

800414

Hobo Creek Copper Mines Limited

REPORT ON DIAMOND DRILLING PROJECT

by: Wm.H. White, P.Eng.

July 7th, 1971

## PROPERTY LOCATION AND ACCESS

It is understood that Hobo Creek Copper Mines Limited owns or controls the following mineral claims in the Hobo Creek area of the Atlin Mining Division:

### Crown granted claims

Butte L304  
Great Falls L306  
Helena L305

### Located claims

Bear #1  
Brothen #2  
C.U.A.G. #1  
H.J. #1  
Tunnel Fr.

These claims lie along the bottom and west side of the valley of Hobo Creek, a northerly-flowing stream that enters Atlin Lake some 40 miles by water south of the town of Atlin, B.C. This town has a road connection with the Alaska highway system. The claims can be reached only by either helicopter or by boat down the lake and by foot on a crude trail up Hobo Creek.

The mineral showings which are about  $2\frac{1}{2}$  miles south of the mouth of Hobo Creek outcrop at or near the base of steep to precipitous bluffs that form the west wall of the flat and swampy valley bottom. Numerous rock slides overgrown with tangles of brush conceal much of the rock surface.

## HISTORY OF EXPLORATION

Discovered in 1909, the mineral showings were intermittently explored during the next twelve years by a few open cuts and by four cross-cut adits driven westerly from the base of the bluffs. These adits, roughly equally spaced in a north to south distance of 4500 feet, are referred to as: North adit, 20 feet long; French adit, 154 feet long; South adit, 212 feet long and Laverdiere adit, caved and of unknown length. The first three are in altered and/or mineralized limestone, the last is in altered, iron-stained granodiorite. Bedrock between the adits is largely concealed by overburden and slide-rock.

In 1964 Cominco made a ground magnetometer survey and drilled three or four short holes, results of which are not known. In 1969 Centex Mines Limited drilled two holes totalling 156 feet near the portal of the French adit.

## GEOLOGY OF THE PROPERTY

The geology is described in the Minister of Mines Annual Report, 1918, p.93-94 and also in a report made by the present writer for Centex Mines Limited, August, 1969, which was based

on an examination and mapping of a 3000-foot section of the west wall of Hobo Creek from the North adit to the South adit. The bluffs forming the west side of Hobo Creek valley are composed of dolomitic limestone and conformably underlying calcareous siltstone which strike northerly and dip at moderate angles westward. These rocks are locally deformed by small folds and cut by a few faults of probably small displacement. From 100 to 300 feet west of the base of the bluffs the sedimentary rocks are intruded by biotite-hornblende granodiorite which is the eastern margin of a pluton of batholith size. The distribution and nature of granitic outcrops suggests that the intrusive contact dips westward in rough conformity with the dip of the sedimentary rocks.

The showings in and near the North, French and South adits are pyrometamorphic deposits of magnetite with small and variable amounts of pyrite, pyrrhotite and chalcopyrite in a gangue of calcium and magnesium silicates. At each place the mineralization appears to conform to the bedding attitude of the sedimentary rock and may well occur in the same stratigraphic horizon. The question of whether the three showings represent separate deposits or exposed parts of a single, continuous deposit could only be answered by further exploration.

#### CURRENT EXPLORATION

Between May 27th and June 18th, 1971, five AQ-size diamond drill holes totalling 1459 feet were drilled in the French adit section for the purposes of investigating (1) the local continuity, size and grade of copper-magnetite mineralization, and (2) the relation of such mineralization to the granitic contact. The project was supervised by geologist Arpad Fustos, of RAF Engineering Corporation Limited, 1177 West Hastings Street, Vancouver, B.C. The writer accompanied Mr. Fustos to the property to acquaint him with the local geology and to lay out drill sites along the base of the steep rock bluffs. The drill hole lay-out was not followed exactly. One site was not occupied because of difficult snow slide conditions and a sixth hole designed to check the northward extension of mineralization from the French adit was not drilled because of lack of funds. Mr. Fustos made good decisions on depth of each hole, logged the core, splitting all sections showing any trace of mineralization and looked after delivery of sample splits for assay to the assay office of Warnock Hersey (Coast Eldridge) in Vancouver.

