedrock at 300 feet, and one was completed in bedrock at 260 feet.

As this drilling did not indicate to Quintana "a potential for a porphyry type copper/molybdenum deposit," the option was terminated.

No quintana hole was drilled within 1000 feet of Diamond Drill Hole 70-4, the one that encountered the native copper. When Quintana dropped its option, Afton initiated a percussion drill program of its own, in the immediate vicinity of Diamond Drill Hole 70-4.

The Afton program was laid out on 100 foot centres, a move which appears to have established that the trend of the better mineralization is NW-SE, i.e. parallel to the regional geological trend.

The writer visited the Afton property on September 9th, 1971. Drilling was in progress under the supervision of Mr. Ken Spraggs who also undertook the sampling procedure.

The diameter of the percussion holes is 2 inches and, thus, a 10 foot interval yields approximately 40 pounds of cuttings. Starting with 40 pounds, Mr. Spraggs very carefully riffled a sample 4 times using a Jones-type splitter, thus obtaining two 2½ pound fractions. A small portion of a 2½ pound fraction was agitated briefly and gently underwater on a watch glass to remove the fines and the remainder was examined under a binocular microscope. The 2½ pound fraction was sent for assay unless it appeared to be poorly mineralized.

The writer examined about two dozen samples under the binocular microscope in the field. The rock material is generally greenish, commonly epidotized, and less commonly exhibits a development of pink feldspar. It is considered to be recrystallized Nicola volcanics.

Magnetite is invariably present and native copper is discernible in a majority of the samples scrutinized; it is considered to be primary.

The accompanying sketch shows the layout of percussion holes and the assay results therefrom. It is recommended that further percussion drilling be done and, for the present, it is probably just as well to carry on with the same pattern. Some diamond drilling should be planned to check the percussion work and to reach greater depths than 300 feet. All material drilled should be assayed.

This recommended program is referred to below as Stage 1 (Native Copper). Stages 2 and 3 are repeated from the November 25th, 1970, report as they have never been implemented and the reasons for proposing them are still valid. Stages 2 and 3 may be referred to as Stage 2 (Toothook) and Stage 3 (Pothook) as they were largely devised to find extensions of the toothook mineral zone.

CONT. ESTIMATE

Stage 1 (Native Copper)

Percussion drilling, 20 - 300' holes = 6000' @ \$3.00/ft.	\$18,000
Diamond drilling 6 - 800' holes = 4800' @ \$12.00/ft.	57,600
Core assays, 460 samples @ \$3.00 ea.	1,440
Helper to split core, etc. (salary, board for 2 months)	2,000
2 vehicles @ \$500.00/month each, for 2 months	2,000
Engineering, geology, supervision	8,000
	<u>\$89,040</u>
15% contingencies	13,356
Total	<u>\$102,396</u>

Stage 2 (Pothook)

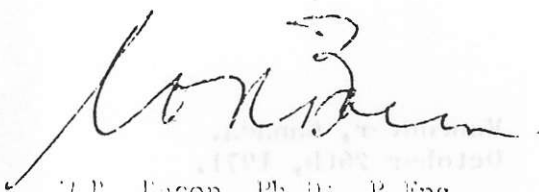
Diamond drilling, 6 - 400' holes = 2400' @ \$12.00/ft.	\$28,800
Core assays - 240 samples @ \$3.00 ea.	720
Helper to split core, etc. (salary, board for 1 month)	1,000
2 vehicles @ \$500.00/month each, for 1 month	1,000
Engineering, geology, supervision	4,000
	<u>\$35,520</u>
15% contingencies	5,328
Total	<u>\$40,848</u>

Stage 3 (Pothook)

Diamond drilling, 9 - 400' holes = 3600' @ \$12.00/ft.	\$43,200
Core assays - 360 samples @ \$3.00 ea.	1,080
Erection of drill core storage rack	1,000
Helper to split core, etc. (salary, board for 2 months)	2,000
2 vehicles @ \$500.00/month each, for 2 months	2,000
Engineering, geology, supervision	8,000
	<u>\$57,280</u>
15% contingencies	8,592
Total	<u>\$65,872</u>

Respectfully submitted,

BACON & CROCHFURST LTD.


W.R. Bacon, Ph.D., P.Eng.

