HUDSON'S BAY OIL & GAS COMPANY LTD.

TAHTSA PROPERTIES PROPOSED JOINT VENTURE

Submitted

File

Proposed Joint Ventures for Properties In the Tahtsa Area of British Columbia

This Company holds five properties in the Tahtsa Lake area of central British Columbia which are comprised of an aggregate of 189 claims. Summaries of pertinent data pertaining to the various properties are attached.

Because of its exploration potential as well as its location adjacent to the Huckleberry deposit, the Wee group should be dealt with separately from the other properties. The other four properties fall broadly into two groups - the Slide and Sylvia with excellent exploration potential, and the Bog and Pam which have been tested but should be given further study before being released. We would prefer to deal with these four properties as a package.

If these properties, or any of them, are of interest to you, we would consider any reasonable proposal for their further exploration and development on a joint venture basis.

Any proposal should include provision for earning an interest, in the order of 50%, in the property by completing specified expenditures within an agreed time period. Further work would be on a joint venture basis with provision for consultation and settling any differences. The following points summarize our objectives for any proposed agreement.

1. No cash payments to HBOG.

2. No minimum work commitment, but claims should be left in good standing for the same length of time as when they were taken over.

3. Minimum aggregate expenditures to be completed by the end of each year until an interest in the property is earned or the agreement would terminate and HBOG would retain 100% ownership of the property.

4. A period of about 3 years before HBOG would be required to participate in the cost of exploration to maintain its interest in the property. If the earn-in provisions had been exceeded, provision for "buy-back" should be made, possibly with some form of bonus.

5. A term of 3 to 5 years in which to spend the amount required to earn an interest in the property.

6. The interest to be earned would probably be in the 40% to 60% range. If the agreement contemplated an even 50-50 split, it would have to include provisions for settling any deadlock.

7. After an interest has been earned in the property, further exploration work should be financed pro rata or the non-participating party's interest watered down. There should be provision for some retained interest, such as a minimum carried interest or royalty.

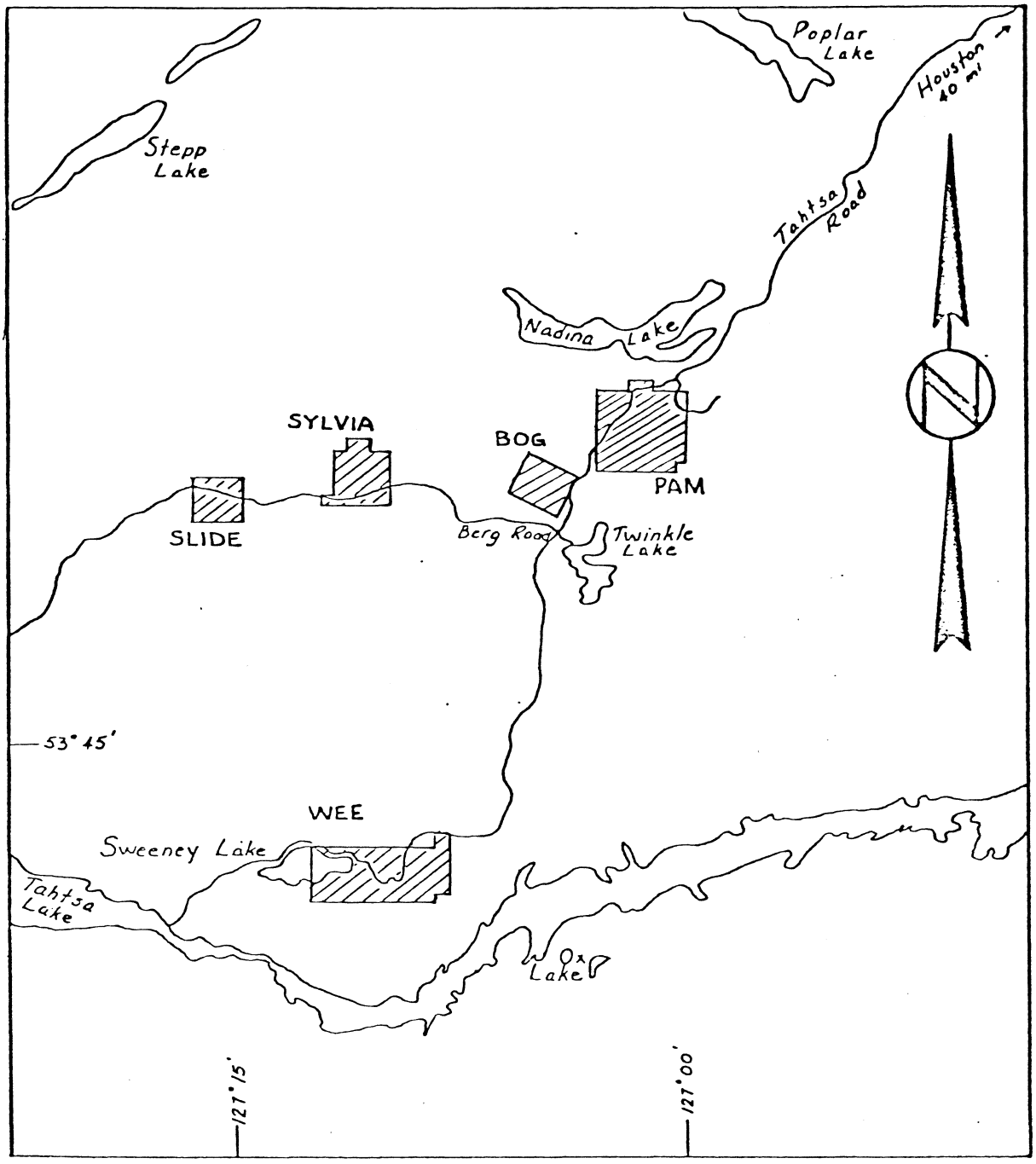
8. After an interest has been earned, exploration programs and budgets should be proposed at least annually by either party with both parties having the right to participate or not participate in any program.

