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PROSPECTUS

July 3, 1968

FIRST PUBLIC OFFERING
200,000 shares

812722

DAVIS-KEYS MINING CO. LTD.
(Non-Personal Liability)

Incorporated in British Columbia

REGISTERED OFFICE:
625 - 925 West Georgia Street,
Vancouver 1, British Columbia.

REGISTRAR AND TRANSFER AGENT:
Guaranty Trust Company of Canada,
624 Howe Street,
Vancouver 1, British Columbia.

HEAD OFFICE:
407 - 475 Howe Street,
Vancouver 1, British Columbia

THIS OFFERING

The Company offers by this Prospectus 200,000 shares of its capital stock which will be distributed to the public in the Province of British Columbia through brokers and/or salesmen registered in the Province of British Columbia, at the price of 75¢ per share, subject to a commission which may be paid or allowed of up to 15¢ per share to net the Company not less than 60¢ per share.

The purpose of this offering is to raise funds for the future exploration and development, in accordance with the recommendations of its consultants, of its mining property in northeastern British Columbia, some 130 miles due west of Fort Nelson.

No. of Shares Offered	Price per Share	Commission (see Note below)	Net Amount to be Received by Company
200,000	75¢	15¢ per share	60¢ per share
Total: \$30,000			\$120,000

NOTE: The commission of 15¢ per share set out above represents the maximum rate of commission which may be paid or allowed to registered brokers or salesmen.

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

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION AS THE COMPANY'S MINING PROPERTIES (AS SET OUT UNDER THAT HEADING IN THIS PROSPECTUS) ARE IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY.

NOTICE: NO SURVEY OF ANY PROPERTY OR PROPERTY INTEREST HELD BY THE COMPANY HAS BEEN MADE AND THEREFORE, IN ACCORDANCE WITH THE MINING LAWS OF THE APPROPRIATE JURISDICTION IN WHICH THE PROPERTY IS SITUATE, THE EXISTENCE OF THE AREAS OF SUCH PROPERTY COULD BE IN DOUBT.

THIS PROSPECTUS IS NOT, AND UNDER NO CIRCUMSTANCES IS IT TO BE CONSTRUED AS, A PUBLIC OFFERING OF SHARES FOR SALE IN THE UNITED STATES OF AMERICA, OR IN ANY OF THE TERRITORIES OR POSSESSIONS THEREOF.

NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERIT OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

NO PERSON IS AUTHORIZED BY THE COMPANY TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED HEREIN IN CONNECTION WITH THE ISSUE AND SALE OF THE SHARES REFERRED TO HEREIN. ANY SUCH INFORMATION OR REPRESENTATION (IF GIVEN OR MADE BY ANY PERSON) CANNOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY.

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INCORPORATION

Davis-Keays Mining Co. Ltd. (Non-Personal Liability) ('the Company') was incorporated on June 7, 1967, as a specially limited private mining company by Memorandum of Association under the "Companies Act" of the Province of British Columbia, with an authorized capital of \$2,500,000 divided into 5,000,000 shares with a nominal or par value of 50¢ each. As evidenced by a Certificate issued by the Registrar of Companies of the Province of British Columbia on February 10, 1968, the 5,000,000 shares of the Company with a nominal or par value of 50¢ each were converted into 5,000,000 shares without nominal or par value. As evidenced by a further Certificate issued by the Registrar of Companies on July 15th, 1968, the Company was converted on that date to a public company.

MANAGEMENT

<u>Name and Address</u>	<u>Office Held</u>	<u>Occupation</u>
J. Arthur Charpentier 154 West 43rd Avenue Vancouver 15, B.C.	President and Director	Chartered Accountant; Partner of Rickard Crawford & Co. 1962-1966; Investment Dealer - S.H. Lennard & Co. 1967 to date.
John Francis McIntyre 11525 - 92A Avenue North Surrey, B.C.	Vice-President and Director	Professional Engineer: Consulting Engineer with firm of Dolmage, Mason & Stewart 1962-1965; Private practice 1965 to date.
Kenneth Jang 1275 Laurier Avenue Vancouver 9, B.C.	Secretary- Treasurer and Director	Service Station Operator; Manager of Drive-Rite Limited 1962 to date.
Harry Leonard Williams 387 Park Avenue, Kelowna, B.C.	Director	Salesman: was associated with Texas Refinery Corp. of Fort Worth and West Chemicals Products Ltd. and United Investments Services Ltd: Exploration Superintendent for Spa Mines Ltd. (N.P.L.) of Penticton, B.C.
Robert Rolland Keays Box 208 Fort Nelson, B.C.	Director	Prospector: 1962 to date.

REMUNERATION

During the period from the date of its incorporation to February 29, 1968, the date to which the financial statements for its first fiscal year were made

up, the Company paid an aggregate sum of \$9,876.00 to its Directors and Senior Officers for engineering, accounting, prospecting and office management services rendered to the Company, but no directors' fees as such were paid.

From March 1 to June 30, 1968, the Company has paid a sum of \$3,200.00 by way of a salary of \$800.00 per month, for management services rendered by its business manager, Charles Edward McIntyre, of Suite 143, 3300 Capilano Road, North Vancouver, British Columbia, who is not a director or, other than in his capacity as business manager, an officer of the Company. It is anticipated that he will continue to be employed in that capacity at that salary but no management contract has been or is to be entered into. Commencing April 15, 1968, Robert Rolland Keays, one of the Directors of the Company, was re-hired for the 1968 exploration season to carry out prospecting and exploration work on the Company's property at a salary of \$800.00 per month, which will only be payable when and so long as he is working at the property. One of the Directors of the Company and its Vice-President, John Francis McIntyre, has furnished office accommodation and secretarial services in his suite of offices to the Company at a cost of \$275.00 per month which was increased on May 1, 1968, to \$300.00 per month, and it is intended to continue with this arrangement on a month to month basis, but no contract has been entered into to that effect.

Save as set out above, no decision has yet been made as to the remuneration to be paid in future to any of the directors or officers. Although it is not intended to pay any remuneration to officers and directors for their services in those capacities, it is anticipated that, as has been the case in the past, certain of the directors and officers, including notably the Vice-President, John Francis McIntyre, P. Eng., may be retained, from time to time, to render specific services of a professional nature, in which event they will be paid at their usual per diem rates for such services.

PROMOTERS

Under the definition of "Promoter" contained in Section 2 of the "Securities Act, 1967" of British Columbia, Messrs. G. Ross Sutherland, John F. McIntyre, J. Arthur Charpentier, Kenneth Jang, Ken Cheng, Dale Wong, Gerald Gray, Robert Hunter and Harry L. Williams may be considered as the Promoters of the Company.

