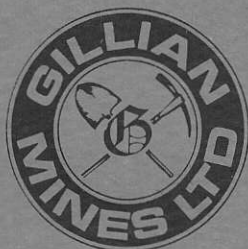


NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

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**PROSPECTUS**  
**OF**  
**GILLIAN MINES LTD.**



#906 - 675 West Hastings Street  
Vancouver, British Columbia

**New Issue**

**300,000 COMMON SHARES**

**20¢ PER SHARE**

	Price to Public	Underwriting Discounts or Commissions	Proceeds Company if all Shares Sold
Per Unit	20¢	5¢	15¢
Total	\$60,000	\$15,000	\$45,000 (1)

(1) Before deduction of legal, audit and printing expenses payable by the Company estimated not to exceed \$5,000.

THE SHARES OF THE COMPANY MUST BE CONSIDERED SPECULATIVE SECURITIES AS THE COMPANY'S MINING PROPERTIES ARE IN THE EXPLORATION AND DEVELOPMENT STAGE AND THERE IS NO KNOWN BODY OF COMMERCIAL ORE.

THERE IS NO MARKET FOR THE SHARES OF THE COMPANY.

A MINIMUM SUBSCRIPTION OF \$45,000 OR 300,000 SHARES MUST BE SOLD UNDER THE TERMS OF THIS PROSPECTUS: REFERENCE IS MADE TO THE SECTION "USE OF PROCEEDS" ON PAGE 7 HEREIN.

REFERENCE IS MADE TO THE HEADING "SHARE OFFERING AND PLAN OF DISTRIBUTION" ON PAGE 5 HEREIN AND THE COMPARISON OF THE PERCENTAGE OF SECURITIES BEING OFFERED TO THE PUBLIC FOR CASH AND ALREADY ISSUED BY THE COMPANY TO PROMOTERS, DIRECTORS, OFFICERS AND CONTROLLING PERSONS.

THERE IS NO LAND SURVEY OF THE COMPANY'S LOCATED MINERAL CLAIMS AND UNTIL SUCH LAND SURVEY IS COMPLETED THE BOUNDARIES OF THESE CLAIMS COULD BE IN DOUBT.

**REGISTRAR AND TRANSFER AGENT**

**YORKSHIRE TRUST COMPANY**  
Vancouver, British Columbia

THIS PROSPECTUS IS DATED THE 22ND DAY OF APRIL, A.D., 1976.

T A B L E   O F   C O N T E N T S

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	<u>PAGE NO.</u>
THE COMPANY-.....	1
THE BUSINESS-.....	1
THE PROPERTY-.....	2
SHARE OFFERING AND PLAN OF DISTRIBUTION-.....	5
USE OF PROCEEDS-.....	6
SHARE AND LOAN CAPITAL-.....	9
PROMOTERS-.....	10
ESCROWED SHARES-.....	11
DIRECTORS AND OFFICERS-.....	12
REMUNERATION OF DIRECTORS & SENIOR OFFICERS AND INTEREST OF MANAGEMENT IN MATERIAL TRANSACTIONS-.....	13
PRINCIPAL SHAREHOLDERS-.....	14
PRIOR SALES-.....	15
INCORPORATION WITHIN ONE YEAR- PRELIMINARY EXPENSES-.....	15
AUDITORS-.....	16
TRANSFER AGENT AND REGISTRAR-.....	16
MATERIAL CONTRACTS-.....	17
PURCHASER'S STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION-.....	18
FINANCIAL STATEMENTS-.....	19
ENGINEERING REPORT-.....	24
CERTIFICATE-.....	38

THE COMPANY

GILLIAN MINES LTD. ("the Company") was incorporated on 26 January 1976 under the Companies Act of the Province of British Columbia by registration of its Memorandum and Articles of Association. At the date hereof, the Company is a Reporting Company under the Companies Act.

The head office for the Company is #906 - 675 West Hastings Street, Vancouver, British Columbia, and the Registered Office and Records Office is #202 - 900 West Pender Street, Vancouver, British Columbia.

THE BUSINESS

The Company is a mining Company engaged in the acquisition, exploration and development of mining properties. The Company owns or has interests in the properties described under "the Property" and intends to seek and acquire additional properties worthy of exploration and development.



THE PROPERTY

GOOSLY LAKE PROPERTY

By Agreement dated 18 February 1976 between J. Paul Stevenson, of Manson Creek, British Columbia, and the Company, the Company acquired the Gillian East and the Gillian West Mineral Claims, Record Numbers 204 and 205 respectively, which expire on 9 January 1977, in the Omineca Mining Division of the Province of British Columbia, situated at the West end of Goosly Lake, in consideration for EIGHT THOUSAND (\$8,000) DOLLARS and SEVEN HUNDRED AND FIFTY THOUSAND (750,000) SHARES in the capital of the Company paid as follows:

J. Paul Stevenson	-	\$5,000
Nautilus Ventures Ltd.	-	\$3,000
J. Paul Stevenson	-	270,000 shares
Douglas Bishop Stelling	-	130,000 shares
Nautilus Ventures Ltd.	-	145,000 shares
Dauntless Developments Ltd.	-	145,000 shares
D'Arcy James Morrow	-	10,000 shares
Timothy Brock	-	50,000 shares

Nautilus Ventures Ltd. is owned 100% by Richard W. Hughes, of 2484 Ottawa Avenue, West Vancouver, British Columbia. Dauntless Developments Ltd. is owned 100% by Frank A. Lang, 1575 Rena Crescent, West Vancouver, British Columbia.

J. Paul Stevenson and Richard W. Hughes are directors and promoters of the Company.

The aforementioned Mineral Claims were acquired by J. Paul Stevenson by staking at a cost of \$700 (approximate). The two Mineral Claims encompass twenty units and are located approximately 18 miles southeast of Houston in the Omineca Mining Division. Access to the Property is from Houston via the Buck Creek Road for a distance of approximately 18 miles. The Property is located approximately 2 miles southwest of Goosly Lake within a broad southerly trending valley.



