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## SECURITIES ACT, 1967

Neither the British Columbia Securities Commission nor the Vancouver Stock Exchange has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

BRITISH COLUMBIA SECURITIES COMMISSION  
VANCOUVER STOCK EXCHANGE

VAN SILVER EXPLORATIONS LTD. (N.P.L.)  
(Full name of company.)  
HEAD OFFICE: Ste. 501-409 Granville St., Vancouver, B.C.  
REGISTERED OFFICE: 9th Floor, 900 W. Hastings St., Vancouver, B.C.  
(Address of head office and registered office of company.)

## Statement of Material Facts

1. Give details of the circumstances relating to the offering of the securities and any material changes in the affairs of the issuer.	See Schedule Attached
2. Set out the description, designation, and number of shares being offered by the issuer or selling shareholder. If any of the shares being offered are to be offered for the account of a selling shareholder, name such shareholder and state the number of shares owned by him, the number to be offered for his account, and the number to be owned by him after the offering.	See Item 1
3. Set out the price to the public, underwriting discounts or commissions and the estimated net proceeds to the issuer or selling shareholder, on both a per share and an aggregate basis. If it is not possible to state the price to the public or the underwriting discount or commissions, the method by which they are to be determined shall be explained. Give the range of the market price during the previous 90 days.	See Item 1
4. State the principal purposes for which the estimated net proceeds to be derived by the issuer from the sale of the shares to be offered are intended to be used and the approximate amount intended to be used for each such purpose.	See Schedule attached
5. State the laws under which the issuer was incorporated and whether incorporated by memorandum of association, Letters Patent, or otherwise or under a particular part of an incorporating Statute dealing with mining companies and the date thereof.	Incorporated under the laws of British Columbia by Memorandum dated September 1, 1966
6. Give names, addresses, and chief occupations for the past five years of the officers and directors of the issuer.	See Schedule attached
7. State the share capitalization of the issuer showing authorized and issued capital.	Authorized: 3,000,000 shares, par value 50¢ each Issued: 2,096,000 (excluding the offering herein referred to)
8. Give particulars of any bonds, debentures, notes, mortgages, charges, liens, or hypothecations of the issuer.	See Item 24
9. Outline briefly the manner in which the shares being offered are to be distributed, giving particulars of any outstanding or proposed underwriting, sale, or option agreement, including the name and address of each underwriter, purchaser, or optionee. Give similar particulars of sub-underwriting or sub-option agreements outstanding or proposed to be given and particulars of any assignments or proposed assignments of any such agreements. Give names and addresses of persons having any interest, direct or indirect, in underwritten or optioned shares.	See Item 1

<p>10. Give name and address of any person or company who beneficially owns, directly or indirectly, in excess of 5 per cent of each class of shares of any company named in answer to item 9 hereof and the number and percentage of each class of shares so owned.</p>	<p>See Schedule Attached</p>
<p>11. Give particulars of any payments in cash or securities of the issuer made or to be made to a promoter or finder in connection with the proposed underwriting.</p>	<p>None</p>
<p>12. Give brief particulars of properties owned, leased, held under option, or operated or presently intended to be owned, leased, held under option, or operated by the issuer.</p>	<p>See Schedule attached</p>
<p>13. State whether any property referred to in item 12 has a known body of commercial ore or reserves of recoverable oil and gas. Give particulars.</p>	<p>See Item 12</p>
<p>14. Give brief particulars of the exploration and development work of the issuer during the past year and the results thereof on (1) its own properties and (2) other properties. State amounts spent on each.</p>	<p>See Item 12</p>
<p>15. Give brief particulars of property proposed to be acquired by the issuer or any affiliate or acquired by the issuer or any affiliate within the previous three years, including the name and address of the vendor and the cost or proposed cost thereof to the issuer or any affiliate, and if any such vendor is or was an insider or promoter of the issuer or an associate or affiliate of any insider or promoter of the issuer, so state and indicate the nature of the relationship.</p>	<p>See Item 12</p>
<p>16. State the name of any person or company who is or has been a promoter of the issuer within the preceding two years and, if not disclosed in item 15, the nature and amount of anything of value (including money, securities, property, contracts, options, or rights of any kind) received or to be received by each promoter.</p>	<p>See Schedule attached</p>
<p>17. If the property referred to in item 15 was or is to be paid for by the issuance of shares of the issuer or any subsidiary, give (a) the number of shares of the issuer and any subsidiary issued to or to be issued to the vendor after giving effect to such transaction, and (b) the number and, if more than 5 per cent of the shares presently outstanding, the percentage of shares of the issuer and any subsidiary owned or to be owned by the vendor after giving effect to the transaction. If the vendor is a company, give the names and addresses of the insiders of the company.</p>	<p>See Item 12</p>
<p>18. Give the number and, if more than 5 per cent, the percentage of the shares of the issuer held in escrow or in pool and a brief statement of the terms of the escrow or pooling agreement. Give the names and addresses of the beneficial owners of such shares.</p>	<p>See Schedule Attached</p>
<p>19. Give the number of shares of the issuer owned of record or beneficially, directly or indirectly, by each person or company who owns of record, or is known either by the issuer or the selling shareholder to own beneficially, directly or indirectly, more than 5 per cent of such shares, in each case within 10 days from the date hereof. Show separately whether the shares are owned both of record and beneficially, of record only or beneficially only, and show the respective amounts in percentages owned in each such manner. Give names and addresses of the owners referred to above.</p>	<p>See Schedule Attached</p>
<p>20. Give a brief statement of any legal proceedings to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Make a similar statement as to any such proceedings known to be contemplated.</p>	<p>No legal proceedings have been commenced to which the Company is a party or which any of the Company's properties are the subject, nor are any such proceedings known to be contemplated.</p>

VAN SILVER EXPLORATIONS LTD. (N.P.L.)

(the "Company")

SCHEDULE TO THE STATEMENT OF MATERIAL  
FACTS DATED JANUARY 23RD, 1976

ITEMS 1, 2, 3 and 9 (Details relating to the offering of securities and to material changes)

A. PRIMARY OFFERING OF UNITS

Pursuant to an agreement dated January 23rd, 1976, the Company has appointed CANARIM INVESTMENT CORPORATION LTD., 424 Burrard Street, Vancouver, B.C. (as to 50%), C.M. OLIVER & CO. LTD., 744 West Hastings Street, Vancouver, British Columbia (as to 25%) and CONTINENTAL SECURITIES CORPORATION (1971) LTD., 600 - 789 West Pender Street, Vancouver, British Columbia (as to 25%), ("the Agents"), its exclusive agents to offer a total of 325,000 Units to the public, through the facilities of the Vancouver Stock Exchange ("the Exchange"), subject to the terms and conditions of the said agreement. Each Unit consists of one (1) previously unissued share of the Company and one (1) Series "A" Warrant.

The offering is to be made at a fixed price on the floor of the Exchange, and is to take place on a day specified by the Company with the approval of the Exchange, which will be within ten (10) trading days following the date this Statement of Material Facts is accepted by the Exchange (the acceptance date being the "effective date" set forth on the cover page hereof).

Between the hours of 2:00 p.m. and 6:00 p.m. on the trading day immediately preceding the offering day, and between the hours of 6:00 a.m. and 6:55 a.m. on the offering day, a book will be maintained on the floor of the Exchange by each of the Agents, to receive purchase orders.

The price at which the Units will be offered will be fixed by the Company with the consent of the Exchange, provided that the minimum price will not be less than 50¢ per Unit. A purchaser of any Units offered hereby will be required to pay the regular commission rates as specified by the by-laws and rules of the Exchange.

Under the terms of the said agreement with the Agents, the Agents may each reserve up to but not more than 80% of their respective portions of the Units for their clients and/or clients of other members of the Exchange, and not less than 20% of the Units will be available to the other members of the Exchange. In the event of over-subscription with respect to the said 20% portion of the Units, pro-rating will be settled with the approval of the Exchange and, with the approval of the Exchange, over-subscriptions received by the Agents may also participate in such pro-rating.

The Agents have committed themselves to purchase, in the aforementioned ratio, any Units which are unsubscribed for at the conclusion of the offering. In consideration therefore, the Company has agreed to issue to the Agents 100,000 Series "A" Warrants, being 50,000 to Canarim Investment Corporation Ltd., 25,000 to C.M. Oliver & Co. Ltd. and 25,000 to Continental Securities Corp. (1971) Ltd. The Agents have agreed that they will not exercise their rights under the said Warrants for a period of 90 days following the "effective date" set forth on the cover page hereof.

The Company will pay the Agents a commission on the sale of each Unit in an amount equal to the regular rate specified in the by-laws and rules of the Exchange that would be applicable as if the offering were of shares only.

It is not possible to state the net proceeds to be derived by the Company from this offering. However, if all of the Units are sold at the said minimum price of 50¢ each, the Company will receive \$162,500.00 less commissions, and if all of the said Warrants are then exercised, including the said Warrants issued to the Agents, the Company would receive an additional \$240,000.00.

During the previous 90 days the bid price of the Company's shares has ranged from a low of 40¢ to a high of 60¢.