Particulars of the mining properties acquired by the Company and of the shares issued by the Company in consideration for such mining properties are set out in the general section herein entitled "MINING PROPERTIES".

<u>Name and Address</u>	<u>No. of Shares Received for Mining Property</u>
G. Ross Sutherland 781 Underhill Drive Delta, B.C.	93,333
John F. McIntyre 407 - 475 Howe Street Vancouver 1, B.C.	70,000
J. Arthur Charpentier 407 - 475 Howe Street Vancouver 1, B.C.	70,000
Kenneth Jang 570 Cambie Street Vancouver 3, B.C.	70,000
Ken Cheng 570 Cambie Street Vancouver 3, B.C.	46,667
Dale Wong 2886 E. 54th Avenue Vancouver 16, B.C.	70,000
Gerald Gray 675 Browning Place North Vancouver, B.C.	70,000
Robert Hunter c/o 1678 W. Broadway Vancouver 9, B.C.	70,000
Harris Davis Box 252 Fort Nelson, B.C.	75,000
Robert Keays Box 208 Fort Nelson, B.C.	75,000
Harry L. Williams 387 Park Avenue Kelowna, B.C.	40,000
	Total - 750,000

AUDITORS

Shand, Davidson, Pearmain & Co.,
Chartered Accountants,
202 - 1550 West Georgia Street,
Vancouver 5, British Columbia.

SHARE CAPITAL

The Company is authorized to issue 5,000,000 shares without nominal or par value, of which 1,425,002 have been issued as fully paid and non-assessable. All issued shares rank equally as to dividend, voting rights and as to any distribution of assets on winding-up or liquidation. No shares have been issued subject to call or assessment. Furthermore, there are no pre-emptive or conversion rights and the shares of the Company are not subject to any provisions for redemption, purchase for cancellation or surrender, or sinking or purchase fund arrangements. The rights attached and the provisions relating to the shares of the Company can only be modified under the relevant provisions of the "Companies Act" of British Columbia and the Articles of Association of the Company.

Column I	Column II	Column III	Column IV	Column V
Designation of Security	Amount Authorized	Amount outstanding February 29, 1968	Amount outstanding June 30, 1968	Amount to be outstanding when all securities underwritten are paid for and issued
Shares	5,000,000	1,425,002	1,425,002	1,625,002

ESCROWED SHARES

As of June 30, 1968, certificates representing 750,000 shares of the Company issued for its mining property (and representing 46.15% of the total number of shares which will have been issued on completion of the present offering), are held in escrow by Guaranty Trust Company of Canada, 624 Howe Street, Vancouver, British Columbia. These shares cannot be sold, assigned or transferred without the prior written consent of the Superintendent of Brokers of the Province of British Columbia ('the Superintendent of Brokers'), and are also subject to the condition that if the Company loses or does not obtain a good marketable title to, or abandons or discontinues development on any of the properties which were, or formed part of, the

consideration for any of the shares so held in escrow, or in the event of any such property not being as represented, the holders of such shares have agreed to advise the Superintendent of Brokers, and, if so required, to surrender by way of gift to the Company for cancellation such number of such escrowed shares as the Superintendent of Brokers may deem fair and equitable.

Designation	Number of Shares Held in Escrow	Percentage of Class (upon completion of this offering)
Shares	750,000	46.15%

POOLED SHARES

The 675,000 shares of the Company which were issued prior to the conversion of the Company from a private to a public company in consideration for cash subscriptions received by the Company have been pooled until 30 days after the primary distribution of the shares offered by this Prospectus has been completed and may only then be released with the consent of the British Columbia Securities Commission. The certificates representing the shares so pooled are lodged with Guaranty Trust Company of Canada, 624 Howe Street, Vancouver, British Columbia.

SHARES SOLD FOR CASH

While the Company was a private company, 675,002 shares were issued as fully paid and non-assessable in consideration for cash subscriptions received in the amounts and at the prices set out below:

Date	Number of Shares	Price Paid per Share	Total	Commission
June 7, 1967	2	\$ 0.50	\$ 1.00	N i l
September 30, 1967	200,000	.10	20,000.00	N i l
February 16, 1968	475,000	.25	118,750.00	N i l
	675,002		\$138,751.00	N i l

PRINCIPAL HOLDER OF SECURITIES
(as of June 30, 1968)

As of March 31, 1968, one person held more than 10% of the issued shares of the Company:

Name and Address	Designation of Class	Type of Ownership (restrictions)	No. of Shares Owned	Percentage of class
Kenneth Jang 570 Cambie Street Vancouver 3, B.C.	Shares	Outright -		
		escrowed	70,000	213,500
		pooled	143,500	14.9%

The percentage of the shares owned, directly or indirectly, by all the Directors and Senior Officers of the Company, as a group, is shown below:

Designation of Class	Percentage of Class
Shares	43.5%

PURCHASER'S RIGHT OF RESCISSION

The "Securities Act, 1967" of the Province of British Columbia contains certain provisions which entitle a purchaser of securities offered in the course of primary distribution who is still the owner of the securities to rescind the contract of purchase:

A. Under Section 61:

1. Grounds for Rescission:

Either (a) If prior to the delivery to the purchaser of the written confirmation of the sale of the security, there was not delivered to the purchaser:

- (i) a copy of the last prospectus relating to the security filed with the British Columbia Securities Commission ('the Commission'); and
- (ii) a copy of the last financial statement and reports filed with and accepted by the Commission; and
- (iii) a fair and accurate summary of the report on the property of the Company that issued the security and the development thereof, with all appropriate corrections;

or (b) If in the first written solicitation, in any form or order, subscription or request or in the first written offer of the securities, there was not set forth, in letters not smaller than the letters used in the main portion of the summary, a notice stating that a prospectus would be furnished upon request.

2. Procedure:

- (a) Written notice of intention to commence an action for rescission must be served by or on behalf of the purchaser on the person who contracted to sell the security within sixty days of the date of the delivery of the written confirmation of the sale of the security;
and
- (b) An action for rescission must be commenced by the purchaser within three months from the date on which notice referred to in the preceding sub-paragraph (a) hereof was served.

B. Under Section 62:

1. Grounds for Rescission:

If the prospectus and any amended prospectus filed with the Commission with respect to any material change which occurred during the period of primary distribution received by the purchaser, as of the date of receipt, contained an untrue statement of material fact or omitted to state a material fact necessary in order to make any statement contained therein not misleading in the light of the circumstances in which it was made.

2. Procedure:

An action for rescission must be commenced within ninety days from the date upon which:

- (a) the prospectus or amended prospectus in question was received;
or
- (b) the date of the contract for the sale of the security;
whichever last occurred.