In 1912 a discovery of gold, silver, lead, zinc and copper mineralization was made in the general area and this original discovery was investigated intermittently by various interests until 1963. Work during this period consisted of trenching and underground development on what is known as the Wrinch vein system. To date, the Property which is now owned by Nadina Explorations Ltd. and is located 13.6 miles to the West of Property of the Company has been explored by extensive underground development and surface and underground diamond drilling.

Kennco Explorations (Western) Ltd. also did extensive exploration of some holdings approximately 4 miles east of the Company's Property. Diamond drilling has outlined a mineralized zone consisting of disseminated pyrite and chalcopyrite containing gold and silver values and zones of massive sulfides. Ore reserves on the Kennco Property are extensive.

The Property of the Company is underlain by Early Mesozoic Volcanics and sediments and by Miocene andesites and dacites intruded by a syenomonzonite stock.

Regional rock geochemistry suggests the presence of coinciding copper and silver anomalies. Mercury and arsenic exhibited a halo type pattern.

Massive sulfide float has been found during prospecting as reported. The geological setting appears to be similar to the Goosly Lake ore deposit. The Property is underlain by favourable geology, and rock geochemical anomalies and warrants detailed exploration.

For a further description of the geology on the Property reference is made to the Engineering Report of F. Holcapek, P. Eng., dated February 9th, 1976, which is attached hereto and forms part of this Prospectus.

To date, there is no underground or surface plant or equipment on the Company's Property.

Present Management of the Company has not carried out any exploration or development work on the Property.

THE PROPOSED PROGRAM ON THE COMPANY'S PROPERTY IS AN EXPLORATORY SEARCH FOR ORE AND THE PROPERTY IS WITHOUT A KNOWN BODY OF COMMERCIAL ORE.

SHARE OFFERING AND PLAN OF DISTRIBUTION

The Company, by this Prospectus, offers to sell 300,000 of its common shares as fully paid and non-assessable at a price of 20¢ per share subject to an underwriting discount or commission in respect of some or all of such shares, not exceeding 5¢ per share. The shares will be sold through securities dealers and salesmen who will receive a commission and by trading directors of the Company who will not receive a commission. The Company reserves the right to accept applications for these shares in whole or in part.

If all the shares offered by this Prospectus are sold to the public, this issue will represent 21.69% of the shares then outstanding as compared to 35.61% that will then be owned by directors and promoters issued for cash and property.



USE OF PROCEEDS

The net proceeds to be derived by the Company from the sale of the shares offered hereunder will be \$45,000.

The proceeds will be used for the following purposes:

- (a) Expenses of the Offering: \$ 5,000
- (b) To complete Phase I of the recommendations of F. Holcapek, P. Eng., in his Report dated 9 February 1976 which is attached hereto on the Company's Goosly Lake Property:

PHASE I

Establish camp, mobilization - demobilization - allow	\$ 2,000
Gridding and soil sampling 400 foot x 200 foot, 40 line miles at - allow \$200/line mile	\$ 8,000
Geological mapping 40 claims at \$180/claim	\$ 7,600
Electromagnetic survey - allow 30 line miles at \$100/mile	\$ 3,000
Engineering and supervision - allow	\$ 2,000
Camp supplies, engineering supplies allow -	\$ 2,000
Geochemical analysis - allow 1,100 samples at \$5/sample	\$ 5,500
	<hr/>
TOTAL PHASE I	\$ 30,100

- (c) Listing Fee - Vancouver Curb Exchange (to be held in trust by the Yorkshire Trust Company for that purpose only). The Directors of the Company will endeavour to obtain a listing on the Vancouver Curb Exchange once the offering hereunder has been completed - \$ 2,000
- (d) To provide working capital for the Company, such working capital to be used for administrative expenses, acquisition of additional property and reserve for additional exploration as well as to meet normal corporate expenses - \$ 7,900

TOTAL \$ 45,000

At 20 February 1976, the Company had on hand approximately \$19,000, which will be used to meet corporate expenses, to purchase exploration equipment and to carry out work on the Gillian claims.

The Company shall have 120 days from the date of the receipt of the filing of the Prospectus by the Superintendent of Brokers in which to raise the sum of \$45,000 being the minimum subscription required to carry out Phase I of the program recommended by F. Holcapek, P. Eng., on the Company's Goosly Lake Property. All funds raised during this 120 day period will be deposited in an account at the Yorkshire Trust Company, separate and apart from the Company's general account, until the full amount of the minimum subscription has been raised. The funds will be released by the Yorkshire Trust Company to the Company upon the written consent of the Superintendent of Brokers. If the minimum amount is not raised within the 120 day period, all subscriptions for the shares of the Company will be returned immediately to the subscribers in full.

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

No part of the proceeds shall be used to invest, underwrite or trade in securities other than those that qualify as investments in which trust funds may be invested under the laws of the jurisdiction in which securities offered by this Prospectus may be lawfully sold. Should the Company intend to use the proceeds

to acquire other than trustee-type securities after the distribution of the securities offered by this Prospectus, approval by the shareholders of the Company must first be obtained and notice of the intention filed with the regulatory securities bodies having jurisdiction over the sale of the securities offered by this Prospectus.



SHARE AND LOAN CAPITAL STRUCTURE

Designation of Security	Amount Authorized	Amount Outstand- ing as of Feb. 20th, 1976	Amount Outstand- ing as of 22 April, 1976	Amounts to be Outstanding on completion of Offering
Common Shares	10,000,000	1,082,502 (\$40,750.20)	1,082,502 (\$40,750.20)	1,382,502(1) (\$85,750.20)

(1) 332,502 shares were sold at 10¢ per share; 750,000 shares were issued for mineral properties; 300,000 shares are being offered hereunder. The total cash received by the Company for the sale of the above shares was \$33,250.20. There were no commissions paid by the Company on the sale of any of the above shares.