#### DRILLING RESULTS

An assay plan is attached showing copper and molybdenum assays and the local shape of the granitic contact. This plan is based only on a tape and compass survey and because of strong local magnetic attraction is considered only approximately correct.

Logs of the drill holes summarized from the more detailed logs made by Mr. Fustos are as follows:

<u>Footage Interval</u>	<u>Material</u>	<u>% Copper</u>		
Hole HC-1	0 - 151	Copper-bearing magnetite	1.76 (Wt.Av.)	
	151 - 235	Hornfels		
	235 - 240	Granodiorite		
Hole HC-2	5 - 73	Marble	0.86 (Wt.Av.)	
	73 - 156	Copper-bearing magnetite		
	156 - 178	Hornfels		
	178 - 197	Barren magnetite		
	197 - 230	Marble		
	230 - 271	Hornfels, magnetite bands		
	271 - 282	Hornfels		
	282 - 287	Granodiorite		
Hole HC-3	0 - 64	Marble	very low	
	64 - 98	Barren magnetite, Hornfels		
	98 - 130	Marble		
	130 - 166	Hornfels, magnetite bands		
	166 - 196	Barren magnetite		
	196 - 220	Hornfels		
	220 - 229	Barren magnetite		
	229 - 265	Hornfels		
	265 - 283	Granodiorite, altered and slightly mineralized		
Hole HC-4	0 - 77	Marble	0.18	
	77 - 83	Almost barren magnetite		
	83 - 140	Marble		
	140 - 145	Almost barren magnetite		
	145 - 191	Marble		
	191 - 227	Hornfels, magnetite bands		
	227 - 231	Copper-bearing magnetite		2.0
	231 - 242	Marble		
	242 - 262	Altered granodiorite with traces chalcopyrite and molybdenite		very low
Hole HC-5	0 - 65	Barren magnetite		tr. - 0.20
	65 - 85	Marble		
	85 - 98	Hornfels, magnetite bands		
	98 - 110	Marble		
	110 - 171	Hornfels, magnetite bands		
	171 - 365	Strongly altered granodiorite with slight chalcopyrite and molybdenite, both disseminated and on fracture surfaces		
	365 - 387	Same as above but with more sulphide mineralization	0.20- 0.51	

## CONCLUSIONS FROM DRILLING RESULTS

Limestone and siltstone occupy a marked embayment adjoining the granodiorite contact. Projection of surface position to the elevation of the drill holes indicates that the granitic contact dips westward, that is, in rough conformity with the general attitude of the sedimentary rocks.

Pyrometamorphic activity has converted the limestone and siltstone into marble and hornfels and has caused the deposition of large quantities of magnetite. Most of the magnetite is a fine-grained variety containing very little or no chalcopyrite. However, a more coarse-grained variety of magnetite which contains chalcopyrite in the form of disseminated grains, small masses and stringers comprises long intersections in holes HC-1 and HC-2. The first intersected 151 feet averaging 1.76% copper, and the second, 83 feet averaging 0.86% copper. These intersections, together with those in the Centex drill holes and exposures of similar material in the French adit a short distance above, infer the presence of a sizeable body of possible economic significance. However, determination of the shape, orientation, size and grade of this body can only be made by surface stripping and considerably more drilling.

It now seems probably that the North, French and South showing represent separate deposits rather than parts of a single deposit. Each deposit may be localized in an embayment of the granitic contact.

An unforeseen result of the drilling was the discovery of low-grade copper and molybdenum mineralization in the granodiorite penetrated by holes HC-3, HC-4 and HC-5. The granitic rock is moderately to strongly altered to potash feldspar and chlorite and traversed by numerous hair-line, quartz-filled fractures. Both chalcopyrite and molybdenite can be seen sparsely disseminated in the altered rock and some fracture surfaces are coated with molybdenite. Hole HC-5 penetrated 216 feet of such material. The possibility of the presence in the vicinity of a 'porphyry' type copper-molybdenum deposit should certainly be considered.

