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THE CATHERINE CLAIM

ALICE LAKE AREA

NANAIMO M.D. B.C.

For:

SEA-CHEM INDUSTRIES LTD.

Vancouver, B.C.

By:

ALLEN GEOLOGICAL ENGINEERING LIMITE

Vancouver, B.C.

October 26, 1977.

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* * * * *

THE CATHERINE CLAIM

ALICE LAKE B.C.

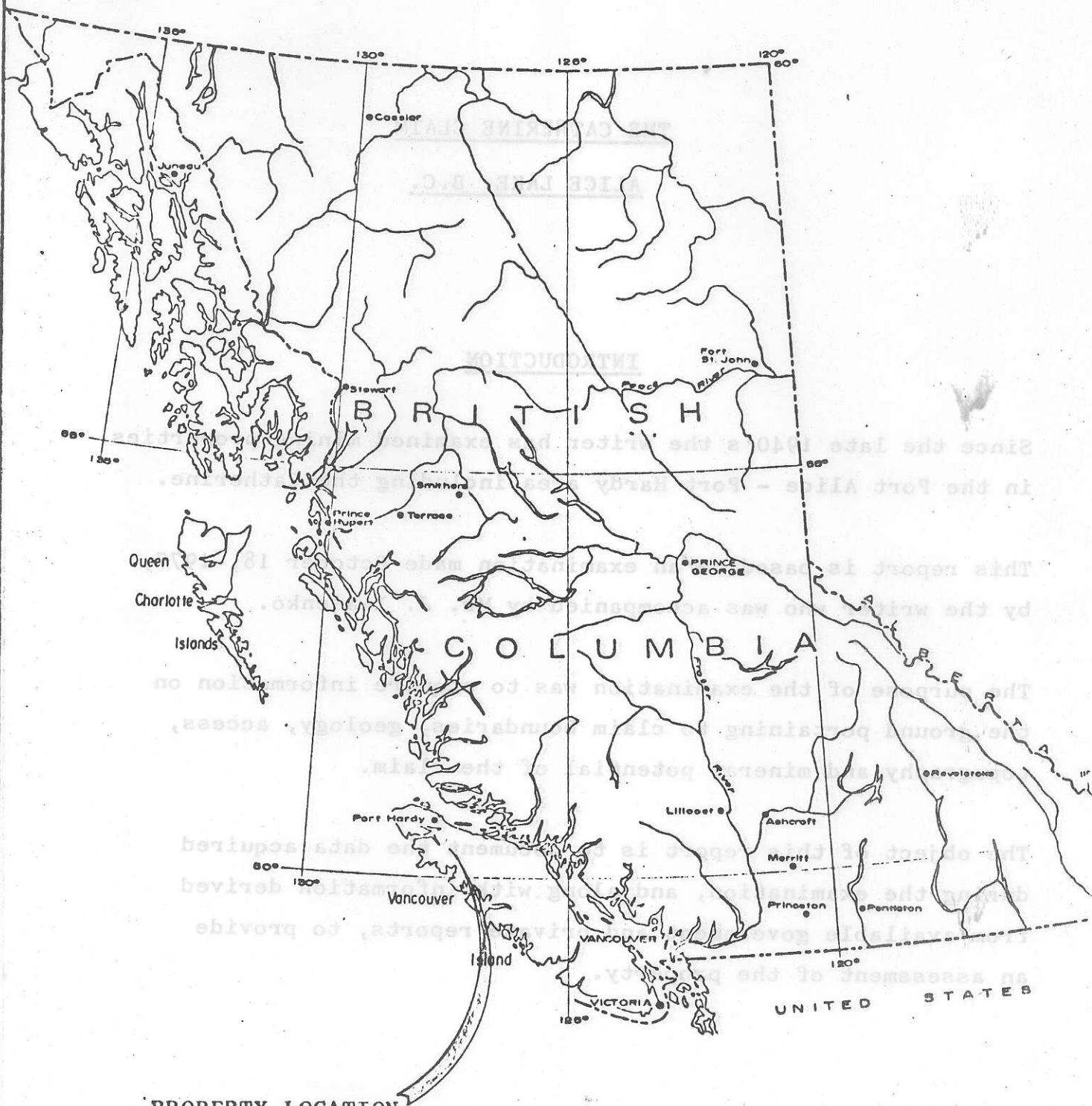
INTRODUCTION

Since the late 1940's the writer has examined mining properties in the Port Alice - Port Hardy area including the Catherine.

This report is based on an examination made October 18, 1977, by the writer who was accompanied by Mr. J. Iwasenko.

The purpose of the examination was to acquire information on the ground pertaining to claim boundaries, geology, access, topography and mineral potential of the claim.

The object of this report is to document the data acquired during the examination, and along with information derived from available government and private reports, to provide an assessment of the property.



PROPERTY LOCATION

SEA-CHEM INDUSTRIES LTD.

LOCATION MAP

SCALE: 1" = 136 Mls.

Drawn by	Date
Checked by	Org no.

ALLEN GEOLOGICAL
ENGINEERING LTD.

LOCATION AND ACCESSIBILITY

The property is located on Vancouver Island in Southwestern British Columbia, 8 miles northerly from Port Alice and 38 miles southwesterly from Port Hardy.

The geographical location is North latitude $50^{\circ} - 25'$ and West longitude $127^{\circ} - 25'$.