There are no outstanding underwritings, sub-underwritings or options.

The Agents, subject to the by-laws of the Exchange, may also make purchases and sale of the shares of the Company offered hereunder for the purpose of maintaining an orderly market for the shares of the Company and to assist in the distribution of the offered shares.

B. PARTICULARS RELATING TO THE SERIES "A" WARRANTS

The Series "A" Warrants to be issued as part of the Units hereby offered will be in bearer form and each will entitle the holder thereof to purchase the number of shares in the capital of the Company endorsed on the Warrant (which will represent the number of Units of the Company initially purchased hereunder) at any time up to the close of business on the 30th day of September, 1976, at a price equal to 10¢ above the said offering price.

The terms and conditions attached to the said Series "A" Warrants will contain, inter alia, anti-dilution provisions and provisions for the appropriate adjustment in the class, number and price of the share issuable pursuant to any exercise of the right to purchase shares under the Warrant, upon the happening of certain stipulated events, which include the subdivision, consolidation or reclassification of the shares, or the payment of stock dividends.

The issue of the said Warrants shall not restrict the Company from seeking and obtaining additional equity or debt financing during the period the said Warrants are outstanding.

ITEM 4 (Use of proceeds derived from offering)

The Company proposes to use the proceeds derived from the sale of the Units offered hereunder as follows:-

- (a) To carry out the work program on the Company's Brandywine Creek Claim Group recommended by the Company's consultant, David C. Miller, P.Eng., in his report dated January 22, 1976, consisting of collar new adit, drift 500 feet and drive three cross-cuts, estimated to cost..... \$123,000.00

(b) Balance to provide working capital, pay accounts, and defray normal administrative and operating expenses including the costs of making this offering.....	39,500.00
	\$162,500.00
	\$162,500.00

A copy of the said report of David C. Miller, P.Eng., is annexed hereto and forms part of this Statement.

The Company proposes to use the proceeds derived from the exercise of the Warrants, if any, to carry out such further work as may be recommended by its consultant including, if warranted, equipping and bringing the aforesaid claims into production.

None of the proceeds derived from the sale of the said Units and shares will be used on any other major exploration program without first having filed with the Vancouver Stock Exchange an acceptable Engineering Report recommending such a program.

ITEM 6 (Names, addresses and chief occupations of Directors and Officers)

<u>Name &amp; Address</u>	<u>Principal Occupation For Past Five Years</u>	<u>Office</u>
Martial H. Levasseur 1661 Victoria Drive Vancouver, B.C.	Mining Executive	President & Director <span style="float: right;">687-4150</span>
Terence B. Dunfield 4411 West 11th Avenue Vancouver, B.C.	Securities Salesman	Vice-President & Director
(Mrs.) Nina Levasseur 1661 Victoria Drive Vancouver, B.C.	Secretary of Company	Secretary & Director
Robert Wood 682 Donald Road Richmond, B.C.	Stationery & Marine Engineer	Director
John Embleton 5281 William Avenue Richmond, B.C.	Sales Manager	Director
John W. Naylor 22995-64th Avenue Langley, B.C.	Chartered Accountant	Director

ITEM 10 (Shareholdings of persons owning in excess of 5% of the Agents)

CANARIM INVESTMENT CORPORATION LTD.

<u>Name &amp; Address</u>	<u>Number &amp; Class</u>	<u>% of shares held</u>
Alfred E. Turton c/o 1177 Holiday Tower North Winnipeg, Manitoba	24,119 common	54%

CANARIM INVESTMENT CORPORATION LTD. (Cont'd.)

<u>Name &amp; Address</u>	<u>Number &amp; Class</u>	<u>% of shares held</u>
The Estate of H.H. Hemsworth (Deceased) c/o 424 Burrard Street Vancouver, B.C.	14,086 common	31%
Peter M. Brown c/o 424 Burrard Street Vancouver, B.C.	6,751 common	15%
<u>C.M. OLIVER &amp; CO. LTD.</u>		
R.A. Chilcott 744 W. Hastings Street Vancouver, B.C.	7,719 common	53.5%
R.P. Chilcott 744 W. Hastings Street Vancouver, B.C.	1,290 common	8.8%
E.C. Drake 744 W. Hastings Street Vancouver, B.C.	1,280 common	8.8%
R.D. Perry 744 W. Hastings Street Vancouver, B.C.	1,110 common	7.7%
C.H. Rowlett 744 W. Hastings Street Vancouver, B.C.	851 common	5.9%
E.C. Wark 744 W. Hastings Street Vancouver, B.C.	725 common	5.0%

CONTINENTAL SECURITIES CORPORATION (1971) LTD.

Angus I. McPhail 590 Newdale Road West Vancouver, B.C.	5,100 common 714 preferred	51% 51%
Douglas A. Scammell 1735 - 19th Avenue Vancouver, B.C.	2,450 common 343 preferred	24.5% 24.5%
William H. Hudson #2306-2055 Pendrell St. Vancouver, B.C.	2,450 common 343 preferred	24.5% 24.5%

ITEMS 12, 14, 15 and 17 (Particulars of properties owned, work performed, etc.)

A. BRANDYWINE CREEK AREA, B.C.

The Company is the recorded and beneficial owner of the following mineral claims located near Brandywine Creek in the Vancouver Mining District, B.C.:-

<u>Name of Claim</u>	<u>Record Number</u>
VAN I - VII	11653-D-11659 D
VAN VII-XIV	11660 D-11665 D
VAN 19 - 42	11787 G-11810 G
VAN 43	11811 G
SUNNY CAVE 12	11236 N
SUNNY CAVE 23	11332 P
SUNNY CAVE XI	11184 M
SUNNY CAVE X	11185 M
BOB 9	16012 E
SUNNY CAVE 13-19	11237 N-11243 N
SUNNY CAVE 20	11329 P
SUNNY CAVE	10557 M
SUNNY CAVE I	10558 M
SUNNY CAVE II	10459 K
SUNNY CAVE III	10583 M
BOB 1-8	16004 E-16011 E
STAR 1-2	10593 M-10594 M
MAT 2-3	15639 O-15640 O
VAN 81-83	12007 H-12009 H
VAN 16	11770 E
VAN 18	11772 E
MIL 1-11	19761 G-19771 G
SPINE	8002 M
MIL	4785 H
BRU	4812 M
MINE	8327 N
ELM	4787 H
THYNE	8328 N
ASH	4786 H
SUN 7	20068 H
MAT 4	15641 O
MAT 6-8	15643 O-15645 O
SUNNY CAVE IV	11179 M
VERN 8	9208 E
SUNNY CAVE VI-VII	11181 M-11182 M
SUNNY CAVE XI	11186 M
BOB 10	16013 E
SNOW 1-15	20069 H-20083 H
SNOW 22-24	22369 P-22371 P
VAN 71	11997 H
VAN 73	11999 H
VAN 75-79	12001 H-12005 H
PETER 1	10595 M
JO	11331 P
LU	1310 P
VAN 15	11769 E
VAN 17	11771 E
MAT 5	15642 O
MAT 1	15638 O
SUNNY CAVE 8	11183 M
SUNNY CAVE V	11180 M
SUNNY CAVE 21-22	11330 P-11331 P
SUNNY CAVE 24	11333 P
SUNNY CAVE 25	11334 P
SUNNY CAVE 27-28	11336 P-11337 P
VAN 89-90	15371 N-15372 N
SUN 8	26565 A

The main body of the above claims were acquired pursuant to two agreements dated the 4th of November, 1966 and the 4th of March, 1967. The consideration paid for the Van 1-88, Sunny Cave, Sunny Cave 1-45, Star 1 and 2, Vern 3 and Peter 1 properties was 750,000 fully paid and non-assessable shares of the Company, which were issued pursuant to the agreement of the 4th of March, 1967. The balance of the claims were assigned to the Company pursuant to the agreement dated the 4th of November, 1966 in consideration of the Company assuming

the payments to Martha M. McKenzie and Delphine E Kelly of the sum of \$14,000.00. These claims were acquired from Van Silver Mines Ltd. (In Voluntary Liquidation) a Company incorporated under the laws of the Province of British Columbia as a private company.

The 24 Snow recorded mineral claims were acquired from Martial H. Levasseur for \$2,000.00 being the cost of staking them. In addition the Company agreed to pay Mr. Levasseur the further sum of \$3,000.00 for assessment work which has now been performed and recorded. This work consisted of approximately 350 feet of diamond drilling showing limited mineralization. Mr. Robert L. Roscoe, P.Eng., in his report dated June 25, 1973 recommended the acquisition of this additional property which is contiguous to the Company's other claims.

The Mil 1-12 claims were purchased by the Company from Mrs. Martha M. McKenzie for \$1,000.00 plus 50,000 fully paid and non-assessable shares of the Company. These 12 claims were contiguous to the Company's other claims and covered ground which the Company had previously held and lost.