DESCRIPTION OF SHARES

The authorized capital of the Company consists of 10,000,000 shares without par value of which 1,082,502 shares are issued as fully paid and non-assessable. All shares of the Company both issued and unissued are common shares of the same class and rank equally as to dividends, voting powers and participation in assets. No shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights and no provision for redemption, purchase for cancellation, surrender or sinking or purchase funds. Provisions as to the modifications, amendments or variations of such rights or such provisions are contained in the Companies Act of the Province of British Columbia.

PROMOTERS

Under the definition of "Promoter" contained in Section 2 of the Securities Act, J. Paul Stevenson and Richard W. Hughes may be considered the Promoters of the Company in that they took the initiative in founding the Company. Shares were issued to them for cash and properties as follows:

<u>NAME</u>	<u>SHARES FOR CASH</u>	<u>SHARES FOR PROPERTIES</u>
J. Paul Stevenson	13,001 shares	270,000 shares
Richard W. Hughes	44,334 shares	145,000 shares

All shares issued to the Promoters for cash were issued at 10¢ per share.

The located mineral claims (Goosly Lake Property) were acquired by J. Paul Stevenson at a cost of \$ 700 (approximately).

For details of the Property acquired for such shares and the escrow provisions relating to such shares, refer to "Property" and "Escrowed Shares" herein.

ESCROWED SHARES

Set forth hereunder are particulars of the escrowed shares in the capital of the Company as of the date of this Prospectus:

<u>Designation of Class</u>	<u>Number of Shares Held in Escrow</u>	<u>Percentage of Class</u>
Common	750,000 shares	69.2%

The 750,000 shares were issued in consideration for the Gillian East and Gillian West Mineral Claims, referred to under the Section "The Property" herein.

At the date hereof, 750,000 shares were held in escrow by the Yorkshire Trust Company, subject to the direction or determination of the Superintendent of Brokers ("Superintendent of Brokers"). The escrow restrictions provide that the shares may not be traded in, dealt with in any manner whatsoever, or released nor may the Company, its transfer agent or escrow holder make any transfer or record any trading of the shares without the consent of the Superintendent of Brokers.

In the event that the Company loses or abandons or fails to obtain title to all or part of the property or assets for which it allotted all or part of the escrow shares, the Company will declare any such event to the Superintendent of Brokers by way of directors resolution and the holders of such shares, the trustee thereof and the Company have agreed that such number of said shares, as the Superintendent of Brokers determines shall become subject to cancellation, shall be surrendered to the Company by way of gift for cancellation. The complete text of the escrow agreement is available for inspection at the Company's registered office, 202-900 West Pender Street, Vancouver, British Columbia.



DIRECTORS AND OFFICERS

The names, addresses and principal business or occupations in which each of the Directors and Senior Officers of the Company have been engaged during the immediate preceding five years are as follows:

<u>NAME AND ADDRESS &amp; POSITION WITH COMPANY</u>	<u>OCCUPATIONS</u>
JOHN PAUL STEVENSON Manson Creek, B.C.  PRESIDENT/DIRECTOR	Prospector;
RICHARD WILLIAM HUGHES 2484 Ottawa Avenue West Vancouver, B. C.  VICE-PRESIDENT/DIRECTOR	President, Belmoral Mines Ltd.(NFL), Director and Officer of various other B.C. Mining Companies;
AUDREY CLAIRE HAMILTON 4604 Strathcona Road North Vancouver, B.C.  SECRETARY/DIRECTOR	Retired;
D'ARCY JAMES MORROW 2004 Larson Road North Vancouver, B.C.  DIRECTOR	Professional Engineer, Morrow Engineering 1974 to date; 1964 - 1974, Engineer Imperial Oil Limited;

REMUNERATION OF DIRECTORS & SENIOR OFFICERS AND  
INTEREST OF MANAGEMENT IN MATERIAL TRANSACTIONS

No direct remuneration has been paid to any of the Directors or Officers as such of the Company, nor does it anticipate paying any direct in the immediate future.

Upon completion of the offering, a company owned 50% by Richard W. Hughes will receive a management fee of \$750 per month. Companies in which Directors of the Company have an interest may from time to time undertake field work on behalf of the Company at competitive prices. In this regard, J. Paul Stevenson has been advanced \$2,000 to conduct exploration work on behalf of the Company.

By Agreement dated 18 February 1976, the Company acquired from J. Paul Stevenson certain located mineral claims in the Omineca Mining Division of the Province of British Columbia, for EIGHT THOUSAND (\$8,000) DOLLARS and SEVEN HUNDRED AND FIFTY THOUSAND (750,000) SHARES in the capital of the Company; reference is made to "The Property" herein.

