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Black Giant Mines Ltd. (N.P.L.)

Prospectus, June, 1966

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FILE

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.

This Prospectus is not, and under no circumstances is it to be construed as a public offering of shares for sale in the United States of America or in the territories or possessions thereof.

NEW ISSUE

150,000 Common Shares

Black Giant Mines Ltd. (N.P.L.)

(Incorporated under the laws of the Province of British Columbia)

**Transfer Agent and Registrar:
Guaranty Trust Co. of Canada,
624 Howe Street,
Vancouver, British Columbia**

We, as principals, offer these shares, subject to prior sale and change in price, if, as and when issued and allotted by the Company and accepted by us.

We reserve the right to accept applications for these shares in whole or in part or to reject any application and to withdraw this offer at any time without prior notice.

BAYSHORE INVESTMENTS LTD.

As principals offer these shares subject to prior sale and change in price.

PROSPECTUS

Black Giant Mines Ltd. (N.P.L.)

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.

A purchase of the shares offered by this Prospectus must be considered a speculation.

- A. The full name of the Company is "Black Giant Mines Ltd. (N.P.L.)."
The head office is situated at Suite 404, 510 West Hastings Street in the City of Vancouver, in the Province of British Columbia.
- B. The Company was incorporated on the 11th day of April, 1962 under the laws of the Province of British Columbia by Memorandum of Association and was converted to a public company on the 14th day of June, 1966.
- C. The following amendments have been made to the Memorandum of Association, namely:
- (i) That Amendment effected by Certificate of the Registrar of Companies of the 25th of June, 1964 whereby the name of the Company was changed from Alpha Mining Corporation Ltd. (N.P.L.) to Lucky Strike Explorations Ltd. (N.P.L.).
 - (ii) That Amendment effected by the Certificate of the Registrar of Companies dated the 30th of June, 1964 whereby the capital was subdivided so that the number of shares authorized was 20,000 shares then increased to 1,000,000 shares with a maximum price or consideration of 50c each.
 - (iii) That Amendment effected by the Certificate of the Registrar of Companies dated the 8th of December, 1965 whereby the name of the Company was changed from Lucky Strike Explorations Ltd. (N.P.L.) to West Point Mines Ltd. (N.P.L.).
 - (iv) That Amendment effected by the Certificate of the Registrar of Companies dated the 21st of March, 1966 whereby the number of shares without nominal or par value which the Company was authorized to issue was increased from 1,000,000 shares to 5,000,000 shares with a maximum price or consideration of 50c each.
 - (v) That Amendment effected by Certificate of the Registrar of Companies dated the 14th of April, 1966 whereby the name of the Company was changed from West Point Mines Limited (N.P.L.) to Black Giant Mines Ltd. (N.P.L.).
 - (vi) That Amendment whereby the maximum price or consideration of the shares which the Company is authorized to issue was increased to \$1.00 per share.
- D. The full name, occupation and home address of each Director is as follows, namely:
- | NAME | OCCUPATION | ADDRESS |
|---------------------------------|-----------------------------|---|
| EDWARD ROBERT WOZNIAK..... | Geologist..... | Suite 501 - 1160 Pendrell Street,
Vancouver, B. C. |
| JOHN LEE BLACK..... | Accountant..... | 166 Windsor Street East,
North Vancouver, B. C. |
| GEORGE ARMSTRONG WILKINSON..... | Construction Executive..... | 4450 Haggart Street,
Vancouver, B. C. |
- The promoter of the Company can be considered to be Bayshore Investments Ltd., 404, 510 West Hastings Street, Vancouver, British Columbia.
- E. The name and address of the Auditors of the Company is Thorne, Mulholland, Howson & McPherson, 1112 West Pender Street, Vancouver, British Columbia.
- F. The name and address of the Registrar and Transfer Agent is the Guaranty Trust Company of Canada Ltd., 624 Howe Street, Vancouver, British Columbia.

G. The Company is authorized to issue 5,000,000 shares without nominal or par value. There is only one class of shares authorized. The subscribed issued and paid-up capital of the Company is 2,150,003 shares.