## SUMMARY

Five diamond drill holes totalling 1459 feet were drilled near the French adit section of the Hobo Creek mining property. From the results it can be inferred that large quantities of essentially barren magnetite occur in altered sedimentary rocks in an embayment adjoining the contact of a granodiorite body of batholithic size. Two holes contained long intersections of magnetite carrying economically significant copper values but the data are insufficient to estimate the size or grade of this body.

Three of the five holes penetrated granodiorite which was moderately to strongly altered and contained sparsely disseminated chalcopyrite and molybdenite.

## RECOMMENDATIONS

The results obtained justify further exploration along the following lines:

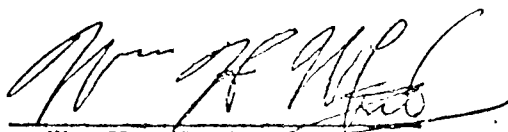
1. Outcrops of the pyrometasomatic mineralization at and near the North, French and South showings should be exposed by open cuts, geologically examined, mapped and sampled. Because of local magnetic disturbances transit survey control will be necessary.
2. The adjacent granodiorite should be prospected and geologically mapped on a semi-detailed scale to investigate the possible existence of a copper-molybdenum 'porphyry' type deposit. As such deposits are most likely to occur not far below the roof of a granitic body it is suggested that most attention should be given to granitic rock within  $\frac{1}{2}$ -mile of the contact. It is presumed that the Company will acquire title to the area of interest.

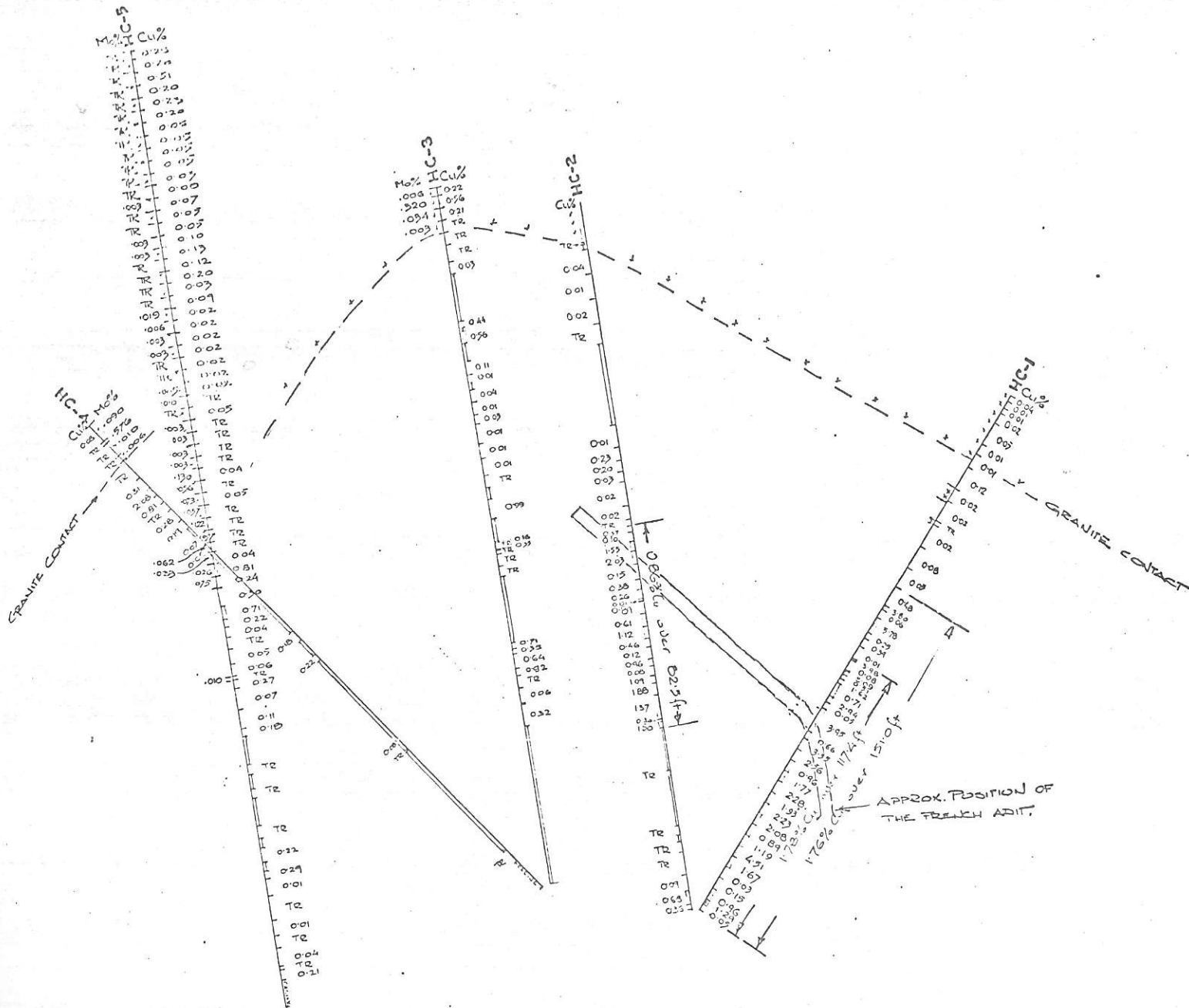
The cost of this program is estimated to be \$35,000.