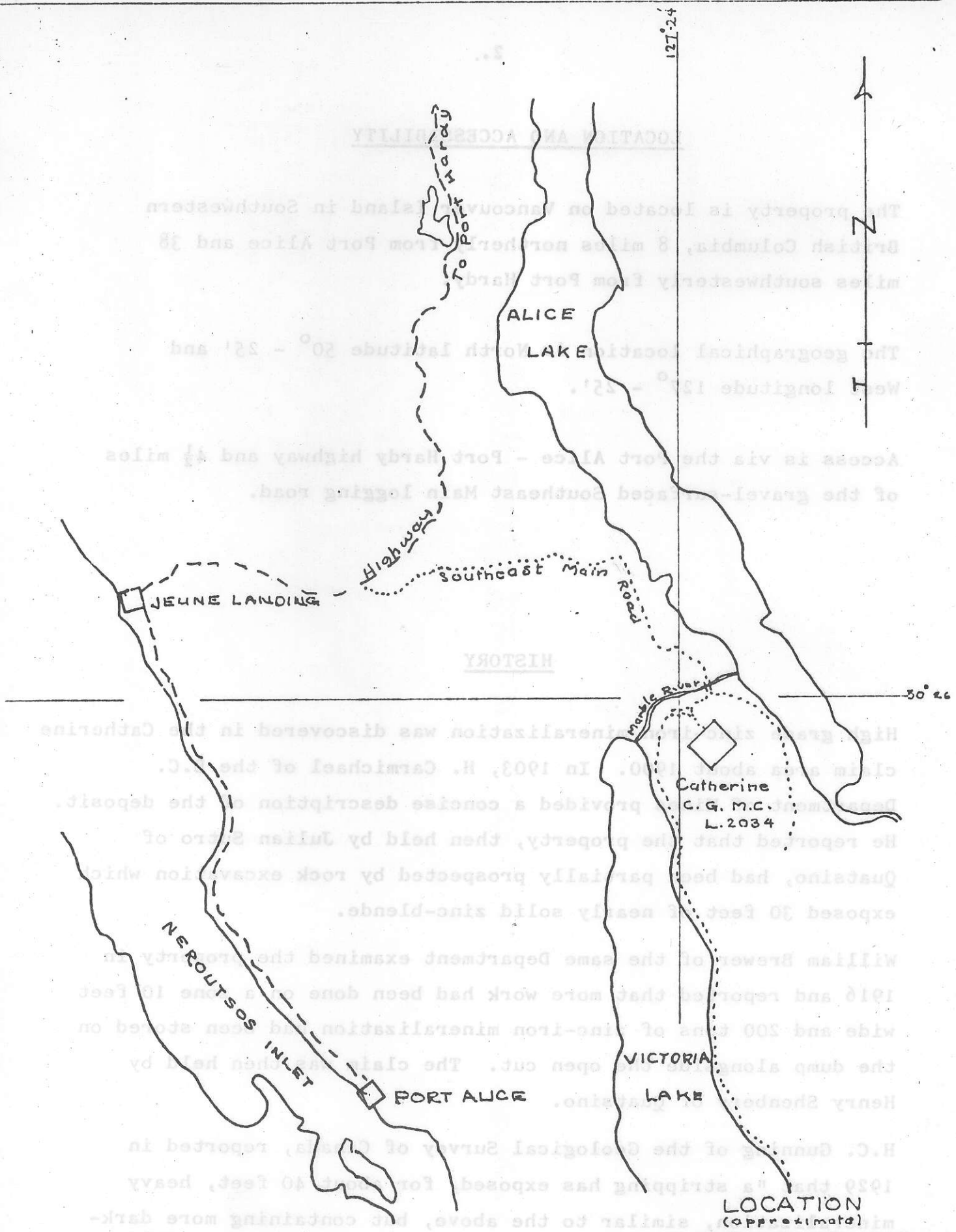
Access is via the Port Alice - Port Hardy highway and $4\frac{1}{2}$ miles of the gravel-surfaced Southeast Main logging road.

HISTORY

High grade zinc-iron mineralization was discovered in the Catherine claim area about 1900. In 1903, H. Carmichael of the B.C. Department of Mines provided a concise description of the deposit. He reported that the property, then held by Julian Sutro of Quatsino, had been partially prospected by rock excavation which exposed 30 feet of nearly solid zinc-blende.

William Brewer of the same Department examined the property in 1916 and reported that more work had been done on a zone 10 feet wide and 200 tons of zinc-iron mineralization had been stored on the dump alongside the open cut. The claim was then held by Henry Shenbery of Quatsino.

H.C. Gunning of the Geological Survey of Canada, reported in 1929 that "a stripping has exposed, for about 40 feet, heavy mineralization, similar to the above, but containing more dark-brown zinc blende and also pyrite".



LOCATION
(approximate)
CATHERINE M.C.

1" = 1 mi.

No 2 (112-40) 26/10/77

O.B. Gerle, a consulting mining engineer, examined the property in 1949 and subsequently arranged for the claim to be crown granted in 1950 for the owner, Consolidated Exploration Company Ltd. (N.P.L.). In 1950, Mr. Gerle reported "The surface showing on your property is impressive and the deposit of ore is developed by a quarry like open cut about 70 feet long exposing the vein for a width of 15 feet of almost solid sulphides".

F.J. Hemsworth, a consulting mining engineer, reported on geological, geophysical and geochemical surveys conducted over the area for Consolidated Exploration Company Ltd. (N.P.L.), and he cut a sample across the face of the heavy sulphide mineralization exposed in the open cut.

In early 1970, an Aeromagnetic Survey of part of the Alice Lake area by Siegel Associates Ltd., indicated 15 magnetic anomalies, one of which was on the Catherine claim.

The Zebellos Development Co. Ltd. conducted magnetometer surveys over the area and followed up with stripping, trenching, and drilling on and adjacent to the Catherine claim.

Recently the Catherine claim has been optioned by J. Iwasenko.

Mining history in the area is indicative of the favourable geological setting. The large Island Copper (Utah) mine is $12\frac{1}{2}$ miles north of the Catherine claim, Coast Copper mine of Cominco is 7 miles southeast, and the Yreka mine 7 miles northwest.

