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# PROSPECTUS

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## CENTRAL B.C. EXPLORATION LTD.

(N.P.L.)

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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.

810911

*New Issue*

225,000 Shares

Par Value 50c Each

**CENTRAL B.C. EXPLORATION LTD. (N.P.L.)**

*Incorporated under the laws of the Province of British Columbia*

**HEAD OFFICE:**

1726 West 14th Avenue  
Vancouver, B.C.

**REGISTERED OFFICE**

1250 - 505 Burrard Street  
Vancouver, B.C.

The Company offers by this prospectus 225,000 shares of its capital stock at \$1.25 per share. Shares of this issue may be sold by trading directors of the Company pursuant to the provisions of section 7(2) of the Securities Act, 1967, and registered securities salesmen who will receive commissions as set forth below. Shares of this issue may also be offered by persons and companies registered to trade in securities in the Province of British Columbia.

	Price to Public	Commissions	Proceeds to Company
Per Unit	\$1.25	\$ .25	\$1.00
Total	\$281,250	\$56,250	\$225,000

THE COMPANY'S PROPERTIES DO NOT CONTAIN ANY PROVEN ORE RESERVES. A SUBSTANTIAL AMOUNT OF DRILLING AND OTHER EXPLORATORY WORK WILL HAVE TO BE DONE BEFORE A DETERMINATION CAN BE MADE AS TO WHETHER OR NOT THE CLAIMS CONTAIN ANY COMMERCIALY MINEABLE ORE BODIES. THEREFORE, A PURCHASE OF THE SHARES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION.

THERE IS NO EXISTING MARKET FOR THE SHARES OF THIS COMPANY.

WITH RESPECT TO THE LOCATED MINERAL CLAIMS HELD BY THE COMPANY, NO SURVEY HAS BEEN MADE AND, THEREFORE, IN ACCORDANCE WITH THE MINING LAWS OF THE APPROPRIATE JURISDICTIONS IN WHICH THE PROPERTY IS SITUATE, THE EXISTENCE OF AND THE AREA OF THE PROPERTY COULD BE IN DOUBT.

Reference should be made to the paragraphs "Promoters" and "Principal Holders of Securities" herein for a comparison of the number of shares held by the promoter and directors of the Company for cash, services, and property with the number of shares offered by this prospectus.

June 22, 1970.

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## THE COMPANY

Central B.C. Exploration Ltd. (N.P.L.) ("the Company") was incorporated on August 7, 1967 under the Companies Act, British Columbia, by Memorandum of Association as J. H. G. Mining Co. Ltd. (N.P.L.). On August 28, 1967 the Company changed its name from J. H. G. Mining Co. Ltd. (N.P.L.) to its present name. The Company converted from a private to a public company on June 4, 1968.

### CAPITALIZATION

The authorized capital of the Company is \$2,500,000 divided into 5,000,000 shares of a par value of 50c each. There is only one class of shares and all rank equally as to dividends, voting rights, and participation in assets.

Share Capitalization	Outstanding as of February 28, 1970	Outstanding as of June 1, 1970	Amount to be Outstanding if all securities being offered are sold
5,000,000 common shares	1,274,110	1,274,110	1,499,110

Particulars of shares sold for cash:

Class of Shares	No. of Shares	Price	Discount	Commissions	Cash Received
common	218,885	10 c	40c	Nil	\$ 21,888.50
common	5,225	50 c	Nil	Nil	2,612.50
common	69,085	60 c	Nil	Nil	41,451.00
common	6,500	65 c	Nil	Nil	4,225.00
common	73,415	75 c	Nil	\$7,692.25	47,369.00
common	1,000	56¼c	Nil	Nil	562.50
common	150,000	40 c	10c	Nil	60,000.00
	524,110			\$7,692.25	\$178,108.50

During the past year, 150,000 shares were sold at a price of 40c per share.

Particulars of shares sold for other than cash:

Class of Shares	No. of Shares	Deemed Price	Discount	Commission	Consideration
common	750,000	10c	40c	Nil	J.H.G. 1 - 10 Samson 1 - 36 Tin 1 - 14 located mineral claims

The above 750,000 shares are held in escrow by National Trust Company, Limited, 510 Burrard Street, Vancouver, British Columbia, under the direction and control of the Superintendent of Brokers for British Columbia.

### AUDITORS

The auditors of the Company are Messrs. Collins & Collins, Chartered Accountants, 1113 - 1030 West Georgia Street, Vancouver, British Columbia.

### REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent of the Company is National Trust Company, Limited, 510 Burrard Street, Vancouver, British Columbia.

## BUSINESS AND PROPERTY

The Company is a mining company with power to engage in searching for and developing mineral properties.

### GISCOME CLAIMS

The Company is the recorded holder of a full interest, subject to the provisions of the Mineral Act, in the following located mineral claims in the Cariboo Mining Division, Province of British Columbia:

Claims	Record Numbers
J.H.G. 1 - 10	28327 - 28336
Samson 1 - 14	28892 - 28905
Samson 15 - 22	29270 - 29277
Samson 23 - 30	41695 - 41702
Samson 31 - 36	42439 - 42444
Tin 1 - 14	44359 - 44372
Can 1 - 28	44964 - 44991
Can 29 - 40	46308 - 46319

(hereinafter referred to as "the Giscome claims")

The Giscome claims form a contiguous block.

The vendor of the J.H.G., Samson, and Tin 11 - 14 claims was John H. Gerlitzki who received 650,000 shares of the Company therefor.

The vendor of the Tin 1 - 2 claims was Hagbart J. Lovdal who received 20,000 shares of the Company therefor.

The vendor of the Tin 3-4 claims was Rudolph Geisler who received 20,000 shares of the Company therefor.

The vendor of the Tin 5-6 claims was James Smyth who received 20,000 shares of the Company therefor.

The vendor of the Tin 7 - 8 claims was Harold G. Laine who received 20,000 shares of the Company therefor.

The vendor of the Tin 9 - 10 claims was Sherwood Campbell who received 20,000 shares of the Company therefor.

The Can mineral claims were acquired by the Company for the cost of staking.

### Location and Access

These are located as shown on Map 1, immediately south of Eaglet Lake about 30 miles east of Prince George, a small community on the Canadian National Railway. Giscome is also connected to Prince George by a good paved highway. The property is serviced by logging roads and nearly all parts of it are readily accessible to any type of equipment.

### History

Lead-zinc mineralization was found in the area in 1942 by J. H. Gerlitzki, the president of Central B.C. Exploration Ltd. (N.P.L.) Little or nothing was done on it until 1959 when it was optioned to a subsidiary of the Wenner Gren interests, known as Totem Minerals Ltd. Airborne and ground geophysical surveys indicated an anomalous zone but this was the result of graphitic argillites showing a small amount of lead-zinc mineralization.

The ground was later optioned by Vanco Exploration and a program consisting of geochemical surveys and mapping was attempted but was not successful because of deep overburden and hardpan in target areas.

The ground was then optioned by Samson Mines and some diamond drilling done in 1966 in what has been referred to as the principal lead-zinc zone on claims J.H.G. 3 and J.H.G. 5. Nothing of economic importance was found but low lead-zinc mineralization occurred in skarn over narrow widths. Some further drilling was done on J.H.G. 1 on a magnetic anomaly which proved to be a reflection of a peridotite body.