PRINCIPAL SHAREHOLDERS

At the date hereof the number and percentage of shares of the Company owned of record or beneficially, directly or indirectly, by each person or Company who owns of record or is known by the Company to own beneficially, directly or indirectly, more than 10% of the shares of the Company is as follows:

<u>NAME AND ADDRESS</u>	<u>CLASS, TYPE OF OWNERSHIP</u>	<u>NO. OF SHARES OWNED</u>	<u>PERCENTAGE</u>
Richard W. Hughes 2484 Ottawa Avenue West Vancouver, B.C.	Beneficial, In- direct Of Record, Direct	169,334 20,000	17.49%
J. Paul Stevenson Manson Creek, B.C.	Of record, Direct	283,001	26.14%
Douglas Bishop Stelling Germansen Landing British Columbia	Of record, Direct	152,500	14.08%
Frank A. Lang 1575 Rena Crescent West Vancouver, B.C.	Beneficial, In- direct Of record, direct	169,333 40,000	19.33%

The number and percentages of shares in the Company beneficially owned directly or indirectly by all Directors and Senior Officers of the Company as a group is as follows:

<u>DESIGNATION OF CLASS</u>	<u>NUMBER OF SHARES BENEFICIALLY OWNED</u>	<u>PERCENTAGE OF CLASS</u>
Common	492,335	45.48%



PRIOR SALES

During the twelve calendar months prior to the date of this Prospectus, the Company sold the following shares for cash:

<u>Number of Shares</u>	<u>Price Per Share</u>	<u>Commissions Paid Per Share Sold</u>	<u>Cash Received</u>
332,502	10¢	Nil	\$33,250.20

All shares previously sold for cash have been voluntarily pooled with Yorkshire Trust Company subject to release at the expiration of thirty days following completion of the primary distribution of the shares offered under this Prospectus.

INCORPORATION WITHIN ONE YEAR - PRELIMINARY EXPENSES

As of 20 February 1976, the Company has incurred administrative expenses of \$438.25 and it anticipates to incur approximately a further \$5,000 in the near future, being the cost related to the filing of this Prospectus. At the same date, the Company has not incurred any exploration or development expenses and does not intend to incur any further development expenses except as set out in the "Use of Proceeds" herein.

AUDITORS

The name and address of the Auditors of the Company are Morgan & Company, Chartered Accountants, #1210 - 675 West Hastings Street, Vancouver, British Columbia.

REGISTRAR AND TRANSFER AGENT

The Registrar and Transfer Agent of the Company is Yorkshire Trust Company Ltd., 900 West Pender Street, Vancouver, British Columbia.

MATERIAL CONTRACTS

Particulars of all material contracts entered into by the Company within two years preceding the date of this Prospectus, other than in the ordinary course of business, are as follows:

1. Agreement dated February 18th, 1976 between J. Paul Stevenson and the Company, wherein the Company acquired the located mineral claims in the Omineca Mining Division of the Province of British Columbia, forming the Goosly Lake Property referred to under "The Property" herein.

All material contracts may be inspected at the registered office of the Company during normal business hours while primary distribution of the securities offered hereunder is in progress and for a period of thirty days thereafter.



PURCHASER'S STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

Sections 61 and 62 of the Securities Act (British Columbia) provide in effect that where a security is offered to the public in the course of primary distribution:

(a) A purchaser has a right to rescind a contract for the purchase of securities, while still the owner thereof, if a copy of the last Prospectus, together with financial statements and reports and summaries of reports relating to the securities as filed with the Superintendent of Brokers was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice.

(b) A purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the Prospectus or any amended Prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading, in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after the expiration of 90 days from the latter of the date of such contract or the date on which such Prospectus or amended Prospectus is received or is deemed to be received by him or his agent.

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

GILLIAN MINES LTD.

FINANCIAL STATEMENTS

FEBRUARY 20, 1976

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# Morgan & Company

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## Chartered Accountants

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1210 - 675 West Hastings Street  
Vancouver, B.C. V6B 1N2  
Telephone (604) 687-5841

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John F. Morgan  
Tor B. Barth  
Lorne M. Beauchamp  
James K.C. Fraser

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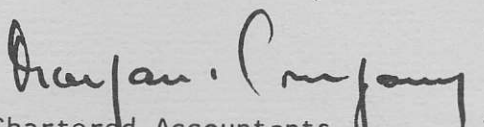
### AUDITORS' REPORT

The Shareholders  
Gillian Mines Ltd.  
Vancouver, B.C.  
Canada

We have examined the balance sheet of Gillian Mines Ltd. as at February 20, 1976 and the statement of source and application of funds for the period from the date of incorporation, January 26, 1976 to February 20, 1976. 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 February 20, 1976 and the results of its operations and the source and application of its funds for the period ended on that date in accordance with generally accepted accounting principles.

Vancouver, Canada  
February 24, 1976

  
Chartered Accountants



GILLIAN MINES LTD.

BALANCE SHEET

AS AT FEBRUARY 20, 1976

ASSETS

CURRENT ASSETS	
Cash	\$ 19,334.50
SUNDRY RETAINERS FOR PROFESSIONAL SERVICES	4,384.00
OFFICE EQUIPMENT, at cost (Note 1)	94.50
EXPLORATION ADVANCE	1,000.00
INTEREST IN MINERAL PROPERTIES, at cost (Note 2)	15,500.00
DEFERRED ADMINISTRATIVE EXPENDITURE	438.25
INCORPORATION COSTS	<u>655.37</u>
	\$ <u>41,406.62</u>


LIABILITIES

CURRENT LIABILITIES		
Accounts payable	\$ 406.42	
Due to shareholders	<u>250.00</u>	
		\$ 656.42

SHAREHOLDERS' EQUITY

SHARE CAPITAL		
Authorized		
10,000,000 shares of no par value		
Allotted (Note 3)		
332,502 shares for cash	33,250.20	
750,000 shares for mineral properties	<u>7,500.00</u>	
		<u>40,750.20</u>
		\$ <u>41,406.62</u>

Approved on behalf of the Board

 Director

 Director

GILLIAN MINES LTD.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE PERIOD FROM THE DATE OF INCORPORATION,  
JANUARY 26, 1976 TO FEBRUARY 20, 1976

SOURCE OF FUNDS

Proceeds from the allotment of shares for cash \$ 33,250.20

APPLICATION OF FUNDS

Sundry retainers for professional services	\$ 4,384.00	
Exploration advance	1,000.00	
Purchase of office equipment	94.50	
Acquisition of mineral claims - cash paid under agreement	8,000.00	
Administrative expenditures:		
Free miners licences	\$ 400.00	
Office expense	<u>38.25</u>	
	438.25	
Incorporation costs	<u>655.37</u>	
		<u>14,572.12</u>

WORKING CAPITAL AT END OF THE PERIOD

\$ 18,678.08

Represented by:

Current assets	\$ 19,334.50
Current liabilities	<u>656.42</u>
	\$ <u>18,676.08</u>

GILLIAN MINES LTD.