TOPOGRAPHY

The Catherine property is located in rugged heavily forested lake country on the north central section of Vancouver Island. It lies on the south side of Marble River which connects Alice and Victoria Lakes.

Alice Lake is 185 feet above sea level, Victoria Lake is 110 feet higher and the Catherine claim extends from 300 to 1300 feet above sea level.

The showings are at the 500-foot level on a ridge sloping northerly, about 1000 feet south of the Marble River.

PROPERTY

The Catherine Crown Grant mineral claim, Lot 2034, comprises 45.09 acres.

Lot 202 held by Rayonier Canada (B.C.) Ltd. overlaps the northeast corner over an area of about 3 acres, and that Company was granted a road right-of-way 66 feet wide through the claim. The timber on both the above plots is held by Rayonier. The remaining timber on about 40 acres is held by the Catherine claim.

The corner posts and boundary lines were inspected by the writer during the recent examination.

The northwest boundary line is 1325.65 feet long and directed north $41^{\circ}-40'-30''$ east (true).

The massive sulphide deposit is located 750 feet from the northwest corner of the Catherine claim.

GEOLOGYIntroduction

The Alice Lake area is underlain by Triassic-Jurassic volcanic and sedimentary rocks of the Vancouver group. These have been intruded by late Jurassic Coast Range plutonics.

Local faults trending northwest and northeast do not appear to have produced major displacements.

The contact zone between the igneous rocks and limestone of the Vancouver group contains recrystallized limestone and skarn. Within the skarn there are massive sulphide replacement deposits.

Stratigraphy

The Vancouver group is composed of lavas, basalt, andesite, agglomerate, dacite and tuff with some interbedded argillite, sandstone and black carbonaceous limestone and light coloured fine-grained to crystalline limestone known as the Quatsino formation.

On the Catherine claim the predominant rock is limestone. It is white to grey banded and mottled grey and white. At and near the contact with igneous rocks it has in places been recrystallized to marble, and altered to skarn composed chiefly of garnet, epidote and calcite. This, at the northwest boundary of the Catherine claim has been replaced by massive sulphides.

The volcanic and sedimentary rocks have been intruded by Coast Range intrusives. On the southwesterly section of the Catherine claim the intrusive rock is quartz diorite along with lamprophyre

to aplitic dykes of the Victoria Lake stock.

A small exposure of the stock lies on the west side of the massive sulphide deposit as well as a dark green basic dyke.

Structure

The general trend of the sediments and volcanics on the Catherine claim is northwesterly. There is a small anticlinal fold plunging at a low angle to the southeast within the mineralized zone. In the same area there are two steeply dipping shears striking northwesterly and southeasterly.

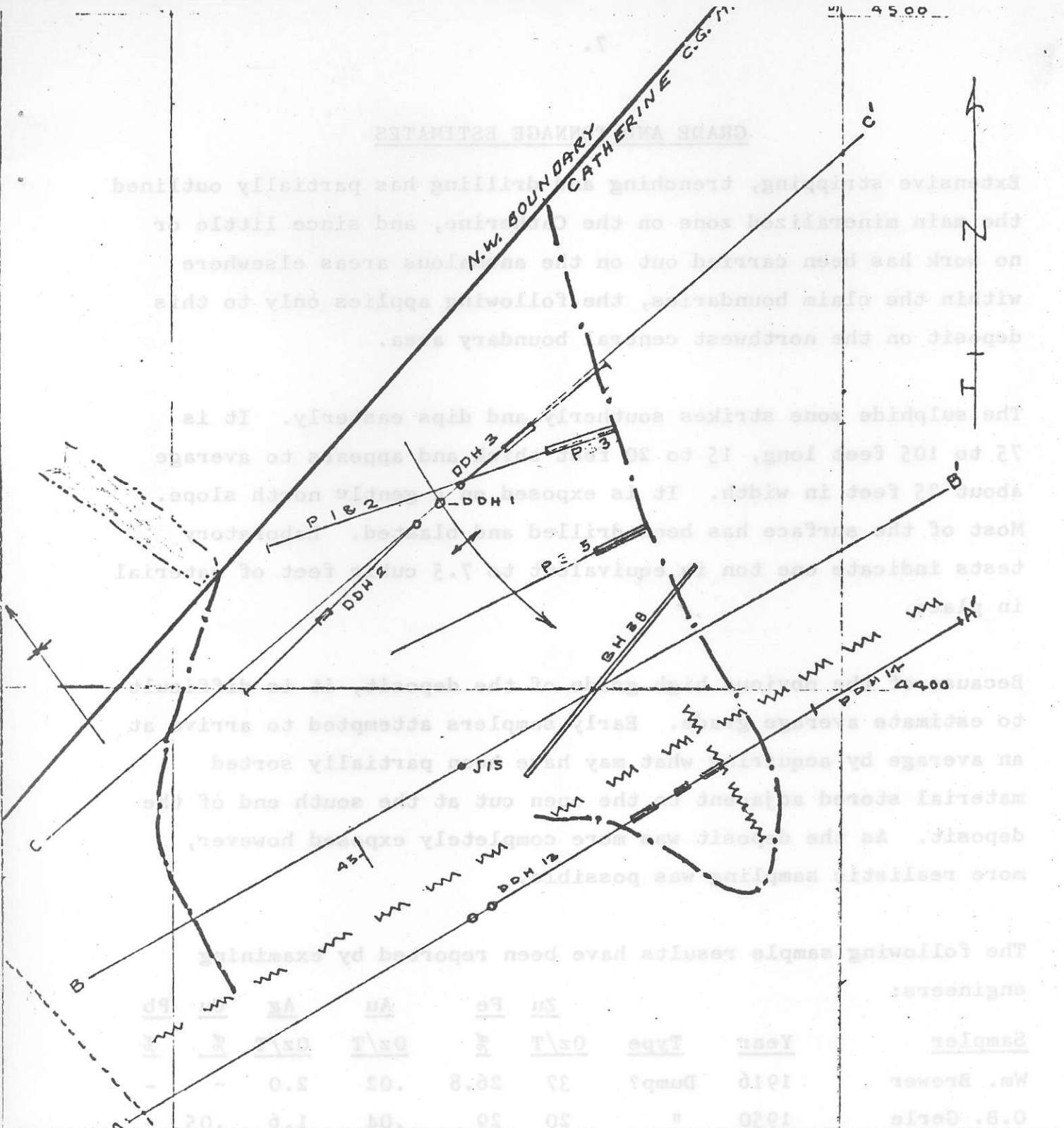
The massive sulphides and skarn are in banded limestone close to the intrusive contact.

