

DYNASTY EXPLORATIONS LIMITED

Province B.C. NTS 92-I-9W

Preliminary Report of Property Examination A,C,CLE claims

Property Name Pinnacle (24 claims) Principal Metals _____

Company Name Pinnacle Mines Ltd., President: C.C. Rollins

and Address 720 No. 1 Bentall Centre,

Vancouver, B.C.

Phone 688-1278

Vendor Fred sanft

Location 7 miles south of Kamloops, 1 mile SW from Separation Lake,

1/2 mile west of Kamloops-Merrit Highway

Recording Office Kamloops

Access Blacktop highway to Separation Lake. One mile unimproved

dirt road to property

Exploration record:	Year	Description	Amount
including underground workings, drilling, trenching, geology, geophysics, geochem.		One small shaft (caved), one adit, bulldozed out.	
		700 ft. dozer trenching. 5500 ft. diamond drilling	
		in 1965 by Commercial Minerals Ltd. and 3648 ft.	
		diamond drilling 1969. Geochem survey in 1968,	
	I.P. (Huntec) 1966, I.P. (McPhar) in 1966.		

Geology, including: Malachite stained monzonite in trench. Minor chalco-
 Mineralization pyrite in monzonite and minor chalcopyrite and bornite
 Widths in peridotite. Malachite occurs in shattered
 Mode of occurrence monzonite in FW of faults; observed width 6 feet.
 Country rock Minor mineralized intersections in drill holes. Best
 Structure reported in drill hole, 23 ft. 1.4% Cu. Area underlain
by medium grained monzonite.

Assays

Sample	Width	Description	Au	Ag	Cu	Pb	Zn	MoS ₂	WO ₃
9051	6	Chip sample from trench							

Possible Deals Pinnacle is waiting for approval of underwriting. The
claims are encumbered by leins. Pinnacle is seeking a
non-participating option.

Conclusions: Copper mineralization is sparse and lean. In 9148 ft. of
drilling only one short intersection contains promising
copper mineralization.
The claim group is small and is overstaked by Flagstone Mines
Ltd.

Recommendations The property is not sufficiently promising to warrant
further consideration by Dynasty.

W.D. Tompson
Signature

May 15, 1972
Date

Year	Total Contrib.	VENDOR				Joint Venture Partners						Option Payments
		Contr. (%)	Int. earned	Ret. Int.		A		B		C		
						Contr. (%)	Int.	Contr. (%)	Int.	Contr. (%)	Int.	
Previous Work Period												
1 Year												
2 Year												
3 Year												
On-Going												

Notes: (1)(a) Retained interest
 (b) Purchase of retained interest
 (2) On-going Exploration:
 (a) Rights to earn control:
 (b) Reduction Formula:
 (c) Buy-back Provision:
 (3) Requests for net earnings:
 (4) Notes:

May 3, 1972

PROPERTY SUBMITTAL: Pinnacle Mines

INTERVIEW: Vendor - C. C. Rollins
Dynasty - Brock, Tompson

SUMMARY: Area - Afton - Kamloops -
Merrit Highway

Pinnacle Mines - 24 claims
- adjoins east side of Flatstone property
- Flagstone ground was Pinnacle but was
re-staked (72 claims) when UMEX did
not file \$100,000 of assessment work,
including trenching.

24 Pinnacle claims - I.P. mag. soil
sampling - one hole .55 Cu over 120 ft.

DEAL: \$100,000 in liens against property,
Pinnacle might clean this up with
\$190,000 underwriting.
- Have tentative agreement with
another small company that would earn
50% in property.
- Agreement not formally drawn up -
could want a third partner

IMPRESSIONS: Rollins presented a somewhat confused
picture of his company's activities -
probably because of recently receiving
bad news about one of his companies
N.W. Kim resources just being delisted.
Legal ownership of 24 claims could be
questioned. Rollins says many majors in
line - including Falconbridge.

Deal should be approached with caution
only after a ground examination. Deal
should include no cash but three year
work commitment to earn 55% interest
in 24 claims:

1972 - \$20,000 min.
1973 - 50,000 min. earn 20%
1974 - 130,000 min. earn 55%
\$200,000 earns 55%

1975 - Pinnacle maintains on-going,
can be reduced by non-participation
to 10% carried interest.