Respectfully submitted,

Dated: July 7th, 1971

(Signed)

  
Wm. H. White, P. Eng.



HOB0 CREEK COPPERMINES LTD

PRELIMINARY D.D.H. PLAN

Mo% & Cu% Assay Plan

Scale: 1" = 30'

RAF Eng Co Ltd

Date: 30 Oct

Drawn by: R. H. H. H.

Checked by: R. H. H. H.

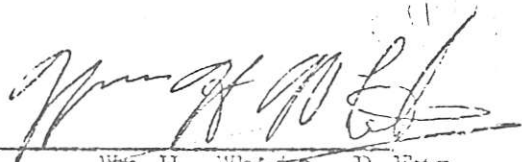
CERTIFICATE

1, William Harrison White, of 4778 West Second Avenue, Vancouver 8, B.C. declare as follows:

1. I hold a BAsC degree in Mining Engineering (1935), an MASc degree in Geological Engineering (1939), both from the University of British Columbia, and a PhD degree in geology from the University of Toronto (1942).
2. I am a registered member in good standing of the Association of Professional Engineers of the Province of British Columbia.
3. I have been engaged in the profession of geological engineering for twenty-five years.
4. I consider myself competent in the subject matter of this report. I laid out the drill hole sites and examined some of the split core considered to be representative of the material intersected.
5. I have no financial or other interest in Hobo Creek Copper Mines Limited or in its mineral properties, nor do I expect to have any such interest in the future.

Dated: July 7th, 1971

(Signed)

  
Wm. H. White, P. Eng.



HOBO CREEK COPPERMINES LTD.

AND SUBSIDIARY

DECEMBER 15<sup>th</sup>, 1971

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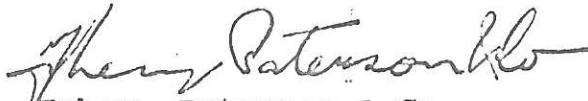
HOBO CREEK COPPERMINES LTD. (N.P.L.)  
and Subsidiary Company  
HELIOS MINES LTD. (N.P.L.)

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the Consolidated Balance Sheet, Statement of Administrative, Exploration and Development Expenses, and Source and Application of Funds of Hobo Creek Coppermines Ltd. (N.P.L.) and its subsidiary company Helios Mines Ltd. (N.P.L.) as at December 15<sup>th</sup>, 1971.