H. No bonds or debentures are outstanding or intended to be issued by the Company.

I. Seven Hundred and Fifty Thousand (750,000) shares of the capital of the Company are deposited in escrow with the Guaranty Trust Company of Canada, 624 Howe Street, Vancouver, British Columbia. Pursuant to such agreement securities deposited in escrow with the Guaranty Trust Company of Canada 624 Howe Street, Vancouver, British Columbia, pursuant to an Escrow Agreement dated the 11th day of May, 1966. Pursuant to such Agreement securities escrowed may only be released from escrow with the consent in writing of the Superintendent of Brokers for the Province of British Columbia and such securities may only be traded in or transferred with the consent of the said Superintendent of Brokers. If the Company does not acquire title or loses its title to the property forming all or part of the consideration for the issue of such escrowed shares or if the property has been misrepresented or if the Company ceases development work thereon the Superintendent may require cancellation of such number of shares as he deems equitable.

J. The number of shares sold for cash are as follows:

- (i) (a) 3 shares at \$1.00 per share (Subscribers);
- (b) 600,000 shares at 25c per share;
- (c) 800,000 shares at 20c per share.
- (ii) The total cash received from the sale of shares sold is \$310,003.
- (iii) No commissions were paid or allowed on the sale of such securities.
- (iv) No discount was allowed to any person in respect of such securities.

K. The Company has not sold any securities for cash other than shares.

L. No shares have been issued or are to be issued nor has any cash been paid or is to be paid to any promoter as such. The promoter of the Company as indicated in Paragraph D. hereof is Bayshore Investments Ltd., 404, 510 West Hastings Street, Vancouver, British Columbia. Such company has purchased 1,200,000 shares being 400,000 shares of the capital at 25c per share and 800,000 shares of the capital of the Company at 20c per share. In addition, such Company is the Underwriter referred to in Paragraph N, of this Prospectus. The only person or company holding a greater than 5% interest in Bayshore Investments Ltd. is Morris Black, Securities Executive whose address within the Province of British Columbia is 444 Bayshore Hotel, Vancouver, British Columbia and the following children of the said Morris Black, namely Alana Wendy Black, Kalla Cynthia Black, Mark Phillip Lindsay Black and Jeffrey Marshall Black, all of Keswick, Ontario.

M. (i) (a) The Company is the holder, subject to the Mining laws of the Northwest Territories of those mineral claims located at the south of Great Slave Lake and east of the Buffalo River in the Northwest Territories known and described as the Mik No. 1 to No. 25, Record Nos. N62721 to N62745, the MIJ No. 1 to No. 36, Record Nos. N62617 to N62652, Pol No. 1 to No. 34, Record Nos. N62653 to N62686, Nar No. 1 to No. 16, Record Nos. N62601 to N62616, Nar No. 17 to No. 32, Record Nos. N62701 to N62716.

(b) The Company is the holder subject to the provisions of the Mineral Act of the Province of British Columbia of those located mineral claims situated in the Omineca Mining Division of the Province of British Columbia known and described as:

NAME OF CLAIM	TAG NUMBER
Sil No. 1 to No. 5	625917 - 625921
Sil No. 15 to No. 24	625931 - 625940
Sil No. 43 to No. 52	625959 - 625968
Sil No. 71 to No. 80	625987 - 625996
Sil No. 99 to No. 106	626015 - 626022
Sil No. 125 to No. 130	626041 - 626046
Jim No. 31 to No. 127	625701 - 625797
Jim No. 128	625806
Jim No. 129 to No. 136	625798 - 625805
Jim No. 1 to No. 30	Record Nos. 33098 - 33127

(ii) The Vendor of the property described in Paragraph (i) (a), with the exception of Mik No. 1 to No. 25 mineral claims and all the properties described in M (i) (b) is James M. L. Brown, Prospector, Morwood Grove Post Office, Manitoba. The Consideration paid on the transfer of such claims to the Company was \$80,000.00. In addition, the promoter of the Company, Bayshore Investments Ltd. donated from shares of the capital of the Company held by it 250,000 shares, which shares were transferred to a Trustee on behalf of the said James M. L. Brown.

(b) The Vendors of the property described in Paragraph M. (i) (a) as the Mil No. 1 to No. 25 was Montway Investments Ltd., Suite 602, 74 Victoria Street, Toronto, Ontario and Isaac Shulman, Barrister and Solicitor, Suite 404, 510 West Hastings Street, Vancouver, British Columbia. The consideration received by such Vendors was as follows, namely:

Montway Investments Ltd.	675,000 Shares
Isaac Shulman	75,000 Shares

These shares are deposited in escrow and are more particularly referred to in Paragraph I hereof. The only person having a beneficial interest in the shares of Montway Investments Ltd. is Rita Black, Keswick, Ontario.