CERTIFICATE

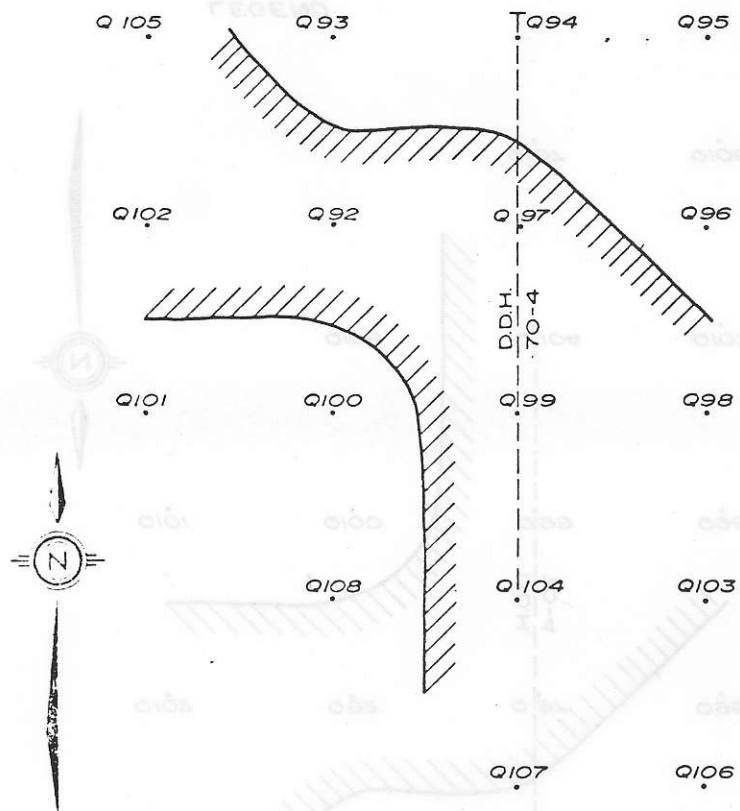
I, William R. Bacon, with business address at
1720 - 1055 E. Hastings St., Vancouver, 1, British Columbia,
DO HEREBY CERTIFY THAT:

1. I am a consulting geological engineer.
2. I am a graduate of the University of British Columbia with
B.A.Sc. (1939) and M.A.Sc. (1942) degrees in Geological
Engineering.
3. I am a graduate of the University of Toronto with a Ph.D (1952)
degree in Economic Geology.
4. I have practised my profession for thirty years in Canada, South
America and Australia. During the past twenty years, the majority
of my time has been spent in British Columbia; it includes seven
years (1949-56) as geologist with the B.C. Department of Mines.
5. I have personally examined the Afton Mines Ltd. property in the
Kamloops area of British Columbia.
6. I have no interest, direct or indirect, in the property or
securities of the above company, nor do I expect to acquire any
such interest.



W.R. Bacon, Ph.D., P.Eng.

Vancouver, Canada.
October 26th, 1971.



LEGEND



Zone of best mineralization

Hole No.	Ft.	Assay
Q92	10' - 300' = 290'	0.64 % Cu
Q93	60' - 90' = 30'	0.36 %
	110' - 120' = 10'	0.37 %
	130' - 140' = 10'	1.53 %
	150' - 160' = 10'	0.69 %
Q94	60' - 100' = 40'	0.24 %
	250' - 300' = 50'	0.74 %
Q95	40' - 50' = 10'	0.16 %
	120' - 130' = 10'	0.13 %
Q96	120' - 140' = 20'	0.41 %
	190' - 240' = 50'	0.37 %
	250' - 280' = 30'	0.54 %
Q97	50' - 60' = 10'	1.01 %
	80' - 90' = 10'	1.71 %
	100' - 110' = 10'	0.45 %
	120' - 170' = 50'	0.80 %
	180' - 190' = 10'	0.60 %
	200' - 210' = 10'	0.35 %
	230' - 270' = 40'	0.42 %
	280' - 300' = 20'	0.55 %
Q98	30' - 130' = 100'	0.14 %
	130' - 300' = 170'	0.66 %
Q99	50' - 300' = 250'	0.67 %
Q100	70' - 90' = 20'	0.63 %
	100' - 110' = 10'	0.33 %

W. Bacon

Hole No.	Ft.	Assay
Q100	120' - 130' = 10'	0.22 %
	140' - 150' = 10'	0.38 %
	160' - 170' = 10'	0.25 %
	190' - 210' = 20'	0.38 %
	220' - 250' = 30'	0.44 %
	260' - 300' = 40'	0.29 %
Q101	100' - 110' = 10'	0.20 %
	140' - 150' = 10'	0.22 %
	160' - 170' = 10'	0.35 %
	180' - 220' = 40'	0.61 %
	230' - 240' = 10'	0.33 %
	270' - 300' = 30'	0.31 %
Q102	40' - 150' = 110'	0.36 %
	160' - 300' = 140'	0.35 %
Q103	80' - 90' = 10'	0.37 %
	130' - 300' = 170'	0.69 %
Q104	70' - 300' = 230'	0.45 %
Q105	40' - 300' = 260'	0.67 %
Q106	20' - 300' = 280'	0.03 %
Q107	100' - 300' = 200'	0.58 %
Q108	140' - 190' = 50'	0.31 %
	200' - 270' = 70'	0.27 %
	270' - 300' = 30'	0.12 %