In 1967 the claims were optioned to Central B.C. Exploration Ltd. (N.P.L.), the present company, and a magnetometer survey was made on claims J.H.G. 4, 6, 7, 8 and 10, and some diamond drilling was done which resulted in the discovery of silver-lead-zinc mineralization on the #6 hole about the centre of Samson 4 mineral claim.

In 1968 a gravity survey was done on part of the J.H.G. group and on part of the Can group. Although the ground surface was relatively flat the bedrock surface was proven to be quite irregular which is not a desirable feature for this type of survey and the results obtained were of doubtful value. Drilling done in 1968 found some mineralization on these groups particularly in 68-2 and 68-12 holes on the J.H.G. ground. The latter, a vertical hole 573 feet deep cut 10 feet (about 5 feet true width) of mineralization assaying 7.9 ounces silver, 4.55 percent lead and 7.33 percent zinc. Ruby silver was noted at one point in #2 hole.

In 1969 about 6,000 feet of drilling was done. Holes 69-4, 69-5 and 69-6 in the same general area as 68-2 and 68-12 intersected encouraging mineralization.

#### **Plant or equipment**

Surface plant and equipment on the Giscome claims include 3 cabins, drill core house, kitchen and dining room and equipment, a caterpillar tractor and a lighting plant.

### **ENGINEER'S REPORT**

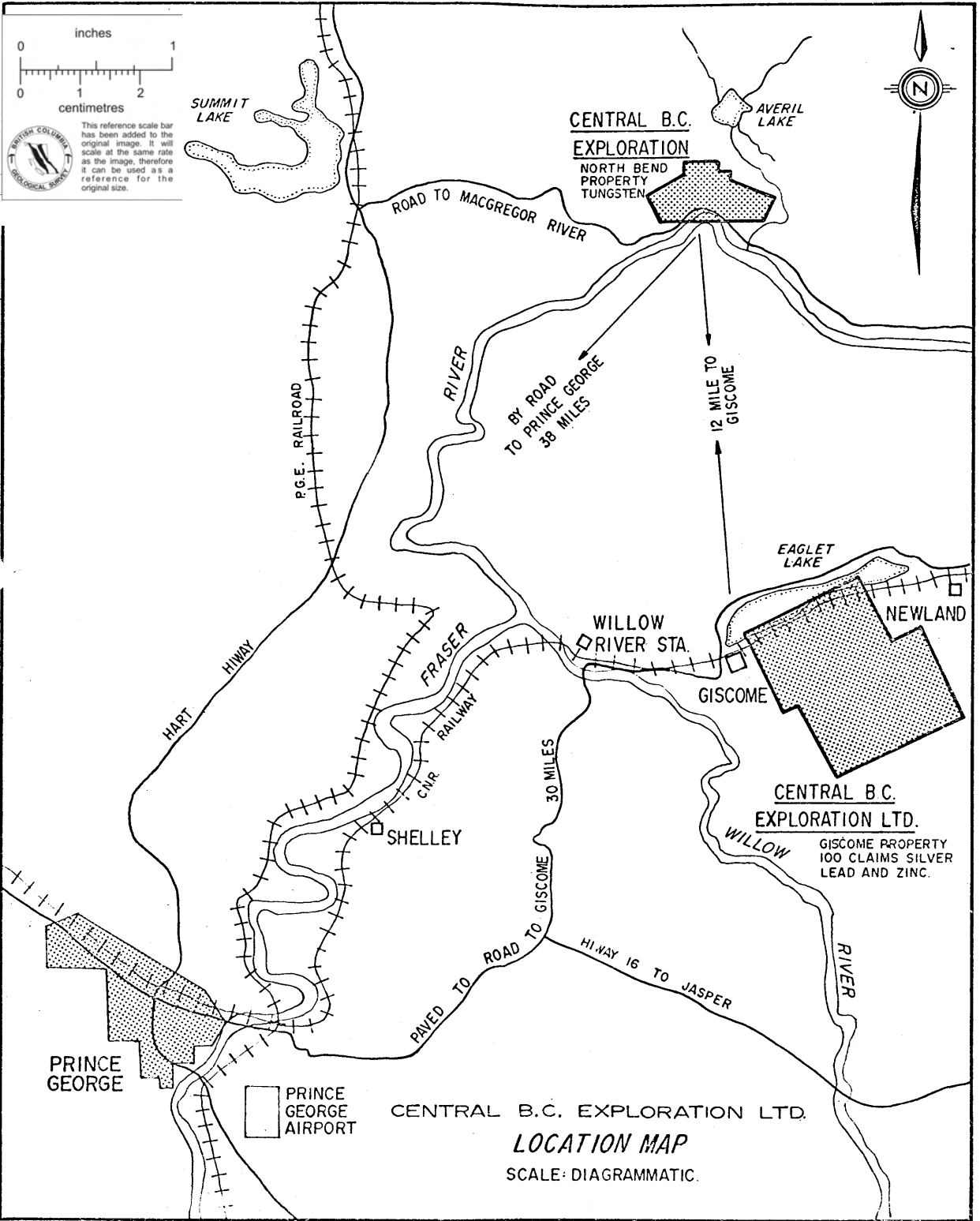
#### **Giscome claims**

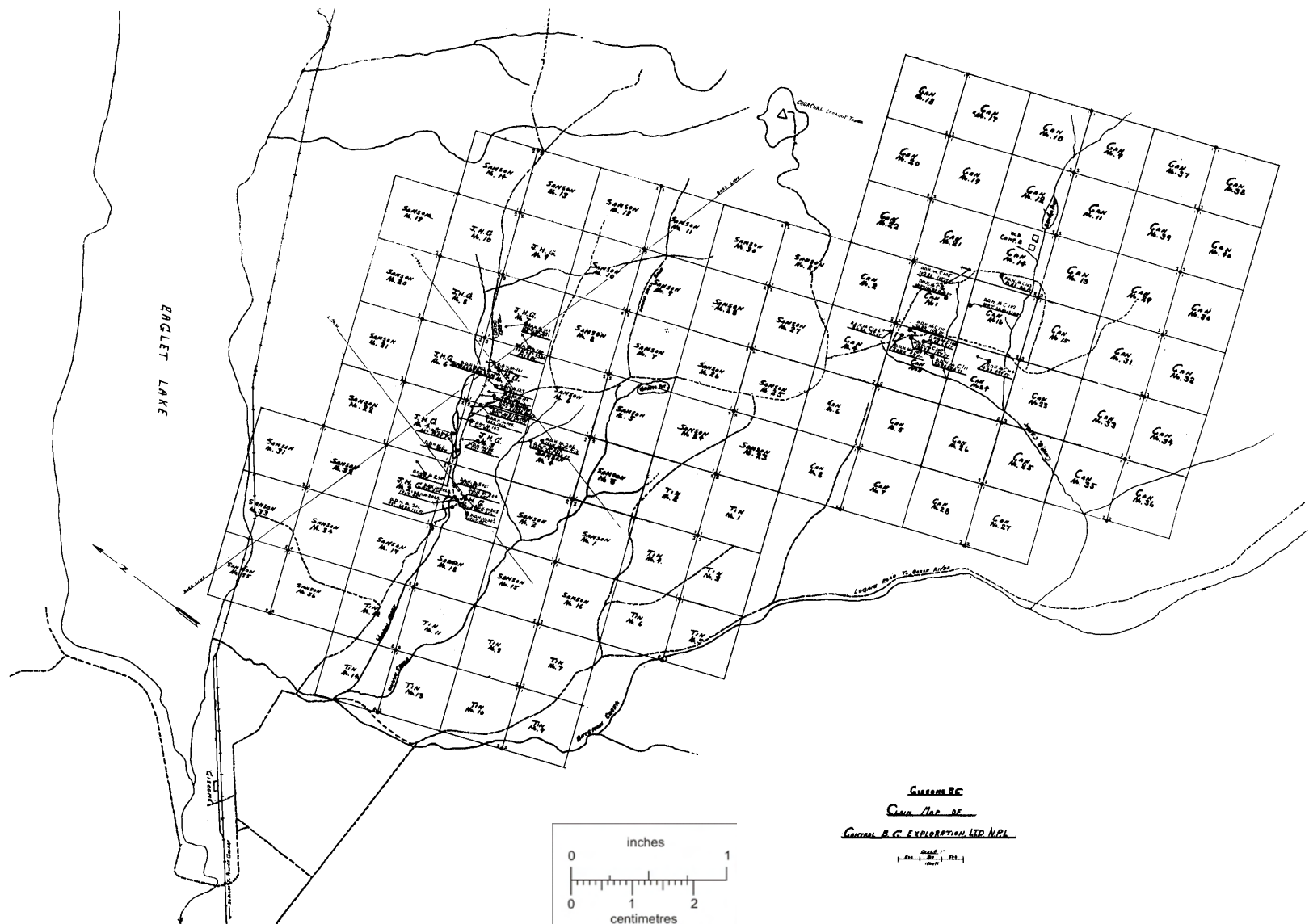