GENERAL CONDITIONS

For the purposes of both Sections:

1. A prospectus or amended prospectus sent by prepaid mail is deemed conclusively to have been received in the ordinary course of mail by the person or company to whom it was addressed;
2. Subject to the next paragraph 3 hereof, the receipt of a prospectus or amended prospectus by a person or company who is acting as agent of or who thereafter commences to act as agent of the purchaser with respect to the purchase of the security shall constitute receipt by the purchaser, as of the date on which such agent received the prospectus or amended prospectus;
3. A person or company shall not be considered to be acting as agent of the purchaser unless the person or company is acting solely as the agent of the purchaser with respect to the purchase and sale in question and has not received and has no agreement to receive compensation from or on behalf of the vendor of the securities with respect to the purchase and sale thereof.

MINING PROPERTY

The Company is engaged in mining exploration and development and is the registered owner, free and clear of all encumbrances, of the whole interest in a mining property comprised of a block of 127 contiguous recorded mineral claims situate in the Liard Mining Division of the Province of British Columbia, more particularly known and described as follows:

<u>Name of Claim</u>	<u>Record No.</u>
Bonanza 3B	24603
Bonanza 7B	24604
Bonanza 11B	24605
Bonanza 15B	24606
Bonanza 19A	24607
Bonanza A No.1	24608
Bonanza A No.6	24609
Bonanza A No.9	24610
Bonanza A No.11	24611
Bonanza A No.15	24612
Bonanza Cr. 4B	24595
Bonanza Cr. 8B	24596
Bonanza Cr. 12B	24597
Bonanza Cr. 2A	24598
Bonanza Cr. 5A	24599
Bonanza Cr. 10A	24600

(Continued)	<u>Name of Claim</u>	<u>Record No.</u>
	Bonanza Cr. 14A	24601
	Bonanza Cr. 18A	24602
	Bonanza 3A	24296
	Bonanza 8A	24297
	Bonanza 12A	24298
	Bonanza 16A	24299
	Bonanza 1B	24300
	Bonanza B5	24301
	Bonanza 9B	24302
	Bonanza 13B	24303
	Bonanza 17B	24304
	Bonanza 2B	25912
	Bonanza 6B	25913
	Bonanza 10B	25914
	Bonanza 14B	25915
	Bonanza 16B	25916
	Bonanza 17A	25917
	Bonanza 13A	25918
	Bonanza 7A	25919
	Bonanza 4A	25920
	Eagle Nos. 1 to 59, inclusive	26994 to 27052, inclusive
	Eagle Nos. 65 to 96, inclusive	29159 to 29190, inclusive

Title to the first 36 of the above described mineral claims, known as the Bonanza Group, was acquired by the Company upon its exercising the option granted under an agreement dated June 16, 1967 ('the option agreement') between Harris Davis and Robert Rolland Keays, Prospectors, both of Fort Nelson, British Columbia, as the Optionors, and George Ross Sutherland, Barrister and Solicitor, of 781 Underhill Drive, Delta, British Columbia, as Trustee for the D.K. Mining Syndicate ('the Syndicate'), as the Optionee. The cash consideration payable for the Bonanza Group consisted of the sum of \$30,000.00, of which \$2,000.00 was paid by the Syndicate upon execution of the option agreement, and the balance was paid by the Company in two instalments following the assignment of the option to the Company by the Trustee for the Syndicate by an agreement dated June 23, 1967 ('the assignment'). The option agreement also provided that the Optionors, Harris Davis and Robert Rolland Keays, were to receive, in equal portions, 150,000 fully paid and non-assessable shares of a new company formed to acquire the Bonanza Group. Pursuant to the assignment, the Company subsequently allotted and issued

75,000 shares to each of Harris Davis and Robert Rolland Keays. In addition, as a condition of the assignment, the Company reimbursed the Syndicate for expenditures which they had incurred in the total sum of \$6,000.00 (by way of the payment made under the option agreement and monies expended by the Syndicate in examining and prospecting the Bonanza Group) by allotting and issuing a further 600,000 shares, as fully paid and non-assessable, to the members of the Syndicate upon the direction of the Trustee. In this manner the said G. Ross Sutherland, John F. McIntyre, J. Arthur Charpentier, Kenneth Jang, Ken Cheng, Dale Wong, Gerald Gray, Robert Hunter and Harry L. Williams, being all the members of the Syndicate, received the number of shares set opposite their respective names under the heading "PROMOTERS". The 150,000 shares thus issued by the Company to the Optionors and the 600,000 shares issued to the members of the Syndicate make up the total of 750,000 shares which are lodged in escrow with Guaranty Trust Company of Canada, as set out under the heading "ESCROWED SHARES".

The remaining 91 recorded mineral claims owned by the Company were acquired by location on its behalf. The cost of acquiring the first 59 of these claims was approximately \$1,800.00, including a fee of \$300.00 each paid to Robert Rolland Keays and Harris Davis. The remaining 32 claims were located for the Company by Robert Rolland Keays while he was on the Company's payroll during the 1967 exploration season at a salary of \$600.00 per month. As such salary was paid generally for work done on the property, it is not practicable to attribute any precise portion of it to the cost of acquiring the 32 claims, but the other costs incurred in acquiring these claims amounted to some \$900.00.

The "Mineral Act" of the Province of British Columbia provides that mineral claims may be up to 1500' x 1500' in dimension and, if full-sized, which the Company's claims appear to be, would have an acreage of 51.65 acres more or less. The mineral claims held by the Company have not yet been surveyed and, accordingly, their position, size and existence on the ground must be regarded as being subject to adjustment on survey. Under the "Mineral Act", assessment work to the value of \$100.00 per claim must be performed and recorded for each year for which a claim is held, or a sum of \$100.00 paid in lieu thereof. Of the 127 mineral claims held by the Company, 95 claims are in good standing until their respective expiry dates in 1969, and the remaining 32 are in good standing until December,

1968, and the Company is presently undertaking and will complete before that date sufficient road access work and trenching for that purpose.

The Company's mining property is situated in northeastern British Columbia on or near Cariboo Creek, a tributary of Yedhe Creek, some 20 miles southeast of Mile 442 on the Alaska Highway and 3 miles west of the Magnum property of Churchill Copper Corp. Ltd. and some 130 miles due west of Fort Nelson, British Columbia. Valleys on the property are above timberline at 4500 feet and the peaks extend to 7500 feet. Access is either by helicopter or pack train from Mile 442 on the Alaska Highway, or by four-wheel drive vehicle by a tote road from Mile 420 on the highway to the Magnum property, thence 3 miles west by helicopter to the property. The Company's consultants, however, have recommended that as soon as weather conditions permit, the Company undertake early in the spring of 1968 the completion of the last section of the road from the Magnum property, which will permit the Company to move in its equipment by road. Should the development of the property warrant more direct and better access, an all-weather road can readily be built from Mile 442 on the Alaska Highway following the south bank of the Toad River and up Yedhe Creek. Upon such a road being completed, the property will then be open by road to railhead at Fort St. John, British Columbia, a distance of some 420 miles, or to railhead at Whitehorse, Yukon Territory, a distance of some 500 miles.