Control of the sulphide replacement zone appears to be associated with the intense metamorphism at the intrusive contact.

The shearing and folding may be post mineral.

Mineralogy

The massive deposit of sulphide minerals is made up of dark brown to black sphalerite, pyrrhotite and pyrite with lesser arsenopyrite and minor chalcopyrite. The sphalerite may contain sufficient iron to be termed marmatite. The gangue minerals are chiefly garnet, epidote, calcite and quartz.



LEGEND

- Mineralized Zone
- Quartz Diorite
- Pegmatite Dyke
- Drill Hole
- Mineral Intersection
- Anticline and Syncline
- Fault
- Altitude

After Siega 1974

SEA-CHEM INDUSTRIES LTD.

CATHERINE PROPERTY

Vancouver Island B.C.

MINERALIZED ZONE

Scale 1"=20'

No. 4
 Date: 26/10/77
 Per: Allen Geol. Eng. Ltd. P. Eng.

GRADE AND TONNAGE ESTIMATES

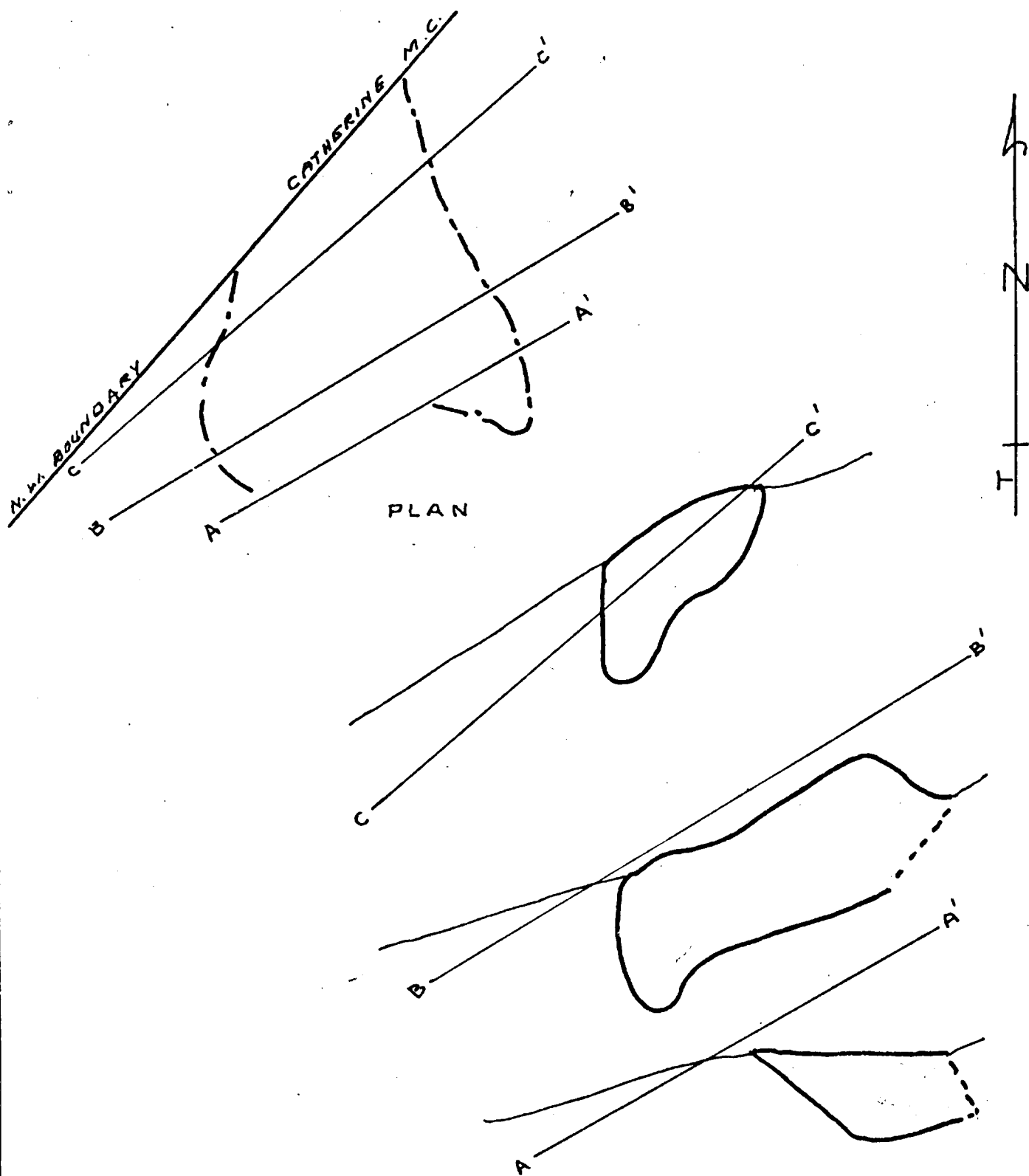
Extensive stripping, trenching and drilling has partially outlined the main mineralized zone on the Catherine, and since little or no work has been carried out on the anomalous areas elsewhere within the claim boundaries, the following applies only to this deposit on the northwest central boundary area.