Our examination included a general review of the accounting records and other documents as we considered necessary, with the exception that we have relied on the opinion of the company's lawyers regarding title to the mineral claims.

In our opinion, subject to the above exception, the attached financial statements present fairly the financial position of the company and the results of its operations for the period ended December 15, 1971 prepared in accordance with generally accepted accounting principles.

  
Fahey, Paterson & Co.  
Chartered Accountants



Vancouver, B.C.  
January 14<sup>th</sup>, 1972

HOBO CREEK COPPERMINES LTD. (N.P.L.)

AND SUBSIDIARY

CONSOLIDATED BALANCE SHEET AS AT

DECEMBER 15<sup>th</sup> 1971

<u>ASSETS</u>				<u>LIABILITIES</u>	
<u>CURRENT ASSETS</u>					
Cash	\$ 319			Bank loan	\$ 5,735
Subscriptions receivables	<u>247</u>	\$ 566		Accounts payable	21,779
				Employee deductions payable	376
<u>FIXED ASSETS - at cost</u>					
Furniture and equipment		666		Amount owing re purchase of Loon Claims	7,614
				Salary and expenses payable	11,362
<u>MINING PROPERTIES - at cost</u>					
Option to purchase mineral claims from Bethlehem Copper Corporation Ltd.	65,986			Due to directors	<u>224</u>
					\$ 47,090
Loon Claims - Atlin Mining Division	<u>13,474</u>	79,460		<u>SHAREHOLDERS' EQUITY</u>	
<u>DEFERRED EXPENSES</u>					
Administrative	40,060			<u>SHARE CAPITAL</u>	
Exploration and development	<u>54,654</u>	94,714		Authorized - 3,000,000 common shares of 50¢ each par value	
<u>INCORPORATION COSTS</u>					
		2,160		Issued (Net of discounts)	
<u>EXCESS COST OF SUBSIDIARY OVER NET BOOK VALUE</u>					
		<u>18,449</u>		For properties 750,000 shares	75,000
				For shares of Helios Mines Ltd. (N.P.L.) 105,031 shares	26,258
				For cash 190,669 shares	<u>47,667</u>
					148,925
		<u>\$ 196,015</u>			<u>148,925</u>
					<u>\$ 196,015</u>

The Notes to the financial statements of Hobo Creek Coppermines Ltd. (N.P.L.) and Helios Mines Ltd. (N.P.L.) should be read in conjunction with the consolidated financial statements of Hobo Creek Coppermines Ltd. (N.P.L.) and its subsidiary as at December 15<sup>th</sup>, 1971.

*M. B. Bunyan* Signed on behalf of the Board  
 \_\_\_\_\_ Director  
*Paul G. ...* Director  
 \_\_\_\_\_ Director  
*R. G. ...* Director.

HOBO CREEK COPPERMINES LTD. (N.P.L.)

AND SUBSIDIARY

CONSOLIDATED STATEMENT OF DEFERRED ADMINISTRATIVE, EXPLORATION AND  
DEVELOPMENT EXPENSE AS AT DECEMBER 15<sup>th</sup>, 1971

EXPLORATION AND DEVELOPMENT

Drilling	\$ 23,692
Assay	1,316
Transportation	15,900
Staking and recording	3,009
Consulting engineering	5,643
Camp	4,654
General	70
Field labour	<u>370</u>
	\$ <u>54,654</u>

ADMINISTRATIVE EXPENSE

Salaries and benefits	\$ 12,439
Rent	1,029
Printing and stationery	1,069
Legal and audit	14,775
Travel and promotion	7,317
Advertising	500
Registration and transfer fees	541
Shareholders' information	280
Telephone	432
Underwriting expense	1,194
Insurance	289
General expense	<u>195</u>
	\$ <u>40,060</u>

The Notes to the financial statements of Hobo Creek Coppermines Ltd. (N.P.L.) and Helios Mines Ltd. (N.P.L.) should be read in conjunction with the consolidated financial statements of Hobo Creek Coppermines Ltd. (N.P.L.) and its subsidiary as at December 15<sup>th</sup>, 1971.