The Company has granted, pursuant to an agreement made August 26, 1974 (and amended December 12, 1974 and August 29, 1975) an option to Golden Standard Mines Ltd., Ste. 333 - 885 Dunsmuir Street, Vancouver, B.C., and Yukon Gold Placers, Limited, Ste. 420 - 890 West Pender Street, Vancouver, B.C., to acquire a two-thirds interest in 16 of the above-mentioned claims, namely, the Snow 16-21 inclusive, Van 63-70 inclusive, Van 72 and Van 74, which are located on the north end of the Company's property. To acquire the interest, Golden Standard and Yukon Gold must perform not less than \$200,000.00 of work on the said 16 claims on the following basis:-

- (a) \$25,000.00 by the 30th of September, 1975 (which has been performed);
- (b) an additional \$75,000.00 by the 31st of December, 1976; and
- (c) an additional \$100,000.00 by the 31st of December, 1977.

During the period October through December, 1975, the Company conducted a work program on the Silver Tunnel Zone in accordance with the recommendations of its consulting geologist, consisting of enlarging and timbering the portal of the lower adit, enlarging the adit, driving 130 feet of new drifts and crosscuts, sampling, mapping and surveying. Reference should be made to the attached report of D.C. Miller, P.Eng., dated January 22, 1976 for particulars of the drill hole and assay date, and the undiluted ore reserves calculated from the assay data.

In addition to the aforementioned recent work, during the past year the Company drilled five BQ diamond drill holes for a total of 920 feet, and performed 575 feet of AX drilling. In his report of September, 1974, R.L. Roscoe, P.Eng., recommended that the Company commence production using a 50 ton per day mill. Since that time, the management of the Company has concluded, on the basis of results obtained to date, that a 150 ton per day mill is warranted and plans are being proceeded with to bring the property into production on that basis.

B. JOINT VENTURE WITH TEDI RESOURCES LTD. (N.P.L.)  
ON THE TEDI GROUP, BRANDYWINE CREEK AREA, B.C.

Pursuant to an agreement dated October 3, 1974, the Company entered into a joint venture with Tedi Resources Ltd. (N.P.L.)



("Tedi"), with respect to the mining claims owned by Tedi which adjoin the Company's properties, namely:--

<u>Name of Claim</u>	<u>Record Number</u>
Bob 1-16	16004-16009
Bob 17-24	16098-16105
Bob 25-34	19567-19576
Sun 1-6	20062-20067
Lux 1-4	20364-20367
Tedi	22876

The said agreement provides that the Company shall be the operator of the joint venture and that the Company shall have a 70% interest and Tedi shall have a 30% interest in the venture, such interests being fully participating.

During the past year the Company drilled 3 diamond BQ holes for a total of 368 feet. The values obtained ranged as follows:- gold - trace to .005 oz.; silver - trace to 2.5 oz.; some values in lead, zinc and copper.

The insiders of Tedi include Messrs. Levasseur, Dunfield and Naylor.

C. HOPE BAY MINES PROPERTY, ROBERTS LAKE, NORTHWEST TERRITORIES

Pursuant to an agreement dated April 19, 1974, the Company acquired a 5% working interest in the properties of Hope Bay Mines Ltd. located at Roberts Lake, near Hope Bay, in the Mackenzie Mining District, Northwest Territories. The cost of acquiring the said interest was \$100,000.00, which sum was advanced to Hope Bay Mines Ltd. and was expended in accordance with the said agreement in a joint exploration and development program on the Hope Bay claims.

Approximately \$350,000.00 has been spent on the Hope Bay claims during the past year, the results of which have not been made available to the Company at this time.

Mr. Levasseur is a Director of Hope Bay Mines Ltd.

The Company has entered into discussions with Hope Bay Mines Ltd. for the re-purchase by Hope Bay of the Company's interest in the Hope Bay claims. No firm agreement has been reached at this date.

ITEM 16 (Name of Promoters)

Martial H. Levasseur, Terence B. Dunfield and Richard H. Radcliffe may be considered the Promoters of the Company in accordance with Section 2(1) of the Securities Act. None of the above persons have received anything of value from the Company for acting as Promoters, but see Item 12 for consideration received from vending mineral claims to the Company by Martial H. Levasseur.

ITEM 18 (Escrowed shares)

640,000 shares (representing 30.5% of the issued shares of the Company) are held in escrow by the Guaranty Trust Company of Canada subject to the order of the Superintendent of Brokers and the Vancouver Stock Exchange. The beneficial owners of the above shares are as follows:-

<u>Name &amp; Address</u>	<u>Escrow Shares</u>
Martial H. Levasseur 1661 Victoria Drive Vancouver, B.C.	225,000 shares
Terence B. Dunfield 4411 West 11th Avenue Vancouver, B.C.	180,000 shares
Richard Radcliffe 5650 Angus Drive Vancouver, B.C.	180,000 shares
Phillip W. Barchard 5726 Kingston Road Vancouver, B.C.	32,500 shares
Quamco Ltd. 1758 West 8th Avenue Vancouver, B.C.	22,500 shares

ITEM 19 (Owners of more than 5% of the issued shares)

The following are the shareholders of record owning more than 5% of the issued shares of the Company:-

<u>Name &amp; Address</u>	<u>No. of Shares</u>	<u>%</u>	<u>Type of Ownership</u>
Martial H. Levasseur 1661 Victoria Drive Vancouver, B.C.	263,201	12.6	beneficial & of record
	46,799	2.2	beneficial
Terence B. Dunfield 4411 West 11th Avenue Vancouver, B.C.	180,500	8.6	beneficial & of record
	58,500	2.8	beneficial
Richard H. Radcliffe 5650 Angus Drive Vancouver, B.C.	186,000	8.9	beneficial & of record
Vancouver Stock Exchange Service Corporation 536 Howe Street Vancouver, B.C.	460,000	21.9	of record
Canarim Investment Corporation Ltd. 424 Burrard Street Vancouver, B.C.	147,800	7.1	of record
C.M. Oliver & Co. Ltd. 744 W. Hastings Street Vancouver, B.C.	114,400	5.2	of record

The Company is not aware of the beneficial owners of the shares recorded in the names of Vancouver Stock Exchange Service Corporation, Canarim Investment Corporation Ltd. and C.M. Oliver & Co. Ltd.

ITEM 24 (Particulars of other material contracts still in effect)

On December 1, 1974 the Company purchased from Adam Milling Ltd. and Tiger Industries a mineral milling plant for the sum of \$64,000.00. A down payment of \$5,000.00 was paid and the balance is payable at 12% interest per annum commencing August 31, 1975 with monthly payments of \$5,000.00 on principal plus accrued interest. A chattel mortgage was given for \$59,000.00 secured on the plant. By agreement, Tiger Industries has waived the payments on the principal until July, 1976, subject to the Company making the monthly interest payments, which payments have been made to date.

PURCHASER'S RIGHT OF RESCISSION

Sections 61 and 62 of the Securities Act, contains provisions enabling a purchaser of securities offered in the course of primary distribution to rescind the contract of purchase in certain events. The Purchaser may rescind where:-

- (a) Section 60 has not been complied with;
- (b) Written notice of intention to commence an action for rescission of the contract is served upon the person who contracted to sell the securities within 60 days of the date of delivery of the written confirmation of the sale of the securities; and
- (c) The Purchaser is still the owner of the security.

This Statement of the Purchaser's right of rescission is indicative only, and not intended to be comprehensive. For complete details, reference should be made to the Sections of the Act.

This Statement of Material Facts shall be deemed conclusively to be received in the ordinary course of mail by the person or company to whom it was addressed.

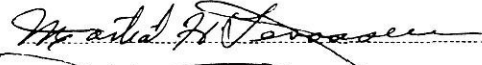


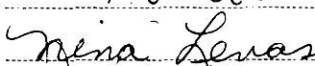

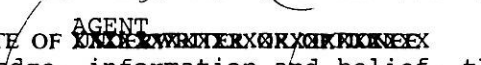
21. Give the aggregate direct remuneration, including amounts for services rendered, paid or payable by the issuer and its subsidiaries during the past year to the insiders of the issuer.	\$7,825.00
22. Give brief particulars of all options to purchase securities (other than such as are granted or proposed to be granted to shareholders as such on a <i>pro rata</i> basis) outstanding or proposed to be given by the issuer and its subsidiaries to any person or company, naming each such person or company and showing separately all such options outstanding or proposed to be given to the insiders of the issuer or its subsidiaries.	None other than the warrants to be issued pursuant to the offering referred to in Item 1
23. State the prices at which shares of the issuer have been issued for cash during the past year. If any shares have been issued for services, state the nature and value of the services and give the name and address of the person or company who received such shares. State the number of shares issued at each price.	150,000 shares @ 40¢ ea - October, 1975 95,000 shares @ 50¢ ea - November, 1975 25,000 shares @ 50¢ ea - December, 1975 30,000 shares @ 50¢ ea - January, 1976 No shares have been issued for services.
24. Give the dates of and parties to and the general nature of every material contract entered into by the issuer or any subsidiary within the preceding two years which is still in effect and is not disclosed in the foregoing.	See Schedule Attached
25. Give particulars of any other material facts relating to the shares proposed to be offered and not disclosed pursuant to the foregoing items.	None
26. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost of book value and present market value.	None

27.