Dynasty earns 65% by electing to
provide production financing.

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 1971 Annual General Meeting of PINNACLE MINES LTD. (N.P.L.) will be held at 14th Floor, 1030 West Georgia Street, Vancouver, B.C. on Friday, the 25th day of February, 1972, at the hour of 4:00 o'clock in the afternoon, Vancouver time, for the purpose of:

1. Receiving and considering the annual financial statements of the Company and the report of the Auditor thereon.
2. Appointing the Auditor of the Company.
3. Authorizing the Directors to fix the remuneration of the Auditor.
4. Considering and, if thought fit, adopting an ordinary resolution to increase the number of Directors from 3 to 5.
5. Electing Directors.
6. Conferring on the Directors the annual authority to take or acquire by purchase or otherwise any shares in any other corporation.
7. Transacting such other business as may be legally brought before the meeting.

If you are not able to be present personally, kindly sign and return the form of proxy accompanying this notice. A proxy to be valid must be deposited at the offices of Davis & Company, 14th Floor, 1030 West Georgia Street, Vancouver, B.C. at or before the hour of 5:00 o'clock in the afternoon, Vancouver time, on the 24th day of February, 1972, or delivered to the Secretary of the Company prior to the commencement of the meeting.

DATED at Vancouver, B.C., this 16th day of February, 1972.

BY ORDER OF THE BOARD OF DIRECTORS

Clarence C. Rollins, President

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

INFORMATION CIRCULAR

As at the 10th of February, 1972.

REVOCABILITY OF PROXY

Any shareholder giving a proxy has the power to revoke it in any manner permitted by law.

PERSONS MAKING THE SOLICITATION

This solicitation is made by the management of the Company and the cost of soliciting will be borne by the Company.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The particulars of the Company's equity shares are:

Authorized:	5,000,000	No par value
Issued:	1,775,007	No par value - one vote per share

Only shareholders of record at the hour of 5:00 o'clock in the afternoon, Vancouver time, on the 24th day of February, 1972, shall be entitled to vote at the meeting; and a proxy to be valid must be deposited at the offices of Davis & Company, 14th Floor, 1030 West Georgia Street, Vancouver, B.C. at or before the hour of 5:00 o'clock in the afternoon, Vancouver time, on the 24th day of February, 1972, or delivered to the Secretary of the Company prior to the commencement of the meeting.

The shares represented by a proxy will be voted and, where a choice is specified, the shares will be voted in accordance with the specifications so made, provided that if the aggregate number of shares represented at a meeting by proxies required to be voted for or against a particular matter or group of matters carries, to the knowledge of the Chairman of the meeting, less than 5% of the voting rights attached to the shares entitled to vote and represented at the meeting, and a poll is not demanded at the meeting, then the Chairman of the meeting shall have the right not to conduct a vote by way of ballot. IF NO CHOICE IS SPECIFIED IN A PROXY, THE SHARES REPRESENTED THEREBY WILL BE VOTED IN FAVOUR OF ALL MATTERS REFERRED TO THEREIN. The proxy confers discretionary authority with respect to amendments or variations to matters identified in the Notice of Meeting, and other matters which may properly come before the meeting.

A MEMBER HAS THE RIGHT TO APPOINT A PERSON TO ATTEND AND ACT FOR HIM AND ON HIS BEHALF AT THE MEETING, OTHER THAN THE PERSONS DESIGNATED IN THE FORM OF PROXY, AND MAY DO SO BY STRIKING OUT THE NAMES OF THE PERSONS DESIGNATED AND INSERTING SUCH OTHER PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY.

To the knowledge of the Directors and senior officers of the Company the following persons beneficially own, directly or indirectly, equity shares carrying more than 10% of the voting rights attached to all equity shares of the Company for the time being outstanding:

Name	Number of Common Shares Owned	Percentage of Outstanding Common Shares
Ava Securities Limited 11th Floor, 20 Toronto St. Toronto, Ontario	250,000	14.1%
Standard Securities 185 Bay Street Toronto, Ontario	201,200	11.3%

ELECTION OF DIRECTORS

Management desires to increase the number of Directors of the Company from the present 3 to 5, in order that a quorum of Directors may more readily be assembled to transact business at meetings of Directors. The term of office of each Director of the Company will expire at the next Annual General Meeting of the Company, unless sooner terminated. The proposed nominees for Directors are:

Name and Positions held in Company at present	Principal Occupations during past five years and name and principal business of such employer	Date appointed Director	Approx. No. of shares held (sup- plied by nominee)
Clarence Carson Rollins, President, General Manager & Director	President & Explor- ation Manager, Nor- West Kim Resources Ltd. (N.P.L.) Mining Exploration - President & General Manager, Fidelity Mining Investments Ltd., Mining Explora- tion - Formerly Executive, Marshall Industries Ltd. Manufacturers	November 18, 1966	3,001

Name and Positions held in Company at present	Principal occupations during past five years and name and principal business of such employer	Date appointed Director	Approx. No. of Shares held (supplied by nominee)
Archibald Burnside Whitelaw, Secretary & Director	Barrister & Solicitor of Manning, Bruce, Macdonald & Macintosh, Toronto, Ontario	November 18, 1966	1
Carol Ann Kirk Director	1967-69 Secretary with Rapid Grip & Batten Ltd., Toronto, Manufacturer. June, 1969 to date, Secretary with Nor-West Kim Resources Ltd. (N.P.L.), Mining Exploration	May 28, 1971	none
George T. Gardham	1970-71 Chartered Secretary, Armac Securities Ltd., Toronto, Investment Dealer. Prior to 1970 Secretary, Valutrend Management Services Ltd., Toronto		none
William Douglas Stephenson	1966-71 Sports Announcer with CFRB Toronto, Radio Station		none

REMUNERATION OF MANAGEMENT AND OTHERS

During the period ended September 30, 1971 the Company paid or agreed to pay \$10,450. in direct remuneration to Directors and senior officers of the Company.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

In the fiscal period ended September 30, 1971 legal fees of \$1,270. were incurred by Manning, Bruce, Macdonald & Macintosh, Barristers and Solicitors, of which Mr. Archibald B. Whitelaw is a partner.

APPOINTMENT OF AUDITOR

The shares represented by proxy will be voted in favour of the appointment, as auditor of the Company, of Glendinning, Jarrett, Gould & Co., Chartered Accountants, Toronto, Ontario, who were first appointed as Auditors of the Company on the 8th day of December, 1967.

GLENDINNING, JARRETT, GOLD & Co.

CHARTERED ACCOUNTANTS

Royal Trust Tower
P.O. Box 11
Toronto-Dominion Centre
Toronto 1, Canada
Telephone (416) 362-6001

OFFICES:

Montreal	Cobourg
Toronto	Brantford
Windsor	Thunder Bay
Winnipeg	Calgary
Kamloops	Vancouver

INTERNATIONAL FIRM:

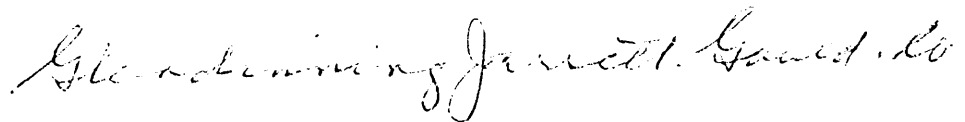
Alexander Grant Tansley Witt

AUDITORS' REPORT

To the Shareholders,
Pinnacle Mines Ltd. (N.P.L.)

We have examined the balance sheet of Pinnacle Mines Ltd. (N.P.L.) as at September 30, 1971, and the statements of deficit, deferred exploration expenditure, administration expenditure and source and application of funds for the seventeen months then ended. 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 September 30, 1971, and the results of its operations and the source and application of its funds for the seventeen months then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except for the change in accounting practice referred to in note 4, with which we agree.



Toronto, Ontario,
February 4, 1972.

