

THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY MAY BE LAWFULLY OFFERED FOR SALE.

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

NEW ISSUE

PROSPECTUS

**DIMAC RESOURCE CORP.**

Incorporated under the laws of the  
Province of British Columbia

**400,000 COMMON SHARES**  
(without par value)

675461

82M/13

	Price to Public	Commission	Proceeds to Issuer If all shares offered hereunder are sold
Per Share	\$1.80*	\$0.30	\$1.50
Total	\$720,000	\$120,000	\$600,000**

\*The Principals of Canarim Investment Corporation Ltd. and Registered Representatives with Continental Carlisle Douglas have purchased shares of the Issuer at \$0.10, \$0.25 and \$1.25 per share. Therefore, the investor should note that the offering price of \$1.80 per share has not been determined on an arms-length basis. Reference is made to Page 13, Item 10, "Principal Holders of Securities" for further details.

\*\* Before deduction of expenses of this issue estimated to be \$15,000.00.

THERE IS NO MARKET FOR THE COMMON SHARES OF THE ISSUER.

THE SHARES OF THE ISSUER MUST BE CONSIDERED SPECULATIVE SECURITIES AS THE ISSUER'S PROPERTIES ARE IN THE EXPLORATION AND DEVELOPMENT STAGE. THE ISSUER'S MINING PROPERTIES ARE LOCATED IN THE PROVINCE OF BRITISH COLUMBIA, CANADA. WHILE THE ISSUER'S SILENCE LAKE PROPERTY HAS BEEN SURVEYED, NO SURVEY HAS BEEN MADE OF THE ISSUER'S OTHER MINERAL CLAIMS AND THEREFORE IN ACCORDANCE WITH THE MINING LAWS OF THE PROVINCE OF BRITISH COLUMBIA, THEIR EXISTENCE AND AREA MAY BE IN DOUBT. PURCHASE OF THE SHARES OFFERED HEREUNDER MUST BE CONSIDERED AS SPECULATION. REFERENCE IS MADE TO THE HEADING "RISK FACTORS" ON PAGE 1 HEREOF.

THE REGISTRAR AND TRANSFER AGENT OF THE ISSUER IS THE CANADA TRUST COMPANY, 901 WEST PENDER STREET, VANCOUVER, B. C.

REFERENCE SHOULD BE MADE TO THE PARAGRAPH "PRINCIPAL HOLDERS OF SECURITIES" ON PAGE 13 HEREIN FOR A COMPARISON OF THE NUMBER OF SHARES HELD BY THE PROMOTERS, DIRECTORS, SENIOR OFFICERS AND CONTROLLING PERSONS OF THE ISSUER WITH THE NUMBER OF SHARES OFFERED BY THIS PROSPECTUS.

We, as Agents, conditionally offer these shares subject to prior sale, if, as and when issued by the Issuer and accepted by us in accordance with the conditions referred to under "Plan of Distribution" on Page 1, subject to approval of all legal matters on behalf of the Issuer by Rand & Edgar, Barristers and Solicitors, Vancouver, British Columbia.

CANARIM INVESTMENT CORPORATION LTD.  
1350 - 409 Granville Street  
Vancouver, B. C.  
V6C 2J5

CONTINENTAL CARLISLE DOUGLAS  
600 - 789 West Pender Street  
Vancouver, B. C.  
V6C 1H7

DATE: NOVEMBER , 1980

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## **(1) PLAN OF DISTRIBUTION**

By an agreement dated the 20th day of October, 1980 (the "Agency Agreement") between Dimac Resource Corp. (the "Issuer") and Canarim Investment Corporation Ltd. (as to 50%), having offices at 1350 - 409 Granville Street, Vancouver, British Columbia, and Continental Carlisle Douglas (as to 50%), having offices at 600 - 789 West Pender Street, Vancouver, British Columbia (the "Agents"), the Agents agreed to act as agents of the Issuer to use their best efforts to sell to the public in the Province of British Columbia 400,000 common shares of the Issuer at a price of \$1.80 per share. The Issuer has agreed to pay the Agents a commission of \$0.30 per share sold. The directors of the Issuer will not participate in the sale of shares offered hereunder.

If all of the said 400,000 shares being offered are not sold within 120 days of the date of the acceptance of this Prospectus by the regulatory bodies having jurisdiction over this Prospectus (the "Effective Date"), all funds, without deduction, will be returned to the purchasers. All funds received will be held in trust by The Canada Trust Company, 901 West Pender Street, Vancouver, British Columbia until an amount of \$720,000, including commissions of \$120,000, is received and the consent to the release of funds has been received from the Superintendent of Brokers for British Columbia, at which time the \$600,000 less the \$3,000 Vancouver Stock Exchange listing fee, will be turned over to the Issuer.

It is the Issuer's intention to make application for the listing of its shares on the Vancouver Stock Exchange immediately upon the completion of this offering.

The Agents, notwithstanding anything to the contrary, reserve the right to offer selling participation, in the normal course of the brokerage business, to selling groups of other licenced broker dealers, brokers and investment dealers, who may or who may not be offered part of the commission derived from this offering.

## **(2) RISK FACTORS**

Resource exploration and development is a speculative business. The marketability of natural resources acquired by the Issuer will be affected by numerous factors, which include market fluctuations, mineral markets, processing equipment and government regulation, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection, which cannot be accurately predicted.