CERTIFICATE OF THE COMPANY

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

Dated January 23, 1976

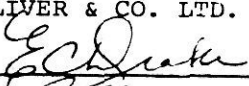
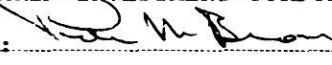



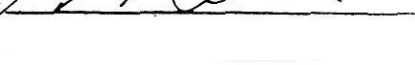
(Martial H. Levasseur)		} [Corporate Seal.]
(Terence B. Dunfield)		
(John Embleton)		
(Robert Wood)		
(Nina Levasseur)		
(John W. Naylor)		

AGENT

CERTIFICATE OF ~~CONTINENTAL SECURITIES CORPORATION~~

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

Dated January 23, 1976

C.M. OLIVER & CO. LTD.		CANARIM INVESTMENT CORPORATION LTD.	
Per: 		Per: 	
		CONTINENTAL SECURITIES CORPORATION (1971) LTD.	
		Per: 	

Geological Progress Report  
on the  
Brandywine Creek Property  
of  
Van Silver Explorations Ltd.  
Vancouver Mining District  
NTS 92J/3E  
Lat. 50°04'      Long. 123°08'

By D.C. Miller, P.Eng.

For  
Van Silver Explorations Ltd.

January 22, 1976

## ILLUSTRATIONS

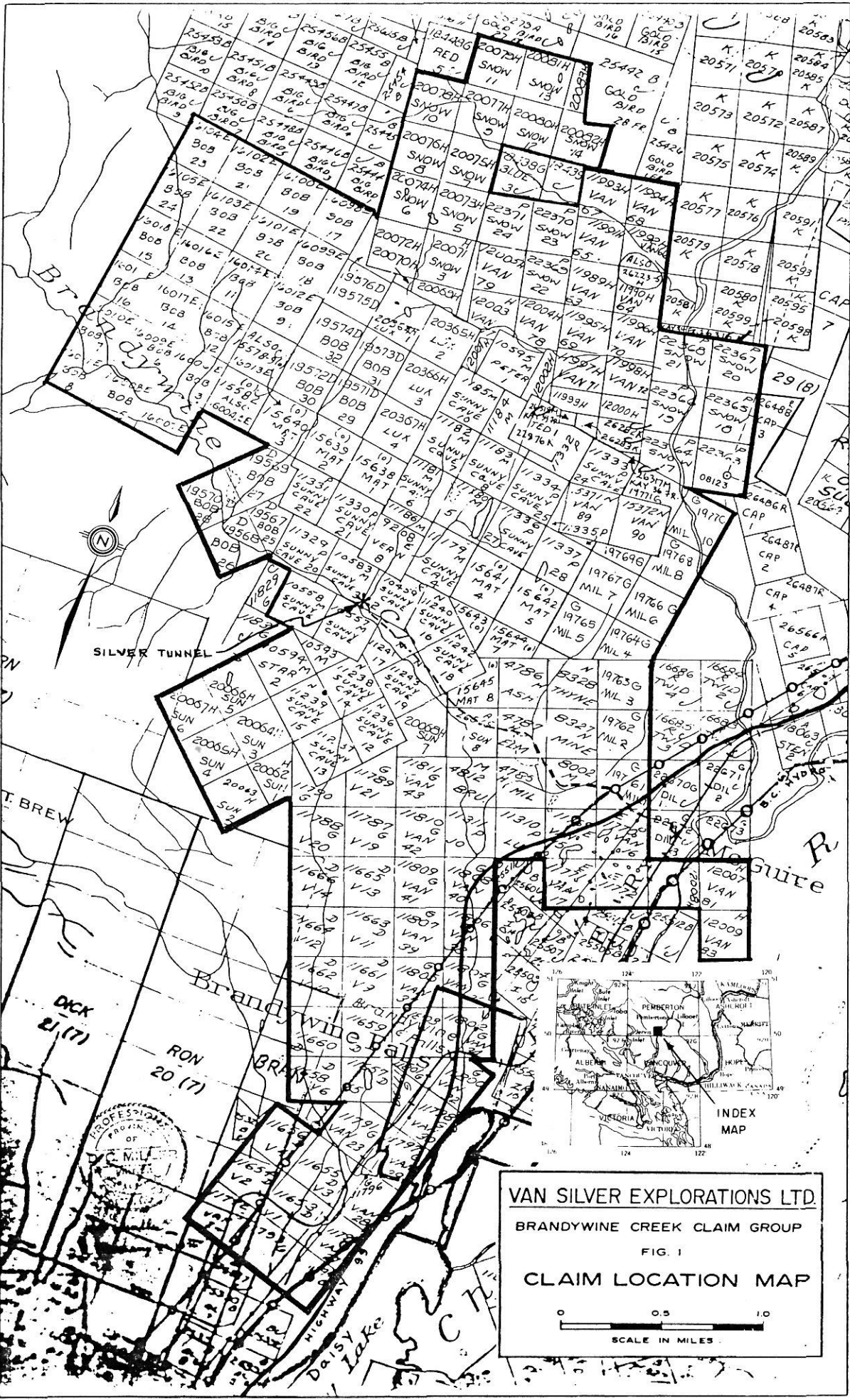
- |          |   |
|----------|---|
| Figure 1 | Claim Location Map.                         |
| Figure 2 | Plan of Adit, Drill Holes and Showings.     |
| Figure 3 | Longitudinal Section of Silver Tunnel Zone. |

## APPENDICES

- |            |                            |
|------------|----------------------------|
| Appendix 1 | References                 |
| Appendix 2 | Schedule of Mineral Claims |
| Appendix 3 | Certification              |

## CONTENTS

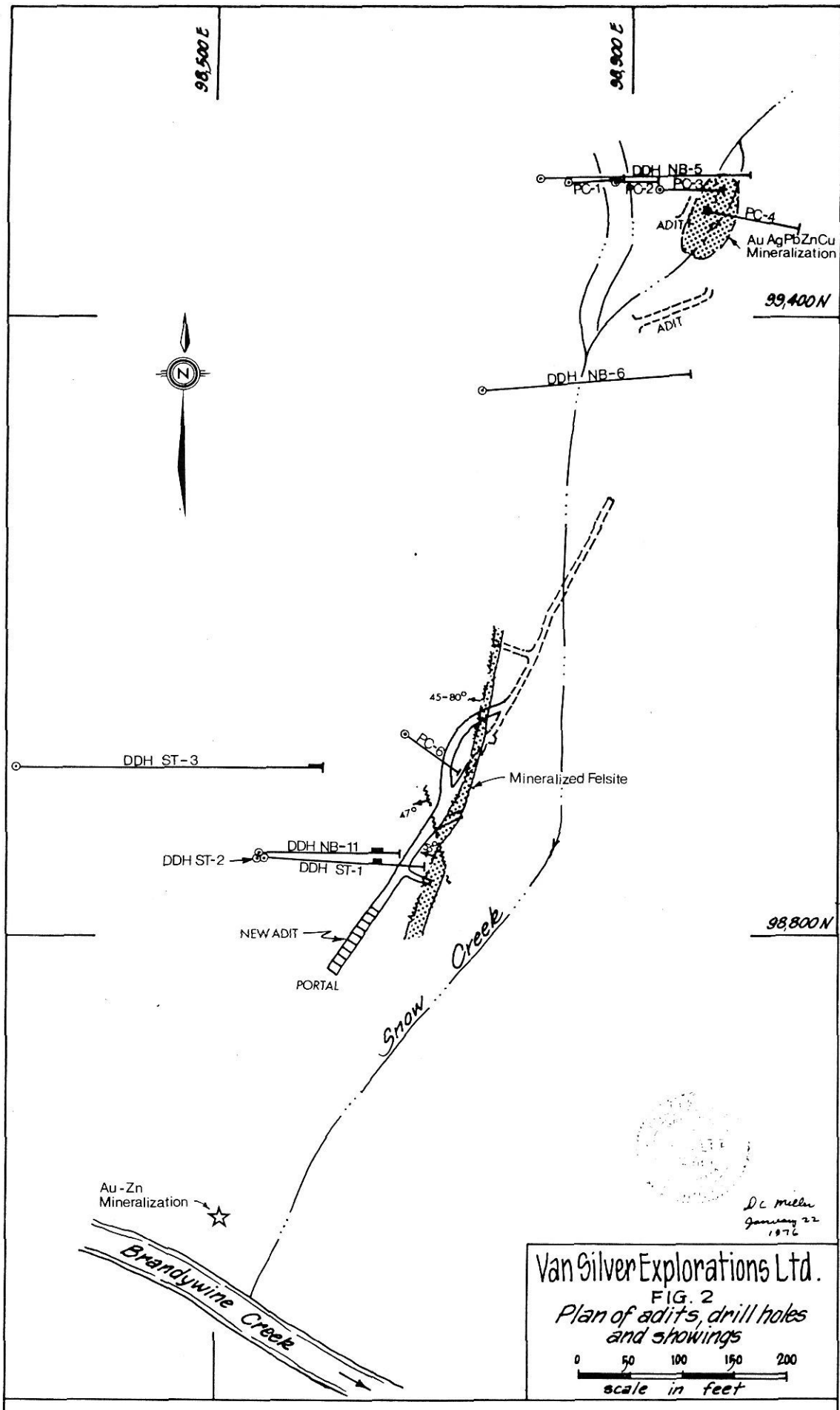
	Page
Introduction	1
Location and Access	1
Property and Ownership	1
Physiography	2
History	2
Geology and Mineralization	2
Drill Hole and Assay Data	3
Ore Reserves	6
Conclusions and Recommendations	6
Estimated Cost of Recommended Work	7