The sulphide zone strikes southerly and dips easterly. It is 75 to 105 feet long, 15 to 20 feet thick and appears to average about 25 feet in width. It is exposed on a gentle north slope. Most of the surface has been drilled and blasted. Laboratory tests indicate one ton is equivalent to 7.5 cubic feet of material in place.

Because of the obvious high grade of the deposit, it is difficult to estimate average grade. Early samplers attempted to arrive at an average by acquiring what may have been partially sorted material stored adjacent to the open cut at the south end of the deposit. As the deposit was more completely exposed however, more realistic sampling was possible.

The following sample results have been reported by examining engineers:

<u>Sampler</u>	<u>Year</u>	<u>Type</u>	<u>Zn</u> <u>Oz/T</u>	<u>Fe</u> <u>%</u>	<u>Au</u> <u>Oz/T</u>	<u>Ag</u> <u>Oz/T</u>	<u>Cu</u> <u>%</u>	<u>Pb</u> <u>%</u>
Wm. Brewer	1916	Dump?	37	26.8	.02	2.0	-	-
O.B. Gerle	1950	"	20	29	.04	1.6	.05	-
F.J. Hemsworth	1963	Face of Open Cut	16.72	-	.04	1.7	.19	-
R. Leighton	1973	Bulk	13.9	-	.021	2.28	-	.17
L.J. Siega	1974	*	8.7	-	-	.95	-	-



LEGEND

- Mineralized Zone - - - - -
- Sections A-A', B-B', C-C'
- Massive Sulphides ————— A
- Present Surface ~~~~~
- After Siega 1974

SEA-CHEM INDUSTRIES LTD.
CATHERINE PROPERTY

Vancouver Island B.C.

PLAN AND SECTIONS
MINERALIZED ZONE

Scale 1"=40'

No. 5
 Date: 25/10/77
 Allen Geological Engineering Ltd.
 Per Clifford R. Allen P. Eng.

* Siega's estimated grade included samples taken along several hundred feet of the northerly extension of the mineral zone. There the pyrrhotite and arsenopyrite are appreciably higher and the sphalerite content is lower than on the Catherine.

The Leighton bulk sample appears to be the most representative. If the average between the Hemsworth face sample and the Siega estimate is calculated however, it is close to the Leighton grade. It is the writer's opinion that the average of the 16.72 and 8.7 may be considered the grade of the mineral zone on the Catherine claim, and this is 12.7 % zinc.

To summarize, it is estimated that 4,000 tons of material assaying 12.7% Zinc, 0.02 ounces of Gold per ton and 1 ounce of Silver per ton may be recovered by shallow open pit mining from the Catherine deposit.

GEOPHYSICAL SURVEYS

Aeromagnetic Surveys:

H.H. Cohen, Airborne Geophysical Survey, Feb. 19, 1969

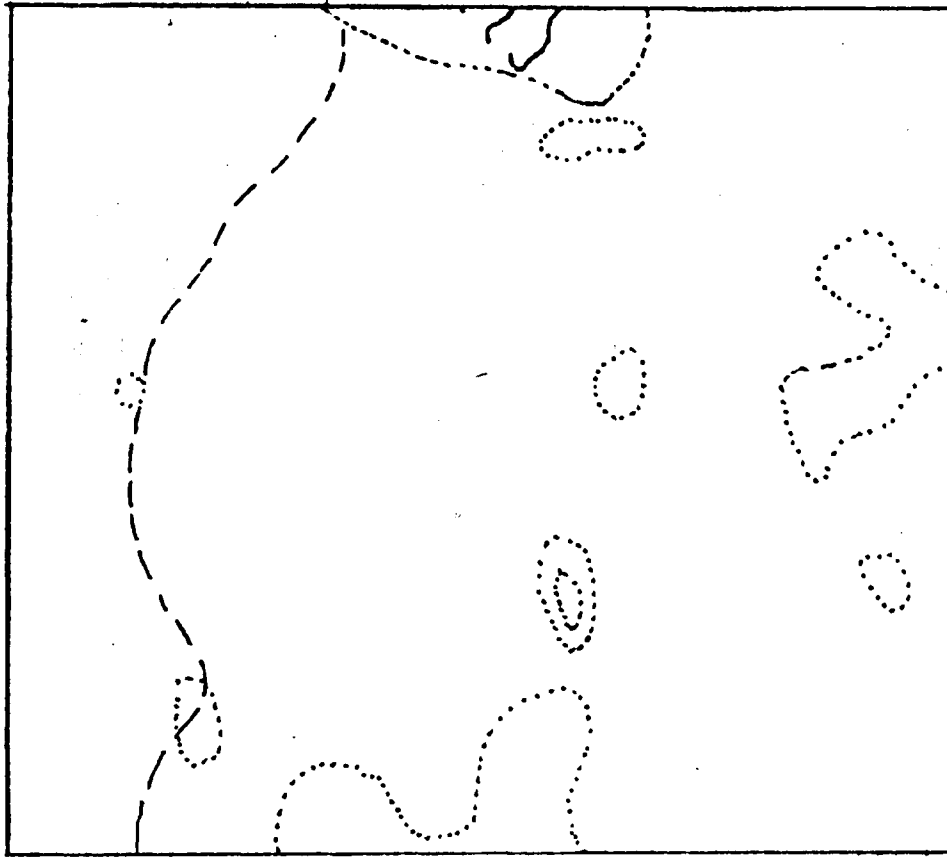
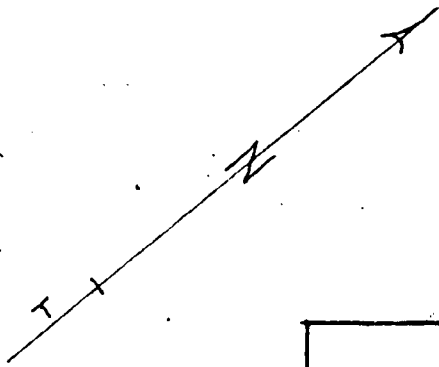
Seigel Associates Ltd., Aeromagnetic Survey, Feb. 25, 1970