The following information is taken from the report on the Giscome claims prepared by J. A. Mitchell, P. Eng., and dated April 1, 1970 and together with the foregoing information regarding claim description, location and access, history and previous work constitutes the Mitchell report on the Giscome claims in its entirety.

#### **Introduction**

For the purpose of this report the property south of Eaglet Lake will be referred to as the Giscome property. While waiting to learn whether the Ada tunnel could be opened (see report on North Bend properties herein) Mr. Gerlitzki took the writer to the camp on this property where he examined some of the drill core from the rather extensive drilling that has been done.

The writer has also examined a previous report and various maps illustrating the work which has been done. It is obvious that the results of this work, while apparently disappointing, are not by any means conclusive. It has been a difficult property to investigate and only now has a useful tool in the form of mercury surveys appear to be discovered. This will be discussed later in the report when it is recommended that some further work using this tool should be done.



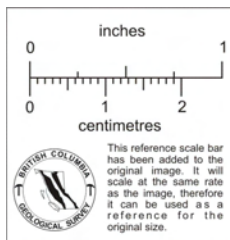


SUSSEX BC

Geol. Map of

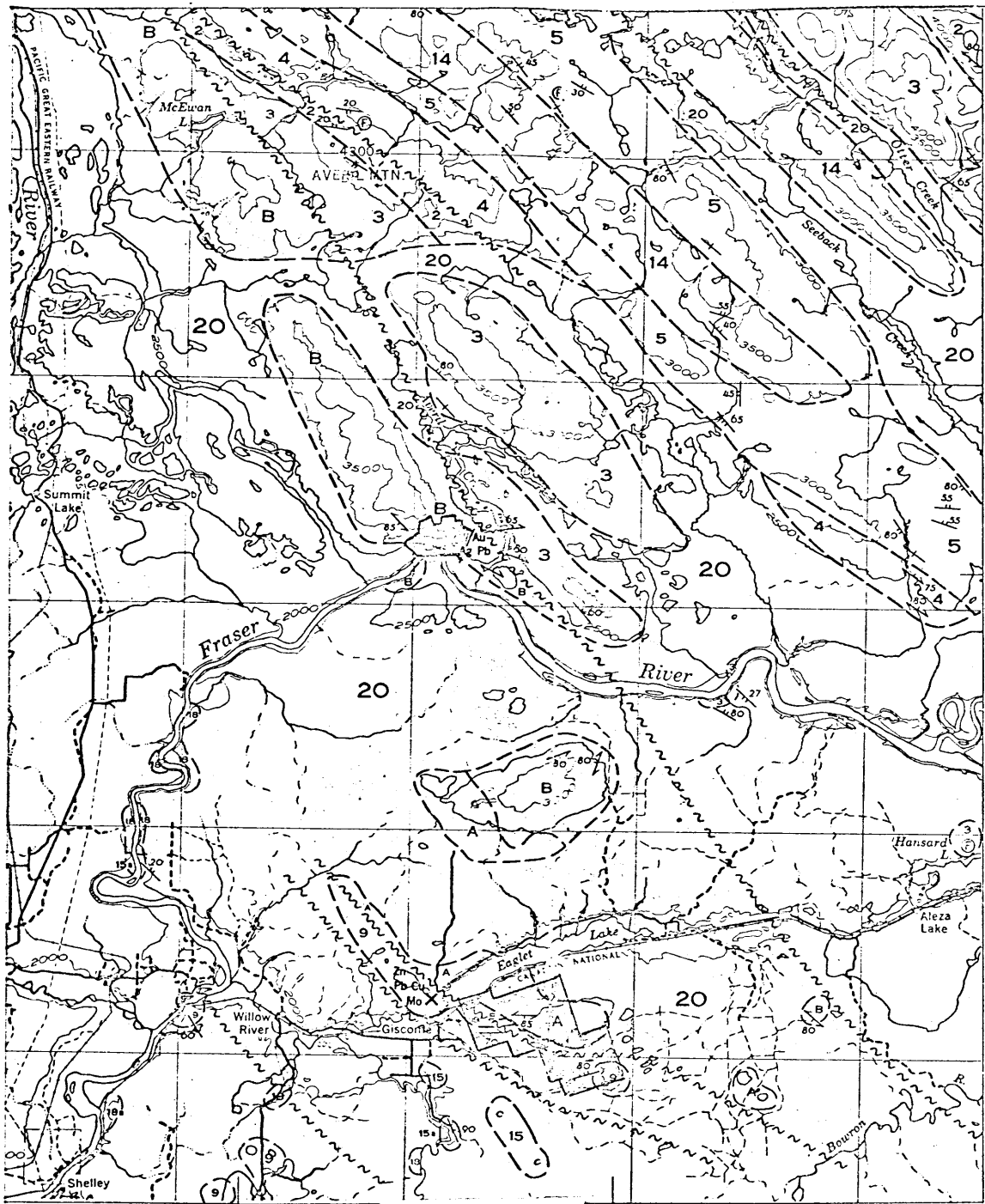
Geological Exploration Ltd. NPL

Scale 1" = 1 mile



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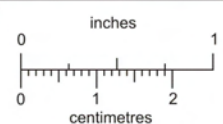
15

54° 00'

30'

15

122° 00'



MAP 2-1962  
**MCLEOD LAKE**  
 BRITISH COLUMBIA  
 SHEET 93J

PRINTED BY THE SURVEYS AND MAPPING BRANCH

MAP 1



This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.