9. There should be consultation to reach agreement about proposals for exploration programs, development and operation of the property and outside financing, but failing agreement, decisions should be made by the party owning the majority interest. However, there should also be provision for a minority interest holder to carry out a program if the majority interest holder does not intend to proceed.

10. Any development or operation of a property should be on a joint venture basis with the parties taking their share of production in kind after paying their share of costs.

Any agreement would contain the usual provisions regarding keeping properties in good standing, submitting reports and data, access to the property and rights of first refusal.

Summaries for the five properties are attached, including brief summaries of the known data, lists of the work performed and the current land position.



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SCALE IN MILES

Hudson's Bay Oil and Gas Company Limited
MINERALS EXPLORATION
VANCOUVER BRITISH COLUMBIA

TAHTSA PROJECT

LOCATION MAP
PAM, BOG, SYLVIA, SLIDE, WEE
CLAIM BLOCKS

MAP.	DATE	BY	SCALE	N.T.S.
Fig. 2	October, 1975	G.I.H.	1:250,000	93E/11,14,15

WEE

71 Claims - 44 due 19 Sept. 76; 22 due 20 Sept. 76; 5 due 24 Oct. 76

Omineca Mining Division
About 74 miles south of Smithers
93 E/11 - 53°41'N; 127°09'W

SUMMARY 1973

The WEE claims are located at the east end of Sweeney Lake on the north side of Huckleberry Mountain. Chalcopyrite is unevenly distributed in open space fillings in a shatter breccia composed of angular fragments of Hazelton tuffs and andesites. The largest breccia zone is approximately 1,200 feet X 600 feet. Two smaller, weakly mineralized breccia bodies are located within 1,400 feet of the large body. A quartz rich granodiorite outcrop within the large breccia contains fracture plane chalcopyrite.

A strong copper-molybdenum soil anomaly is located in the valley bottom north of the large breccia zone. Several other small copper soil anomalies are present over volcanic rocks.

A strong I.P. anomaly is located south of the east end of Sweeney Lake and is associated with a mafic quartz diorite intrusive. A weaker, arcuate I.P. anomaly extends in a northeasterly direction across the property. It defines a relative I.P. low south of the large breccia body over an area devoid of outcrop.