Ground Surveys:

F.J. Hemsworth, Magnetometer and Geochemical Surveys,
September, 1963

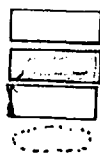
Seigel Associates Ltd., Magnetometer Survey,
January, 1970

L.J. Siega, Detailed Magnetometer Survey, 1973 - 1974



LEGEND

- Mineralized Zone
- Quartz Diorite
- Limestone and Volcanic Rocks
- Magnetic Anomalies



After Hemsworth 1963

SEA-CHEM INDUSTRIES LTD.

CATHERINE PROPERTY

Vancouver Island B.C.

CATHERINE C.G. M.C. L2034

Scale 1"=300'

No.

Date: 26/10/77 Allen Geological Engineering Ltd.
Per [Signature] P.Eng.

Hemsworth mapped a weak negative magnetic anomaly over the mineralized main zone on the central northwest boundary of the Catherine claim. In addition, he detected four similar anomalies on the southeast extension across the claim, and three large strong positive anomalies near the central southeast boundary. Hemsworth used the Rubianic Acid method of detecting copper only, with his soil samples and no assays were made for zinc or heavy metals. Four "spot" samples up to 28ppm Cu were noted.

The favourable results from the ground magnetometer survey by Hemsworth warrant detailed investigation of seven anomalous zones on the Catherine claim.

STRIPPING AND TRENCHING

Overburden and heavy forest growth have been stripped from the northwest portion of the Catherine claim including the heavily mineralized zone.

The mineralized zone has been drilled and blasted and this coarse broken rock blankets most of the surface of the zone on the Catherine claim.

DRILLING

First diamond drilling on the property was noted by Gunning prior to 1929. Cominco drilled the main zone but apparently did not encounter sufficient mineralization at depth at the location tested to indicate major tonnage potential.

In 1969 Alice Lake Mines drilled 59 holes totalling 12,065 feet, the results of which outlined strong iron zinc mineralization.

In 1973 Zeballos Development Co. Ltd. drilled 40 percussion holes in and around the main magnetic anomaly for a total footage of 2,500 feet.

CLIMATE, WATER AND TIMBER

The climate in the Alice Lake area is typical of the British Columbia coast. Precipitation amounts to about 100 inches per year, but there is normally little winter snow. Mining and logging operations are conducted without weather interruption throughout the year.

There is ample water from local sources for a mining operation.

There is approximately 40 acres of excellent fir, cedar and hemlock on the Catherine Crown Grant mineral claim.

SUMMARY AND CONCLUSIONS

The Catherine property is located on Vancouver Island and is readily accessible by the Port Hardy-Port Alice highway and by an excellent gravel-surfaced logging road.

Mines in the area include the Island Copper (Utah), $12\frac{1}{2}$ miles north of the Catherine property, the Coast Copper mine 7 miles to the southwest and the Yreka prospect 7 miles to the northwest.

The property comprises the Catherine mineral claim, Crown Grant Lot #2034. The area is 49.05 acres, over 40 of which is covered with a heavy growth of pine, hemlock and cedar. Bedrock has been exposed along the northwest boundary of the claim.

A deposit of massive zinc-iron mineralization has been exposed within limestone and near quartz diorite of the Victoria Lake stock.

The surface of the mineral zone which has been drilled and blasted is now almost completely covered with loose heavily mineralized rock.

An estimated 4,000 tons may be excavated from the deposit by shallow open pit mining. It is estimated that this will grade 12.7% zinc, one ounce of silver per ton and some cadmium.

The deposit lies within a magnetic anomaly. Seven additional anomalies have been detected within the claim boundaries but to date these have not been checked for possible zinc-iron mineralization.

It is concluded that the following programme is warranted:

1. The seven untested magnetic anomalies within the claim boundaries should be investigated.
2. The broken material from the surface of the heavily mineralized zone should be moved to a nearby stockpile.
3. The in-place massive sulphides should be mined and added to the stockpile.
4. A small pilot-plant should be set up on the property to test the practicability of upgrading the metals content of the stockpiled material.
5. A market study should be conducted forthwith.

RECOMMENDATIONS

The following programme is recommended as the most practicable for the development of the Catherine property.

	<u>ESTIMATED COSTS</u>
1. Acquire all available information regarding the domestic and foreign marketability of the zinc-silver-cadmium contained in the mineralized zone on the northwest boundary of the Catherine property,	3,000.00
2. Using modern instrumentation, conduct magnetometer surveys, on a 15 meter grid, over the anomalous zones outlined on the Catherine claim in 1963 by F.J. Hemsworth,	7,000.00
3. Strip the strongest anomalous zones to bedrock to expose the character and extent of the mineralization, and survey and sample same,	8,000.00
4. Stockpile near the pit, the broken material lying on the mineralized zone. Mine the remainder of the zone and add it to the stockpile,	13,000.00
5. Using rented crushing, grinding and gravity-concentrating equipment, which you now have available, conduct pilot-plant tests to establish the degree to which the zinc, silver and cadmium may be upgraded on the property,	12,000.00
6. Office, overhead and supervision,	3,000.00
7. Contingencies,	4,000.00
Total estimated costs,	<u>\$50,000.00</u>

Respectfully submitted,

ALLEN GEOLOGICAL ENGINEERING LIMITED

Per Alfred R. Allen P. Eng.
Alfred R. Allen

Vancouver, B.C.
October 26, 1977.