(iii) To the knowledge of the signatories hereto no one has received or is to receive from any vendor of the property an interest greater than 5%.

(iv) (a) The property described in Paragraph M. (i) (a) (hereinafter referred to as "the Pine Point property") consists of four claim groups. The MIJ (36 claims), Pol (34 claims) and Mik (25 claims) form a contiguous group centered about 6 miles east of the Buffalo River and about 8 miles north of the north boundary of Wood Buffalo Park. The centre of the NAR group (32 claims) would be approximately 4 miles east of the Buffalo River and 3 miles south of the shore of Great Slave Lake.

There are no permanent roads to the properties but the Hay River — Fort Smith winter road passes close by the MIJ, POL and Mik groups.

(b) The property described in Paragraph M (i) (b) (hereinafter referred to as "the Sustut Lake property") are located approximately 2 miles north of Sustut Lake. Best access for exploration is by float plane from Fort St. James to Sustut Lake, located approximately 2 miles south of the centre of the property and thence by helicopter to the property. Helicopter service is available from Smithers, British Columbia. The nearest centre is the town of Smithers, British Columbia, a distance of 135 air miles to the south. The town of Fort St. James lies approximately 170 air miles to the south-east. A small settlement of Takla Landing is located 80 miles to the south-east. A railroad right-of-way has been cut to Takla Landing from Prince George, British Columbia, via Fort St. James, and railroad construction is now in progress. There is a logging road from Fort St. James to Germanson Landing, which is approximately 90 miles south-east of the property.

(v) There is no underground exploration, plant or equipment on any property of the company.

(vi) In the 1965 prospecting season portions of the Sustut Lake property were sampled by prospectors the results of which sampling are as set forth in the Report of H. D. B. Wilson, P.Eng. of the 22nd of April, 1966 a copy of which Report accompanies and forms part of this Prospectus to which reference is herein made.

There has been no surface exploration of the Pine Point property.

(vii) The Sustut Lake property is in an area which was mapped by the Geological Survey of Canada in 1941 to 1945 — Map 962 A — McConnell Creek on a scale of one inch to four miles. During 1964 and 1965 the Geological Survey of Canada completed mapping the area but the report is yet unavailable. Copper mineralization has been known in the area for some time, but exploration has been limited to a very casual and intermittent search.

There is no known history of the Pine Point property other than the history of the general region.

(viii) The Company under its present management has not yet performed any work on either the Sustut Lake property or the Pine Point property.

N. By an Agreement dated the 10th day of May, 1966 Bayshore Investments Ltd., 404, 510 West Hastings Street, Vancouver, British Columbia agreed to purchase 150,000 shares at 90c per share payable forthwith upon the approval of this Prospectus by the British Columbia Securities Commission.

The said underwriter has agreed to resell the shares so purchased to the public through the facilities or persons and companies registered for trading in securities within the Province of British Columbia. The Underwriter has also agreed that it will not sell any share to the public at a price greater than 175% of the price at which it was acquired under the said underwriting agreement.

To the knowledge of the signatories the only person or company on whose behalf the underwriting was taken was the said Bayshore Investments Ltd. The only person having an interest greater than 5% in Bayshore Investments Ltd. is Morris Black, 444 Bayshore Hotel, Vancouver, British Columbia and his children, namely Alana

Wendy Black, Kalla Cynthia Black, Mark Phillip Lindsay Black and Jeffrey Marshall Black, all of Keswick, Ontario.

O. With the funds presently on hand and from the proceeds of the underwriting referred to in the preceding paragraph the Company proposes to conduct exploration and development program on its property in the Sustut Lake area in accordance with the recommendations of H. B. D. Wilson, P.Eng. in his report of the 22nd of April, 1966 which program is as follows, namely:

1. Detailed prospecting be done on the balance of the claims not as yet prospected, for a period of one month, with a two man party.
2. Geological mapping, on a scale of one inch to one thousand feet, be carried out on the entire group of claims.
3. Five of the known areas of better copper mineralization be trenched and sampled.
4. An Induced Polarization survey be conducted on the entire group of 185 claims, as copper mineralization in this area will be largely of the disseminated type.
5. Diamond drilling be done on favorable areas found as a result of prospecting and geological mapping.
6. Diamond drilling be done on the anomalies resulting from the Induced Polarization survey.