NOTES TO FINANCIAL STATEMENTS

FEBRUARY 20, 1976

1. ACCOUNTING POLICIES

In common with most mining companies in the exploration stage the Company defers all direct expenditure on properties and areas in which it is interested and all administrative expenditure. At such time as the Company loses or abandons title or its interest in any property the accumulated expenditure on such property and the attributable portion of administrative expenditure are charged to deficit. If any property reaches commercial production applicable deferred expenditure will be amortized over the productive period.

No depreciation has been recorded on the Company's office equipment.

2. The Company has acquired the Gillian group of claims in the Goosly Lake area of the Omineca Mining Division, Province of British Columbia, for the following consideration:

Cash	\$ 8,000.00	
Shares - 750,000 allotted at a deemed value of 1¢ each	<u>7,500.00</u>	\$ <u>15,500.00</u>

3. During the period the Company allotted 332,502 shares for cash proceeds of \$ 33,250.20 and 750,000 shares for mineral properties at a deemed value of 1¢ each. The 750,000 shares allotted for mineral properties are subject to the escrow restrictions of the Superintendent of Brokers of British Columbia.



REPORT ON THE GILLIAN MINERAL CLAIMS  
LOCATED ON  
GOOSLY LAKE, OMINECA MINING DIVISION,  
BRITISH COLUMBIA  
for  
GILLIAN MINES LTD.

## TABLE OF CONTENTS

	<u>Page</u>
1-00 INTRODUCTION .....	1
1-10 Scope of Report .....	1
1-20 Property .....	1
2-00 GEOGRAPHY .....	2
2-10 Location and Access .....	2
2-20 Topography and Climate .....	2
3-00 HISTORY .....	2
4-00 GEOLOGY .....	4
4-10 Stratigraphy .....	4
4-11 Bedded Rocks .....	4
4-12 Igneous Intrusions .....	5
4-20 Structural Geology .....	5
4-30 Economic Geology .....	5
4-40 Local Geology .....	6
5-00 GEOCHEMISTRY .....	7
6-00 GEOPHYSICS .....	7
7-00 CONCLUSIONS .....	8
8-00 RECOMMENDATIONS .....	8
9-00 COST ESTIMATE .....	9

## LIST OF MAPS

Property Location Map

Geology of the Owen Lake, Parrott Lakes, Goosly Lake Area.

Rock Geochemistry - Silver Contour Map  
- Zinc Contour Map  
- Copper Contour Map  
- Lead Contour Map  
- Manganese Contour Map  
- Arsenic Contour Map  
- Mercury Contour Map  
- Cadmium Contour Map

REPORT ON THE GILLIAN MINERAL CLAIMS  
LOCATED ON  
GOOSLY LAKE, OMINECA MINING DIVISION,  
BRITISH COLUMBIA  
for  
GILLIAN MINES LTD.

1-00 INTRODUCTION:

1-10 Scope of Report:

At the request of Mr. R. Hughes on behalf of Gillian Mines Ltd., the writer completed a study of available data on the Goosly Lake area and the subject property.

The purpose of this report is to summarize available data and to recommend an exploration program on the property.

The writer did not visit the subject property but has worked in the past in the general area and is familiar with the type of ore deposit searched for.

1-20 Property:

The property was located by Mr. J. Paul Stevenson and consists of the following mineral claims:

<u>Claim Name:</u>	<u>Owner:</u>	<u>Units:</u>	<u>Date Staked:</u>
Gillian E	J.P. Stevenson	8	December 15, 1975
Gillian W	J.P. Stevenson	12	December 16, 1975

The property consists of 2 mineral claims encompassing 20 units.



2-00 GEOGRAPHY:2-10 Location and Access:

The property of Gillian Mines Ltd. is located approximately 18 miles southeast of Houston in the Omineca Mining Division, B.C. Co-ordinates of the property are Longitude  $126^{\circ} 22'$  and Latitude  $54^{\circ} 10'$ . Access to the property is from Houston via the Buck Creek Road for a distance of approximately 18 miles.

2-20 Topography and Climate:

The property is located approximately 2 miles south west of Goosly Lake within a broad southerly trending valley. Relief is low and swampy areas and small lakes occur within the southern portion of the property. In general the area is covered by glacial till and outwash gravel. Outcrop areas are sparse. Vegetation of the property consist of stands of pine, spruce and willow.

Temperatures within the region are moderate during the summer with maximums in the order of  $85^{\circ}$  F, during winter time temperatures in the range of  $40^{\circ}$  below zero F. are common.

Precipitation is moderate within the region, consisting of rain during the summer months. The first snowfall can be expected in October and snow cover is normally present from late November to May.

3-00 HISTORY:

The initial discovery of gold, silver, lead, zinc and copper mineralization in the area was made on the

Nadina property, to the west of the Gillian mineral claims, in 1912. The original discovery was investigated intermittently by various interests until 1963. Work during this period consisted of trenching and underground development of what is known as the Wrinch vein system.

During 1969 Kennco Explorations (Western) Ltd. held an option on the property. After completing a geochemical survey and a limited diamond drill program they returned the property.

In 1970, Northgate Exploration Ltd. obtained a large interest in Nadina Explorations Ltd.

The property has been explored by extensive underground development and surface and underground diamond drilling.

Ore reserves indicated are in the order of 508,000 tons grading .09 oz gold, 7.96 oz silver, 0.58% copper, 1.67% lead and 6.3% zinc.