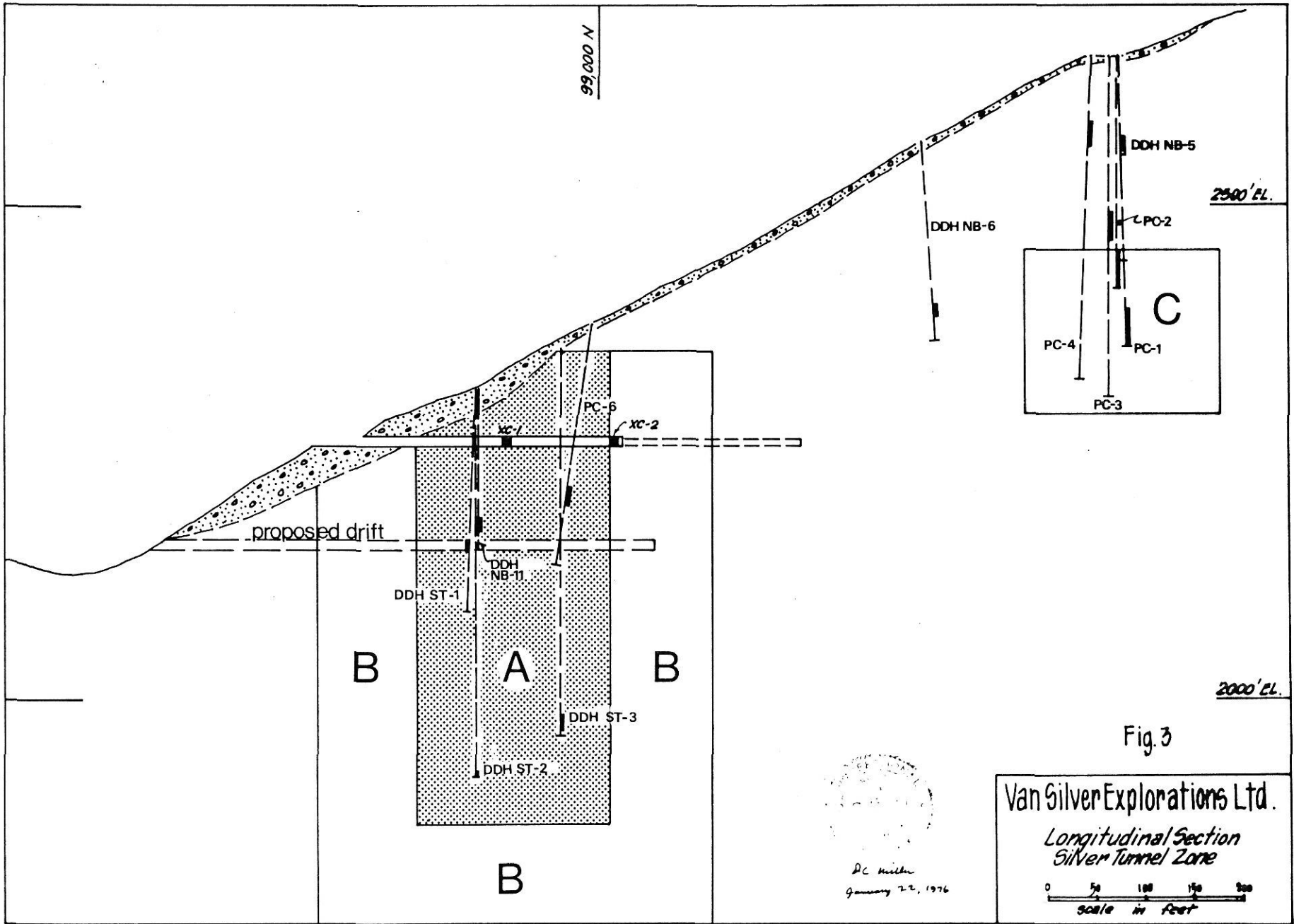


**VAN SILVER EXPLORATIONS LTD**  
 BRANDYWINE CREEK CLAIM GROUP  
 FIG. 1  
**CLAIM LOCATION MAP**  
 0 0.5 1.0  
 SCALE IN MILES









## INTRODUCTION

During October to December 1975, Van Silver Explorations Ltd. conducted an active exploration programme on the Silver Tunnel Zone of their Brandywine Creek Property. Work included enlarging and timbering the portal of the lower adit, enlarging the initial 200 feet of the adit to a size of 9 feet high by 9 feet wide and driving 130 feet of new drifts and crosscuts. The silver bearing felsite dyke intersected by previous drilling was exposed and sampled in two crosscuts. Additionally, the adit was geologically mapped, surveyed with a transit and tied into surface drill holes, upper adits and claim boundaries. The writer spent much of the period as resident geologist at the property.

## LOCATION AND ACCESS

The property is located some 25 miles northerly of Squamish, B.C. Access is by paved highway leading from Squamish. A number of logging and mining roads provide access to various parts of the property. The Silver Tunnel Zone is reached by following about 1.5 miles of gravel and dirt roads leading northwesterly from Highway 99 near McGuire. The workings are located on the Sunny Cave and Star No. 1 mineral claims. The B.C. Railway and B.C. Hydro power lines pass through the southeastern part of the property.

## PROPERTY AND OWNERSHIP

The property comprises 179 contiguous, located mineral claims controlled by Van Silver Explorations Ltd. Sixteen of these claims, located in the northwest corner of the block, are under option to Golden Standard Mines Ltd. and Yukon Gold Placers. The optioned claims include the Van 63 to 70, 72, 74, and the Snow 16 to 21. A schedule of mineral claims is appended.

## PHYSIOGRAPHY

The claims straddle Brandywine Creek Valley and adjacent hills and extend northward to Callaghan Creek, a total distance of about 6.5 miles. Elevations on the claims range from 1200 feet near Daisy Lake to over 5000 feet on the western part of the block. Topography is relatively moderate in the eastern part of the block but steep slopes and small cliffs are common in some western parts and along Brandywine Creek. Vegetation comprises stands of commercial timber, some of which has been harvested during the past two years. The climate is generally mild with both heavy rainfall and snowfall.

## HISTORY

The principal surface showings were discovered and partially explored during an early period from 1927 to 1936. During this period some trenching and limited underground development work was done. In the early 1960's the showings were restaked by Mr. M. Levasseur of Vancouver, B.C. Since that time, prospecting, geochemical and geophysical surveys, diamond and percussion drilling, and limited underground development have been conducted on certain areas of the property.

## GEOLOGY AND MINERALIZATION

The claims are underlain by metamorphosed volcanic rocks and minor limestone beds which have been intruded by various bodies of granitic rocks. Aphanitic felsite dykes, some of which carry economic minerals, intrude the preceding rocks.

The Silver Tunnel Zone consists of silver-lead-zinc mineralization contained in small veinlets in a fractured felsite dyke host rock. Pyrite, sphalerite and galena are the most common minerals present. Silver is present principally in relatively coarse free silver minerals. Metallurgical tests by Acres

Consulting Services Ltd. indicate silver, lead and zinc recoveries of 96.5%, 90% and 90% respectively in combined jig and floatation concentrates. The mineralized dyke has been outlined by diamond and percussion drilling and underground exposures which indicate a strike length of 250 feet, a dip length of 400 feet and an average true width of 14.6 feet in the Silver Tunnel area. Some 500 feet north of this area, percussion drill holes have indicated a second mineralized zone in the same felsite dyke. Assay values in this northern zone show a depth-zoning relationship with the best values in the deepest drill hole. Between the two zones, but near their upper limit, a diamond drill hole, NB-6, failed to intersect significant mineralization.

Where it is exposed by underground workings, the mineralized zone is soft, and well fractured and partly altered to clay minerals. It strikes approximately N 11° E and dips an average of 55° NW. Below the main adit level drill hole intersections indicate the dip steepens to about 63° NW. The hanging wall of the zone, apart from 2 feet of soft contact rock, is hard greenstone. The footwall is exposed in only two locations. In the first of these, XC-1 (see fig.3) the footwall is a hard rhyolite. In the other exposure, XC-2, the footwall is soft greenstone cut by small offshoots from the felsite dyke.

In addition to mineralized zones in the felsite dyke, gold, silver, lead, zinc and copper mineralization occur in metamorphosed volcanic host rocks some 100 feet in the hanging wall of the felsite dyke. This hanging wall mineralization was intersected by diamond drill holes ST-2 and NB-5 and also is exposed on surface near the junction of Snow and Brandywine Creeks. The attitude of the hanging wall mineralization is unknown but is interpreted as nearly paralleling the main zone.