## General Geology

Map 1204A, geology of the McLeod Lake area shows lead, zinc, copper molybdenum mineralization at the west end of Eaglet Lake at the faulted contact of volcanic and sedimentary rocks of the Slide Mountain Group of Mississippian age with the granites of the Wolverine Complex of Precambrian age. Granitization, however, must have post-dated the Slide Mountain Group.

The mineralization under investigation on the Giscome properties would lie further south in the volcanic sedimentary sequence which apparently extends further east than as shown on the enclosed map, at least in the vicinity of the claims under review.

Diamond drilling has revealed a predominance of dolomite limestone and argillites cut by granitic dikes with resultant skarn zones. The normal strike of these rocks would be northwesterly but here they apparently strike almost east and west and have steep dips, generally to the south. The mineralization appears to follow the bedding but is probably offset by numerous northeasterly striking faults. The drilling pattern suggests that the mineralized zones may have had a somewhat different strike to that of the bedding. Northeasterly striking dikes off the granitized Wolverine Complex appear to have some bearing on the intensity of the mineralization.

X Similar  
to Mincou

## Mineralization

Generally weak but sometimes fairly good mineralization consisting predominantly of sphalerite and galena occurs in dolomites, limestones, argillites and in skarn zones. It is sometimes in the form of scattered streaks but is also in quite massive bands several feet across. The best area found to date appears to be in the vicinity of diamond drill holes 4, 5, and 6 of the 1969 series and it is in this area that some further drilling should be done.

## Geophysical and Geochemical Surveys

A variety of geophysical surveys have been attempted but for one reason or another have not proved too successful in this environment. E. M. surveys picked up graphitic bands, magnetometer surveys picked up ultrabasics and gravity surveys apparently pointed to granitic bodies according to information supplied to the writer.

Geochemistry for lead and zinc also proved of little value because of the deep layer of hardpan, but determinations for silver and mercury give more promise of success, particularly the mercury. Normally one would expect that the lead and zinc would be the most pronounced, particularly the zinc, but it appears that the mercury vapors do pass through the hardpan where the lead and zinc will not. Silver is apparently not as definitive as the mercury but it does give weakly anomalous situations close to the mercury anomalies and frequently coinciding with them in part at least, and limited drilling tends to confirm the anomalies.

X

In the mercury survey a Lemaine S1 mercury detector was used. It is recommended that the existing anomalies be checked and that the survey be extended to take in all the area covered by the silver survey, and that the survey be extended northeasterly and southwesterly to take in a block of ground comprising 80 line miles with lines 400 feet apart, and samples at 100 foot intervals. Detailing with lines 200 feet apart and samples at 50 foot intervals or even closer should be done over anomalous areas. The anomalies would then be diamond drilled.

## Conclusions and Recommendations

It is concluded that, whereas considerable work has been done on these properties, it has been largely restricted to two areas and that is inconclusive as much ground in potentially favourable areas as in the vicinity of silver anomalies at co-ordinates 3600 N 800 E on Samson 19 M.C. close up against the granite contact.

It is therefore recommended that a potentially favourable area, as outlined on the claim map, should be tested for silver and mercury with samples at 100 foot intervals on lines 400 feet apart. Anomalous areas should be detailed with samples 50 feet apart on lines 200 feet apart, the lines to run north-south across the formation as previously plotted. In some cases even closer detailing may be desirable to adequately plan the follow-up diamond drilling which would be necessary in anomalous areas.

## NORTH BEND CLAIMS

The Company is the recorded holder of a full interest, subject to the provisions of the Mineral Act in the following Crown granted mineral claim:

Claim	Lot Number
Ada	8447

and in Mineral Leases Nos. M27 and M28 consisting of the following reverted Crown granted mineral claims:

North Bend	8741
Turnbull #2	9371
Yankee Boy Fraction	9373
Standard	9374
Portland	9939
Granite	9940
Rider	9941
No. 1 Fraction	9943
Independence	9944
Mt. Eden	9945
No. ½	9946
Alice	9947
Yankee Boy	9948
North Point	9949
Yankee Girl	9950
Gold Coin	9951
Avonlea	9602

and in the following located mineral claims:

North Bend 1 - 2            54698 - 54699

(hereinafter collectively referred to as "the North Bend claims")

The North Bend claims are all situate in the Cariboo Mining Division of British Columbia and form a contiguous block.

By way of an agreement dated December 31, 1969 between John H. Gerlitzki and the Company, the Company acquired the North Bend claims for the consideration of \$100,000 payable as follows:

- (a) the sum of \$2,000 on or before December 31, 1972;
- (b) the sum of \$98,000 payable quarterly from 50% of the net profits when the properties are placed in commercial production.

The cost of the North Bend claims to the vendor was approximately \$2,000.

### **Location and Access**

The claims form a solid block of ground on the north bank of the Fraser River at its most northerly point. Generally speaking they cover a fairly rugged south facing slope, but there is a rather extensive flat bordering a portion of the river. The area has been, or is being logged off and logging and forestry roads make it readily accessible from the Hart Highway in the vicinity of Summit Lake. The distance from the highway is 14 miles and the turnoff at the highway is two miles south of the Summit Lake P.O. or 28 miles from Prince George, the rapidly growing hub city of the Province situated on two railroads and highways which connect with Vancouver and Prince Rupert. Thus all necessary facilities are readily available.

### **History**

The key claim, the Ada Crown grant, was first staked about 1916 by Oscar Edan, apparently because of silver lead mineralization exposures.

The property is described in the 1928 Report of the Minister of Mines. In this report mention is made of a short drift and a 15 foot shaft which were then caved. Material lying on dumps from these operations apparently contained quartz mineralized by galena and scheelite. A sample of the better mineralization from a dump there assayed: Gold, 0.04 ounces to the ton; Silver, 4.1 ounces to the ton; Lead, 10 percent. It is obvious that the silver-lead ratio of this sample would not put this in the category of a silver prospect.

This report goes on to state that a tunnel 690 feet long was driven at 210 feet vertically below the collar of the shaft. This tunnel is more precisely described in the 1935 Report of the Minister of Mines.

The occurrence is again described by Dr. J. S. Stevenson in Bulletin #10, Tungsten Deposits of British Columbia wherein he indicates that Pioneer Gold Mines had in 1942 extended the southeast drift of the second vein described hereafter.

### **Plant or equipment**

There is no plant or equipment on the Company's North Bend claims.

# ENGINEER'S REPORT

## North Bend claims

The following information is taken from the report on the North Bend claims prepared by J. A. Mitchell, P. Eng., and dated April 1, 1970 and together with the foregoing information regarding claim description, location and access, history and previous work constitutes the Mitchell report on the North Bend claims in its entirety.