HOBO CREEK COPPERMINES LTD. (N.P.L.)

AND SUBSIDIARY

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FROM THE DATE OF INCORPORATION TO DECEMBER 15<sup>th</sup>, 1971

SOURCE OF FUNDS

Proceeds from sale of shares \$ 69,133

APPLICATION OF FUNDS

Purchase of mining properties	\$ 26,114	
Deferred exploration and development	41,657	
Deferred administrative expense	40,060	
Purchase of fixed assets	666	
Incorporation costs	2,160	
Option payments on properties	<u>5,000</u>	<u>115,657</u>

DEFICIT - WORKING CAPITAL \$ 46,524

CURRENT ASSETS \$ 566

CURRENT LIABILITIES 47,090

DEFICIT - WORKING CAPITAL \$ 46,524

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HOBO CREEK COPPERMINES LTD. (N.P.L.)

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the Balance Sheet, Statement of Administrative, Exploration and Development Expenses and Statement of Source and Application of Funds of Hobo Creek Coppermines Ltd. (N.P.L.) as at December 15, 1971.

Our examination included a general review of the accounting procedures and such tests of the accounting records and other documents as we considered necessary with the exception that we have relied on the opinion of the company's lawyers regarding title to the mineral claims.

In our opinion, subject to the above noted exception, the attached statements present fairly the financial position of the company and the results of its operations for the period ended Dec. 15<sup>th</sup>, 1971 prepared in accordance with generally accepted accounting principles.

  
Fahey, Paterson & Co.  
Chartered Accountants

Vancouver, B.C.  
January 14<sup>th</sup>, 1972

  
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HOBO CREEK COPPERMINES LTD. (N.P.L.)

BALANCE SHEET AS AT DECEMBER 15<sup>th</sup>, 1971

<u>ASSETS</u>		<u>LIABILITIES</u>	
<u>CURRENT ASSETS</u>		<u>CURRENT LIABILITIES</u>	
Subscriptions receivable	\$ 1	Bank loan	\$ 5,735
<u>FIXED ASSETS</u> - at cost		Accounts payable	20,463
Furniture and equipment	666	Employee deductions payable	376
<u>INVESTMENT IN SUBSIDIARY COMPANY</u> (Note 1)		Amount owing re purchase of Loon Claims	7,614
Helios Mines Ltd. (N.P.L.)	26,258	Salary and expenses payable	<u>11,362</u>
			\$ 45,550
<u>MINING PROPERTIES</u> - at cost		<u>SHAREHOLDERS' EQUITY</u>	
Option to purchase Mineral Claims from Bethlehem Copper Corporation Ltd. (Note 3) and (Note 4)	\$ 65,986	<u>SHARE CAPITAL</u>	
Loon Claims - Atlin Mining Division (Note 6)	<u>7,614</u>	<u>Authorized</u> - 3,000,000 common shares of 50c each par value	
	73,600	<u>Issued</u> (Net of discounts) (Notes 1 and 2)	
<u>DEFERRED EXPENSES</u> -		For properties	750,000 shares \$ 75,000
Administrative	38,350	For shares of Helios Mines Ltd. (N.P.L.)	105,031 shares 26,258
Exploration and development	<u>54,654</u>	For cash	<u>190,669</u> shares 47,667
	93,004		<u>1,045,700</u> \$ 148,925
<u>INCORPORATION COSTS</u>	<u>946</u>		<u>148,925</u>
	\$ 194,475		<u>148,925</u>
	<u>\$ 194,475</u>		<u>\$ 194,475</u>

The Notes to the financial statements are an integral part thereof and should be read in conjunction with them.

Signed on behalf of the Board

*M. Longen*  
----- Director

*J. H. ...*  
----- Director

*J. G. ...*  
----- Director

HOBO CREEK COPPERMINES LTD. (N.P.L.)