## **(3) USE OF PROCEEDS**

If all of the shares offered hereunder are sold, the net proceeds to be received by the Issuer pursuant to the Agency Agreement will be \$600,000. The principal purposes for which the net proceeds, together with \$142,500 working capital available as at August 31, 1980, are to be spent, in order of priority, are as follows:

(a)	Provision for the Vancouver Stock Exchange's listing fee (to be held in trust by the Issuer's Registrar and Transfer Agent, The Canada Trust Company)	\$3,000
(b)	Estimated cost of this issue, including legal, audit and printing costs	15,000
(c)	To complete Phase I of the work program recommended by Brian Mountford, P. Eng. in his report on the Silence Lake Property dated October 15, 1980	225,000
(d)	Reserve for continued development of the Silence Lake Property	350,000
(e)	General corporate purposes	* <u>149,500</u>
	<b>TOTAL</b>	<b>\$742,500</b>

\*These funds shall be used for property and project evaluation expenses, maintenance of properties presently held and general administration expenses.

The Issuer may, pursuant to the recommendations of a qualified engineer, abandon, in whole or in part, any of its properties, alter as work progresses the work program recommended, or make arrangements for the performance of all or any portion of such work by other persons or companies. The Issuer may also redirect funds from one of the above programs to another of the programs or use all or a portion of the working capital to further develop one of the programs. The Issuer may decide to divert any of the above funds for the purpose of conducting work on or examining other properties acquired by the Issuer after the date of this Prospectus, although the Issuer has no present plans in this regard. If any such event occurs during the primary distribution of the shares referred to in this Prospectus, an amendment to this Prospectus will be filed. If any such event occurs subsequent to completion of primary distribution, shareholders will be notified.

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 jurisdictions in which the securities offered by this Prospectus may lawfully be sold. Should the Issuer intend to use the proceeds to acquire other than trustee type securities after the distribution of the securities offered by this Prospectus, notice of the intention will be filed with the securities regulatory bodies having jurisdiction over the sale of the securities offered by this Prospectus.

#### **(4) DESCRIPTION OF BUSINESS AND PROPERTY OF ISSUER**

The principal business of the Issuer is the acquisition, exploration and development of resource properties. The Issuer at present has interests in the mineral properties described below and is continually developing and examining additional projects for acquisition, exploration and development.

1. SILENCE LAKE PROPERTY

The Silence Lake Property is comprised of the Gotcha, Gotcha 2, 3, 4, 5 and 6 mineral claims and is located within the Kamloops Mining Division, 20 miles northeast of Clearwater, British Columbia. All the claims bound the west side of Maxwell Creek, 2 miles above its confluence with the Raft River.

By agreement dated November 25, 1979 the Issuer purchased the Gotcha, Gotcha 2 and Gotcha 3 claims from United Mineral Services Ltd. ("United Mineral") of 701 - 744 West Hastings Street, Vancouver, B. C. in consideration for \$75,000 and the assumption by the Issuer of a United Mineral bank loan totalling \$25,288. This loan, plus accumulated interest totalling \$2,260, has been paid by the Issuer. The Issuer staked the Gotcha 4, 5 and 6 claims adjacent to those purchased.

All six claims are in good standing under the B. C. Mineral Act and are described as follows:

<u>Claim Name</u>	<u>Units</u>	<u>Record No.</u>	<u>Record Date</u>	<u>Expiry Date</u>
Gotcha	1	881	June 24, 1977	June 24, 1985
Gotcha 2	6	2834	July 24, 1980	July 24, 1989
Gotcha 3	9	1927	June 29, 1979	June 29, 1985
Gotcha 4	1	2835	July 24, 1980	July 24, 1981
Gotcha 5	1	2836	July 24, 1980	July 24, 1981
Gotcha 6	1	2837	July 24, 1980	July 24, 1981

A perimeter survey of the claims has been completed by a B. C. Land Surveyor. This survey has been submitted to the Surveyor General for adjudication. The total area of the 19 mineral claim units is 861.4 acres.

Access to the property is relatively easy. A main arterial logging road leads directly from Clearwater, B. C. to the site. This logging road joins the Yellowhead Highway approximately 4 miles east of Clearwater. The distance along the logging road is some 25 miles.

During 1972 Union Carbide Exploration Corp. staked the present claim area to cover what appeared to be the source of float containing scheelite. In the same year that company completed a program of geological mapping and 8 diamond drill holes totalling 1,770 feet of drilling. Two holes intersected ore grade scheelite mineralization. A further 3 holes were drilled in 1973 for a total of 1,436 feet. These were exploratory in nature and all were unsuccessful. Union Carbide eventually dropped the claims and the area was re-staked by United Mineral.

In 1977 United Mineral carried out a trenching program and confirmed the presence of scheelite mineralization within two skarn bands. They also established that some of the near-surface mineralization exceeded 3% WO<sub>3</sub>. At the start of 1978, N.C.A. Minerals Corporation under an option agreement with United Mineral completed 18 percussive drill holes. Assay results confirmed a high tenor of mineralization. As a result of N.C.A. failing to comply with the terms of the option agreement, the property subsequently returned to United Mineral.