### Introduction

This property was visited at the request of Mr. J. H. Gerlitzki, president of Central B.C. Exploration Ltd. (N.P.L.). On arrival at the property it was found that a fresh slide had covered the portal to the extent that an examination of the underground workings was impossible. An attempt to see surface exposures was made but snow lying several feet deep on the ground made this difficult. Bedrock was exposed along road cuts and at intervals along stream banks, but old workings were not easy to find. It is necessary therefore, to depend on old reports by Douglas Lay and Dr. J. S. Stevenson for factual information.

### Physiography

As stated herein, the ground is fairly rugged, but as the showing of present interest is close to river level, internal shafts will be necessary to develop depth on the vein. Tunnelling would probably develop appreciable backs on exposures which may occur further north on the slope.

The area has been covered by a good growth of merchantable timber which is being logged off. The older growth is mostly spruce but it appears that the smaller trees are largely fir. Under existing regulations it will be necessary to apply to the Forestry Department for a use permit for mining purposes.

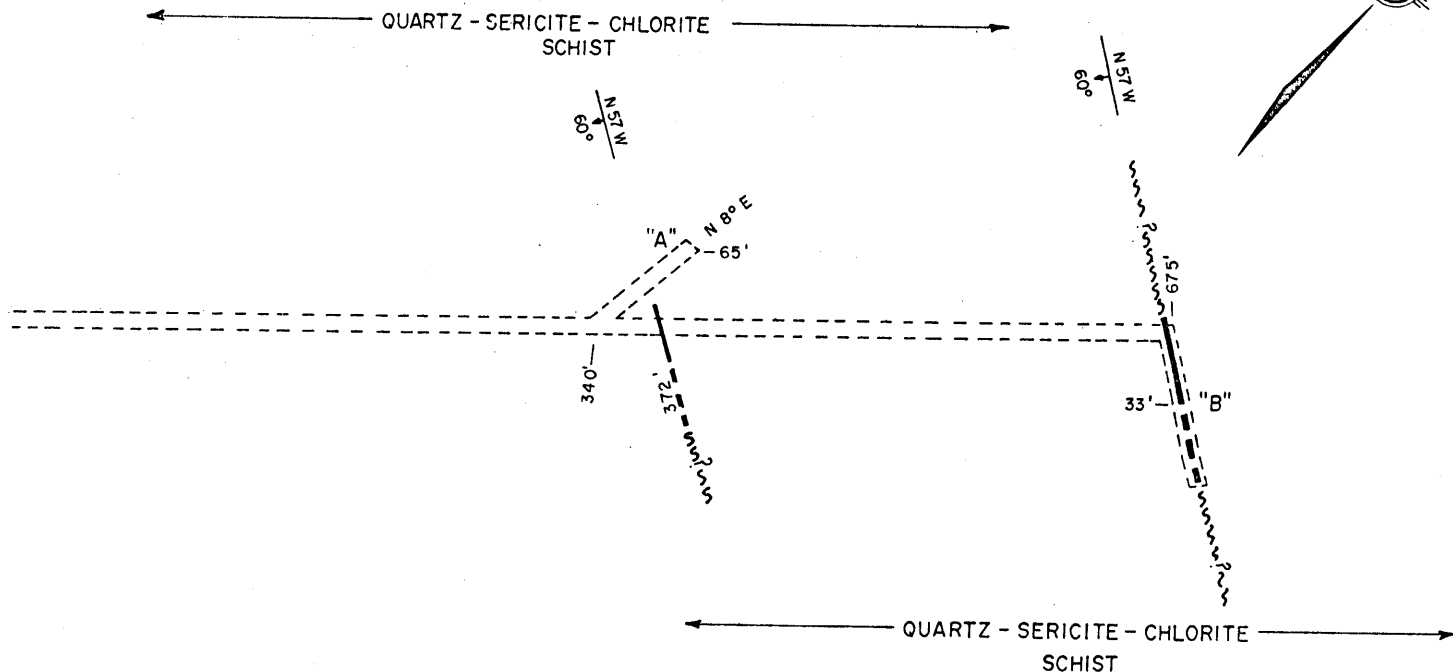
The climate is reasonably moderate with short very cold crisp periods, or extremely warm periods. The prevailing wind is southwesterly and fairly humid. The average year round temperature would be in the mid forties. Year round operations are no problem once an operation is established.

### Geology

According to information contained in Map 1204A published in 1969 by the Geological Survey of Canada, and named the McLeod Sheet, the Ada occurrence is in rocks of the Wolverine Complex. These rocks are believed to be the metamorphosed equivalent of the Cariboo Group rocks of Lower Cambrian or possibly later age. They were originally sediments, quartzites, phyllites, and argillites, but they are now intensely granitized and generally altered to micaceous, garnetiferous chloritic schists with a generally northwesterly strike and a general steep dip to the southwest.

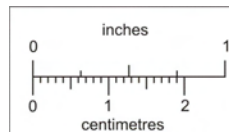
These schisted rocks are in fault controlled contact with Cambrian limestones on the east side, rocks usually found in the vicinity of important scheelite deposits. To the west they contact a wide band of granites and pegmatites, also part of the Wolverine Complex. Thus rocks favourable for the development of scheelite occurrences, because of their calcium content, have been subjected to the high temperatures of granitization over a long period of time and opportunity for the development of scheelite has been ample in that respect.

In total these rocks are all part of the Eastern Tectonic Belt in which most of the important lead zinc deposits and the largest scheelite deposits found in B.C. to date are located.



Note: All workings presumed 5' x 7'  
 "A" vein not intersected in heading "A"  
 vein is 3.5-4' wide at 372'  
 "B" vein is 4.5' wide in face at "B"

Both veins occur in highly sheared  
 bedded zones in Quartz-sericite-  
 chlorite schist (Near an intrusive contact?)



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CENTRAL B. C. EXPLORATION LTD.

**ADA TUNGSTEN PROSPECT**

AFTER B. C. MINISTER OF MINES  
 REPORT 1935

SCALE

FEET 0 100 200 FEET

TO ACCOMPANY REPORT BY J. A. MITCHELL P. ENG. APRIL 1970



AVERIL LAKE

CENTRAL B. C. EXPLORATION LTD.

*CLAIM MAP*

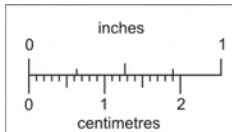
NORTH BEND TUNGSTEN PROPERTY

Averil Creek

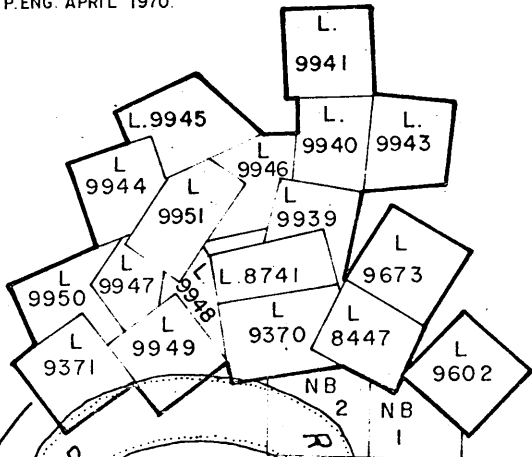
SCALE

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TO ACCOMPANY REPORT BY J. A. MITCHELL P. ENG. APRIL 1970.