REFERENCES

1. Carmichael, H., B.C.M.M. Report p. H.202, 1903
2. Brewer, Wm., B.C.M.M. Report p. K.342, 1916
3. Gunning, H.C., G.S.C. Sum. Report p. 138A, 1929
4. Arland, A.J., Report, 1948
5. Gerle, O.B., Report On The Catherine Mine, Jan.25, 1950
6. McDougall, B.W.W., Report, Alice Lake Claim Group,
June 27, 1956
7. Hemsworth, F.J., Geophysical and Geochemical Report,
September 1963
8. Cohen, H.H., Report, October 10, 1969.
9. Cohen, H.H., Airborne Geophysical Survey,
February 19, 1969
10. Seigel Associates Ltd.,
Aeromatic Survey, Alice Lake Area,
February 1970
11. Seigel Associates Ltd.,
Magnetometer Survey January 1970
12. Siega, L.J., Geological Report March 28, 1974
13. Britton Research Ltd.,
Metallurgical Tests September 14, 1973
14. Wright Engineering Ltd.,
Plant Requirements For
150-200 Ton Per Day
Zinc Concentrator and
Open Pit Mine November 19, 1973
15. Associated Geotechnical Consultants,
Site Inspection, Alice Lake Area,
and Tailings Disposal Study
February 26, 1974

* * * * *

Allen Geological Engineering Limited

#203 - 2025 Bellevue
West Vancouver, B.C. V7V 1B9

926-4785
926-2089

CERTIFICATE

October 26, 1977.

I, Alfred R. Allen, certify that:

I am a graduate of the University of British Columbia and hold the following degrees therefrom:

BASc Geological Engineering 1939

MASc Geological Engineering 1941

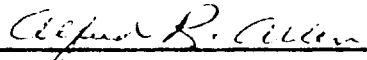
I am a member of the Association of Professional Engineers of the Province of British Columbia.

I have practised my profession for the past thirty years.

I hold no interest in the properties or securities of Sea-Chem Industries Ltd., or affiliates thereof, nor do I expect to receive any directly or indirectly.

The report on The Catherine Claim, Alice Lake Area, Nanaimo M.D. B.C., is based upon an examination of the property by the writer on October 18, 1977.

I consent to this report being filed with the British Columbia Securities Commission.



Alfred R. Allen

Allen Geological Engineering Limited

#203- 2025. Bellevue
West Vancouver, B.C. V7V 1B9

926-4785
926-2089

October 26, 1977.

British Columbia Securities Commission
756 Fort Street Victoria, B.C.

Dear Sirs:

Re: Sea-Chem Industries Ltd.

I hereby consent to the use of my report dated October 26, 1977, on The Catherine Claim, Alice Lake Area, Nanaimo M.D. B.C., in any prospectus or Statement of Material facts or other material to be filed with the British Columbia Securities Commission or the Vancouver Stock Exchange By Sea-Chem Industries Ltd.

Yours very truly,

Alfred R. Allen P.Eng.
Alfred R. Allen

For:

ALLEN GEOLOGICAL ENGINEERING LIMITED

SEA-CHEM INDUSTRIES LTD.

FINANCIAL STATEMENTS

December 31, 1977

Auditors' Report

Balance Sheet

Statement I

Statement of Deficit

Statement II

Statement of Changes in Financial Position

Statement III

Schedule of Administration and Pre-production Costs

Schedule A

Notes to Financial Statements

Hedden, Chong, Smith

Chartered accountants

355 - 5655 CAMBIE ST., VANCOUVER, B.C. V5Z 3A4 - PHONE 261-1391

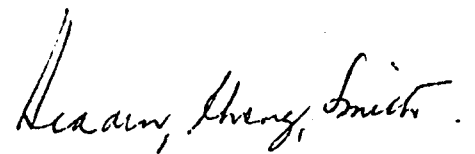
AUDITORS' REPORT

To the Shareholders,
Sea-Chem Industries Ltd.

We have examined the balance sheet of Sea-Chem Industries Ltd. as at December 31, 1977 and the statements of deficit and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1977 and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Vancouver, B.C.
February 20, 1978



CHARTERED ACCOUNTANTS

SEA-CHEM INDUSTRIES LTD.

Statement I

BALANCE SHEET
December 31, 1977

	<u>ASSETS</u>	<u>1977</u>	<u>1976</u>
Current asset			
Cash		\$ -	\$ 9
Other assets			
Administration and pre-production costs, per Schedule A		-	286,953
Cost of seaplant harvesting rights and surveys		-	142,685
Patent acquisition costs		-	19,062
Incorporation costs		1,581	1,581
		<u>1,581</u>	<u>450,281</u>
		\$ 1,581	\$ 450,290
		<u><u>1,581</u></u>	<u><u>450,290</u></u>

LIABILITIES

Current liability			
Accounts payable		\$ 24,205	\$ 27,037

SHARE CAPITAL AND DEFICIT

Share capital (Note 2)		436,245	436,245
Deficit			
Balance, per Statement II		(458,869)	(12,992)
		<u>(458,869)</u>	<u>(12,992)</u>
		\$ 1,581	\$ 450,290
		<u><u>1,581</u></u>	<u><u>450,290</u></u>

Signed by the Directors:

"John A. MacPherson", Director"William Dunbar", Director

See accompanying notes to financial statements

STATEMENT OF DEFICIT
Year ended December 31, 1977

	<u>1977</u>	<u>1976</u>
BALANCE BEGINNING OF YEAR	\$ 12,992	\$ 12,992
ADD, ACCOUNTS WRITTEN OFF (Note 1)		
Administration and pre-production costs	284,130	-
Cost of seaplant harvesting rights and surveys	142,685	-
Patent acquisition costs	19,062	-
	<u> </u>	<u> </u>
BALANCE END OF YEAR	\$ 458,869	\$ 12,992
	<u> </u>	<u> </u>