Kennco Explorations (Western) Ltd. explored extensive claim holdings east of Goosly Lake, approximately 4 miles east of the Gillian Mines property. Past work consisting of geochemical, geological and induced polarization surveys followed by diamond drilling outlined a mineralized zone consisting of disseminated pyrite and chalcopyrite containing gold and silver values and zones of massive sulfides within an alteration zone near the contact between syenomonzonites and dacite. Ore reserve are

43,511,000 tons of 2.78 oz per ton silver, 0.026 oz per ton gold, 0.33% copper and 0.082% antimony amendable to open pitting. The property is reportedly prepared for production. Plans call for a production rate of 3,000 tons per day.

4-00 GEOLOGY:

Geological mapping of the Owen Lake, Parrott Lakes and Goosly Lake area was completed by the Department of Mines of B.C., Mr. N. Church, during 1970 and the following stratigraphic table has been taken from his report.

4-10 Stratigraphy:

4-11 Bedded Rocks:

Pliocene: Poplar Buttes Volcanics; columnar olivine Basalt.

Miocene: Buck Creek Volcanics; intercalated Basaltic andesite and or aphanitic andesite and dacite.

Locene: Goosly Lake Volcanics; mainly biotite - hornblende andesite and andesitic dacite lavas and small stocks of similar rocks.

Paleocene and Upper Cretaceous: Tip Top Volcanics; mainly biotite hornblende andesite, andesite dacite lavas and pyroclastics.

Early Mesozoic: Acid and intermediate Lavas and Pyroclastic rocks, some argillite sandstone and conglomerate.



#### 4-12 Igneous Intrusions:

Syenomonzonite - alkalic gabbro.  
Goosly Biotite Granitic.  
Duck Lake Biotite - Plagioclase Porphyry.  
Mine Hill Microdiorite Sills and Dykes.  
Okusyelda Hill Biotite - Quartz Porphyry.

#### 4-20 Structural Geology:

Because of heavy overburden and limited bedrock exposures little is known about the structural setting of the area.

Two strong joint sets were recognized in the area. The first has an azimuth of  $060^{\circ}$ , dip  $90^{\circ}$  and appears to be related to a strong cleavage direction; the second is weaker, has a azimuth of  $160^{\circ}$ , dip  $70^{\circ}$  and appears to coincide with bedding direction.

#### 4-30 Economic Geology:

The main economic minerals found within the area are copper, lead, zinc carrying silver and minor gold values.

The Goosly Lake property of Kennco and the property of Nadina Exploration have been extensively explored and have proven ore reserves. Both properties are being prepared for production.

Ore deposits found in the area are of two types. The first at Goosly Lake is essentially a hydrothermal

alteration zone within pyroclastic volcanics containing disseminated sulfides and massive sulfide replacement bodies near the contact with a feldspar porphyry stock. The second type is signified by the mineralization on the Nadina property. Here quartz veins as fissure filling cut volcanics. The veins show strong alteration halos expressed as limonite and jarosite gossans apparently the result of pervasive kaolinization and pyritization. The sulfide minerals are chalcopyrite, sphalerite, galena and pyrite in a cherty quartz - carbonate minerals gangue.

The pervasive wide spread alteration associated with the veins suggest a possible deep and broad source of mineralization.

At the present it is thought that both the Goosly Lake and Nadina deposits are complementary and that together they represent the mineral assemblage that would be apparent in one completely preserved deposit.

#### 4-40 Local Geology:

The Gillian claim group is covered by heavy overburden and hence outcrops are small and poor. In general a syenomonzonite stock appears to occupy the central portion of the claims apparently intruding andesites and dacites.

During the course of prospecting, float of massive sulfides have been found in vicinity of the contact.

5-00 GEOCHEMISTRY:

A regional rock geochemical survey has been completed by the B.C. Department of Mines covering the Owen Lake - Goosly Lake Area. Maps showing silver, copper, arsenic and mercury contours have been published and are included in the report.

From the maps it becomes apparent that a coinciding silver - copper anomaly is centered on the property. Maximum values are 2.55 ppm for silver and 175 ppm for copper.

The mercury results show a displaced anomaly with peak values in the order of 105 ppm south west of the property, i.e. down valley. The arsenic contour map shows two anomalies. The first to the south west and has values of 15 ppm and appears to be down valley.

The second lies north west of the intrusive and has peak values of 7 ppm.

6-00 GEOPHYSICS:

Geophysical surveys completed on the Goosly Lake property were magnetic, induced polarization and V.F.L. electromagnetic surveys.

The induced polarization survey apparently outline the zone of mineralization well and results were used to guide the diamond drill program.



A. V.F.L. electromagnetic survey was reportedly completed over the ore zone and alteration zone after diamond drilling and apparently outlined the limits well.

7-00 CONCLUSIONS:

The property of Gillian Mines Ltd. located south west of Goosly Lake is underlain by Early Mesozoic volcanics and sediments and by Miocene andesites and dacites intruded by a syenomonzonite stock.

Regional rock geochemistry suggests the presence of coinciding copper and silver anomalies. Mercury and arsenic exhibited a halo type pattern.

Massive sulfide float has been found during prospecting as reported. The geological setting appears to be similar to the Goosly Lake ore deposit. The property is underlain by favorable geology, and rock geochemical anomalies and warrants definitely a detailed exploration program.