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ROAD TO HART HIWAY

FRASER

RIVER

No other deposits are recorded in the vicinity of Prince George in any published report seen by the writer, but it is known that low grade scheelite mineralization is fairly widespread in Triassic sedimentary rocks east of Tabor Lake, a few miles to the south.

The area to the north and south in these rocks has been quite inaccessible until recently and few deposits of any kind had been known when tungsten was last in demand, except in the Wells Cariboo area, and from the Columbia River south to the international border. Since the area has been opened up, and the price of copper has risen, a number of copper properties have been found in these rocks favourable for such deposits. It is to be assumed that the present high price of tungsten will bring about the discovery of a number of new tungsten deposits in the rocks favourable for tungsten in newly opened up areas. Much of these areas have been only superficially prospected in the past but logging roads built in recent years and recently completed geological and aeromagnetic maps will aid greatly in locating the right combination of conditions for mineral occurrences.

### **Mineralization of the Ada group**

As stated previously, old sampling of the surface dump yielded low values in gold and silver and 10% lead. This was obviously a selected sample, as quartz dug out from under the snow at the reputed position of the shaft dump failed to show anywhere near the amount of galena necessary for such a lead assay. It also showed no scheelite. Quartz shown to the writer, and reputed to come from the main tunnel dump before it was disturbed and partially buried by bulldozing, did show a fair amount of scheelite which could readily be detected without the aid of mineral light or specimen glass.

Tungsten was apparently noted in the second vein intersected by the long tunnel for in 1928 Douglas Lay states that a sample, taken across four feet at the face of the tunnel, assayed only traces in gold and silver but 2.5% tungsten which could be easily hand sorted and which he then thought warranted further investigation even though tungsten was a little used mineral which was not even listed as one of the minerals coming under the regulations of the Mineral Act of British Columbia.

In the 1935 report it was recorded that scheelite had been found only in this vein and only underground. A second sample taken at the face of the southeast drift on the vein assayed gold, trace; silver, trace; tungsten, 4.05% across two feet. It was indicated that considerable scheelite in the form of graphite coated nodular lumps, had been found in this vein and stored in a shed at the portal of the main crosscut adit. There is now no shed near the portal. Presumably the material was removed at the time Pioneer Gold Mines had an option. Mr. Lay again thought that the property warranted further investigation and indicated that the drift on the second vein should be extended each way and that some raising should be done and possibly some sinking.

Pioneer Gold Mines Ltd. apparently extended the drift fifty feet southeasterly in 1942 when tungsten was temporarily in critical demand and all available supplies were needed in the war effort. Other developments then relieved the situation and it is possibly because of this that Pioneer relinquished its option.

Both Douglas Lay and Dr. Stevenson quote assays as a percentage of tungsten, whereas market quotations are in percentages of  $WO_3$ , tungsten trioxide or tungstite which is about 80% tungsten. Hence, if they do mean tungsten and not tungsten trioxide, the assays quoted above should be increased 25% to give the tungsten trioxide content which is presently quoted at about \$41 per short ton unit. On this basis ore running 4% tungsten would be worth about \$200 a ton.



## Conclusions and Recommendations

In accordance with the foregoing remarks it is concluded that the entire claim group should be carefully mapped and prospected and that further work is probably warranted underground.

Scheelite, the mineral sought, is a heavy mineral which fluoresces blue under an ultra violet lamp. Geochemical tests are not entirely satisfactory as they are apparently hard to duplicate. The area is generally covered by overburden. It is recommended, therefore, that all depressions and streams be sampled and that the samples be panned down to concentrate the scheelite that may be in the sample so that it may be readily lamped. It is impossible to say how many samples may be required as it is only depressions in which heavy minerals would tend to concentrate that need be sampled initially. However, it is probably not necessary to do all the depressions in the first survey, the results of which would determine whether further surveys were justified.

Following this any concentrations found would have to be followed to their apparent sources at which point a bulldozer would be required to strip overburden up to say twenty feet deep. Over that depth it would probably be preferable to drill. The type of drill used would depend on the terrain but a percussion type drill through the overburden at least would be less expensive if it could be moved to the site without too much costly road building. It would give a good sample, the heavy fraction of which would contain the scheelite, and it should give a reasonably semi-quantitative assay in the overburden, and a quantitative assay in the bed-rock. However, for sampling steeply dipping veins, diamond drill holes designed to cut them about at right angles would be desirable.

However, to properly evaluate such veins drifting and raising would give the most reliable picture. Inasmuch as about 700 feet of tunnelling has already been done to reach the vein underground, the cost of an underground program would be reduced by about \$30,000 over what would be required if a new adit had to be collared.

Furthermore, this is apparently a definite target in the form of a scheelite bearing vein that a usually conservative government engineer thought warranted further work when scheelite was no where near as valuable as it is today. Both walls of this vein should also be carefully checked for several feet from the vein and naturally if the tunnel is re-opened it should all be lamped carefully as scheelite may easily have been overlooked when the tunnel was driven, although not when Pioneer Gold Mines had an option as lamps were then available.

A cost estimate follows. It is divided into two parts, one for surface work and one for underground work. Each can be done independent of the other or both can be done at the same time as desired. It may also be desirable to carry each program part of the way at this time and then to concentrate on whichever appears to offer the better chances of success once some further knowledge of the property has been obtained.

## USE OF PROCEEDS

In his report dated April 1, 1970, J. A. Mitchell, P. Eng. recommends that the North Bend claims be carefully mapped and prospected and that further work is probably warranted underground and recommends that the Giscome claims be tested for silver and mercury. The following are the recommended programs of work:

North Bend claims:

A.	Surface Program		
	1. Establish camp	\$	5,000
	2. Soil sampling samples, panning samples, etc. Allow		7,000
	3. Bulldozing surface Allow		8,000
	4. Surface drilling — allow for 1,000 feet @ \$1,400 per foot		14,000
	5. Engineering, logging cores, sampling assays Allow		3,000
	6. Transportation and communications allowing for purchase of 4-wheel vehicle		6,500
			\$ 43,500
	Contingencies		6,500
	Total surface program	\$	50,000
B.	Underground Program		
	1. Reopen tunnel Allow	\$	5,000
	2. Rehabilitate tunnel with rail pipe and vent tube		25,000
	3. Up to 500 feet of new drifting and/or crosscutting		35,000
	4. Up to 200 feet raising		16,000
	5. Up to 2000 feet of underground drilling @ \$7.50 per foot		15,000
	6. Assaying drill cores and channel samples Allow		5,000
	7. Engineering, logging core, geological mapping, sampling and general supervision Allow		7,000
	8. Transportation and communication over and above that required for surface program Allow		2,000
	9. Road repair and maintenance Allow		5,000
	10. Camp losses and fringe benefits, etc.		3,000
			\$118,000
	Contingencies — 20%		23,600
	Total underground program	\$	141,600
	Total Overall Program		\$191,600
	Say,		\$192,000

**Giscome claims:**

The area to be tested contains about 80 line miles with lines 400 feet apart. Allowing \$4.00 a sample for testing and samples 100 feet apart, the cost would be 80 x 52 x \$4.00 or