Chartered Accountants

PINNACLE MINES LTD. (N.P.L.)
(Incorporated under the laws of British Columbia)

BALANCE SHEET

SEPTEMBER 30, 1971

(With comparative figures for April 30, 1970)

	September 30, 1971	April 30, 1970
ASSETS		
CURRENT ASSETS		
Cash	\$ 387	\$ 31,753
Advances (note 1)	<u>5,447</u>	<u>31,942</u>
	5,834	63,695
ADVANCES TO OTHER COMPANIES (note 2)	1	17,490
SECURITIES AND CASH ON DEPOSIT	2,795	13,331
MINING PROPERTIES (note 3)	75,720	119,520
DEFERRED EXPENDITURE (note 4)		
Exploration	149,761	197,643
Administration	<u> </u>	<u>74,898</u>
	<u>\$ 234,111</u>	<u>\$ 486,577</u>
LIABILITIES		
CURRENT LIABILITIES		
Bank loan (note 1)	\$ 5,000	\$
Accounts payable and accrued charges	<u>28,419</u>	<u>23,196</u>
	33,419	23,196
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (note 5)		
Authorized		
5,000,000 shares of no par value		
Issued		
1,775,007 shares	500,003	500,003
DEFICIT	<u>299,311</u>	<u>36,622</u>
	<u>200,692</u>	<u>463,381</u>
	<u>\$ 234,111</u>	<u>\$ 486,577</u>

Approved by the Board:

C. C. Rollins
Director

[Signature]
Director

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

STATEMENT OF DEFICIT

FOR THE SEVENTEEN MONTHS ENDED SEPTEMBER 30, 1971

(With comparative figures for the year ended April 30, 1970)

	September 30, 1971	April 30, 1970
Mining claims abandoned		
Acquisition costs	\$ 43,800	\$
Exploration expenditure	59,806	
Deposits	<u>3,212</u>	
	106,818	
Recoveries	<u>1,465</u>	
	105,353	
Administration expenses		
Current period	27,760	
Prior years	74,898	
Provision for loss on advances to other companies	54,678	
Advances for staking of mining claims		33,334
Organization expense	<u> </u>	<u>3,288</u>
	262,689	36,622
Balance, beginning of period	<u>36,622</u>	<u> </u>
Balance, end of period	<u>\$ 299,311</u>	<u>\$ 36,622</u>

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

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE SEVENTEEN MONTHS ENDED SEPTEMBER 30, 1971

(With comparative figures for the year ended April 30, 1970)

	September 30, 1971	April 30, 1970
SOURCE OF FUNDS		
Settlement of advances	\$	\$ 21,101
Refund of cash on deposit	7,325	
Sale of 2% carried interest in petroleum and natural gas permits	<u>1,465</u>	
	8,790	
APPLICATION OF FUNDS		
Exploration expenditure	11,925	50,775
Administration expenditure	27,760	36,501
Acquisition cost of mining properties		36,820
Advances to other companies	37,189	17,490
Securities and cash deposit		<u>13,331</u>
	<u>76,874</u>	<u>154,917</u>
DECREASE IN WORKING CAPITAL	68,084	133,816
WORKING CAPITAL, BEGINNING OF PERIOD	<u>40,499</u>	<u>174,315</u>
WORKING CAPITAL (DEFICIENCY), END OF PERIOD	<u>\$ (27,585)</u>	<u>\$ 40,499</u>

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

STATEMENT OF DEFERRED EXPLORATION EXPENDITURE

FOR THE SEVENTEEN MONTHS ENDED SEPTEMBER 30, 1971

	Balance April 30, 1970	Expenditure during the period	Balance September 30, 1971
BRITISH COLUMBIA			
Diamond drilling	\$ 80,380	\$	\$ 80,380
Geophysical surveys	50,126		50,126
Engineering fees and expenses	7,349		7,349
General field expenses	3,698		3,698
Trenching	3,544		3,544
Travel	2,799		2,799
Line cutting	1,265		1,265
Licences and fees		600	600
	<u>149,161</u>	<u>600</u>	<u>149,761</u>
MANITOBA			
Magnetometer survey	8,550		8,550
Line cutting	8,550		8,550
Licences and fees	641		641
Travel	<u>510</u>		<u>510</u>
	18,251		18,251
QUEBEC			
Geophysical surveys	6,900		6,900
Line cutting	6,440		6,440
Licences and fees	3,600		3,600
General field expenses	1,014		1,014
Engineering fees and expenses	<u>380</u>		<u>380</u>
	18,334		18,334
VICTORIA ISLAND, NORTHWEST TERRITORIES			
Petroleum and natural gas permits			
Engineering fees and expenses		7,325	7,325
Geochem investigation		4,000	4,000
Geophysical surveys	2,373		2,373
General field expenses	94		94
Travel and transportation	<u>74</u>		<u>74</u>
	2,541	11,325	13,866
Mineral claims			
Wages	3,238		3,238
Geophysical surveys	2,857		2,857
Travel and transportation	2,229		2,229
Licences and fees	789		789
General field expenses	<u>243</u>		<u>243</u>
	9,356		9,356
	<u>\$ 197,643</u>	<u>\$ 11,925</u>	209,568
Less: Expenditure written off			
Manitoba claims		18,251	
Quebec claims		18,334	
Northwest Territories petroleum and natural gas permits		13,866	
Northwest Territories claims		<u>9,356</u>	<u>59,807</u>
			<u>\$ 149,761</u>