STATEMENT OF DEFERRED ADMINISTRATIVE, EXPLORATION AND

DEVELOPMENT EXPENSE

AS AT DECEMBER 15<sup>th</sup>, 1971

EXPLORATION AND DEVELOPMENT, (Note 4)

Drilling	\$ 23,692
Assay	1,316
Transportation	15,900
Staking and recording	3,009
Consulting engineering	5,643
Camp	4,654
General	70
Field labour	370
	<u>54,654</u>

ADMINISTRATIVE EXPENSE

Salaries and benefits (Note 5)	\$ 12,439
Rent	1,029
Printing and stationery	1,069
Legal and audit	13,078
Travel and promotion	7,317
Advertising	500
Registration and transfer fees	541
Shareholders' information	280
Telephone	432
Underwriting expense	1,194
Insurance	289
General expense	182
	<u>38,350</u>

The Notes to the financial statements are an integral part thereof and should be read in conjunction with them.



HOBO CREEK COPPERMINES LTD. (N.P.L.)  
STATEMENT OF SOURCE AND APPLICATION OF  
FUNDS FROM THE DATE OF  
INCORPORATION SEPTEMBER 22, 1970  
TO DECEMBER 15<sup>th</sup>, 1971

SOURCE OF FUNDS

Sale of shares		
190,664 shares at 25¢ each	\$ 47,666	
5 shares at 10¢	<u>1</u>	\$ 47,667

APPLICATION OF FUNDS

Deferred administrative expense	38,350	
Deferred exploration and development	40,640	
Purchase of fixed assets	666	
Incorporation costs	946	
Option payments on properties	5,000	
Purchase of Loon Claims	<u>7,614</u>	<u>93,216</u>

<u>DEFICIT - WORKING CAPITAL</u>		\$ <u>45,549</u>
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<u>CURRENT ASSETS</u>	\$ 1	
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<u>CURRENT LIABILITIES</u>	<u>45,550</u>	
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<u>DEFICIT - WORKING CAPITAL</u>	\$ <u>45,549</u>	
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HOBO CREEK COPPERMINES LTD. (N.P.L.)

NOTES TO FINANCIAL STATEMENTS DECEMBER 15<sup>th</sup>, 1971

Note 1 By agreement between Hobo Creek Coppermines Ltd. (N.P.L.) and all the Shareholders of Helios Mines Ltd. (N.P.L.), Hobo Creek Coppermines Ltd. (N.P.L.) acquired all of the issued shares of 'Helios' on a one for one share exchange.

The number of shares issued under this agreement amounts to 105,031 at a nominal value of 25¢ per share (\$26,258).

Note 2

- (a) In May of 1971 the company issued 190,664 shares of the capital stock at a price of 25¢ per share to net the Treasury \$47,666. This offering was pursuant to a rights offering granted to the shareholders of Centex Mines Ltd. (N.P.L.)
- (b) The Company has obtained an option from Roy Carlson, exercisable at any time up to the 23rd day of June, 1976, to purchase the remaining 25% interest in the 70 Loon Claims for 30,000 shares of the Company or \$75,000 whichever Roy Carlson may elect upon the option being exercised.

The 75% interest in the 70 Loon claims already has been acquired by Helios Mines Ltd. (N.P.L.) a wholly owned subsidiary of Hobo Creek Coppermines Ltd. (N.P.L.).

Note 3 By agreement dated October 29<sup>th</sup>, 1971 made between the Company and Centex Mines Ltd. (N.P.L.), the company acquired from 'Centex' all of its right, title and interest under an option agreement dated April 23rd, 1969, (and amendments thereto September 24<sup>th</sup>, 1970), whereby 'Centex' was granted the right to purchase certain mineral claims known as the Laverdiere Property along the west side of Hobo Creek in the Atlin Mining Division, from Bethlehem Copper Corporation Ltd.:

Butte (Crown Grant)	Lot #304'
Great Falls (Crown Grant)	Lot #306
Helena (Crown Grant)	Lot #305
Bear #1	Record #133
Brothen #2	Record #1783
C.U.A.G. #1	Record #129
H.J. #1	Record #2353
Tunnel Fr.	Record #2351

The consideration paid by the company to Centex for this option is 750,000 shares of the capital stock of the company. Option payments amounting to \$5,000 have been added to the cost of the claims.