In 1978 United Mineral removed some 1,500 - 2,000 tons of scheelite ore having a possible grade of approximately 2%  $WO_3$ . This ore is now stockpiled at Clearwater. Also during 1978, three separate metallurgical tests were carried out by Bacon Donaldson and Associates Ltd. and 200 tons of ore were processed through a flotation mill at Lumby, B. C. These tests indicated that scheelite is liberated at a relatively coarse grind and is amenable to both gravity and flotation recovery processes.

During 1979 the Issuer was incorporated and acquired full title to the property.

In the latter part of 1979 and the beginning of 1980 the Issuer diamond drilled 20 holes totalling 1,800 feet. Nineteen of these holes intersected scheelite mineralization. Brian Mountford & Associates Ltd. compiled the drilling results and undertook a detailed techno-economic assessment of the production viability of the deposit.

In addition to diamond drilling, surface trenching and geological mapping, considerable development work of a pre-production nature has been undertaken by the Issuer during 1980. This work can be summarized as follows:

Legal survey of claim perimeter completed in the field; approval by the Surveyor General pending;

Access roads to proposed open pit area built and upgraded;

Ore stockpile area stripped and graded;

Proposed open pit area stripped and benched;

Several thousand tons of loose ore stockpiled;

Areas of the property surveyed to determine tailings disposal, waste disposal, mill complex and water sites.

Technical studies regarding the mining, milling and marketing aspects of the project are in progress. Brian Mountford & Associates Ltd., by contract, manage the field, engineering and design work related to the project.

The property covers an area of contact between metasediments and a post metamorphic intrusive stock. Contact metamorphism has occurred along the metasedimentary and intrusive rock boundary and a variety of contact metamorphic mineral assemblages have been produced. Skarn mineralization occurs in replaced calcareous beds. These beds have been traced by surface mapping and diamond drilling. They are known to extend laterally some 500 feet and have a stratigraphic thickness of approximately 45 feet. Within this thickness, scheelite bearing skarn is interspersed with thin beds of biotite schist and quartzite.

Two principal zones or bands (the Upper and Lower Bands) of tungsten ore have been outlined by drilling and surface exploration. Brian

Mountford & Associates Ltd. have calculated mineable reserves within the Upper and Lower Bands from drilling to date. These can be summarized as follows:

	<u>Proven</u> (tons)	<u>Probable</u> (tons)	<u>Grade WO<sub>3</sub></u> (%)
Upper Band	17,521	6,529	1.49
Lower Band	16,210	9,342	1.46
Total:	<u>33,731</u>	<u>15,871</u>	<u>1.48</u>
Total Proven and Probable Ore:		49,602	1.48
Include Ore Stockpiled at Clearwater:		<u>1,438</u>	
TOTAL:		<u>51,000</u>	1.48

In the same area primarily down dip of the existing reserve there exists the potential for a further 13,200 tons at 1.62% WO<sub>3</sub> which can be considered "possible" ore. Geologically the prospects of finding additional ore are considered excellent.

Subsequent to Brian Mountford & Associates Ltd. conducting a techno-economic analysis of the property, Brian Mountford became Vice-President, Operations of the Issuer. Brian Mountford & Associates Ltd. receives a monthly retainer fee of \$2,500 as consideration for managing all phases of the Silence Lake Project.

The work program recommended by Brian Mountford & Associates Ltd. in the report attached hereto dated October 15, 1980 will be completed within the next several months and will be followed by additional work through to production financed by the reserve described in Item 3(d) herein and additional financing to be secured by the Issuer when required.

## 2. GJ PROPERTY

The GJ Property lies within the general Stikine region of northwestern British Columbia in the Liard Mining Division. It is located on the western edge of the Kinaskan Lake map sheet (NTS 104 G/9E) at 57°38'40" north latitude and 130°14' west longitude.

The property consists of the GJ, and Spike 1 and 2 mineral claims, covering approximately 2,470 acres. The Issuer purchased all right and title to the claims from United Mineral Services Ltd. Consideration for the GJ claim was 375,000 shares of the Issuer to be held in escrow. The Spike 1 and 2 claims were acquired from United Mineral Services Ltd. at nominal cost.

The claims are in good standing under the B. C. Mineral Act and are described as follows:

<u>Claim Name</u>	<u>Units</u>	<u>Record No.</u>	<u>Record Date</u>	<u>Expiry Date</u>
GJ	12	65	October 29, 1975	October 29, 1984
Spike 1	18	242	November 25, 1976	November 25, 1982
Spike 2	10	243	November 25, 1976	November 25, 1982

Access to the property is normally by helicopter from Tatogga Lake, a distance of 12 miles to the northeast. The nearest road is the Stewart-Cassiar Highway which is routed along the eastern side of Kinaskan Lake. Watson Lake is about 250 miles to the north along the highway while tidewater at Stewart is approximately 65 miles to the south. The proposed B. C. Rail extension to Dease Lake is situated about 20 miles east of the property.

In 1964 and 1965 Conwest Exploration Ltd. undertook considerable exploration work on the property, which included the location of copper-gold mineralization by prospecting and staking the area, preliminary mapping of creek exposures, random soil and silt sampling, a magnetometer survey and I.P. survey. In 1970 and 1971 Amoco Canada Petroleum Ltd. undertook further exploration work, which included mapping, I.P. and magnetometer surveys, soil sampling and diamond drilling 19 holes for a total of 13,200 feet.