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

STATEMENT OF ADMINISTRATION EXPENDITURE

FOR THE SEVENTEEN MONTHS ENDED SEPTEMBER 30, 1971

(With comparative figures for the year ended April 30, 1970)

	September 30, 1971	April 30, 1970
Legal and audit	\$ 7,752	\$ 9,283
Travel	5,779	7,881
Shareholders' meetings and reports	278	2,008
Management fees	10,200	7,200
Stock exchange fees	100	300
Telephone and telegraph		1,911
Transfer agency fees	1,956	3,194
Office supplies and expense	1,316	3,763
Interest and bank charges	21	14
Directors' fees	250	450
Sundry	<u>361</u>	<u>497</u>
	28,013	36,501
Less: Interest earned	<u>253</u>	<u> </u>
	27,760	36,501
Balance, beginning of period	<u>74,898</u>	<u>38,397</u>
	102,658	74,898
Written off to deficit	<u>102,658</u>	<u> </u>
Balance, end of period	<u>\$ Nil</u>	<u>\$ 74,898</u>

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1971

1. Advances - Bank loan	
The Company's bank loan was secured solely by the personal guarantee of a director of the Company. Subsequent to September 30, 1971, the director assumed directly the liability of \$5,000 to the bank and his advance account of \$5,447 was reduced accordingly.	
2. Advances to other companies	
Fidelity Mining Investments Limited	\$ 38,241
Fidelity has a working capital deficiency of some \$91,500 including this liability. Fidelity owns interest in certain mining claims. Repayment of this amount is subject to the future successful financing of Fidelity.	
Nor-West Kim Resources Ltd. (N.P.L.)	11,799
Nor-West Kim has a working capital deficiency in excess of \$100,000 including this liability. Nor-West Kim has interests in certain mining claims. Repayment of this amount is subject to the future successful financing of Nor-West Kim.	
Ava Securities Limited	3,639
Ava is a private company controlled by persons with whom the President of Pinnacle Mines Ltd. (N.P.L.) does not deal at arm's length. The records of Ava indicate it does not have sufficient working capital to repay this loan at the present time. Of the above amount, \$3,600 is the balance of a loan of \$24,000 made during the previous fiscal period at a 10% interest rate. Interest has been neither received nor accrued in the accounts.	
Intercorp Securities Limited	1,000
Intercorp is a private company of which the President of Pinnacle Mines Ltd. (N.P.L.) is a major shareholder and its manager. Intercorp does not appear to have sufficient assets to repay this loan.	
	<u>54,679</u>
Less: Provision for loss	<u>54,678</u>
	\$ <u><u>1</u></u>
3. Mining properties	
British Columbia	
62 mineral claims located in the Kamloops Mining Division consisting of:	
(a) 44 claims acquired for 750,000 shares of capital stock valued by the directors at 10 cents per share	\$ 75,000
(b) 18 claims and fractions acquired by staking - at cost	<u>720</u>
	\$ <u><u>75,720</u></u>
Subsequent to the year end, 38 of the 44 above mentioned claims have expired.	

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1971

4. Change in accounting practice

Administration expenditures for the years prior to 1971 were included in deferred expenditure. In 1971, these expenditures were written off to deficit together with the administration expenditure for the current period.

5. Share capital

Details of shares issued

	Shares	Capital
For mining claims	750,000	\$ 75,000
For cash	<u>1,025,007</u>	<u>425,003</u>
	<u>1,775,007</u>	<u>\$ 500,003</u>

6. Change of fiscal period

The Company's fiscal year end has been changed from April 30 to September 30 in each year.

7. Directors' and senior officers' remuneration

During the seventeen months ended September 30, 1971 the Company paid \$10,450 in direct remuneration to directors and senior officers.