ESTIMATED COSTS:

Prospecting — 1 month — 2 men	\$ 2,000.00
Geological mapping — 2 men — 2 months	4,000.00
Trenching	3,000.00
Line cutting and Induced Polarization survey — 140 miles at \$400.00 per mile at 500 Ft. intervals	56,000.00
Diamond drilling (B core) 10,000 ft. at \$9.00 per ft.	90,000.00
Engineering, administration and transportation (helicopter and fixed wing)	29,000.00
TOTAL	<u>\$184,000.00</u>

The Company does not propose to conduct any work on the Pine Point Property with funds realized from the sale of shares referred to in this Prospectus.

No part of the proceeds will 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 securities offered by this Prospectus may be lawfully sold. Should the Company propose to use the proceeds to acquire non-trustee type securities after the initial distribution of the securities offered by this Prospectus, approval by the Shareholders will be obtained and disclosure will be made to the regulation securities bodies having jurisdiction over the sale of the securities offered by this Prospectus.

P. The Company has been incorporated for in excess of one year.

Q. There is no amount of substantial indebtedness to be created or assumed that is not shown on the Balance Sheet of the Company as at the 30th of April, 1966 filed with the Securities Commission, a copy of which Balance Sheet is annexed hereto and forms part of this Prospectus.

No security has been given for such indebtedness shown on the balance sheet as at the 30th of April, 1966.

R. The principal business in which each Director of the Company has been engaged in the immediate preceding three years, is as follows:

EDWARD ROBERT WOZNIAK, for the last three years has been a Geologist with Highland-Bell Limited;

GEORGE ARMSTRONG WILKINSON has for in excess of the past three years been Vice-President of Marwell Construction Ltd.;

JOHN LEE BLACK from 1960 to 1963 was Chief Purchasing Agent and Budget comptroller for Patino Mines Ltd., Chibougamau, Quebec; from October, 1963 to January 1st, 1965 was Purchasing Agent for Molybdenum Corporation of America, Questa, New Mexico; from February, 1965 to November 15th, 1965 was Office Manager of McIntyre Porcupine Mines Ltd. at Belle Terre, Quebec and since November, 1965 has been Secretary of Utica Mines Ltd.

S. No Director of the Company has any interest in any property acquired or proposed to be acquired by the Company nor is any Director a member of any firm having an interest in the property acquired or proposed to be acquired.

T. No remuneration was paid to any Officer or Director in the last fiscal year.

U. It is estimated that no remuneration will be paid in the current fiscal year to any Directors of the Company nor to any Officers of the Company, as such.

V. To the knowledge of the signatories no person is by reason of beneficial ownership of securities or written agreement able to or entitled to elect or cause to be elected a majority of the Board of Directors of the Company, other than Bayshore Investments Ltd.

W. No dividends have been paid within the five years preceding the date of this Prospectus.

X. There are no other material facts not disclosed under any of the provisions of this Prospectus. During the course of primary distribution all shares previously issued (including shares described above as deposited in escrow as released from time to time) may be offered for sale from time to time under this Prospectus. The Company will receive no part of the proceeds of any such securities.

The foregoing constitutes full, true, and plain disclosure of all material facts in respect of the offering of the securities referred to above, as required by the Securities Act (1962) of the Province of British Columbia, and there is no further material information applicable other than in the financial statements or reports where required.

DATED at the City of Vancouver, in the Province of British Columbia, this 31st day of May, A.D. 1966.

BAYSHORE INVESTMENTS LTD.

(Signed) EDWARD ROBERT WOZNIAK

Per: M. BLACK

(Signed) JOHN LEE BLACK

(Signed) GEORGE ARMSTRONG WILKINSON

Y. To the best of its knowledge, information and belief the foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by the Securities Act (1962) of the Province of British Columbia and there is no further material information applicable other than the Financial Statements or Reports where required.

BAYSHORE INVESTMENTS LTD.

Per: M. BLACK

Report on the Jim and Sil Claims
Located South of Johanson Creek and North-East of Sustut Lake,
Omenica Mining Division, British Columbia

INTRODUCTION

This report consists of general information and an appraisal of 185 Sil and Jim claims, located at Latitude 56° 30' north and Longitude 126° 25' west, in the vicinity of Sustut Lake, British Columbia. The information and recommendations contained in this report are reached on the basis of geological information obtained from Dominion Government reports, the writer's personal knowledge of the area, discussion with prospectors working in the area, and from assay results of chip grab samples taken by prospectors in the 1965 prospecting season. This report is written at the request of Michael Skwark, 804 - 228 Notre Dame Avenue, Winnipeg, Manitoba.