The claims covering the mineralized area expired in 1975 and were staked by United Mineral Services Ltd. The claims were subsequently optioned to Norcen Energy Resources Ltd. and in 1976 and 1977 that company carried out further exploration work, including grid establishment, mapping, soil sampling and magnetometer surveying over the entire grid, relogging of previous core, deep overburden geochemical sampling, I.P. surveying over the entire grid and trenching. In 1978 United Mineral refused an offer from Norcen Energy Resources Ltd. to maintain its option to purchase the property and the option was terminated.

There are presently no underground workings or plant and equipment on the property.

The Issuer has had a report on the property prepared by M. D. McInnis, P. Eng. of Calgary, Alberta. Mr. McInnis supervised the exploration work conducted during 1976 on the GJ claims and personally spent several weeks on the property mapping and logging core.

Mr. McInnis made the following observations: The Property has excellent potential to host a copper-gold (+ silver) stockwork type deposit of substantial size. Limited drilling to date does not permit ore reserve calculations to be made. Diamond drilling on the property has intersected significant copper and associated gold and silver mineralization in an area of quartz stockwork veining associated with intense fracturing. Assays from cored sections reveal a maximum grade of 2.16% copper over 10 feet. Several other sections carry copper grades in excess of 1% over 10-foot intervals. More commonly, however, copper grades range from .2% to .7% over intervals of 200 to 300 feet within the stockwork zone.

Gold and silver are present where copper grades are higher. Gold values range from .02 to .07 ounces per ton in the approximate ratio of 0.01 ounce



per ton gold to 0.20% copper. Silver appears to range between .1 to .4 ounces per ton but several 10-foot intervals assayed in excess of 1.0 ounce per ton.

Both geochemical sampling and magnetometer surveying suggest that mineralization in the stockwork area may continue easterly for a significant distance. Coincident geochemical and magnetic anomalies continue easterly from the known showings for a distance greater than 2,500 feet.

Mr. McInnis recommended in his report that a 5,000 foot diamond drilling program be undertaken on the property at a cost estimated by the Issuer of \$250,000.

The Issuer plans to seek joint venture participation in the development of the property. There are no present plans to spend funds from the Issuer's treasury on further exploration of the property.

### 3. NIFTY PROPERTY

The Nifty Property consists of the Nifty, Nifty 2 - 11 and the Keen 1 -3 mineral claims and is located within the Skeena Mining Division, 15 miles north-northwest of Hagensborg, B. C. The property straddles the Noosgulch River and covers an area of approximately 10,440 acres.

The claims are in good standing under the B. C. Mineral Act and are described as follows:

<u>Claim Name</u>	<u>Units</u>	<u>Record No.</u>	<u>Record Date</u>	<u>Expiry Date</u>
Nifty	18	389	June 27, 1977	June 27, 1981
Nifty 2	12	47109	Oct. 14, 1980	Oct. 14, 1981
Nifty 3	8	401	August 4, 1977	August 4, 1981
Nifty 4	20	406	August 4, 1977	Survey Pending
Nifty 5	16	47104	Oct. 14, 1980	Oct. 14, 1981
Nifty 6	18	402	August 4, 1977	August 4, 1988
Nifty 7	18	403	August 4, 1977	August 4, 1981
Nifty 8	2	47105	Oct. 14, 1980	Oct. 14, 1981
Nifty 9	2	47107	Oct. 14, 1980	Oct. 14, 1981
Nifty 10	2	47106	Oct. 14, 1980	Oct. 14, 1981
Nifty 11	2	47108	Oct. 14, 1980	Oct. 14, 1981
Keen 1	18	404	August 4, 1977	Survey Pending
Keen 2	18	408	August 4, 1977	Survey Pending
Keen 3	15	405	August 4, 1977	August 4, 1981

By agreement dated June 20, 1980 the Issuer purchased all right and title to the Nifty Property from United Mineral Services Ltd. in consideration for the payment of \$10,000 cash. In addition the Issuer has agreed to pay to United Mineral Services Ltd. any cash option payments made by Rio Tinto Canadian Explorations Ltd. ("Riocanex") to the Issuer pursuant to an option agreement concerning the property dated June 21, 1980 between Riocanex and the Issuer. If

the agreement with Riocanex is terminated, no further payments are required to be made to United Mineral by the Issuer in order to retain a 100% interest in the property.

Pursuant to the June 21, 1980 agreement, the Issuer optioned the property to Riocanex. Under the terms of the agreement, Riocanex may exercise its option to acquire a 65% interest in the property by making annual option payments to the Issuer (payable to United Mineral Services Ltd. as aforesaid) and expending a total of \$1,500,000 on the property by December 31, 1987. The Issuer will then have the option of participating as to 35% of further development costs or be reduced to a 20% net profit royalty.

Access to the property is by logging road, which extends up to Noosgulch River from the Bella Coola highway to the southern boundary of the property. The main showing, which is exposed on the Nifty 5 claim, is approximately 4 miles north of the end of the logging road and is accessible by helicopter from Hagensborg.