#### DRILL HOLE AND ASSAY DATA

A new survey base was developed on the property referenced to astronomic north and tied to an iron pin at the final post

of the Sunny Cave No. 2 mineral claim. A survey hub near the lower adit portal was assigned an elevation of 2250 feet to correspond with recent topographic mapping in the area. A summary of drill hole and assay data to be used with the accompanying plan and section is given in the following tables:

DRILL HOLE DATA

<u>DIAMOND DRILL</u> <u>HOLE NO.</u>	<u>COORDINATES (FT.)</u>		<u>AZIMUTH</u>	<u>DIP</u>	<u>DEPTH (FT)</u>
	<u>NORTH</u>	<u>EAST</u>			
ST-1	98,884.7	98,545.9	93°	-55°30'	276
ST-2	98,884.7	98,538.9	--	-90°	393
ST-3	98,962.2	98308.8	90°	-52°40'	491
NB-11	98,889.7	98,540.9	90°	-50°	213
NB-6	99,330.5	98,756.4	85°	-45°	284
*NB-5	99,531.0	98,810.0	89°	-46°	289

PERCUSSION DRILL

<u>HOLE NO.</u>	<u>NORTH</u>	<u>EAST</u>	<u>AZIMUTH</u>	<u>DIP</u>	<u>DEPTH (FT)</u>
*PC-1	99,528.0	98,838.0	85°	-80°	300
*PC-2	99,530.0	98,883.0	90°	-80°	240
*PC-3	99,523.0	98,927.0	90°	-80°	350
*PC-4	99,503.0	98,973.0	100°	-75°	340
PC-6	98,994.6	98,682.8	125°	-75°	250

\*COORDINATES APPROXIMATE

ASSAY DATA SUMMARY

<u>DIAMOND DRILL HOLE NO.</u>	<u>FOOTAGE</u>	<u>OZ/TON</u>		<u>%</u>		<u>INTERCEPT (FT.)</u>	<u>TRUE WIDTH (FT.)</u>
		<u>Au</u>	<u>Ag</u>	<u>Pb</u>	<u>Zn</u>		
ST-1	186-201	Tr.	16.0	0.13	0.30	15.0	13.9
*ST-2	116-121	0.85	2.1	3.92	1.88	5.0	2.1
*ST-2	146-166	0.14	0.78	1.36	1.61	20.0	8.5
**ST-2	389-393	0.01	24.7	0.34	0.88	4.0	1.7
ST-3	462-487	Tr.	11.0	0.04	0.06	25.0	22.9
NB-11	168-185.5	0.01	7.3	0.30	0.99	17.5	15.9
NB-5	184-214	Tr.	0.06	--	--	30.0	28.8
*NB-5	92.5-99	0.12	0.05	1.32	0.36	6.5	6.2
NB-6	235-250	--	Tr.	Tr.	Tr.	15.0	14.4

PERCUSSION DRILL  
HOLE NO.

PC-1	260-290	0.03	17.3	0.37	0.69	30	20.1
PC-2	200-230	0.01	5.8	0.16	0.22	30	20.1
PC-3	160-190	0.01	3.7	0.14	0.18	30	20.1
PC-4	160-170	0.01	1.5	0.16	0.12	10	7.3
PC-6	170-190	0.01	14.1	0.42	0.62	20	14.6

CROSSCUT  
SAMPLES

XC-1		.03	14.3	--	--		12.0
XC-2		Tr.	8.3	0.09	0.19		8.0

- \* HANGING WALL GOLD ZONE
- \*\* DRILL RODS STUCK IN HOLE

## ORE RESERVES

Based on assay data given in the preceding tables, undiluted ore reserves were calculated for three blocks, A, B, and C, as shown on the accompanying longitudinal section, Fig.3. Reserves are tabulated as follows:

	<u>TONNAGE</u>	<u>OZ/TON</u>		<u>%</u>		<u>CLASS</u>
		<u>Au</u>	<u>Ag</u>	<u>Pb</u>	<u>Zn</u>	
BLOCK A	111,800	0.008	12.1	0.19	0.43	Probable
BLOCK B	161,200	0.008	12.1	0.19	0.43	Possible
BLOCK C	60,700	0.020	11.6	0.27	0.45	Possible
<u>TOTAL</u>	<u>333,700</u>	<u>0.010</u>	<u>12.0</u>	<u>0.20</u>	<u>0.43</u>	<u>Probable and Possible</u>

No proven ore reserves were calculated because insufficient underground development work has yet been done to demonstrate ore continuity between drill holes and that the mineralized zones can be mined profitably. Probable ore is based on several relatively close spaced drill intersections and two underground exposures. Possible ore includes projections up to 100 feet beyond probable ore and zones indicated by relatively few drill hole intersections. With reference to Fig. 3 it is apparent that the present zones could be enlarged with further testing.

## CONCLUSIONS AND RECOMMENDATIONS

Previously, it was planned to completely rehabilitate the old adit and extend it under ore reserve block C, (Fig.3), and explore the intervening ground. It was found, however, that the old adit was following a major fault zone and is too badly caved to be rehabilitated and enlarged. Rather than drive a new drift on this level the following work is recommended:

- (1) Collar a new adit on hanging wall gold mineralization located near the intersection of Snow and Brandywine Creeks. The adit would be approximately 100 feet below the present adit.



(2) Drive the adit approximately 100 feet following the gold zone and then turn east to crosscut the mineralized felsite. Drift in the footwall of the felsite zone for approximately 300 feet to a point near the intersection P.C. hole 6. Drive three crosscuts into the mineralized zone within the limits of ore reserve block A and sample the zone.

(3) If the crosscut assays confirm drilling results, a trial stope should be developed above the new level.

(4) If exploration results are encouraging, further drifting on both the hanging wall and the felsite zone may be considered.

ESTIMATED COST OF RECOMMENDED WORK

(1) Collar adit and drift 500 feet	\$ 85,000
(2) Drive three 60 foot crosscuts	27,000
	<hr/>
Subtotal	112,000
Contingency	11,000
	<hr/>
Total	\$123,000



Respectfully submitted,

*D.C. Miller*

D.C. Miller, P.Eng.  
January 22, 1976.

APPENDIX 1

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Brandywine Creek claims of Tedi  
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Program on the Brandywine Creek  
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Ltd.



## APPENDIX 2

SCHEDULE OF MINERAL CLAIMS

<u>NAME OF CLAIM</u>	<u>RECORD NO.</u>	<u>DUE DATE</u>
VAN I - VII	11653 D-11659 D	April 19, 1976
VAN VIII-XIV	11660 D-11665 D	April 19, 1977
VAN 19 - 42	11787 G-11810 G	June 2, 1976
VAN 43	11811 G	June 6, 1976
SUNNY CAVE 12	11236 N	October 14, 1976
SUNNY CAVE 23	11332 P	November 30, 1978
SUNNY CAVE IX	11184 M	September 10, 1979
SUNNY CAVE X	11185 M	September 10, 1979
LUX 1-2	20364 H-20365 H	July 19, 1978
LUX 3	20366 H	July 19, 1977
BOB 9	16012 E	May 13, 1977
BOB 17-24	16098 E-16105 E	May 29, 1978
BOB 31-34	19573 D-19576 D	April 17, 1977
SUN 1-6	20062 H-20067 H	July 6, 1977
SUNNY CAVE 13-19	11237 N-11243 N	October 14, 1977
SUNNY CAVE 20	11329 P	November 30, 1978
SUNNY CAVE	10557 M	September 21, 1977
SUNNY CAVE I	10558 M	September 21, 1977
SUNNY CAVE II	10459 K	August 11, 1977
SUNNY CAVE III	10583 M	September 28, 1977
BOB 25-28	19567 D-19570 D	April 17, 1977
BOB 1-8	16004 E-16011 E	May 13, 1977
BOB 11-16	16014 E-16019 E	May 13, 1977
STAR 1-2	10593 M-10594 M	September 30, 1977
MAT 2-3	15639 O-15640 O	March 14, 1977
VAN 81-83	12007 H-12009 H	July 4, 1977
VAN 16	11770 E	May 24, 1980
VAN 18	11772 E	May 24, 1980
MIL 1-11	19761 G-19771 G	June 5, 1978
SPINE	8002 M	September 11, 1977
MIL	4785 H	July 9, 1977
BRU	4812 M	September 12, 1977

SCHEDULE OF MINERAL CLAIMS (cont'd)