The Bonanza Group was located in 1966 by the said Harris Davis and Robert Rolland Keays. Although certain old claim posts in the area indicate that certain of the veins showing on the surface may have been staked by prospectors years ago, there is no evidence that any work was carried out on the mineralized veins on the property prior to the Company's initial program in 1967.

Following the assignment to the Company of the option to purchase the Bonanza Group, some 2½ miles of access road from the end of the Magnum road, suitable for four-wheel drive vehicles, were completed. In addition, the Company carried out detailed prospecting of the several veins, geological mapping, sampling and assaying, and a ground geophysical survey by way of a "self-potential survey" at 100 ft. intervals in the areas adjacent to or extending from existing showings or mineral occurrences for a total of 4.1 line miles. A total of some 18 pits were hand trenched in broken rock, representing a total excavation of some 40 cu. yds. To test the geological structure, four short diamond drill holes were drilled for a total of some 240 ft.

During the course of the program, a further 96 claims were located for the Company to cover extensions and possible extensions of indicated mineralization.

Reference is now made to the report on the Company's property dated December 1, 1967, by Robert S. Adamson, P. Eng., of Dolmage-Campbell & Associates Ltd., a copy of which has been filed with the British Columbia Securities Commission and further copies of which are available for inspection at the Company's Head Office at Suite 407, 475 Howe Street, Vancouver 1, British Columbia. In this report, the Company's Consultant commented on the several veins on the Company's property and on the results of the work carried out thereon by the Company to date, as follows:

"HARRIS VEIN: The Harris vein, which crops out on the western canyon wall of a small southwesterly flowing creek for 300 feet, has been extended by hand trenching for an additional 200 feet. Chip sampling across the vein at irregular intervals along its length of 500 feet assayed 3.77% copper across an average width of 7.0 feet (Fig. 3). The best section of the vein, which has been sampled at more regular intervals, assayed 4.45% copper across a width of 8.1 feet over a length of 200 feet. The vein apparently lenses out on the south but disappears beneath scree material to the north.

Four diamond drill holes were drilled with a light machine at three intervals along the vein; only one of which, DDH-HVI intersected the vein. This intersection assayed 0.4% copper over 2.5 feet, which corresponded well with the average values in a nearby overlying trench. Drill holes HV 2 and 3 encountered difficulty after 24 feet in both cases, while DDH-HV 4 was terminated at 101.8 feet when bad drilling conditions prevented continuation of the hole at a point just prior to the projected intersection of the vein from the surface.

RIDGE SHOWING: A hand trench dug through scree material high on the mountainside above the Harris vein has exposed chalcopyrite mineralization in a quartz-carbonate gangue, that assays 1.35% copper over a width of 4 feet. The Ridge zone lies at an elevation approximately 1900 feet above the lowermost exposure of the Harris vein. Conceivably, the Ridge mineralization lies within the same structure controlling the Harris vein which is 3000 feet southwest of the Ridge showing. However, this possibility will have to be substantiated by bulldozer trenching at regular intervals between the two zones.

CREEK VEIN: A narrow quartz-carbonate vein, generally less than a foot in width and carrying erratic and low copper values, crops out in the same creek canyon as the Harris vein outcrop and has been designated the Creek vein. Although of no direct economic significance at this time the Creek vein structure could prove important if exposed by more exploration along it.

VIEW SHOWINGS: Two hand trenches spaced 300 feet apart penetrated a thin scree overburden to reveal massive chalcopyrite, quartz and calcite mineralization. The lower and southernmost trench lies 1000 feet horizontally and approximately 800 feet vertically from the northern exposure of the Creek vein. The mineralization in the lower trench assayed 5.75% copper over a width of 5 feet. The other trench, approximately 100 feet above the lower trench assayed 3.90% copper across a four foot width. Copper-bearing float strongly indicates that both trenches exposed the same vein structure.

Possibly, the View mineralization, which is essentially on the strike extension of the Creek vein, may be controlled by the same structure as the Creek vein. However, this premise will have to be determined by a series of trenches cut at regular intervals between the two mineralized zones.

EAGLE VEIN: Cropping out on a steep bluff, the Eagle vein was not examined directly by the writer in view of the hazard created by snow and ice at the time of the examination. Helicopter reconnaissance of the bluff at varying elevations revealed a vein, as indicated by rusty outcrop and erratic splashes of malachite stain, that extends for approximately 1500 feet vertically up the bluff. Grade, width, and continuity of mineralization have not yet been established by mapping and sampling.

Preliminary reconnaissance mapping suggest the Harris, Ridge and Eagle zones may be mineralized sections of the same structure. Bulldozer trenching between the three zones and detailed mapping will be necessary to establish the validity of this possibility.

KEAYS VEIN: The Keays vein also crops out on a steep bluff, located approximately a mile west of the Harris vein. Although the writer was not able to examine this vein directly, it was mapped and sampled by personnel of Davis-Keays Mining Co. Ltd. (Fig. 5). The vein, which averages 8.4 feet wide, was sampled for 200 feet of length before it became inaccessible up the cliff to the southwest. To the north the vein apparently disappears beneath talus overburden. Five samples taken across the vein had an average assay of 3.6% copper.

OTHER VEINS: Several other veins have been discovered on the property, only one of which, the Pink vein, had received any direct attention during the 1967 program. The Bob, Oscar, and Sheep zones contain massive galena mineralization but with no significant silver values.

The Don and William veins are reported to be copper-quartz-carbonate vein zones similar in character to others on the property.

Excepting the Pink vein, none of these aforementioned vein zones have been mapped or sampled in systematic fashion. The Pink vein on the other hand, which has been sampled and mapped, assayed 0.47% and 0.26% cobalt over a width of 3.2 feet and a length of 100 feet.

The writer did not examine any of these veins but was able to view them at some distance, from the helicopter."

With respect to further work to be carried out on the property, Mr. Adamson, in his report, has made the following general recommendations:

"Further exploration should initially be designed to establish the indicated continuity of mineralization and structure of both the Harris-Ridge-Eagle and the Creek-View vein fault systems; in each case along strike by bulldozer trenching and mapping and down dip by some preliminary diamond drilling. The object of this program would be to locate a series of potential ore shoots grading 3.5% copper along the indicated structures. Two such potential ore shoots are already indicated by surface sampling, for a 500 foot length on the Harris vein and for 300 feet on the View zone."