Three vertical holes (W-73-1, 3 and 4) were diamond drilled to approximately 400 feet each in the large breccia zone. One hole (W-73-2) was drilled vertically to 271 feet in the southeastern end of the Cu-Mo soil anomaly.

DDH-W-73-1 contains two separate 60 foot copper zones of 0.32% and 0.26% Cu. The higher grade zone is associated with intrusive breccia. Molybdenum values increase threefold at the bottom of this hole. The two other holes drilled in the breccia show narrow zones of intrusive breccia with relatively high molybdenum values. DDH-W-73-3 contains 0.185% Cu over 30 feet. DDH-W-73-4 shows no significant copper values.

DDH-W-73-2 shows no copper or molybdenum mineralization and does not explain the soil anomaly.

SUMMARY 1974

The WEE claims are located at the east end of Sweeney Lake on the north side of Huckleberry Mountain. Four brecciated zones containing erratically distributed copper mineralization are located in Hazelton pyroclastics and flows. The volcanic pile is cut by a number of small

intrusions of various compositions. Mineralized intrusive breccia with weakly altered coarse-grained quartz diorite fragments in a fine-grained quartz diorite matrix was encountered in drill holes in the northernmost breccia zone. The diorite fragments are identical, in handspecimen, to a quartz diorite body that outcrops one mile west of the breccia zones.

Two copper anomalies in stream silts were found on the property. One could be explained by a mineralized shear zone and the other was tested by detailed soil sampling. The soil samples showed a strong copper anomaly.

A ground magnetic survey showed that the volcanic rocks exposed on the hillside south of Sweeney Lake have a different magnetic signature than the overburden covered areas near the breccia zones.

The I.P. survey over Sweeney Lake showed some marginally anomalous chargeability values near the south shore.

WORK DONE	YEAR	AMOUNT OF WORK
I.P. Survey	1973	17 line miles.
Geochemical Sampling	1973,74	260 soil samples 25 silt samples.
Geological Mapping	1973,74	60 man days.
Grid Control	1973,74	17 line miles.
Magnetometer Survey	1974	14 line miles
Diamond Drilling	1973	1,480 feet in 4 holes
Drill Road Construction	1973,74	1 mile.

Claim	Record No.	Staked	Recorded	Valid To
WEE 1-16	129042-057	4 Sept. 73	19 Sept. 73	76
" 17-20	058-061	13 Sept. 73	"	76
" 21-40	062-081	8 Sept. 73	"	76
" 41	127827	18 Sept. 73	20 Sept. 73	76
" 43	828	"	"	76
" 45	829	"	"	76
" 47	830	"	"	76
" 49	129082	"	19 Sept. 73	76
" 51	083	"	"	76
" 53	084	"	"	76
" 55	085	"	"	76
" 57-68	127831-842	16 Sept. 73	20 Sept. 73	76
" 69-74	843-848	18 Sept. 73	"	76
" 110	273	19 Oct. 73	24 Oct. 73	76
" 112	275	"	"	76
" 114	277	"	"	76
" 116	279	"	"	76
" 118	281	"	"	76

SLIDE

20 Claims - 4 due 24 Oct. 76; 16 due 24 Oct. 77 (subject to approval of assessment work submitted).

Omineca Mining Division
About 66 miles south of Smithers
93 E/14 - 53°50'N; 127°17'W

SUMMARY 1974

Only two of five percussion drill holes on the eastern SLIDE claims reached bedrock because of deep overburden (in excess of 100 feet). Two holes 1,000 feet apart, located on the western part of the I.P. anomaly, intersected quartz diorite with up to 5% disseminated pyrite. Copper values averaged less than 130 ppm.

SUMMARY 1975

Percussion drilling in 1975 was unable to penetrate overburden on the SLIDE claims. The magnetometer survey outlined a circular anomaly coincident with the maximum values in the I.P. anomaly. Part of the magnetic/I.P. anomaly is underlain by quartz diorite containing up to 5% pyrite and magnetite as shown in two percussion holes drilled in 1974. Overburden on the property is at least 160 feet in depth.