8-00 RECOMMENDATIONS:

To evaluate the merits of the property the following program is recommended:

PHASE I:

1. Establish 400 x 200 foot grid over the property, for ground control.
2. Geochemical survey.

3. Geological mapping at 1" = 400 feet.
4. Geophysical survey - VFL electromagnetic if applicable.

PHASE II:

1. Detail geochemical survey 200 x 100 foot grid.
2. Induced Polarization survey.
3. Trenching.
4. Diamond drilling.

9-00 COST ESTIMATE:

Phase I:

1. Establish camp, mibilization - demobilization - allow	\$ 2,000.00
2. Gridding and soil sampling 400 foot x 200 foot, 40 line miles at - allow \$200.00/line mile	8,000.00
3. Geological mapping 40 claims at \$180.00/claim	7,600.00
4. Electromagnetic survey - allow 30 line miles at \$100.00/mile	3,000.00
5. Engineering and supervision - allow	2,000.00
6. Camp supplies, engineering supplies- allow	2,000.00
7. Geochemical analysis - allow 1,100 samples at \$5.00/sample	<u>5,500.00</u>
Total Phase I	\$30,100.00

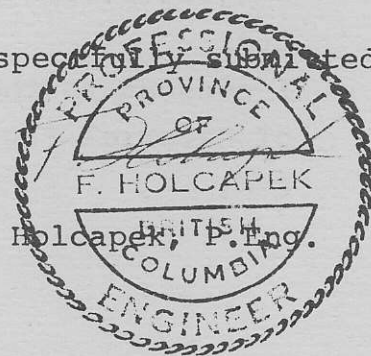
Phase II: Depending on the results of Phase I

1. Detail geochemical sampling and line cutting 200 foot x 100 foot grid, 10 line miles at \$25/line mile	\$ 2,500.00
2. Induced polarization survey, 20 line mile (Turam E.M.) at \$500.00/line mile	10,000.00
3. Trenching with caterpillar - allow \$5,000.00	5,000.00
4. Diamond drilling - allow for 2,000 feet at \$25.00 overall	50,000.00
5. Engineering, supervision - allow	8,000.00
6. Camp supplies, etc. - allow	3,000.00
7. Geochemical sample assaying 550 samples	<u>2,750.00</u>
Total Phase II	\$79,250.00
25% contingency - allow	<u>19,812.00</u>
Total Phase I & II	\$99,062.00

If the results of this work warrant it additional diamond drilling will be required. An allowance for 4,000 feet of drilling should be made at \$25.00 per foot overall or \$100,000.00.

Respectfully submitted,

F. Holcapek, P. Eng.



Vancouver, B.C.  
February 9, 1976

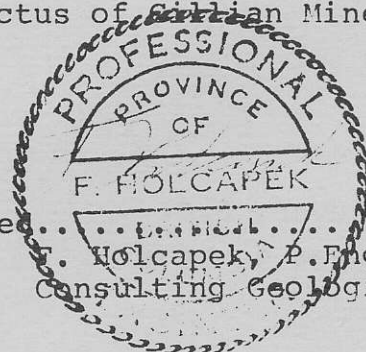


CERTIFICATION

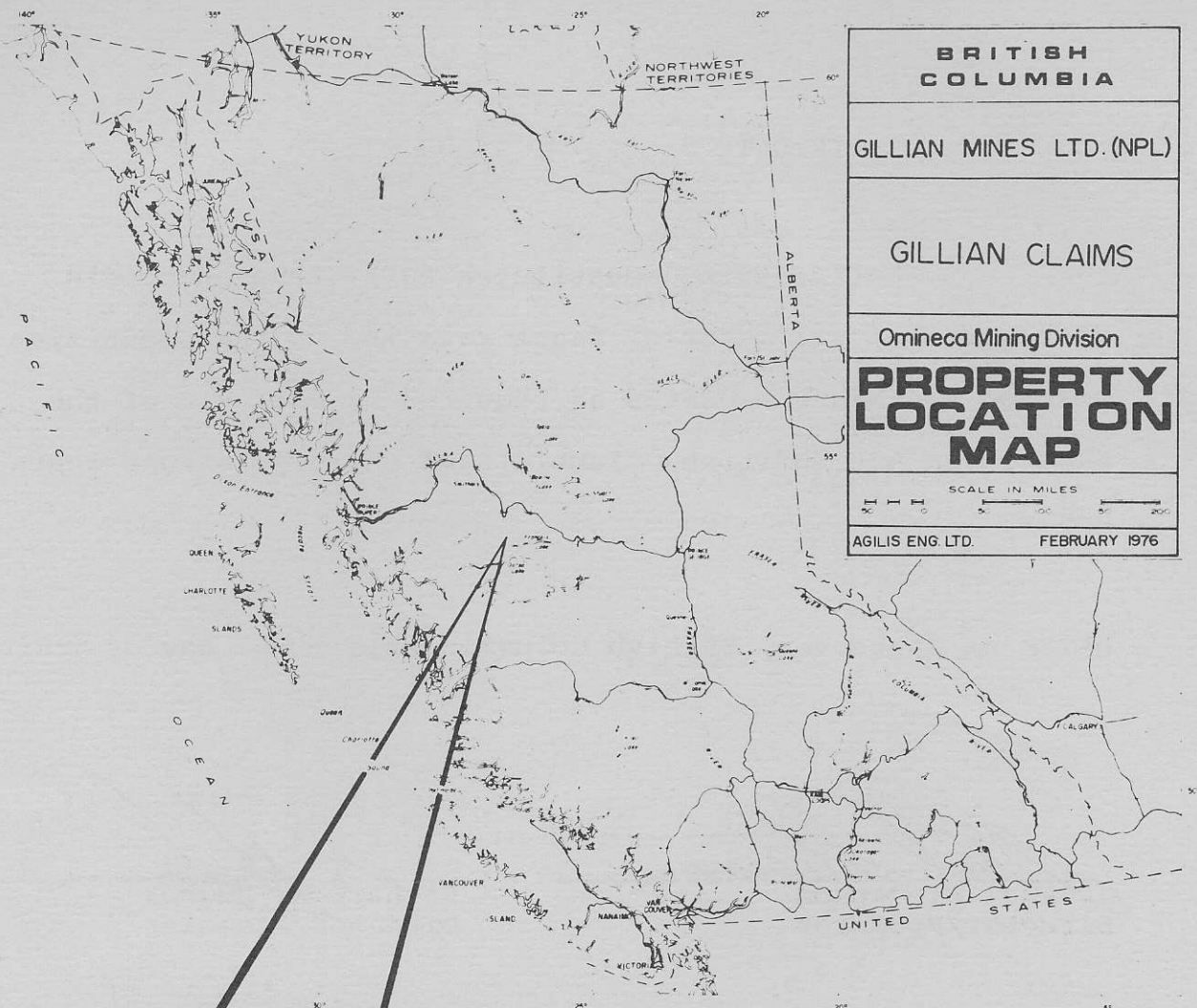
I, Ferdinand Holcapek, of 92-10842 152nd Street, Surrey, British Columbia, do hereby certify that:

1. I am a graduate of the University of British Columbia, with a Bachelor of Science Degree in Geology, 1969.
2. Since graduation I have been engaged in mining exploration in British Columbia, Yukon Territory, Northwest Territories, Quebec, Nevada, Arizona, Mexico and Australia.
3. I am a registered member, in good standing, of the Association of Professional Engineers of British Columbia.
4. I am a Consulting Geologist.
5. I have not visited the subject area of this report. The report is based on literature research.
6. I have not received, nor do I expect to receive, any interest, directly, or indirectly in the subject property or securities of Gillian Mines Ltd.
7. I consent to the use of this report in a Statement of Material Fact or a prospectus of Gillian Mines Ltd.

signed.....  
F. Holcapek, P. Eng.  
Consulting Geologist.



Vancouver, B.C.  
February 10, 1976



**BRITISH COLUMBIA**

GILLIAN MINES LTD. (NPL)

GILLIAN CLAIMS

Omineca Mining Division

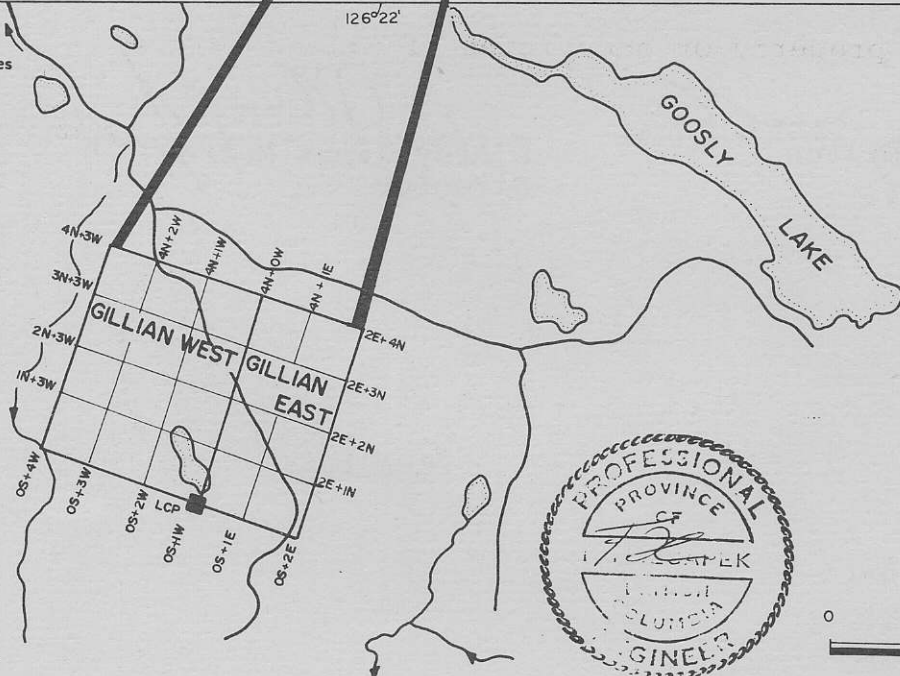
**PROPERTY LOCATION MAP**

SCALE IN MILES

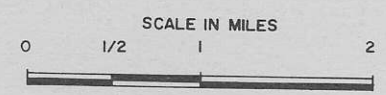
AGILIS ENG. LTD. FEBRUARY 1976

to Houston 18 miles

126°22'



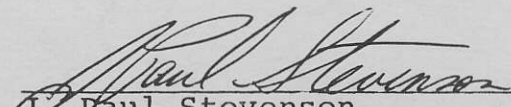
GILLIAN CLAIMS

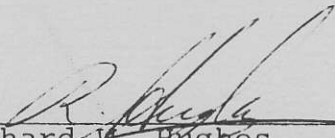


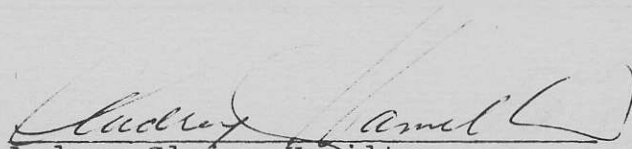
CERTIFICATE

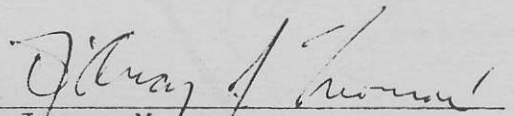
The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of the Securities Act (British Columbia) and the regulations thereunder.

DATED at Vancouver, British Columbia this 22nd day of APRIL, 1976.

  
\_\_\_\_\_  
J. Paul Stevenson  
Director/Promoter

  
\_\_\_\_\_  
Richard W. Hughes  
Director/Promoter

  
\_\_\_\_\_  
Audrey Claire Hamilton  
Director

  
\_\_\_\_\_  
D'Arcy James Morrow  
Director