Finally, reference is made to the summary contained in Mr. Adamson's report and the specific recommendations made therein for an exploration program to implement his general recommendations already noted above, as follows:

" Several chalcopyrite bearing quartz-carbonate veins occur on the Davis-Keays Mining Co. property; three of which, the Harris, View and Keays veins, returned assays in excess of 3.5% copper over minable widths from surface chip sampling undertaken in 1967. On the basis of copper at 35¢ per pound and anticipating the possibility of a 1000 ton per day mill, then 3.5% copper can reasonably be considered economic in this area.

In view of the indicated continuity of structure along the Harris-Ridge-Eagle and the Creek-View vein fault systems, the probability of discovering adequate tonnages to support a mill of this capacity is good. Additional tonnage may ultimately be developed from other copper veins on the property; notably the Keays, William and Don veins.

Therefore, with the above objectives in mind, the following program of exploration on the Davis-Keays property is recommended to be undertaken in 1968:

RECOMMENDATIONS:

1. Complete the road that was initiated in late 1967 from the end of the Magnum tote road to the Davis-Keays property.
2. Extend the exposures of the Harris-Ridge-Eagle vein fault system along strike by bulldozer trenching from the Harris vein up to the Ridge showing and beyond as far as possible.
3. Sample and map these trenches as well as the Eagle vein.
4. Expose the Creek-View vein fault system by bulldozer trenching between the two zones and as far along strike as possible.
5. Sample and map the Creek-View trenches.
6. Test the down dip continuity of the Harris and View zones of mineralization by diamond drilling. Drilling should be done by using BQ wireline to ensure optimum core recoveries. Total drill footage required at this stage is 5,000 feet.

7. Extend exposures of the Keays vein beneath the talus by bulldozer trenching as far as possible to the northeast. Sample and map any mineralization uncovered.
8. Sample and map the William and Don veins.

COST OF PROGRAM:

A. BULLDOZING, includes road building and trenching	\$25,000.
B. DIAMOND DRILLING 5,000 feet at \$15. per foot	\$75,000.
C. ENGINEERING AND ADMINISTRATION includes sampling, assaying, mapping, etc.	\$10,000.
	<u>\$110,000. "</u>

The Company proposes to carry out the recommendations made by Mr. Adamson, as set out above, during the 1968 season.

It shall be noted that the Company's property is still in the exploration stage and there is no known body of commercial ore situate thereon.

Save for a tent camp fully equipped to house and feed a crew of some eight men in the field which was installed on the property last year, there is no surface or underground plant or equipment on the property, but, as hereafter noted under the heading "FINANCIAL", the Company has entered into an agreement for the purchase of a D8 Caterpillar tractor suitable for its purposes.

FINANCIAL

Reference is made to the following financial statements, all of which accompany and form part of this Prospectus: the Balance Sheet of the Company made up to February 29, 1968, the end of its first completed fiscal year; a Statement of Source and Application of Funds for the period from June 15, 1967, to February 29, 1968; the Schedules of Deferred Exploration and Development Expenditure and of Deferred Administrative Expenditures, both for the period from June 15, 1967, to February 29, 1968; and the Report by the Company's Auditors on these financial statements dated March 27, 1968.

Note 2 to the said Balance Sheet makes reference to the fact that the Directors of the Company as of that date were negotiating for the acquisition of a Caterpillar tractor at a cost of some \$40,000.00 which might be financed by way of an agreement for sale. By a conditional sales contract made as of March 15, 1968, the Company has agreed to purchase from Terra Nova Development Ltd., of 308 - 540 Burrard Street, Vancouver, British Columbia, a Caterpillar Crawler Tractor Model D8, complete with an hydraulic angle dozer and an hydraulic parallelogram ripper ('the Cat'), presently situate at Mile 419, Alaska Highway, close to the Company's property. The purchase price for the Cat is \$37,500.00, of which the Company has paid to date \$12,246.00 as well as sales tax of \$1,875.00. The balance of \$25,254.00 is payable, interest free, as follows:

- (a) in an instalment of \$11,010.00, on or before May 31, 1968;
- (b) in 12 instalments of \$1,123.00 each, the next such instalment on or before May 20, 1968, and the succeeding instalments monthly thereafter up to and including April 20, 1969;
- (c) a final instalment of \$768.00 on or before May 20, 1969.

None of the Directors or Senior Officers of the Company or their associates has any interest, direct or indirect, in Terra Nova Development Ltd., or the Cat, and the purchase of the Cat was entirely an "arm's length transaction".

In the opinion of the Directors of the Company, the purchase of the Cat which, on examination they found to be in good condition, will enable the Company to carry out exploration of its mining property and necessary road construction more efficiently and at a lower cost than if the same equipment were to have been hired on a rental basis.

No bonds or debentures are outstanding or are proposed to be issued.

Since its incorporation, the Company has made preliminary administrative expenditures (including the costs of incorporation) of \$5,059.20, and exploration and development expenditures of \$58,275.14. Further preliminary expenses relating to corporate matters, including the steps preparatory to the conversion of the Company into a public company, the printing of share certificates and

other related matters have been incurred to date in a total amount estimated to be some \$2,750.00.

In the opinion of the Directors of the Company, the proceeds of the offering of its shares covered by this Prospectus, when added to the Company's existing cash reserves, will be sufficient to carry out the program of exploration recommended by its Consultant (as set out under the heading "MINING PROPERTY"); to maintain its mineral claims in good standing; to complete payment of the purchase price for the Cat; and, generally, to defray its normal business and administrative expenses and legal, accounting and transfer agency charges for services rendered with respect to the operations of the Company. No part of the proceeds of the sale of the shares offered hereunder will be used to invest, underwrite or trade in securities other than those that qualify as investments in which trust funds may be invested under the laws of the jurisdictions in which the shares offered by this Prospectus may lawfully be sold. In the event that the Company, after completion of the offering covered by this Prospectus, were to propose to use any of the proceeds derived from the offering hereby made to acquire securities of a type other than that in which a trustee would be permitted to invest, the Company will first seek the approval of its shareholders to such proposed acquisition and full disclosure will be made to the regulatory bodies having jurisdiction over the sale of the shares underwritten.

Any monies held by the Company and exceeding its immediate requirements for the purpose aforesaid will be held by the Company in banks, or interest bearing securities, or other securities permissible by the laws of Canada for investment by life insurance companies, pending their employment in furthering the objects of the Company.

As there has been no production and, therefore, no earnings to date, no dividends have been paid by the Company.