The Nifty Property was discovered in 1931. A 25-foot adit was driven underneath the main showing area. However, there is little documentation of the work performed at that time. In the early 1960's Cominco completed some trenching and surface sampling but allowed the property to lapse. The property was staked by United Mineral in the summer of 1977 and it was subsequently optioned to Pan Ocean Oil Ltd. of Calgary, Alberta. In the summer of 1978 Pan Ocean Oil Ltd. carried out a regional appraisal of the claims in conjunction with a detailed survey of the Nifty 2, 3, 4 and 5 claims and a diamond drill program. A total of 2,215 feet were drilled in 5 holes from a single set-up above the main showing located on the Nifty 5 claim. Pan Ocean Oil Ltd.'s option was terminated in December of 1978.

No further exploration was conducted on the property until this year when the Issuer optioned it to Riocanex, the present operators.

There is no underground development on the property except for the adit located on the Nifty 5 claim, and there is no plant or equipment on the property.

Various types of mineralization occur on the Nifty Property. The most important is the massive sulphide, silver, lead and zinc showings associated with acid, submarine, fragmental volcanics on the Nifty 5 claim.

A pyritiferous gossan developed at the main showing is exposed for approximately 830 feet along strike, while massive sulphide lead-zinc-barite-silver showings are exposed locally as pods and lenses over a strike length of 330 feet and lie above and in part interbedded with the disseminated pyritic zone. Massive sulphides are composed of a coarse grained mixture of sphalerite, galena, pyrite and lesser chalcopyrite. Sphalerite galena and pyrite also occur as disseminations and veins below the massive sulphides while bedded and massive silver rich barite occurs above and adjacent to the massive sulphides. The best assay results have been obtained in chip samples along trenches which tested the barite and massive

sulphide mineralization. Chip samples from the barite zone assayed 0.72% lead, 2.37% zinc and 5.69 oz/ton silver over an apparent width of 37 feet (true width about 23 feet) while samples obtained from the massive sulphides assayed 2.32% lead, 7.40% zinc and 2.50 oz/ton silver over an apparent width of 30 feet (true width of about 23 feet). These samples were collected by J. R. Woodcock, P. Eng. as consultant for Pan Ocean Oil Ltd.

Pyrite-rich, felsic volcanoclastic rocks occur on the Keen claims, although to date no significant lead-zinc-silver mineralization has been discovered. Tetrahedrite-chalcopyrite occur locally as fracture fillings in overlying subaerial volcanics.

Data collected from exploration to date does not permit any ore reserves to be calculated. Pan Ocean Oil Ltd.'s drilling intersected low grade lead, zinc, silver and barite mineralization. The drill program did establish the presence of a large, fairly intense, sulphide system associated with felsic volcanics. Drilling has not completely tested the main showing area due to the nature of mineralization, complex faulting and drilling difficulties encountered.

Riocanex is now conducting and compiling an exploration program consisting of geological mapping and geophysical surveys.

No significant expenditures are currently required or expected to be made on the Nifty Property by the Issuer.

#### 4. DIEX JOINT VENTURE PROPERTIES

The DIEX Joint Venture is a joint venture between the Issuer and Energex Minerals Ltd. to explore for porphyry type, silver and gold deposits within geologically favourable areas of the southern Coast Mountains of British Columbia.

A joint venture agreement has been reached in principal but a formal agreement has not yet been executed.

Exploration is at a very early stage. Four properties have been acquired by staking and have been recorded in the name of the Issuer as operator of the joint venture. The properties were staked over areas that produced geochemically anomalous values in silts and rock samples collected in a reconnaissance fashion throughout the area of interest. The potential of these properties, if any, is not known. They have no known history nor is there any plant or equipment on the properties. The properties are described as follows:

<u>Claim Name</u>	<u>Mining Division</u>	<u>Units</u>	<u>Record Number</u>	<u>Record Date</u>	<u>Expiry Date</u>
Hoodoo	Vancouver	15	729	August 6/80	August 6/81
Cay 1	Vancouver	20	717	July 10/80	July 10/81
Cay 2	Vancouver	20	718	July 10/80	July 10/81
Cay 3	Vancouver	20	719	July 10/80	July 10/81
Cay 4	Vancouver	20	720	July 10/80	July 10/81
Lil 1	Lillooet	20	1428	July 18/80	July 18/81
Lil 2	Lillooet	20	1429	July 18/80	July 18/81
Stein Gold 1	Kamloops	1	2858	July 10/80	July 10/81
Stein Gold 2	Kamloops	1	2859	July 10/80	July 10/81
Stein Gold 3	Kamloops	1	2860	July 10/80	July 10/81
Stein Gold 4	Kamloops	9	2861	July 10/80	July 10/81

The above properties consist of a total of 1,109 acres.

Energex Minerals Ltd. has agreed to expend the first \$100,000 for exploration of the area of interest to earn a 50% participating interest in the joint venture. The Issuer is the current operator and has spent approximately \$35,000 of the \$60,000 1980 budget. Energex has advanced \$31,400 to the Issuer to date. Energex has the option to operate the joint venture after 1980. The 1981 budget is \$40,000.

A field crew is presently prospecting and sampling the properties. Data collected will be compiled over the next several months and an evaluation of the potential of these properties and area will be made.

#### **(5) NAME AND INCORPORATION**

The Issuer was incorporated under the laws of British Columbia by Memorandum on August 30, 1979. The Issuer became a reporting company upon the issuance of the receipt for this Prospectus.