<u>NAME OF CLAIM</u>	<u>RECORD NO.</u>	<u>DUE DATE</u>
MINE	8327 N	October 24, 1977
ELM	4787 H	July 9, 1977
THYNE	8328 N	October 24, 1977
ASH	4786 H	July 9, 1977
SUN 7	20068 H	July 6, 1977
MAT 4	15641 O	March 14, 1979
MAT 6-8	15643 O-15645 O	March 14, 1979
SUNNY CAVE IV	11179 M	September 10, 1977
VERN 8	9208 E	May 28, 1980
SUNNY CAVE VI-VII	11181 M-11182 M	September 10, 1977
SUNNY CAVE XI	11186 M	September 10, 1977
LUX 4	20367 H	July 9, 1977
BOB 29-30	19571 D-19572 D	April 17, 1977
BOB 10	16013 E	May 13, 1977
SNCW 1-15	20069 H-20083 H	July 6, 1979
SNOW 22-24	22369 P-22371 P	November 17, 1979
VAN 71	11997 H	July 4, 1979
VAN 73	11999 H	July 4, 1979
VAN 75-79	12001 H-12005 H	July 4, 1979
PETER 1	10595 M	September 30, 1979
TEDI	22876 K	August 10, 1979
JO	11311 P	November 22, 1980
LU	11310 P	November 22, 1979
VAN 15	11769 E	May 24, 1980
VAN 17	11771 E	May 24, 1980
MAT 5	15642 O	March 14, 1979
MAT 1	15638 C	March 14, 1978
SUNNY CAVE 8	11183 M	September 10, 1977
SUNNY CAVE V	11180 M	September 10, 1977
SUNNY CAVE 21-22	11330 P-11331 P	November 30, 1978
SUNNY CAVE 24	11333 P	November 30, 1979
SUNNY CAVE 25	11334 P	November 30, 1978
SUNNY CAVE 27-28	11336 P-11337 P	November 30, 1978
VAN 89-90	15371 N-15372 N	October 7, 1977
SUN 8	26565 A	January 14, 1977.

APPENDIX 3

CERTIFICATE

I, David C. Miller of 769 Fraser Street, Kamloops, B.C.  
do hereby certify that:

- (1) I am a graduate of the University of British Columbia, Vancouver, B.C. and have obtained a Bachelor of Applied Science in Geological Engineering in 1959.
- (2) I have practised my Profession since graduation.
- (3) I am a registered Professional Engineer in the Province of British Columbia.
- (4) I have examined the property discussed in this report, examined related records and reports and that my report dated January 22, 1976 is based on these examinations.
- (5) I have no interest, directly or indirectly, in the properties or securities of Van Silver Explorations Ltd., of Vancouver, B.C.



*D.C. Miller*

D.C. Miller,  
January 22, 1976.

Van Silver Explorations Ltd (N.P.L.)

I N D E X

Auditor's Report

Balance Sheet as at December 31, 1974

Statement of Source and Application  
of Funds, for the year ended, December 31, 1974

Schedule of Deferred Exploration, Development  
and Administrative Expenses for the year ended,  
December 31, 1974

Notes to the Financial Statements as at  
December 31, 1974

//


A U D I T O R ' S   R E P O R T

TO THE SHAREHOLDERS,

VAN SILVER EXPLORATIONS LTD (N.P.L.)

I have examined the Balance Sheet of Van Silver Explorations Ltd (N.P.L.) as at December 31, 1974, and the Statement of Source and Application of Funds for the year ended on that date. My examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Company as at December 31, 1974 and the source and application of its funds for the year ended on that date in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

  
Henry J. Meyer  
Chartered Accountant

Vancouver, B.C.  
September 16, 1975



12  
 Van Silver Explorations Ltd (N.P.L.)  
 Vancouver, B.C.

Exhibit A

Balance Sheet  
 as at December 31, 1974

<u>Assets</u>		
<u>Current Assets</u>		
Cash in bank - Term Deposit	\$	40,000.00
<u>Mill Equipment Costs</u> (Note 9)		87,606.85
Equipment - at cost		1,587.00
<u>Mineral Claims</u> (See Notes 1, 2, 6)		87,922.29
<u>Deferred Exploration, Development and Administrative Expenses</u> (Schedule A)		232,945.37
 <u>Investment</u>		
Hope Bay Mines (See Note 5)		100,000.00
 <u>Incorporation Costs</u>		
		568.50
		\$ 550,630.01

<u>Liabilities</u>		
<u>Current Liabilities</u>		
Bank overdraft	13,905.28	
Accounts payable	20,310.13	
Chattel Mortgage Payable (Note 9)	59,581.91	93,797.32

<u>Shareholders' Equity</u>		
<u>Share Capital</u>		
Authorized		
3,000,000 Common Shares, par value 50¢ each		
Issued 1,796,000 Shares (see notes 3, 7, 8)	490,442.50	
 <u>Deficit</u>		
Balance, December 31, 1973	39,952.21	
Less: Interest Earned	6,342.40	
Balance, December 31, 1974	(33,609.81)	456,832.69
		\$ 550,630.01

Approved on Behalf of the Board

 Director  
 Director

This is the Balance Sheet referred to in the audit report of  
 Henry J. Meyer, Chartered Accountant, dated September 16, 1975.

Van Silver Explorations Ltd (N.P.L.)  
Vancouver, B.C.

Exhibit B

Statement of Source and Application  
of Funds  
for the year ended, December 31, 1974

Source of Funds

Sale of 200,000 shares at 88¢ each (note 3)	\$176,000.00
Sale of 50,000 shares at 50¢ each (note 2)	25,000.00
Sale of 100,000 shares at 50¢ each (note 2)	50,000.00
Interest Earned on term deposits	<u>6,342.40</u>
	257,342.40

Application of Funds

Deferred Exploration and Development Expenses (Schedule A)	96,320.90
Deferred Administrative Expenses (Schedule A)	42,631.36
Investment in joint venture Hope Bay Mines Ltd. (note 5)	100,000.00
Purchase of Mineral Claims (note 2)	26,000.00
Purchase of Mill Equipment (note 9)	37,606.85
Purchase of equipment	<u>1,587.00</u>
	354,146.11
<u>Decrease in Working Capital</u>	<u>\$ 96,803.71</u>

Reconciliation

<u>Working Capital, December 31, 1973</u>		
Current Assets	\$ 45,942.34	
Less: Current Liabilities	<u>2,941.95</u>	
Working Capital		43,006.39
<u>Working Capital, Deficit, December 31, 1974</u>		
Current Liabilities	93,797.32	
Less: Current Assets	<u>40,000.00</u>	
Working Capital Deficit		53,797.32
<u>Working Capital Decrease</u>		<u>\$ 96,803.71</u>

14

Van Silver Explorations Ltd (N.P.L.)  
Vancouver, B.C.

Schedule A

Schedule of Deferred Exploration, Development and  
Administrative Expenses  
for the year ended, December 31, 1974

Deferred Exploration and Development Expenses

Balance, December 31, 1973	\$53,737.20	
1974 Additions		
Tedi Resources Ltd. (N.P.L.) (see note four)	25,000.00	
Drilling	34,684.95	
Engineering	9,938.58	
Recording fees	30.00	
Miner's licence	400.00	
Travel	1,347.31	
Board and Lodging	1,575.70	
Equipment operation	1,771.61	
Assay	5,189.50	
Wages	6,695.78	
Equipment rental	5,375.47	
Camp lease	40.00	
Mining claim rental fees	3,972.00	
Storage	250.00	150,058.10

Deferred Administrative Expenses

Balance, December 31, 1973	40,254.91	
1974 Additions		
Legal	10,203.70	
Wages and benefits	15,844.46	
Accounting and audit	1,945.00	
Transfer agent fees	1,399.18	
Office	1,169.85	
Promotion and Public Relations	350.00	
Telephone	340.94	
Listing fees (V.S.B.)	3,824.72	
Printing	2,750.73	
Travel	2,449.64	
Rent - office	1,606.26	
Bank charges	247.88	82,887.27

Total Transferred to Exhibit A

\$232,945.37

Van Silver Explorations Ltd (N.P.L.)  
Vancouver, B.C.

Notes to the Financial Statements as at  
December 31, 1974

1. Mineral claims and deferred expenses represent accumulated costs, less amounts written off to date and are not intended to reflect present or future values.
2. On January 23, 1974 the Company purchased from Martha M. McKenzie mineral claims for the sum of \$25,000.00, payable \$1,000.00 in cash and 50,000 shares of the Company at 50¢ each.
3. By agreement dated January 31, 1974 the Company sold 200,000 shares to Conarim Investment Corporation Ltd, and C.M. Oliver and Co. Ltd. at 23¢ per share. Conarim purchased another 100,000 shares at 50¢ each on November 7, 1974.
4. By a letter dated February 4, 1974, the Company agreed to provide 70% of the funds expended on the property of Tedi Resources Ltd (N.P.L.). Since that date \$35,715.00 has been spent of which \$25,000.00 was provided by the Company.
5. By an agreement made April 19, 1974 the Company entered into a joint exploration and development program with Hope Bay Mines Ltd, in the North West Territories to acquire a 5% working interest in Hope Bay Mines Ltd. mineral property for a consideration of \$100,000.00 paid April 26, 1974.
6. On August 26, 1974 an option agreement was granted to Consolidated Standard Mines Ltd (N.P.L.) and Yukon Gold Placers, Limited, jointly, to purchase a two-thirds interest in 16 mining claims of the Company until December 31, 1976, if the purchasers perform work on the property a minimum of \$25,000.00 by December 31, 1974; of a further \$75,000.00 by December 31, 1975; and of a further \$100,000.00 by December 31, 1976. The purchase price shall be the performance of not less than \$200,000.00 of work on the property. Upon exercising the option, Van Silver will receive a one-third interest in mining claims of the other two companys.