Note 4 The sum of \$14,014 representing expenditures made by Centex Mines Ltd. on the Laverdiere Property has been deducted from the purchase consideration of \$75,000 (750,000 shares at a nominal value of 10¢) and allocated to Exploration and Development expense in the books of Hobo Creek Coppermines Ltd. (N.P.L.).

The actual expenditures made by 'Hobo' subsequent to the acquisition amount to \$40,640.

Note 5 Total salary payable to a director and officer of the company amounted to \$12,400 of which \$9,775 remained unpaid as at December 15<sup>th</sup>, 1971.

Note 6 By agreement dated November 19<sup>th</sup>, 1971 the Company acquired the following claims from Roy Carlson for a consideration of \$7,614.

<u>Name of Claim</u>	<u>Record Number</u>	<u>Expiry Date</u>
Loon 5-22	16368G - 16385G	June 8, 1972
Loon 29-46	16386G - 16403G	June 8, 1972

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

AUDITORS' REPORT TO THE SHAREHOLDERS

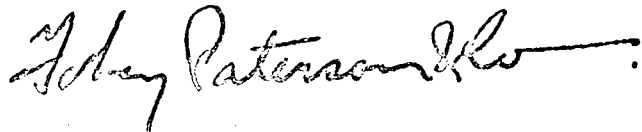
We have examined the Balance Sheet, Statement of Administrative, Exploration and Development Expenses and Statement of Source and Application of Funds of Helios Mines Ltd. (N.P.L.) as at December 15<sup>th</sup> 1971.

Our examination included a general review of the accounting procedures and such tests of the accounting records and other documents as we considered necessary with the exception that we have relied on the opinion of the company's lawyers regarding title to the mineral claims.

In our opinion, subject to the above noted exception, the attached statements present fairly the financial position of the company and the results of its operations for the period ended Dec. 15<sup>th</sup>, 1971 prepared in accordance with generally accepted accounting principles.



Fahey, Paterson & Co.  
Chartered Accountants



Vancouver, B.C.  
January 14<sup>th</sup>, 1972

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

BALANCE SHEET AS AT DECEMBER 15<sup>th</sup>, 1971

ASSETS

CURRENT ASSETS

Cash	\$	319	
Subscriptions receivable		<u>246</u>	\$ 565

MINING PROPERTIES - at cost

(Notes 1 and 2)			5,860
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DEFERRED EXPENSES

Administrative			1,710
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INCORPORATION COSTS

1,214

\$ 9,349

LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$	1,316	
Due to Directors		<u>224</u>	1,540

SHAREHOLDERS' EQUITY

SHARE CAPITAL

Authorized  
5 000,000 shares of 50¢ each par value

Issued (Net of discounts)

For mineral claims (Note 2) 58,600 shares	5,860
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For cash 46,431	<u>21,466</u>
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27,326

DEFICIT

(19,317)      7,809

The Notes to the financial statements are an integral part thereof and are to be read in conjunction with them.

*[Signature]* Signed on behalf of the Board

Director

*[Signature]*  
*[Signature]* Director

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

SCHEDULE OF DEFERRED ADMINISTRATIVE EXPENSES

FROM DATE OF INCORPORATION TO

DECEMBER 15<sup>th</sup>, 1971

Legal and audit	\$ 1,697
Bank charges	<u>13</u>
	<u>\$ 1,710</u>

The Notes to the financial statements are an integral part thereof and are to be read in conjunction with them.

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

STATEMENT OF DEFICIT (Note 1)

AS AT DECEMBER 15<sup>th</sup>, 1971

Cost of properties written off  
Spruce Group #17 to #36 \$ 18,500

Exploration and Development work on above 1,017  
\$ 19,517

The Notes to the financial statements are an integral part thereof and are to be read in conjunction with them.