The registered and records office of the Issuer is located at 400 - 750 West Pender Street, Vancouver, British Columbia. The head office is located at 701 - 744 West Hastings Street, Vancouver, British Columbia, V6C 1A5.

#### **(6) SHARE CAPITAL STRUCTURE**

The authorized capital of the Issuer consists of 10,000,000 common shares without par value, of which 1,615,001 shares are presently issued and outstanding.

All the shares of the Issuer, including those offered by this Prospectus, are common shares with equal voting rights, and they are not subject

to any future call or assessment. There are no special rights or restrictions of any nature attached to any of the shares, and they all rank pari passu, each with the other, as to all benefits which might accrue to the holders of the securities.

<u>Designation of Shares</u>	<u>Shares Authorized</u>	<u>Shares Outstanding on date of Balance Sheet Aug.31,1980</u>	<u>Shares Outstanding as at Oct.31,1980</u>	<u>Shares Outstanding after Offering-</u>
Common	10,000,000	1,615,001	1,615,001	2,015,001

**(7) PRIOR SALES**

**Shares sold for cash as at August 31, 1980**

<u>No. of Shares</u>	<u>Date Sold</u>	<u>Price</u>	<u>Commission Paid</u>	<u>Cash Received</u>
1	Sep. 7/79	\$0.10	Nil	\$ .10
750,000	Oct. 18/79	\$0.10	Nil	75,000.00
240,000	Nov. 5/79	\$0.25	Nil	60,000.00
100,000	May 27/80	\$1.25	\$7,500	117,500.00
50,000	July 8/80	\$1.25	\$3,750	58,750.00
100,000	Aug. 15/80	\$1.25	Nil	<u>125,000.00</u>
<u>1,240,001</u>			<u>\$11,250</u>	<u>\$436,250.10</u>

**Shares issued for properties as at August 31, 1980**

375,000 shares have been issued for properties at a deemed price of \$0.01 per share. (See Item (8)).

**(8) ESCROWED SHARES**

There are 375,000 shares of the Issuer currently held within escrow by The Canada Trust Company, 901 West Pender Street, Vancouver, British Columbia, subject to the direction or determination of the Superintendent of Brokers.

The escrow restrictions provide that the shares may not be traded in, dealt with in any manner whatsoever, or released and that the Issuer, its transfer agent or escrow holder may not make any transfer or record any trading of the shares without the consent of the regulatory authorities.

In the event the Issuer loses or abandons or fails to obtain title to all or part of the property for which it allotted all or part of the escrowed shares, the

Issuer will declare any such event to the regulatory authorities by way of a directors' resolution, and the holders of such shares, the trustee thereof and the Issuer have agreed that such number of the said shares as the regulatory authorities shall determine shall become subject to cancellation. The complete text of the escrow agreement is available for inspection at the registered office of the Issuer.

The names and addresses of the owners of the escrowed shares of the Issuer are as follows:

<u>Shareholder</u>	<u>Class of Shares</u>	<u>No. of Escrowed Shares</u>	<u>% of Class</u>
United Mineral Services Ltd. 701 - 744 West Hastings St. Vancouver, B. C.	Common	325,000	20.19%
First Northern Mortgage Co.Inc. 400 - 750 West Pender St. Vancouver, B. C.	Common	20,000	1.24%
H. Stanley Cornwell 930 - 789 West Pender St. Vancouver, B. C.	Common	15,000	.93%
A. E. Turton 3rd Floor, 52 Donald St. Winnipeg, Manitoba	Common	7,500	.46%
The MacLachlan Investments Corporation 1350 - 409 Granville St. Vancouver, B. C.	Common	7,500	.46%
<b>TOTAL:</b>		<b>375,000</b>	

United Mineral Services Ltd. is controlled by Robert A. Dickinson and Murray McClaren, both directors of the Issuer. First Northern Mortgage Co. Ltd. is controlled by William A. Rand of 400 - 750 West Pender Street, Vancouver, B. C. and Brian D. Edgar, a director of the Issuer. The MacLachlan Investments Corporation is controlled by Peter M. Brown of 1350 - 409 Granville Street, Vancouver, B. C.

#### (9) POOLED SHARES

There are 1,240,001 pooled shares being held by The Canada Trust Company, 901 West Pender Street, Vancouver, British Columbia, pursuant to an agreement dated as of October 1, 1980. These shares will be released from the provisions of the pooling agreement as follows:

- (a) 25% upon the shares of the Issuer being listed for trading on the Vancouver Curb Exchange or Vancouver Stock Exchange (the date of listing);
- (b) 25% 3 months after the date of listing;
- (c) 25% 6 months after the date of listing;
- (d) 25% 9 months after the date of listing.