OTHER MATERIAL FACTS

The only material contracts which may be considered outside the normal course of business are all disclosed in this Prospectus and copies of such contracts may be inspected during the normal business hours at the registered office of the Company at Suite 625, 925 West Georgia Street, Vancouver 1, B.C.

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" of the Province of British Columbia, and the regulations thereunder.

July 3, 1968

"J. Arthur Charpentier"

J. Arthur Charpentier
Promoter and Director

"J. F. McIntyre"

John F. McIntyre
Promoter and Director

"Kenneth Jang"

Kenneth Jang
Promoter and Director

"H. L. Williams"

Harry L. Williams
Promoter and Director

"Robert R. Keays"

Robert Rolland Keays
Promoter and Director

Shand, Davidson, Pearmain & Co.

CHARTERED ACCOUNTANTS
VANCOUVER, B.C.

March 27, 1968

To the Shareholders
Davis-Keays Mining Co. Ltd. (N.P.L.)
Vancouver, B.C.

Dear Sirs:

We have examined the balance sheet of Davis-Keays Mining Co. Ltd. (N.P.L.) as at February 29, 1968 and the statement of source and application of funds for the period ended on that date. 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 29, 1968 and the source and application of its funds for the period then ended, in accordance with generally accepted accounting principles.

Shand Davidson Pearmain & Co

Shand, Davidson, Pearmain & Co.
Chartered Accountants

Vancouver, B.C.
March 27, 1968

DAVIS-KEYS MINING CO. LTD. (N.P.L.)

Balance Sheet

As at February 29, 1968

<u>A S S E T S</u>		<u>LIABILITIES AND CAPITAL</u>	
<u>Current</u>		<u>Current</u>	
Cash in Bank	\$ 44,004.22	Trade Accounts Payable	\$ 1,905.52
Prepaid Expenses	<u>224.11</u>		
	44,228.33	<u>Share Capital</u> (Note 2)	
<u>Mineral Claims</u> (Note 1)		Authorized - 5,000,000 Common Shares, no par value.	
Eagle and Bonanza Claims,		Issued and Fully Paid - 675,002 Shares for Cash	\$ 138,751.00
Toad River Area, B.C.	37,761.35	750,000 For mineral Claims	<u>7,500.00</u>
<u>Fixed Assets</u> - at cost			
Truck	1,681.50		
<u>Deferred Expenditures</u>			
Exploration and Development - Schedule I	\$ 58,275.14		
Administration - Schedule II	5,059.20		
Incorporation Fees and Disbursements	<u>1,151.00</u>		
	64,485.34		
	<u>\$ 148,156.52</u>		
			<u>\$ 148,156.52</u>

APPROVED ON BEHALF OF THE BOARD:

"J.A. Charpentier" DIRECTOR
"Kenneth Jang" DIRECTOR

This is the Balance Sheet referred to in our report of even date.

(The accompanying notes form an integral part of this statement.)

"Shand, Davidson, Pearmain & Co."
Chartered Accountants.

Vancouver, B.C.
March 27, 1968

DAVIS-KEYS MINING CO. LTD. (N.P.L.)

Statement of Source and Application of Funds

For the period June 15, 1967 to February 29, 1968

<u>Source of Funds</u>		
From Sale of Shares		\$ 138,751.00
<u>Application of Funds</u>		
Cash Consideration for Mineral Claims	\$ 30,261.35	
1963 Dodge Power Wagon	1,681.50	
Exploration and Development	58,275.14	
Administration	5,059.20	
Incorporation Fees and Disbursements	<u>1,151.00</u>	
		<u>96,428.19</u>
<u>Excess of Funds Received over Funds Disbursed</u>		<u>\$ 42,322.81</u>
<u>Represented By:</u>		
Current Assets	\$ 44,228.33	
Less - Current Liabilities	<u>1,905.52</u>	
<u>Working Capital, February 29, 1968</u>		<u>\$ 42,322.81</u>

Schedule IDAVIS-KEAYS MINING CO. LTD. (N.P.L.)

Schedule of Deferred Exploration and Development Expenditure

For the period June 15, 1967 to February 29, 1968

Helicopter Charter	
Crew Travel	\$ 6,719.60
Hauling - Equipment and Supplies	6,354.90
Property Reconnaissance	4,637.01
Drilling	7,633.66
Engineering Fees	5,475.00
Geologists Fees and Disbursements	7,659.33
Property Supervision and Field Labour	5,334.21
Cookhouse and Accommodation	2,447.64
Road Construction	2,361.00
Recording and Grouping	567.00
Geophysical Survey	2,083.05
Geological Report	1,495.17
Camp Supplies	1,958.59
Equipment Rental	1,106.61
Vehicle Operation	520.19
Camp Fuel	584.33
Assay and Sampling	385.90
Telephone and Telegrams	331.80
Cartage and Freight	267.50
Employee Benefits	206.00
Travel	146.65
	<u>\$ 58,275.14</u>

Schedule IIDAVIS-KEAYS MINING CO. LTD. (N.P.L.)

Schedule of Deferred Administrative Expenditures

For the period June 15, 1967 to February 29, 1968

Management	\$ 1,503.50
Travel and Promotion	1,230.45
Telephone	695.49
Legal	662.58
Office Rent	487.50
Office Supplies and Postage	429.93
Bank Charges	49.75
	<u>\$ 5,059.20</u>

DAVIS-KEAYS MINING CO. LTD. (N.P.L.)

Notes to Financial Statements

As at February 29, 1968NOTE 1 - MINERAL CLAIMS

This company is the registered owner of 127 mineral claims situate in the Liard Mining Division of the Province of British Columbia. The claims were acquired for the following consideration:

Bonanza 1A - 19A inclusive	
Bonanza 1B - 17B inclusive	
Cash	\$ 28,500.00
750,000 Shares at a deemed consideration of 1¢ each	<u>7,500.00</u>
	36,000.00
Eagle 1 - 59 inclusive	
Eagle 65 - 96 inclusive	
Staking and Recording Costs	<u>1,761.35</u>
	<u>\$ 37,761.35</u>

As at balance sheet date the above noted claims were all in good standing with next assessment work due as follows:

Eagle 1 - 59 inclusive	June 22, 1968
Eagle 65 - 96 inclusive	December 1, 1968
Bonanza 1A - 3A, 5A, 6A, 8A - 12A, 14A - 16A, 18A and 19A, 1B, 3B - 5B, 7B - 9B, 11B - 13B, 15B, and 17B.	August 28, 1969
Bonanza 4A, 7A, 13A and 17A 2B, 6B, 10B, 14B and 16B	December 9, 1969

We did not examine original title documents in the Mining Recorder's office but relied upon the title opinion given by the company's solicitor.

DAVIS-KEYS MINING CO. LTD. (N.P.L.)