WORK DONE	YEAR	AMOUNT OF WORK
I.P. Survey	1973	13 line miles.
Geochemical Sampling	1973	25 soil samples.
Grid Control	1975	25 kilometres (16 miles) of flagged lines 150 metres (495 feet) apart.
Magnetometer Survey	1975	25 line kilometres (16 line miles), readings at 15 metre (50 foot) intervals.
Percussion Drilling	1974	640 feet in 5 holes
	1975	690 feet in 6 holes
	TOTAL	1,330 feet in 11 holes
Drill Road Construction	1974 & 75	2 miles.

Claim	Record No.	Staked	Recorded	Valid To
Slide 9-12	129678-681	16 Oct. 73	24 Oct. 73	77
" 13-18	682-687	15 Oct. 73	"	77
" 29	698	16 Oct. 73	"	77

Claim	Record No.	Staked	Recorded	Valid To
Slide 30	129699	16 Oct. 73	24 Oct. 73	76
31	700	"	"	77
32	701	"	"	76
33	702	"	"	77
34	703	"	"	76
35	704	"	"	77
36	705	"	"	76
37,38	706,707	15 Oct. 73	"	77

SYLVIA

28 Claims - 12 due 24 Oct. 77; 16 due 30 July 78 (subject to approval of assessment work submitted)

Omineca Mining Division
About 59 miles southwest of Houston
93 E/14 - 53°51'N; 127°11'W

SUMMARY 1974

The nearly circular I.P. anomaly, approximately 3,000 feet in diameter, on the SYLVIA claim block is underlain by a granodiorite-quartz monzonite intrusive containing up to five percent pyrite. Copper, in the form of disseminated chalcopyrite only, averages 0.33% over 200 feet in the percussion drill hole in the centre of the I.P. anomaly. The host rock for the chalcopyrite is a very fine-grained biotite quartz monzonite. The biotite occurs in amounts up to 10% as disseminated felted clots. Results from the holes drilled at 500 foot intervals across the I.P. anomaly show a slight build-up in metal values and pyrite content in the granodiorite towards the centre.

SUMMARY 1975

Percussion drilling on the SYLVIA claims was hampered by alluvial overburden north of hole S-8 which intersected 200 feet of 0.33% Cu in 1974. Only one hole northeast of S-8 reached bedrock in the granodiorite. Copper content was low. One hole in the pyritic tuffaceous volcanics southeast of S-8 averaged 337 ppm copper. The magnetometer survey and geological mapping indicated strong magnetic anomalies associated with magnetite disseminated in tuffaceous volcanics southeast of the intrusive. One unexplained magnetic anomaly associated with the I.P. anomaly lies in the creek bed northwest of hole S-8. Overburden is considered to exceed 80 feet.

WORK DONE	YEAR	AMOUNT OF WORK
I.P. Survey	1973	25 line miles.
Geochemical Survey	1973	180 soil samples. 6 silt samples.
Geological Mapping	1973,74,75	30 Man days.
Grid Control	1975	30 kilometres (19 miles) of flagged lines 150 metres (495 feet) apart.

WORK DONE	YEAR	AMOUNT OF WORK
Magnetometer Survey	1973	16 line miles.
	1975	30 line-kilometres (19 line-miles), readings at 15 metre (50 foot) intervals.
Percussion Drilling	1974	1,740 feet in 10 holes
	1975	1,140 feet in 6 holes
	TOTAL	2,880 feet in 16 holes
Drill Road Construction	1974 & 75	3 miles.