**(10) PRINCIPAL HOLDERS OF SECURITIES**

The following are the equity shares of the Issuer owned of record or beneficially, directly or indirectly, by each person or company who owns of record, or is known by the Issuer to own beneficially, directly or indirectly, more than 10% of the shares of the Issuer:

United Mineral Services Ltd. 701 - 744 West Hastings Street Vancouver, B. C.	325,000 Escrow Shares <u>480,000</u> Free Shares 805,000 Total Shares
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The promoters, directors, officers and controlling persons, as a group, own, directly or indirectly, 1,125,001 shares in the capital stock of the Issuer, representing 69.66% of the issued shares, as follows:

<u>Name and Address</u>	<u>No. of Shares</u>
Robert A. Dickinson 1395 Ottawa Avenue West Vancouver, B. C.	85,001 Free
Murray McClaren 3935 Collins Road R. R. #3 Sardis, B. C.	85,000 Free
Sandra Kansky 703 - 1616 Pendrell St. Vancouver, B. C.	5,000 Free
United Mineral Services Ltd.* 701 - 744 West Hastings St. Vancouver, B. C.	325,000 Escrow 480,000 Free
First Northern Mortgage Co.Inc.** 400 - 750 West Pender St. Vancouver, B. C.	20,000 Escrow 125,000 Free

\* United Mineral Services Ltd. is controlled by Robert A. Dickinson and Murray McClaren, both directors of the Issuer.

\*\* First Northern Mortgage Co.Inc. is controlled by William A. Rand of 400 - 750 West Pender Street, Vancouver, B. C. and Brian D. Edgar, a director of the Issuer.

On completion of the sale of the shares offered by this Prospectus, the promoters, directors, officers and controlling persons will continue to hold 1,125,001 shares, which will then represent 55.83% of the issued shares of the capital stock of the Issuer. The shares being offered by this Prospectus represent 19.85% of the total shares which will be outstanding on completion of this offering.

Canarim Investment Corporation Ltd., one of the Agents herein, and associated companies and persons, have directly and indirectly acquired the following shares in the capital stock of the Issuer:

<u>Name of Shareholder</u>	<u>Number of Shares</u>	<u>Type of Shares</u>	<u>Price Per Share</u>
Canarim Investment Corporation Ltd. 1350 - 409 Granville St. Vancouver, B. C.	50,000	Pooled	\$1.25
A. E. Turton	7,500	Escrow	\$0.10
3rd Floor, 52 Donald St. Winnipeg, Manitoba	5,000 40,000	Pooled Pooled	\$0.10 \$0.25
The MacLachlan Investment Corp. c/o 1350 - 409 Granville St. Vancouver, B. C.	7,500 5,000 20,000	Escrow Pooled Pooled	\$0.10 \$0.10 \$0.25

In addition, Registered Representatives of Continental Carlisle Douglas have acquired the following shares in the capital stock of the Issuer:

<u>Name of Shareholder</u>	<u>Number of Shares</u>	<u>Type of Shares</u>	<u>Price Per Share</u>
H. Stanley Cornwell	15,000	Escrow	\$0.10
930 - 789 West Pender St. Vancouver, B. C.	10,000 80,000 36,500	Pooled Pooled Pooled	\$0.10 \$0.25 \$1.25
Virgil Jacuzzi, Jr. 600 - 789 West Pender St. Vancouver, B. C.	2,000	Pooled	\$1.25



## (11) DIRECTORS AND OFFICERS

The following are the names, home addresses, positions with the Issuer and the principal occupations within the last five years of all of the directors and officers of the Issuer:

<u>Name, Address and Position with Issuer</u>	<u>Principal Occupation During Past Five Years</u>
ROBERT ALLAN DICKINSON B.Sc., M.Sc. 1395 Ottawa Avenue West Vancouver, B. C. President and Director	Geologist and President, United Mineral Services Ltd. 1975 to present
MURRAY McCLAREN, B.Sc. 3935 Collins Road R. R. #3 Sardis, B. C. Executive Vice-President and Director	Geologist and Secretary, United Mineral Services Ltd. 1975 to present
BRIAN DOUGLAS EDGAR, LLB. 1701 - 1122 Gilford Street Vancouver, B. C. Director	Partner, Rand & Edgar, Barristers and Solicitors from 1977 to present; formerly Associate with Rand, McLaughlin & Gorham, Barristers and Solicitors
BRIAN MOUNTFORD, P. Eng. 10230 - 173 Street Surrey, B. C. Vice-President, Operations	Self-employed Brian Mountford & Associates Ltd. August 1977 to date; formerly, Mining Consultant, Wright Engineering Ltd. January 1976 to August 1977; Mining Engineer, Lacana Mining Corp. January 1974 to January 1976
SANDRA MARY KANSKY 703 - 1616 Pendrell Street Vancouver, B. C. Secretary	Legal Assistant, Rand & Edgar, November 1977 to present; formerly, Legal Secretary, Thomson, Rogers, Toronto, Ontario September 1976 to September 1977; Secretary, Lapointe & Associates August 1975 to August 1976

## (12) PROMOTERS

Pursuant to the definition in the Securities Act of British Columbia, Mr. Robert Allan Dickinson, the President and a director of the Issuer, and Mr. Murray McClaren, the Executive Vice-President and a director of the Issuer, are the promoters of the Issuer.

As the vendor of the Issuer's "GJ" property located in the Liard Mining Division of British Columbia, United Mineral Services Ltd. received 375,000 escrowed shares of the Issuer at a deemed price of \$0.01 per share. United Mineral

Services Ltd. subsequently transferred 50,000 of these shares as set out in Item (8) herein.

**(13) REMUNERATION OF MANAGEMENT AND OFFICERS**

By a contract dated for reference March 15, 1980 the Issuer agreed to pay Brian Mountford & Associates \$2,500 per month for services rendered to the Issuer.