BACON & CROWNEST LTD

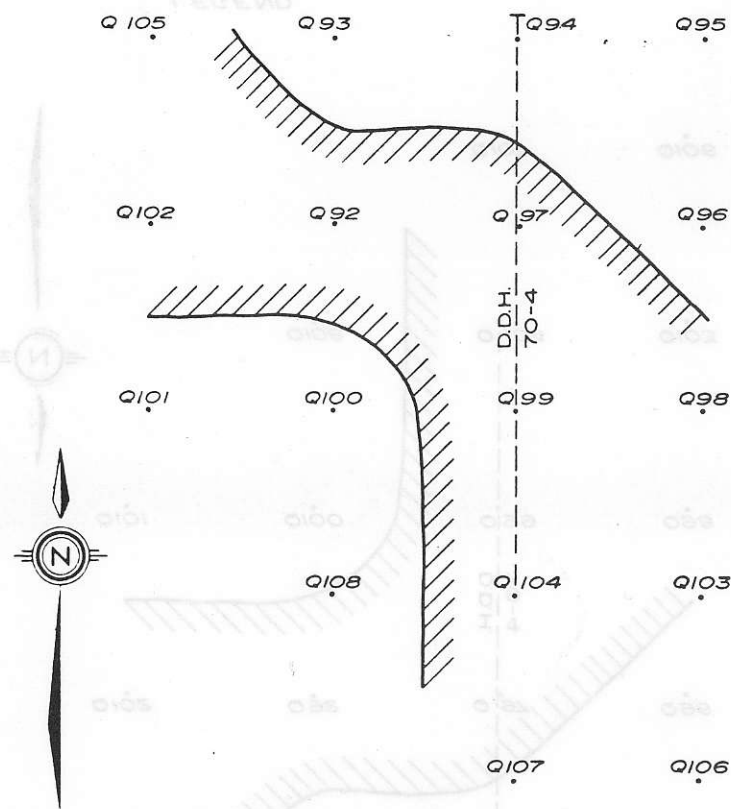
SKETCH SHOWING LOCATION
(PENDING SURVEY)

OF

AFTON MINES LTD, (ZONE I)
PERCUSSION HOLES AND ASSAY

SCALE 1" = 100 FT

OCT 1971



LEGEND



Zone of best mineralization

Hole No.	Ft.	Assay
Q92	10' - 300' = 290'	0.64 % Cu
Q93	60' - 90' = 30'	0.36 %
	110' - 120' = 10'	0.37 %
	130' - 140' = 10'	1.53 %
	150' - 160' = 10'	0.69 %
Q94	60' - 100' = 40'	0.24 %
	250' - 300' = 50'	0.74 %
Q95	40' - 50' = 10'	0.16 %
	120' - 130' = 10'	0.13 %
Q96	120' - 140' = 20'	0.41 %
	190' - 240' = 50'	0.37 %
	250' - 280' = 30'	0.54 %
Q97	50' - 60' = 10'	1.01 %
	80' - 90' = 10'	1.71 %
	100' - 110' = 10'	0.45 %
	120' - 170' = 50'	0.80 %
	180' - 190' = 10'	0.60 %
	200' - 210' = 10'	0.35 %
	230' - 270' = 40'	0.42 %
	280' - 300' = 20'	0.55 %
Q98	30' - 130' = 100'	0.14 %
	130' - 300' = 170'	0.66 %
Q99	50' - 300' = 250'	0.67 %
Q100	70' - 90' = 20'	0.63 %
	100' - 110' = 10'	0.33 %

W. J. Bacon

Hole No.	Ft.	Assay
Q100	120' - 130' = 10'	0.22 % Cu
	140' - 150' = 10'	0.18 %
	160' - 170' = 10'	0.25 %
	190' - 210' = 20'	0.19 %
	220' - 250' = 30'	0.44 %
	260' - 300' = 40'	0.29 %
Q101	100' - 110' = 10'	0.20 %
	140' - 150' = 10'	0.22 %
	160' - 170' = 10'	0.35 %
	180' - 220' = 40'	0.61 %
	230' - 240' = 10'	0.33 %
	270' - 300' = 30'	0.91 %
Q102	40' - 150' = 110'	0.36 %
	160' - 300' = 140'	0.65 %
Q103	80' - 90' = 10'	0.37 %
	130' - 300' = 170'	0.69 %
Q104	70' - 300' = 230'	0.45 %
Q105	40' - 300' = 260'	0.67 %
Q106	20' - 300' = 280'	1.03 %
Q107	100' - 300' = 200'	0.56 %
Q108	140' - 190' = 50'	0.31 %
	200' - 270' = 70'	0.27 %
	270' - 300' = 30'	0.12 %

BACON & CROWHURST LTD

SKETCH SHOWING LOCATION
(PENDING SURVEY)

OF

AFTON MINES LTD, (ZONE II)
PERCUSSION HOLES AND ASSAYS

SCALE 1" = 100 FT

OCT 1971