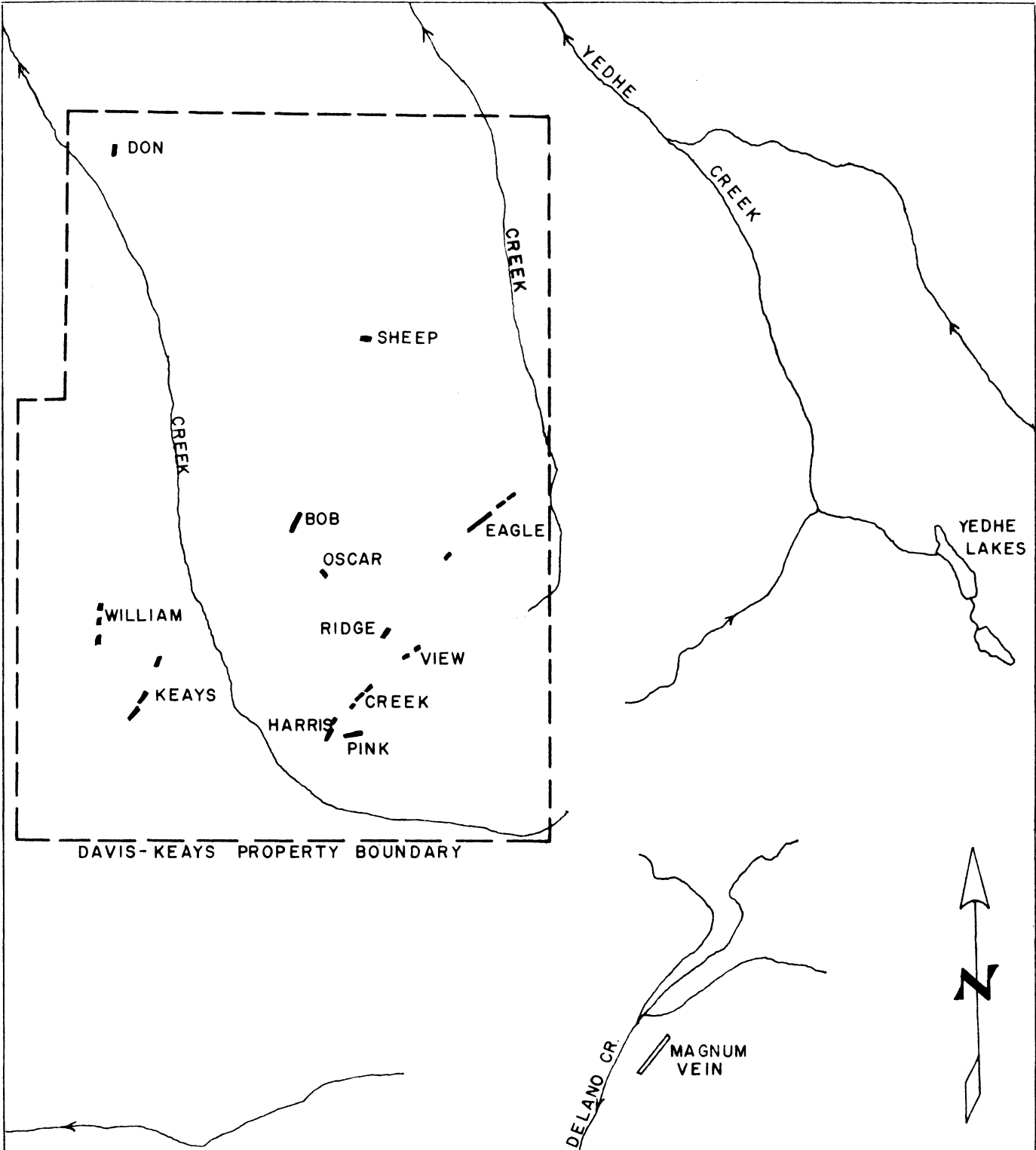
Notes to Financial Statements

As at February 29, 1968NOTE 2 - SHARE CAPITAL

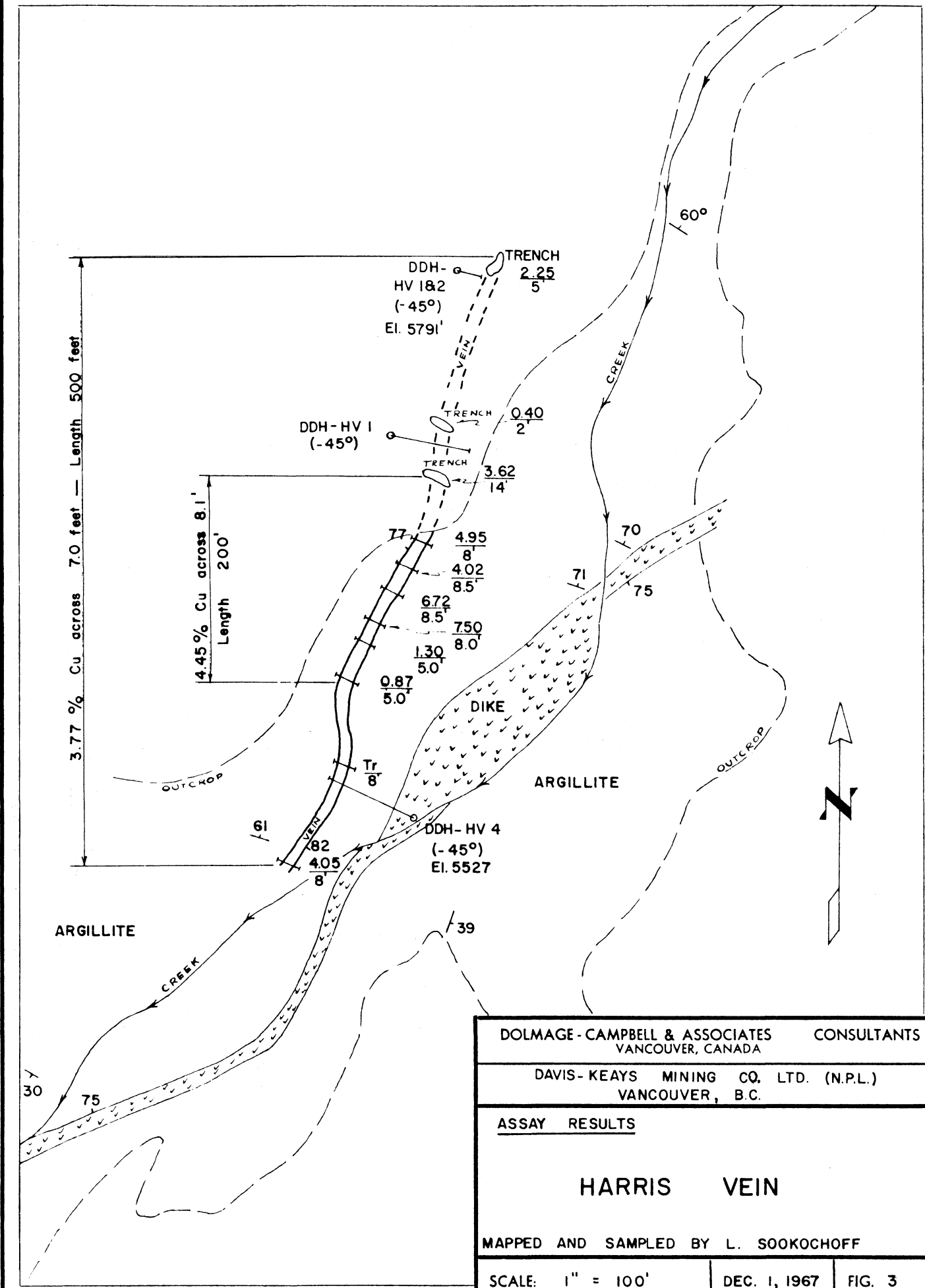
	<u>Shares</u>	<u>Price</u>	<u>Proceeds</u>
Issued for Cash:	2	\$ 0.50	\$ 1.00
	200,000	0.10	20,000.00
	<u>475,000</u>	0.25	<u>118,750.00</u>
	675,002		138,751.00
Issued for Mineral Claims:	<u>750,000</u>	0.01	<u>7,500.00</u>
Authorized	1,425,002		\$ 146,251.00
	<u>5,000,000</u>		<u><u> </u></u>
Balance in Treasury	<u>3,574,998</u>		