By employment agreements made as of April 1, 1980 the Issuer agreed to pay to each of Robert A. Dickinson and Murray McClaren the sum of \$20,000 per annum for services rendered to the Issuer.

United Mineral Services Ltd., a company owned by Messrs. Robert A. Dickinson and Murray McClaren, purchased 750,000 shares at \$0.10 per share. Of these shares, 170,000 were subsequently transferred to Messrs. Dickinson and McClaren and 100,000 to other parties.

The directors and senior officers of the Issuer, as defined by the British Columbia Company Act, received \$15,183 in remuneration for the year ended August 31, 1980.

**(14) LEGAL PROCEEDINGS**

There are no legal proceedings to which the Issuer is a party or of which any of its properties are the subject.

**(15) MATERIAL CONTRACTS**

There are no material contracts other than those disclosed in this Prospectus and these may be inspected at the registered office of the Issuer during normal business hours while primary distribution of the shares offered hereunder is in progress and for thirty days thereafter.

**(16) INTEREST OF MANAGEMENT IN MATERIAL TRANSACTIONS**

The directors and officers of the Issuer have no interest in any material transactions in which the Issuer has participated or intends to participate at this time, other than those disclosed in this Prospectus, in particular, the matters disclosed under Item (4), "Description of Business and Property of the Issuer".

**(17) OPTIONS TO PURCHASE SECURITIES**

By an agreement dated for reference March 15, 1980 the Issuer granted Brian Mountford, Vice-President, Operations of the Issuer, an option to

purchase 50,000 shares in the capital stock of the Issuer at a price of \$0.40 per share as follows:

- (a) 25,000 shares after completion of the summer work program on the Silence Lake Property, and the submission of a report prepared for application for a mining permit containing, inter alia, an estimate of revised ore reserves; possible pit plans, a process flow sheet and other infrastructural items; and
- (b) 25,000 shares two months after the project attains commercial production as defined in the Employment Contract dated for reference March 15, 1980 made between Brian Mountford and the Issuer.

If the above option is not exercised before March 15, 1983 it shall be null and void.

#### **(18) AUDITORS, TRANSFER AGENT AND REGISTRAR**

The auditors of the Issuer are Lohn & Co., Chartered Accountants, 650 West Georgia Street, Vancouver, British Columbia.

The Issuer's Registrar and Transfer Agent is The Canada Trust Company, 901 West Pender Street, Vancouver, British Columbia.

#### **(19) STATUTORY RIGHTS OF RESCISSION AND WITHDRAWAL**

Sections 60 and 61 of The Securities Act of British Columbia provide, in effect, that when a security is offered to the public in the course of primary distribution:

- (a) A purchaser has the right to rescind a contract for the purchase of a security while still the owner thereof if a copy of the last prospectus, together with financial statements and reports and summaries of reports relating to the securities as filed with the Superintendent, was not delivered to him or his agent prior to delivery of the written confirmation of the sale of the securities to either of them. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within sixty 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 such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

Reference is made to the aforesaid Act for the complete texts of the provisions under which the foregoing rights are conferred and the foregoing summary is subject to the express provisions thereof.

**(20) OTHER MATERIAL FACTS**

There are no other material facts relating to the securities offered by this Prospectus which are not disclosed above.

**CERTIFICATE OF THE DIRECTORS AND PROMOTERS OF THE ISSUER**

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 of the Province of British Columbia and the regulations thereunder.

**DATED: November       , 1980**

\_\_\_\_\_  
ROBERT A. DICKINSON, President,  
Director and Promoter

\_\_\_\_\_  
MURRAY McCLAREN, Executive  
Vice-President, Director and  
Promoter

\_\_\_\_\_  
BRIAN D. EDGAR  
Director

## CERTIFICATE OF THE UNDERWRITERS

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of the Securities Act of the Province of British Columbia and the regulations thereunder.

DATED: November , 1980

CANARIN INVESTMENT CORPORATION LTD.

Per: \_\_\_\_\_

CONTINENTAL CARLISLE DOUGLAS

Per: \_\_\_\_\_

The persons having an interest, directly or indirectly, to the extent of 5% or more, in the capital of Canarim Investment Corporation Ltd. are Mr. Alfred E. Turton, 1130 - 444 St. Mary Avenue, Winnipeg, Manitoba, and Messrs. Peter Brown, Brian Harwood and C. Channing Buckland, all of 1350 - 409 Granville Street, Vancouver, B. C.

The persons having an interest, directly or indirectly, to the extent of 5% or more in Continental Carlisle Douglas are MacPhail Securities Ltd. (controlled by by Angus I. MacPhail), Fay Securities Ltd. (controlled by G. Robert Fay), Scammell Securities Ltd. (controlled by Douglas A. Scammell), Carlisle Securities Ltd. (controlled by John N. Carlisle), Markwell Securities Ltd. (controlled by David J. Douglas), Gahala Securities Ltd. (controlled by Thomas L. Taylor), Duggan Securities Ltd. (controlled by Dean Duggan), Charpentier Securities Ltd. (controlled by J. Arthur Charpentier), and Broad Securities Ltd. (controlled by Richard J. Broad), all in care of 600 - 789 West Pender Street, Vancouver, B. C.