LOCATION AND ACCESS

Best access for exploration is by float plane from Fort St. James to Sustut Lake, located 2 miles south of the centre of the property, and thence by helicopter to the property. Helicopter service is available from Smithers, British Columbia. The nearest centre is the town of Smithers, British Columbia, a distance of 135 air miles to the south. The town of Fort St. James lies 170 air miles to the south-east. A small settlement of Takla Landing is located 80 miles to the south-east. A railroad right-of-way has been cut to Takla Landing from Prince George, B. C., via Fort St. James, and railroad construction is now in progress. There is a logging road from Fort St. James to Germanson Landing, which is 90 miles south-east of the property. Reference map is Geological Map of British Columbia 932A.

TIMBER, WATER, POWER, ETC.

Suitable timber is available in the area for any mining operation, and lakes and rivers, with good water supply, is also available. The elevation of the property is 5500-7000 ft. The elevation of the lakes, creeks and valleys is approximately 4500 ft. Power supply will be available from the Peace River Power Development, 175 miles east, or from Fort St. James, 170 miles south-east.

PREVIOUS WORK IN THE AREA

The area was mapped by the Geological Survey of Canada from 1941 - 1945 — Map 962A — McConnell Creek — on a scale of one inch to four miles. During 1964 and 1965 the Geological Survey of Canada completed mapping the area, but the report is yet unavailable. Copper mineralization has been known in the area for some time, but exploration has been limited to a very casual and intermittent search.

PROPERTY HOLDINGS

The group, totalling 185 claims, is known as the Sil and Jim group. The following is a list of the claims recorded with the Gold Commissioner at Smithers, British Columbia:

Name of Claim	Tag Number	Recorded Number
Jim 1 - 30		33098 - 33127
Jim 31 - 127	625701 - 625797	
Jim 128	625806	
Jim 129 - 136	625798 - 625805	
Sil 1 - 5	625917 - 625921	
Sil 15 - 24	625931 - 625940	
Sil 43 - 52	625959 - 625968	
Sil 71 - 80	625987 - 625996	
Sil 99 - 106	626015 - 626022	
Sil 125 - 130	626041 - 626046	

GEOLOGY OF THE AREA

The property is located on a belt of rocks known as the Takla strata, which occupies a broad, north-westerly trending syncline, greatly complicated by faults and subsidiary folds. The oldest or lower section of this strata is tentatively dated as Triassic and or Jurassic in age. The rocks in the area are relatively fresh, mainly dark green andesitic and basaltic tuffs, coarse agglomerates and pillow lavas. The younger or upper section of the Takla strata is Jurassic in age and is comprised mainly of andesitic, basaltic and dacitic lavas and pyroclastic rocks. The Takla

strata have been intruded by granodiorites quartz diorites and allied rocks of Jurassic and or Cretaceous age. The above geology is interpreted from the McConnell Creek map sheet published by the Geological Survey of Canada in 1949.

MINERALIZATION

During the 1965 prospecting season, prospectors located copper mineralization (chalcocite and bornite) on eastern area of the property, and grab chip samples taken from twenty-one locations were assayed for gold, silver and copper by General Testing Laboratories of Vancouver, B.C. There were no values in gold. The results of samples taken by the prospectors is shown on the attached geological map, and detailed as follows:

Assay No.	Area	Silver ozs.	Copper %	Host Rock
15	15' x 100'	0.06	0.14	Porphyritic granodiorite and fractured volcanics.
14	2' x 10'	0.18	0.14	Magnetite.
21	2' x 10'	0.88	1.13	Fractured volcanics.
20	2' x 12'	4.10	4.35	Fractured volcanics.
19	6' x 25'	0.72	2.00	Porphyritic granodiorite and fractured volcanics.
18	200' x 200'	2.68	7.07?	Epidote and fractured volcanics.
17	4' x 20'	0.05	0.36	Epidote.
1	30' x 30'	0.08	3.90	Fractured volcanics.
4	Float	0.48	0.79	Fractured volcanics.
2	10' x 10'	0.86	4.77	Fractured volcanics.
16	4' x 10'	11.08	28.30	Quartz veinlets and fractured volcanics.
3	10' x 30'	1.32	9.84	Epidote.
10	4' x 10'	0.14	0.05	Epidote.
9	10' x 25'	0.14	0.13	Fractured volcanics.
8	40' x 40'	0.10	0.66	Porphyritic granodiorite and fractured volcanics.
11	4' x 20'	0.22	0.20	Epidote.
7	5' x 10'	Tr.	0.50	Porphyritic granodiorite.
6	10' x 50'	0.18	0.71	Porphyritic granodiorite and fractured volcanics.
12	4' x 20'	0.18	0.30	Epidote.
13	10' x 10'	1.04	6.77	Fractured volcanics.
5	6' x 100'	0.10	1.60	Calcite veinlet.

RE SAMPLE No. 18

The assay for this area appears rather high for such a large area, and the prospectors advise that some high grade chalcocite put in the samples collected over the area had increased the assayed results above their expectations. Consequently the 7.07% copper is too high for the area.

SUMMARY AND CONCLUSION

The south-eastern area of the claims are underlain by volcanics and sediments intruded by granite porphyry, as shown on attached map, prepared from prospectors information. The minerals in this area are disseminated chalcocite and bornite, associated with volcanic, sediments and granite porphyry.

The twenty-one grab chip samples, taken by the prospectors, on twenty-one areas of the south-eastern section of the claims, and tabulated above, show that the area presents a very favorable belt for a large exploration program, and the chances of finding economic copper ore bodies are good.

RECOMMENDATIONS

It is recommended that:

1. Detailed prospecting be done on the balance of the claims not as yet prospected, for a period of one month, with a two man party.
2. Geological mapping, on a scale of one inch to one thousand feet, be carried out on the entire group of claims.
3. Five of the known areas of better copper mineralization be trenched and sampled.
4. An Induced Polarization survey be conducted on the entire group of 185 claims, as copper mineralization in this area will be largely of the disseminated type.
3. Diamond drilling to be done on favorable areas found as a result of prospecting and geological mapping.
6. Diamond drilling be done on the anomalies resulting from the Induced Polarization survey.

ESTIMATE OF COSTS

Following is the estimated cost of the initial phase of exploration on the above claims:

Prospecting — 1 month — 2 men	\$ 2,000.00	
Geological mapping — 2 men — 2 months	4,000.00	
Trenching	3,000.00	
Line cutting and Induced Polarization survey — 140 miles at \$400.00 per mile at 500 ft. intervals	56,000.00	
Diamond drilling (B core) — 10,000 ft. at \$9.00 per ft.	90,000.00	
Engineering, administration and transportation (helicopter and fixed wing)	29,000.00	\$184,000.00

April 22, 1966.

H. D. WILSON, P.Eng.

CERTIFICATE

I, H. D. B. WILSON, of the Rural Municipality of Fort Garry, in the province of Manitoba, hereby certify:

1. THAT I am a Mining Geologist and reside at 575 South Drive, Winnipeg 19, Manitoba.
2. THAT I am a Graduate of the University of Manitoba, (B.Sc.) and the California Institute of Technology (M.S., Ph.D.) and have been practicing my profession as a Mining Geologist in excess of twenty years.
3. THAT I am a Registered Professional Engineer in the Province of Manitoba.
4. THAT this report has been made on behalf of Michael Skwark, 804-228 Notre Dame Avenue, Winnipeg, Manitoba.
5. THAT the content of this report is based on a study of reports of the Geological Survey of Canada, prospectors samples submitted and assayed by General Testing Laboratories of Vancouver, British Columbia, and discussions with prospectors who spent the 1965 prospecting season in the area.
6. THAT I have not made a personal "on the spot" examination of the property.
7. THAT I do not have any interest either directly or indirectly in the Mining Claims mentioned in this report, nor do I expect to have any direct or indirect interest in the securities of Black Giant Mines Ltd.

DATED at WINNIPEG, MANITOBA, this 22nd day of APRIL, 1966.