	\$16,640
Allow for detailing and Ag samples in anomalous areas	3,320
	<u>\$ 20,000</u>
Allow for 1500 feet of diamond drilling in holes not over 300 feet long and not steeper than 45° at \$12 a foot	18,000
Auxiliary services, transportation, communications, etc. allow	5,000
Engineering, logging cores and mapping, allow	50,00
Camp costs allow	3,000
Contingencies and overhead	10,000
	<u>\$ 61,000</u>
Total	

The actual proceeds from this offering of shares will be insufficient to accomplish the purposes set out above even when the entire issue is sold. Therefore, in accordance with the recommendations of J. A. Mitchell, P.Eng. in a letter to the Company dated June 19, 1970, the Company intends to follow a more modest program which gives priority to the underground work to be done on the North Bend claims and to the geochemical survey to be done on the Giscome claims as follows:

I.	North Bend claims	
	1. Establish camp	5,000
	2. Bulldozing and road maintenance	8,000
	3. Transportation and communications (rental vehicles)	6,000
	4. Reopen tunnel	5,000
	5. Rehabilitate tunnel	25,000
	6. Crosscutting, drifting, raising	35,000
	7. Diamond drilling	8,000
	8. Assaying, mapping, engineering	7,000
	9. Camp losses and fringe benefits	3,000
		<u>102,000</u>
	Contingencies 15%	<u>15,300</u>
		\$117,300
	Say	\$117,000

Carried Forward

\$117,000

**Giscome claims**

1. Geochemical survey	\$ 20,000
2. Engineering sarvices	2,000
3. Transport and communication	2,000
4. Camp costs	1,000

	<u>\$ 25,000</u>
Contingencies 15 %	3,750

\$ 28,750

Say

\$ 29,000

Total on both groups

\$146,000

The Company also plans to retire outstanding indebtedness of approximately \$50,000, pay for the cost of this issue (approximately \$3,500) and retain as working capital the sum of \$25,500

53,500

\$199,500

25,500

\$225,000

Save as set forth above, the Company will not discontinue or depart from the recommended programs of work unless advised by its consulting engineer to do so.

No part of the proceeds shall be used to invest, underwrite or trade in securities other than those that qualify under the laws of the jurisdictions in which this offering of shares may lawfully be sold.

Should the Company propose to use the said proceeds to invest, underwrite or trade in non-trustee type securities after the initial distribution of this offering of shares, prior approval by the shareholders shall be obtained and disclosure made to the regulatory securities bodies having jurisdiction over the sale of this offering of shares.

**PROMOTERS**

John H. Gerlitzki was responsible for the founding and organizing of the Company and, therefore, may be considered to be its promoter. As a vendor of property to the Company, Mr. Gerlitzki received 650,000 shares of the Company. (See paragraph "Business and Property").

## DIRECTORS AND OFFICERS

Name	Address	Office Held
Sherwood W. Campbell	4167 West 13th Avenue Vancouver, B.C.	Director
Alma G. Gerlitzki	1726 West 14th Avenue Vancouver, B.C.	Director and Secretary-Treasurer
John H. Gerlitzki	1726 West 14th Avenue Vancouver, B.C.	Director and President
Harold G. Laine	4152 East Pender Street Burnaby, B.C.	Director
Hagbart J. Lovdal	2075 Bridgeman Avenue North Vancouver, B.C.	Director
James D. Smyth	4894 Cambie Street Vancouver, B.C.	Director

The principal occupations of the directors during the past five years are as follows:

Sherwood W. Campbell	Accountant with Crown Zellerbach Canada Ltd., Vancouver, B.C., April 1946 to date.
Alma G. Gerlitzki:	Advertising manager for Valnor Studios, Vancouver, B.C. 1952 to 1967; Office manager of Central B.C. Exploration Ltd. (N.P.L.) 1967 to date.
John H. Gerlitzki:	Self-employed prospector October 1952 to date; President and director of Central B.C. Exploration Ltd. (N.P.L.) August 1967 to date.
Harold G. Laine:	Self-employed prospector 1953 to date.
Hagbart J. Lovdal:	Self-employed cabinet maker 1943 to date.
James D. Smyth:	School teacher and principal for Vancouver School Board 1965 to date.

## REMUNERATION OF DIRECTORS

Remuneration in the amount of \$3,540 was paid to directors and senior officers of the Company during the year ended August 31, 1969. From September 1, 1969 to February 28, 1970, a further \$500 was paid.

It is not anticipated that any remuneration will be paid to directors and senior officers of the Company during the period March 1, 1970 to February 28, 1971.

## ESCROWED SHARES

As of May 15, 750,000 shares are held in Escrow by National Trust Company, Limited, 510 Burrard Street, Vancouver, B.C. under the direction and control of the Superintendent of Brokers for British Columbia. The escrow restrictions provide that the shares may not be traded in, dealt with in any manner whatsoever, or released, nor may the Company, its transfer agent or escrow holder make any transfer or record any trading in the shares without the consent of the Superintendent. If the Company loses or does not obtain a good marketable title to or abandons or discontinues development of the property which was the consideration for the shares in escrow, or in the event the property is not as represented, the holders of the escrow shares have agreed to advise the Superintendent of Brokers and to surrender by way of gift to the Company such numbers of escrowed shares as the Superintendent of Brokers may deem fair and equitable. (See also paragraph "Capitalization").

Classes of Shares	Number of Shares held in Escrow	Percentage of Outstanding Shares of Class
Common	750,000	58.8%

## PRINCIPAL HOLDERS OF SECURITIES

As of June 1, 1970, the following table sets forth the number of shares owned of record or beneficially, directly or indirectly, by each person or company who owns more than 10% of the Company's shares.

Name and Address	Type of Ownership	Number of Shares Owned	Percentage of Shares Outstanding
John H. Gerlitzki 1726 West 14th Avenue Vancouver, B.C.	Record and Beneficial	650,000	51.0%

The directors and senior officers of the Company beneficially own 69% of the outstanding shares of the Company.

## OTHER MATERIAL FACTS

By Writ of Summons issued out of the Vancouver Registry of the Supreme Court of British Columbia on December 4, 1968 wherein Inspiration Limited is the plaintiff and the Company is the defendant, Inspiration Limited has claimed \$6144.55 for goods supplied, services rendered, and monies advanced by the plaintiff at the defendant's request. Negotiations have been made for an out-of-court settlement in the amount of \$5,054.20.

## STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Sections 61 and 62 of the Securities Act, 1967 (British Columbia) provide, in effect, that where a security is offered to the public in the course of primary distribution,

- (a) A purchaser has the right to rescind a contract for the purchase of a security while still the owner thereof, if a copy of the last prospectus, together with financial statements and reports and summaries of reports relating to the securities as filed with the British Columbia Securities Commission, 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 prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after expiration of 90 days from the later of the date of such contract or the date on which such prospectus 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.

**COLLINS & COLLINS**  
**CHARTERED ACCOUNTANTS**  
1030 West Georgia Street  
VANCOUVER 5, B.C., CANADA

**AUDITOR' REPORT**

To the Directors of  
Central B.C. Explorations Ltd. (N.P.L.)