STATEMENT OF CHANGES IN FINANCIAL POSITION
Year ended December 31, 1977

	<u>1977</u>	<u>1976</u>
SOURCE OF FUNDS		
Proceeds from sale of shares	\$ -	\$ 64,374
Recovery of costs and forgiveness of debt, Schedule A	12,127	-
	<u>12,127</u>	<u>-</u>
	12,127	64,374
 APPLICATION OF FUNDS		
Administration and pre-production costs	9,304	47,768
	<u>9,304</u>	<u>47,768</u>
INCREASE IN WORKING CAPITAL	2,823	16,606
WORKING CAPITAL (DEFICIT) BEGINNING OF YEAR	(27,028)	(43,634)
	<u>(27,028)</u>	<u>(43,634)</u>
WORKING CAPITAL (DEFICIT) END OF YEAR	\$ (24,205)	\$ (27,028)
	<u><u>(24,205)</u></u>	<u><u>(27,028)</u></u>

SCHEDULE OF ADMINISTRATION AND PRE-PRODUCTION COSTS

Year ended December 31, 1977

BALANCE BEGINNING OF YEAR		\$ 286,953
ADDITIONS:		
Accounting and audit	\$ 2,278	
Bank charges	9	
B.C. corporation capital tax	817	
Legal fees and costs	3,000	
Meeting expenses	40	
Registration fees	402	
Storage and warehousing	1,372	
Trust company fees and expenses	1,386	
		<u>9,304</u>
		296,257
DEDUCTIONS:		
Kelp harvesting and processing costs recovered	8,970	
Forgiveness of debt:		
Supervisory fees - M.W. Huff & Company	3,157	
		<u>12,127</u>
BALANCE END OF YEAR WRITTEN OFF TO DEFICIT		\$ 284,130

SEA-CHEM INDUSTRIES LTD.

NOTES TO FINANCIAL STATEMENTS

December 31, 1977

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

During the current year, the licences and rights to harvest kelp in certain areas along the coast of British Columbia were terminated by the Fisheries Department of the Province of British Columbia.

Since incorporation, the company has attempted to harvest kelp and market products derived from kelp. As this right is no longer available to the company, it has written the related costs off to deficit as follows:

Administration and pre-production costs	\$ 284,130
Cost of seaplant harvesting rights and surveys	142,685
Patent acquisition costs	<u>19,062</u>
	<u>\$ 445,877</u>

NOTE 2 SHARE CAPITAL

The company has an authorized capital of 3,000,000 shares without nominal or par value.

Since incorporation, the company has issued the following shares:

	<u>Number Of Shares</u>	<u>Net Proceeds</u>
For cash	775,005	\$ 286,245
For assets of Pacific Seaweed Ltd.	<u>750,000</u>	<u>150,000</u>
	<u>1,525,005</u>	<u>\$ 436,245</u>

Of the 750,000 shares issued for other than cash, 534,329 shares are held in escrow subject to the order of the British Columbia Securities Commission.

SEA-CHEM INDUSTRIES LTD.

NOTES TO FINANCIAL STATEMENTS

December 31, 1977

- 2 -

NOTE 3 SUBSEQUENT EVENTS.

Pursuant to special resolutions of the shareholders, the company has:

- a) requested a change of its name from Sea-Chem Industries Ltd. to Astra Resources Ltd.
- b) approved the reduction of authorized share capital from 3,000,000 shares without nominal or par value to 750,000 shares without par value and a corresponding reduction in issued share capital with a subsequent increase in the authorized share capital to 3,000,000 shares without par value from 750,000 shares without par value.

These changes were approved and registered by the British Columbia Registrar of Companies January 12, 1978.

20. STATUTORY RIGHTS OF RESCISSION

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

- (a) A purchaser has a right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last Statement of Material Facts, together with financial statements and a summary of engineering reports as filed with the Vancouver Stock Exchange, 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 Statement of Material Facts or any amended Statement of Material Facts offering such security contains an untrue statement of material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after expiration of 90 days from the later of the date of such contract or the date on which such Statement of Material Facts or amended Statement of Material Facts is received or is deemed to be received by him or his agent.

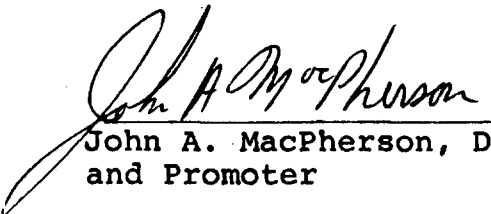
Reference is made to the said Act for the complete text of the provisions under which the foregoing rights are conferred.

21. CERTIFICATE OF THE DIRECTORS AND PROMOTERS OF THE ISSUER:

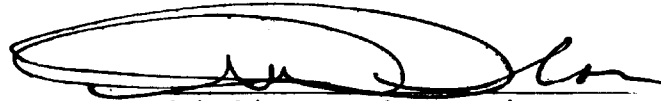
The foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

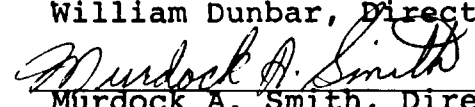
ASTRA RESOURCES LTD.

March 7, 1978
(Date)



 John A. MacPherson, Director
 and Promoter



 William Dunbar, Director


 Murdock A. Smith, Director

CERTIFICATE OF THE ~~INDENTURED~~ AGENT:

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.

DAVIDSON & COMPANY LIMITED

March 7, 1978
(Date)