Continued on following  
page...

Van Silver Exploration Ltd (N.P.L.)  
Vancouver, B.C.

December 31, 1974

Notes continued

7. The following shares have been issued during the year:

Common Shares Issued	Issued For	Price Per Share	Net Proceeds
200,000	Cash	88¢	\$176,000.00
50,000	Claims	50¢	25,000.00
100,000	Cash	50¢	50,000.00
<u>350,000</u>			<u>\$251,000.00</u>

8. The following shares have been issued since incorporation:

Common Shares Issued	Issued For	Price Per Share	Amount	Discounts and Commissions	Net Proceeds
770,000	Cash	50¢	\$385,000.00	\$183,557.50	\$201,442.50
200,000	Cash	88¢	176,000.00		176,000.00
300,000	Mineral claims	50¢	400,000.00	300,000.00	100,000.00
26,000	Services	50¢	13,000.00		13,000.00
<u>1,796,000</u>			<u>\$974,000.00</u>	<u>483,557.50</u>	<u>490,442.50</u>

9. On December 1, 1974 the Company purchased from Adam Milling Ltd. and Tiger Industries a mineral milling plant for the sum of \$64,000.00. A down payment of \$5,000.00 was paid and the balance is payable at 12% interest per annum commencing August 31, 1975 with monthly payments of \$5,000.00 on principal plus accrued interest. A chattel mortgage was given for \$59,000.00 secured on the plant. Accrued interest owing to December 31, 1974 is \$581.91. Freight costs to mill site amounted to \$23,606.35.

10. Aggregate remuneration paid to directors and senior officers including the five highest paid employees as defined by the B.C. Companies act, amounted to \$22,540.24.

Aggregate remuneration paid to directors and senior officers amounted to \$15,844.46.

Directors' fees, as such, were not paid and the above remuneration was for services as officers and employees of the company.

VAN SILVER EXPLORATIONS LTD. (N.P.L.)

I N D E X

Accountant's Comments

Balance Sheet as at December 31, 1975

Statement of Source and Application of funds,  
for the year ended, December 31, 1975

Schedule of Deferred Exploration, Development and  
Administrative Expenses for the year ended,  
December 31, 1975


Notes to the Financial Statements as at  
December 31, 1975

Accountant's Comments

To the Directors of,  
Van Silver Explorations Ltd. (N.P.L.)

I have prepared the accompanying Balance Sheet of Van Silver Explorations Ltd. (N.P.L.) as at December 31, 1975 and Statement of Source and Application of Funds for the year ended on that date and supporting schedules from the records of the Company and the information received.

In accordance with the terms of our engagement, we have not performed an audit, and consequently do not express an opinion on these financial statements.

  
Henry J. Meyer  
Chartered Accountant

Vancouver, B.C.  
January 22, 1976

Van Silver Explorations Ltd. (N.P.L.)  
Vancouver, B.C.

Balance Sheet  
as at December 31, 1975

Exhibit A

Assets

Current Assets

Cash in bank \$ 245.11  
Accounts receivable - subscriptions 15,000.00 \$ 15,245.11

Mill Equipment Costs

Equipment - at cost 129,013.05

Mineral Claims - (Note 1) 16,753.30

Deferred Explorations, Development and Administrative Expenses (Schedule A) 87,922.29  
368,158.67

Investment

Hope Bay Mines (See Note 2) 100,000.00

Incorporation Costs

568.50

\$ 717,660.92

Liabilities

Current Liabilities

Accounts payable \$ 59,190.82  
Chattel Mortgage Payable 65,988.11 125,178.93

Shareholders' Equity

Share Capital

Authorized

3,000,000 Common Shares, par value 50¢ each


Issued 2,096,000 Shares (See Notes 4,5) \$625,442.50

Deficit

Balance, December 31, 1974 \$ 33,609.81  
Less: Interest earned 649.30  
Balance December 31, 1975 ( 32,960.51) 592,481.99

\$ 717,660.92

Approved on Behalf of the Board:

 Director

 Director



Van Silver Explorations Ltd. (N.P.L.)  
Vancouver, B. C.

Exhibit B.

Statement of Source and Application of Funds for the  
year ended, December 31, 1975

Source of Funds

Interest Earned on Term Deposits		\$ 649.30
Sale of 300,000 shares of treasury stock		<u>135,000.00</u>
		135,649.30

Application of Funds

Mining Equipment purchases	\$ 15,166.30	
Deferred Exploration and Development Expenses Schedule A		102,371.86
Deferred Administrative Expenses Schedule A		32,841.44
Mill Building Cost		<u>35,000.00</u>
Mill Costs - interest charges		<u>6,406.20</u>
		<u>191,785.80</u>

Increase in Working Capital Deficit \$ 56,136.50

Reconciliation

Working Capital Deficit, December 31, 1975

Current Liabilities	\$ 125,178.93	
Less: Current Assets		<u>15,245.11</u>
Working Capital Deficit		\$ 109,933.82

Working Capital Deficit, December 31, 1974

Current Liabilities	93,797.32	
Less: Current Assets		<u>40,000.00</u>
Working Capital Deficit		<u>53,797.32</u>

Increase in Working Capital Deficit \$ 56,136.50

Van Silver Explorations Ltd. (N.P.L.)  
Vancouver, B. C.

Schedule of Deferred Exploration, Development and  
Administrative Expenses for the year ended,  
December 31, 1975

Deferred Exploration and Development Expenses

Balance, December 31, 1974	\$ 150,058.10	
Additions to date:		
Supplies	16,816.04	
Engineering	1,154.31	
Survey costs	4,321.74	
Miner's Licence	400.00	
Metallurgical fees	10,639.23	
Board and Lodging	4,926.57	
Equipment operation	10,746.11	
Assay	1,418.50	
Wages and benefits	25,766.25	
Equipment rental	23,418.13	
Mining claim rental fees	<u>2,765.00</u>	\$ 252,429.96

Deferred Administrative Expenses

Balance, December 31, 1974	\$ 82,887.27	
Additions to date:		
Legal	8,049.10	
Wages and benefits	12,127.78	
Accounting and audit	4,625.00	
Transfer agent fees	1,069.99	
Office	1,222.21	
Promotion and public relations	400.00	
Telephone	580.59	
Listing fees (U.S.E.)	1,000.00	
Printing	1,822.61	
Travel	4,082.40	
Rent - office	2,406.94	
Bank charges	<u>1,544.82</u>	
	121,818.71	
Less: Recovery of office costs	<u>6,090.00</u>	<u>115,728.71</u>

Total Transferred to Exhibit A

\$ 368,158.67

Van Silver Explorations Ltd. (N.P.L.)  
Vancouver, B. C.

Notes to the Financial Statements as at December 31, 1975

1. Mineral claims and deferred expenses represent accumulated costs less amounts written off to date and are not intended to reflect present or future values.
2. By an agreement made April 19, 1974 the Company entered into a joint exploration and development program with Hope Bay Mines Ltd. in the North West Territories to acquire a 5% working interest in Hope Bay Mines Ltd. mineral property for a consideration of \$100,000.00.
3. On August 26, 1974 an option agreement was granted to Consolidated Standard Mines Ltd. (N.P.L.) and Yukon Gold Placers Limited, jointly, to purchase a two-thirds interest in sixteen mining claims of the Company until December 31, 1976, if the purchasers perform work on the property a minimum of \$25,000.00 by December 31, 1974; of a further \$75,000.00 by December 31, 1975; and of a further \$100,000.00 by December 31, 1976. The above performance dates have been advanced by mutual agreement, to read \$25,000.00 by September 30, 1975; \$75,000.00 by December 31, 1976; and \$100,000.00 by December 31, 1977. The purchase price shall be the performance of not less than \$200,000.00 of work on the property. Upon exercising the option, Van Silver will receive a one-third interest in mining claims of the other two companies.
4. The following shares have been issued since incorporation:

Common Shares <u>Issued</u>	<u>Issued For</u>	Price Per <u>Share</u>	<u>Amount</u>	<u>Discounts &amp; Commiss- ions</u>	<u>Net Proceeds</u>
1,070,000	Cash	50¢	\$ 535,000.00	\$198,557.50	\$336,442.50
200,000	Cash	88¢	176,000.00		176,000.00
800,000	Mineral claims	50¢	400,000.00	300,000.00	100,000.00
26,000	Services	50¢	13,000.00		13,000.00
<hr/>			<hr/>	<hr/>	<hr/>
<u>2,096,000</u>			<u>\$1,124,000.00</u>	<u>\$498,557.50</u>	<u>\$625,442.50</u>

5. During the year the company sold 150,000 shares of treasury stock at 40¢ per share, yielding \$60,000.00 and 150,000 shares at 50¢ per share, yielding \$75,000.00.