NOTE 3 - SUBSEQUENT EVENTS

The Directors of the company are presently negotiating for the acquisition of a Caterpillar Tractor which could cost roughly \$40,000.00 and which may be financed under an Agreement for Sale.



DOLMAGE-CAMPBELL & ASSOCIATES VANCOUVER, CANADA		CONSULTANTS
DAVIS-KEAYS MINING CO. LTD. (N.P.L.) VANCOUVER, B.C.		
<u>PROPERTY PLAN</u>		
DAVIS-KEAYS		
VEINS & SHOWINGS		
SCALE: 1" = approx 4260'	DEC. 1, 1967	FIG. 2



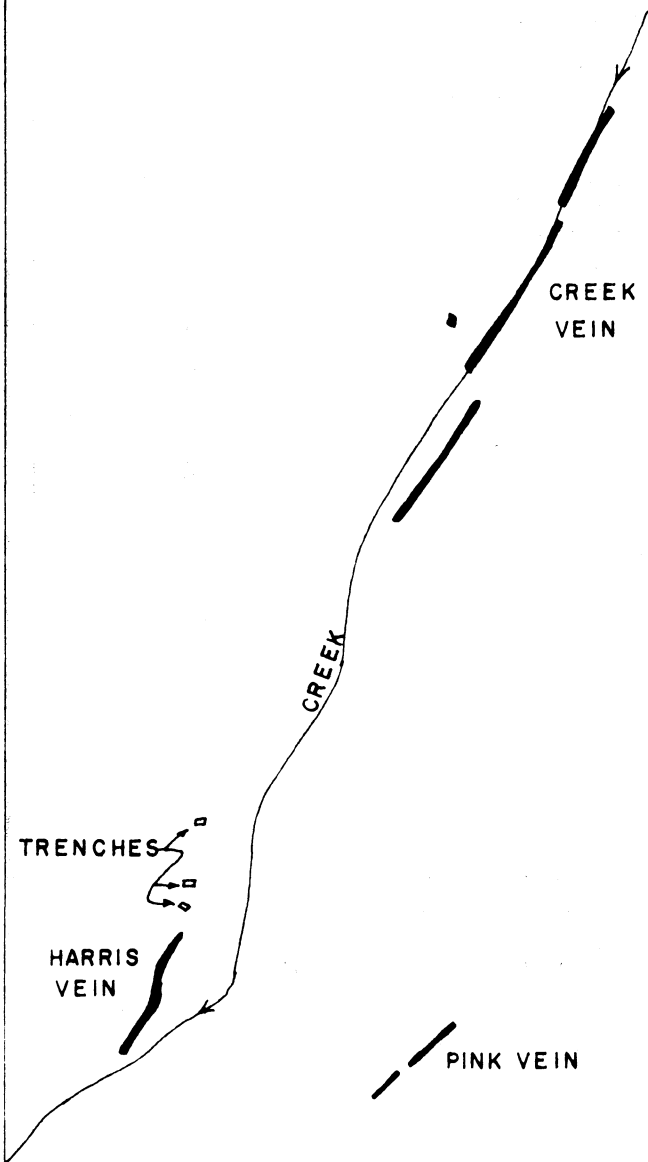
DOLMAGE - CAMPBELL & ASSOCIATES		CONSULTANTS
VANCOUVER, CANADA		
DAVIS - KEAYS MINING CO. LTD. (N.P.L.)		
VANCOUVER, B.C.		
<u>ASSAY RESULTS</u>		
HARRIS VEIN		
MAPPED AND SAMPLED BY L. SOOKOCHOFF		
SCALE: 1" = 100'	DEC. 1, 1967	FIG. 3

RIDGE SHOWING
TRENCH 4 1.35% Cu

TRENCH 5 3.90% Cu
5'

VIEW SHOWINGS

TRENCH 7 5.75% Cu
5'



DOLMAGE - CAMPBELL & ASSOCIATES CONSULTANTS
VANCOUVER, CANADA

DAVIS - KEAYS MINING CO. LTD. (N.P.L.)
VANCOUVER, B.C.

PLAN

HARRIS-RIDGE, CREEK-VIEW

VEIN SYSTEMS

MAPPED AND SAMPLED BY L. SOOKOCHOFF

SCALE: 1" = 400 feet

DEC. 1, 1967

FIG. 4

TALUS

Elev. 5756

1.20% Cu

12'

5.9% Cu

12'

4.15% Cu

8'

ARGILLITE

5.0% Cu

5'

1.37% Cu

5'

ARGILLITE



CREEK

VEIN 70
60
80
85

DOLMAGE - CAMPBELL & ASSOCIATES
VANCOUVER, CANADA

CONSULTANTS

DAVIS - KEAYS MINING CO. LTD. (N.P.L.)
VANCOUVER, B.C.

ASSAY RESULTS

KEAYS VEIN

MAPPED AND SAMPLED BY L. SOOKOCHOFF

SCALE: 1" = 100 feet

DEC. 1, 1967

FIG. 5