We have examined the balance sheet of Central B.C. Explorations Ltd. (N.P.L.) as at February 28, 1970 and the statement of deferred expenditures for the six months then ended and the statement of source and application of funds for the period from incorporation (August 7, 1967) to February 28, 1970. 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 these financial statements present fairly the financial position of the company as at February 28, 1970 and the results of its activities for the six months then ended and the source and application of its funds for the period from incorporation (August 7, 1967) to February 28, 1970 in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

**COLLINS & COLLINS**  
Chartered Accountants

Vancouver, B.C.  
March 16, 1970.



**BALANCE SHEET**

**ASSETS**

Current:			\$ 2,039.88
Cash			
Fixed - at cost:			
Camp equipment			11,496.12
Mineral claims (Note 1)			77,200.00
Deferred Expenditure (per statement)			208,224.69
Other:			
Prepaid expenses	\$	740.00	
Incorporation cost		1,788.65	
Deposit		<u>324.65</u>	<u>2,853.30</u>
			<u>\$301,813.99</u>

**LIABILITIES**

Current:			
Bank loan unsecured	\$	4,300.00	
Accounts payable		<u>41,013.24</u>	\$ 45,313.24

**SHAREHOLDERS EQUITY**

Share Capital:

Authorized -

5,000,000 shares, par value .50c ea. \$2,500,000

Issued (Note 2)

	<u>Par Value</u>	<u>Discount</u>		
750,000 shares for mineral claims	\$375,000.00	\$300,000.00	\$	75,000.00
524,110 shares for cash	<u>262,055.00</u>	<u>76,084.25</u>		<u>185,800.75</u>
	<u>\$637,055.00</u>	<u>\$376,084.25</u>		<u>\$260,800.75</u>
Deduct: Subscriptions unpaid				<u>4,300.00</u>
				<u>256,500.75</u>
				<u>\$301,813.99</u>

On behalf of the Board:

“JOHN H. GERLITZKI” Director

“A. G. GERLITZKI” Director

The accompanying notes form an integral part of this financial statement.

CENTRAL B.C. EXPLORATIONS LTD. (N.P.L.) — for the six months ended  
February 28, 1970.  
(with comparative figures for 1969)

**STATEMENT OF DEFERRED EXPENDITURE**

	Expenditure Six Months Ended February <u>28, 1970</u>	Balance at August 31, 1969	Total Expenditure to February 28, 1970
<b>Development and Exploration:</b>			
Accommodation	\$ 1,724.24	\$ 11,720.99	\$ 13,445.23
Assays	483.75	1,622.14	2,105.89
Camp tools		417.00	417.00
Diamond drilling		105,353.13	105,353.13
Freight	5.95	129.55	135.50
Gas and oil	1,344.54	1,483.70	2,828.24
Geologists fees	2,250.00	3,691.05	5,941.05
Gravity survey		4,810.00	4,810.00
Magnometer		167.59	167.59
Staking and registration		272.00	272.00
Stripping and bulldozing	948.00	3,717.69	4,665.69
Truck and equipment rentals	750.00	4,205.12	4,955.12
Wages	5,121.73	19,697.36	24,819.09
<b>Administrative:</b>			
Bank charges and interest	201.86		201.86
Claims expense	1,065.81		1,065.81
Directors' fees	500.00	4,540.00	5,040.00
Employee benefits	518.00	1,603.16	2,121.16
Insurance	391.10		391.10
Interest expense	2,171.08		2,171.08
Legal and audit	1,159.60	5,923.42	7,083.02
Miscellaneous	904.52	1,551.13	2,455.65
Printing and stationery	505.32	1,282.84	1,788.16
Promotion and advertising		428.63	428.63
Share transfer fees	375.55	903.51	1,279.06
Stock sales commission		7,692.25	7,692.25
Telephone	334.01	4,343.89	4,677.90
Travel	190.20	1,920.57	2,110.77
	<u>\$ 20,945.26</u>		
Deduct: Interest income		(197.29)	(197.29)
		<u>\$187,279.43</u>	<u>\$208,224.69</u>

CENTRAL B.C.EXPLORATIONS LTD. (N.P.L.)

STATEMENT OF SOURCES AND APPLICATION OF FUNDS

Source of Funds:	For the 6 Months Ended February 28, 1970	For the Year Ended August 31, 1969	For the Period of Incorporation Aug. 31/67 - August 31/68
Proceeds of share issue	\$ 37,316.80	\$ 99,776.20	\$ 38,207.75
Unpaid share subscriptions received	<u>6,200.00</u> \$ 43,516.80		
Application of Funds:			
Camp equipment		\$ 8,752.25	\$ 2,550.14
Deferred development expenditure (net)	\$ 20,945.26	146,038.91	\$ 41,240.52
Mineral claims acquired	2,000.00		200.00
Fixed asset expenditure	193.73		
Expenses prepaid	140.00		
Deposits and incorporation costs	<u>23,278.99</u>	<u>424.65</u>	<u>2,288.65</u> \$ <u>46,279.31</u>
Increase (Decrease) in Working Capital for the period	20,237.81	(55,439.61)	(8,071.56)
Working Capital Deficit, beginning of period	(63,511.17)	(8,071.56)	(8,071.56)
Working Capital Deficit, end of period	\$ <u>(43,273.36)</u>	\$ <u>(63,511.17)</u>	\$ <u>(8,071.56)</u>
Represented by:			
Current Assets	\$ 2,039.88	\$ 4,553.69	\$ 4,818.89
Deduct: Current liabilities	45,313.24	68,064.86	12,890.45
	\$ <u>(43,273.36)</u>	\$ <u>(63,511.17)</u>	\$ <u>(8,071.56)</u>

NOTES TO THE FINANCIAL STATEMENTS

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1. Mineral Properties:

(a) Giscombe Area, B.C. -

The company is the recorded owner of 100 unsurveyed mineral claims. 60 claims were acquired for the allotment of 750,000 shares of the company's capital stock at a deemed price of .10c per share  
40 claims were acquired for the cost of staking

	\$75,000.00
	200.00

(b) Cariboo Mining Division, B.C. -

The company is the recorded owner of 2 mineral leases and 3 unsurveyed mineral claims acquired for cash

	<u>2,000.00</u>
	<u>\$77,200.00</u>

2. Share Capital:

During the six month period, the company issued the following:

104,042 shares at .40c each	\$41,616.80
Deduct: Subscriptions unpaid	<u>4,300.00</u>
Proceeds to company	<u>\$37,316.80</u>

3. Contingent Liability:

Under an agreement dated December 31, 1969 whereby the company acquired the mineral properties in the Cariboo Mining Division the company agreed to pay \$2,000.00 on or before December 31, 1972 and a further \$98,000.00 should the properties be placed in commercial production. The agreement also provides for the return of the properties to the vendor if the company fails to develop the properties within 10 years from the agreement.

## CERTIFICATES

### Directors

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of the Securities Act, 1967 and the regulations thereunder

"JOHN H. GERLITZKI"

"S. W. CAMPBELL"

"A. G. GERLITZKI"

"H. LOVDAL"

"J. D. SMYTH"

"H. G. LAINE"

### Promoter

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of the Securities Act, 1967 and the regulations thereunder.

"JOHN H. GERLITZKI"