

## POLICY CHANGES

Over the past few months several significant changes have occurred within your company and your directors feel that this is an opportune time to review these developments. Until recently the management of Kendal has concentrated its efforts towards the acquisition and development of potential mining properties within British Columbia. In the Spring of this year mining legislation was enacted in B.C. which has created disastrous effects on the mining industry of this Province. Your directors have spent considerable time reviewing your company's position and came to the decision that all mineral claims held by the company in B.C. should be relinquished. Subsequently, it was considered only ethical to temporarily withdraw your company's shares from trading on the Vancouver Stock Exchange until other potentially profitable ventures could be initiated.

## NEW AREAS OF INTEREST

A great deal of time and effort has been spent in reviewing what direction management should take to develop Kendal into a profitable public vehicle. It was concluded that your company should continue to review mining situations provided the properties concerned were located outside B.C. The first important accomplishment in this direction has been the acquisition of your company's claims in the Yukon Territories which your directors are confident will prove to be an important step in your company's program to activate its interests in the mining industry. In endeavoring to build the company into a public vehicle which will offer participation in all segments of industry management has recently reviewed many possible acquisitions in the light manufacturing and service oriented companies and further information pertaining to these developments will be forthcoming.

## NEW FINANCING

Upon making the decision to again become active in mining and other areas the company's shares were re-instated on July 11th for trading on the Vancouver Stock Exchange. To enable the company to participate in these new ventures it has become necessary to raise additional funds. On July 16th a financing of 250,000 shares was completed through the facilities of the V.S.E. resulting in the company's treasury receiving sufficient funds to commence an active work program.

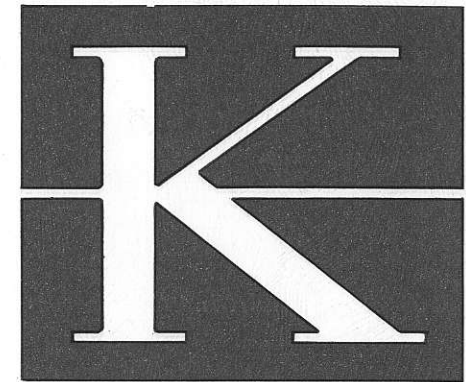
Now that your company has embarked upon a new development program your directors are pleased to welcome shareholders and investors an opportunity to participate in a company that management intends to build into a major participant in the natural resource and industrial industries.

## CORPORATE DATA

HEAD OFFICE: P.O. BOX 580, TERRACE, B.C.

DIRECTORS:	RICHARD H. BATES President EDWARD W. SIWICKY Director JOHN APOLCZER Treasurer
SECRETARY:	ROBERT F. BATES
SOLICITORS:	DuMOULIN BLACK, BRAZIER & HALL 900 W. Pender Street, Vancouver, B.C. Telephone: 685-3385
REGISTERED OFFICE:	Ste. 202 - 900 W. Pender St. Vancouver, B.C.
REGISTER & TRANSFER AGENT:	MONTREAL TRUST COMPANY 466 Howe Street, Vancouver, B.C.
AUDITORS:	ROSE, GALE & CO. Vancouver & Terrace, B.C.
SHARES LISTED:	INTERIM SECTION Vancouver Stock Exchange
CAPITALIZATION:	AUTHORIZED 3,000,000 Shares
ISSUED:	618,419 Shares
BANK:	BANK OF NOVA SCOTIA Terrace, B.C.
CONSULTANTS:	WILLIAM M. SHARP 171 W. Esplanade North Vancouver ATLED EXPLORATION MANAGEMENT LTD. Ste. 420 - 475 Howe Street Vancouver, B.C.

*Rec'd July 25/74  
From Rich Bates  
801361*



# KENDAL

MINING and  
EXPLORATION CO. LTD. (N. P. L.)

P. O. BOX 580, TERRACE, B. C.  
TELEPHONE: (604)635-2119

## SHAREHOLDERS REPORT

## JULY, 1974

## PROPERTY ACQUISITION

Your directors are pleased to report that your company has been fortunate to acquire 16 mineral claims strategically located in the Bonnet Plume area, Yukon Territories. During the summer of 1973, a substantial discovery was made by Barrier Reef Resources Ltd. at the headwaters of the Bonnet Plume River, 120 miles northeast of Mayo, Yukon Territory, causing widespread excitement and claim staking in the area. Barrier Reef has just recently reached an agreement with Brinco Limited whereby Brinco has agreed to purchase 250,000 shares of Barrier at \$3.50 per share which will provide \$875,000. towards exploration of Barrier's property in the Bonnet Plume area. The claims acquired by Kendal adjoin to the south those of Cypress Resources Ltd. — another company which has made a significant find and although only limited work has as yet been done some surface samples from the Cypress property have returned excellent zinc assays.

## CONSULTANTS RECOMMENDATIONS

The Kendal claims appear to cover the lower contact of a carbonate formation that is a favorable host for stratabound zinc mineralization. On the adjoining claim group owned by Cypress Resources Ltd. the zinc mineralization in this unit has been traced along strike for 22,000 feet. Approximately 1 mile to the northeast, Barrier Reef Resources Ltd. have located a stratabound, pyritic, lead-zinc mineralized zone in this dolomite unit. The company's consulting geologist, Mr. Gordon C. Gutrath, B.Sc., P. Eng., has concluded that the claim group should be explored in detail considering the close proximity to known zinc occurrences and favorable geology for potential stratabound zinc mineralization. A two stage program has been recommended — the first phase to consist of geological mapping, geochemical soil sampling and an electromagnetic survey and the second phase to consist of diamond drilling. A contract has been let for the first phase with work commencing immediately and it is management's intention to immediately inform shareholders as news is received from the property.