H. D. B. WILSON, P.Eng.

THORNE, MULHOLLAND, HOWSON & McPHERSON

CHARTERED ACCOUNTANTS

	TORONTO			
RESIDENT PARTNER	GALT	KITCHENER	LONDON	
D. J. KELSEY	KINGSTON	VANCOUVER	CALGARY	1112 WEST PENDER STREET
	EDMONTON	WINNIPEG	MONTREAL	VANCOUVER, B. C.
	HALIFAX	SAINT JOHN		
	NASSAU, BAHAMAS			

AUDITORS' REPORT

To the Directors of

Black Giant Mines Ltd. (N.P.L.).

We have examined the balance sheet of Black Giant Mines Ltd. (N.P.L.) as at April 30, 1966 and the statements of deficit and exploration and development expenses for the period from December 31, 1965 to April 30, 1966. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of deficit and exploration and development expenses present fairly the financial position of the Company as at April 30, 1966 and the results of its operations for the four month period ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

Thorne, Mulholland, Howson & McPherson

VANCOUVER, B. C.

June 1, 1966

Chartered Accountants

BLACK GIANT MINES LTD. (N.P.L.)

(Incorporated under the laws of British Columbia)

BALANCE SHEET AT APRIL 30, 1966

A s s e t s

CURRENT ASSETS :

Cash	\$ 1,197.98	
Accounts receivable	317.53	
	-----	\$ 1,515.51

<u>MINING PROPERTIES</u> , at cost represented by 750,000 shares issued at fifty cents each		375,000.00
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<u>INCORPORATION EXPENSES</u>		1,219.38

		\$377,734.89

L i a b i l i t i e s

CURRENT LIABILITIES :

Accounts payable		\$ 15,246.69
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S h a r e h o l d e r s ' e q u i t y

SHARE CAPITAL (Notes 3 and 5) :

Authorized :

5,000,000 shares of no par value

Issued :

For cash	600,003 shares	\$150,003.00
For mining properties	750,000 shares	375,000.00
	-----	-----
	1,350,003	525,003.00
	-----	-----

<u>DEFICIT</u> , per attached statement	162,514.80	
	-----	362,488.20

		\$377,734.89

ON BEHALF OF THE BOARD :

Director

Director

The accompanying notes are an integral part of this statement and should be read in conjunction therewith.

BLACK GIANT MINES LTD. (N.P.L.)

NOTES TO BALANCE SHEET AT APRIL 30, 1966

1. With effect from April 14, 1966 the name of the Company was changed from West Point Mines Limited (N.P.L.) to Black Giant Mines Ltd. (N.P.L.).
2. As part consideration for the sale of mining claims the Company is entitled to receive 150,000 shares of Slocan Ottawa Mines Ltd. (N.P.L.) subject to certain conditions being fulfilled.
3. On March 21, 1966 the authorized capital of the Company was increased from 1,000,000 common shares without nominal or par value to 5,000,000 common shares without nominal or par value.
On May 30, 1966 800,000 shares of the Company were issued and allotted to Bayshore Investments Ltd. for a total cash consideration of \$160,000.
4. By an agreement dated May 31, 1966 the Company agreed to purchase certain mineral claims for \$80,000 in cash. In addition Bayshore Investments Ltd. has agreed to transfer 250,000 shares of the Company to a trustee to be held on behalf of the vendor of the said mineral claims.
5. By an agreement dated May 10, 1966 Bayshore Investments Ltd. has agreed to purchase 150,000 shares of the Company for a total cash consideration of \$135,000 immediately upon the acceptance by the British Columbia Securities Commission of a prospectus relating to such shares.

BLACK GIANT MINES LTD. (N.P.L.)

STATEMENT OF DEFICIT

FOR THE PERIOD FROM DECEMBER 31, 1965 TO APRIL 30, 1966

Amount at December 31, 1965		\$ 84,583.44
<u>Add :</u>		
Administrative expense :		
Interest and bank charges	\$ 29.27	
Legal expense	1,687.56	
Audit expense	800.00	
	-----	2,516.83
Net cost of mining claims and development work thereon written off, per statement below		75,414.53

<u>Amount at April 30, 1966</u>		<u>\$162,514.80</u>

STATEMENT OF EXPLORATION AND DEVELOPMENT EXPENSES

FOR THE PERIOD FROM DECEMBER 31, 1965 TO APRIL 30, 1966

Amount at December 31, 1965		\$ 75,029.68
<u>Add</u> net expenditures during period		384.85

		75,414.53
<u>Deduct</u> amount written off to deficit		75,414.53

<u>Amount at April 30, 1966</u>		\$ -