Claims	Record No.	Staked	Recorded	Valid To
Sylvia 1-16	126828-843	18 July 73	30 July 73	78
" 17,18	129380,381	16 Oct. 73	24 Oct. 73	77
" 20	129383	"	"	77
" 22	129385	"	"	77
" 24	387	"	"	77
" 26	389	"	"	77
" 29,30	129392,393	"	"	77
" 33-36	396-399	"	"	77

PAM

50 Claims - 12 due 24 Oct. 76; 30 due 24 Oct. 77; 8 due 24 Oct. 78
(subject to approval of assessment work submitted)

Omineca Mining Division
About 64 miles south of Smithers
93 E/14, 15 - 53°51'N - 127°00'W

SUMMARY 1974

Analyses and visual examination of drill cuttings from the PAM claims show a semi-circular zoning pattern of metal values, pyrite content, and hydrothermal alteration similar to that from known porphyry copper deposits in the area. The zonation is centred in the western part of the I.P. anomaly around the lowest elevation on the property. The phyllic zone has a diameter of at least 4,000 feet. The best copper values are in the centre of the zonal pattern - 40 feet of 0.14% Cu and 20 feet of 0.11% Cu in holes P-8 and P-9, respectively.

SUMMARY 1975

The magnetometer survey and geological mapping on the PAM claims revealed oval-shaped anomalies related to magnetite content in tuffaceous and andesitic volcanics. Results of percussion drilling indicate western and southern limits to the zonal arrangement of metal content and hydrothermal alteration within the I.P. anomaly. One hole, P-23, averaged 0.1% copper and 0.013% molybdenum from 10 to 250 feet.

WORK DONE	YEAR	AMOUNT OF WORK
I.P. Survey	1973	27 line-miles.
Geochemical Sampling	1973	160 soil samples and silt samples.
Geological Mapping	1973,74,75	30 man days.
Grid Control	1975	75 kilometres (47 miles) of flagged lines 150 metres (495 feet) apart.
Magnetometer Survey	1975	75 line-kilometres (47 line-miles), readings at 15 metre (50 foot) intervals.
Percussion Drilling and Sampling	1974	3,565 feet in 19 holes
	1975	2,080 feet in 10 holes
	TOTAL	5,645 feet in 29 holes
Drill Road Construction	1974 & 75	6 miles.

Claim	Record No.	Staked	Recorded	Valid To
Pam 3-5	129564-566	13 Oct. 73	24 Oct. 73	77
" 6	567	"	"	78
" 7	568	"	"	77
" 8	569	"	"	78
" 9	570	"	"	77
" 10	571	"	"	78
" 11	572	"	"	77
" 12	573	"	"	78
" 13-16	574-577	"	"	77
" 21,22	582,583	12 Oct. 73	"	77
" 23	584	"	"	78
" 24	585	"	"	77
" 25	586	"	"	78
" 26	587	"	"	77
" 27	588	"	"	78
" 28	589	"	"	77
" 29	590	"	"	78
" 30-34	591-595	"	"	77
" 36	597	"	"	77
" 39-42	600-603	"	"	76
" 43-50	604-611	"	"	77
" 51,52	612,613	"	"	76
" 53	614	"	"	77
" 59	620	13 Oct. 73	"	76
" 61	622	"	"	76
Pam 63	624	"	"	76
" 65	626	"	"	76
" 67	628	"	"	76
" 69	630	"	"	76

BOG

20 Claims - 20 due 30 July 76.

Omineca Mining Division
About 57 miles southwest of Houston
93 E/14 - 53°51'N; 127°05'W

SUMMARY 1973

Six diamond drill holes tested an elongated I.P. anomaly 5,000 feet long and 2,000 feet wide. No outcrop is associated with the I.P. anomaly. Overburden varies from 36 to 94 feet in the drill holes.

Results from diamond drilling indicate that the I.P. anomaly is associated with dacite porphyry containing narrow zones of intense hydrothermal alteration including traces of tourmaline and molybdenite. Disseminated and fracture plane pyrite are common in each drill hole. No copper mineralization was seen.

WORK DONE	YEAR	AMOUNT OF WORK
I.P. Survey	1973	12 line miles.
Magnetometer Survey	1973	6 line miles lines 1,000 feet apart
Geochemical Sampling	1973	137 soil samples.
Diamond Drilling	1973	1,586 feet in 6 holes.

Claim	Record No.	Staked	Recorded	Valid To
Bog 1-20	126904-923	20 July 73	30 July 73	76