

KERR ADDISON MINES LIMITED
(FOR INTER-OFFICE USE ONLY)

~~DK~~
Fdu

MAR 19 1984

821201

To D. A. Lowrie From R. A. Dujardin

Subject Eaglet Mines Limited Date March 15, 1984

B.C.

Returned herewith are the reports etc on the Salado Fluorspar Mine. The data certainly indicate that at 11.5% CaF₂ the grade quoted by Eaglet would appear to be marginal.

On the plus side, Eaglet is in a preferred location to take advantage of the circum-Pacific market but even so it will be costly to transport concentrate in bulk from the mine site at Quesnel Lake to tidewater ports.

In addition to the low grade, on the negative side are:

- underground room and pillar mining is planned but my cursory look at their model gave me some misgivings about the chopped-up nature of the "ore shoots", not a good thing to have for large scale underground mining
 - no marketing studies have been done
 - the mine location is environmentally very sensitive. None of the tailings had better find a way into Quesnel Lake!
 - nothing really is known about the metallurgical characteristics of the ore and the quantities and types of end product.
- Without this information nothing can really be said about potential revenue.

Since our B.C. reconnaissance crew will be spending time in the Quesnel area this summer, a visit to the prospect will be attempted if only to see what appears to be a unique deposit for this part of the world. Meanwhile I'll tell Jack Ashton, my contact with Eaglet, that our crystal ball tells us not to get involved.

93A

EAGLET MINES LTD'S FLUORSPAR

PROPERTY, QUESNEL LAKE AREA, B.C.

DECEMBER 1983

Regards,



R. A. Dujardin

(

KERR ADDISON MINES LIMITED

M E M O R A N D U M

TO: W. S. Row

DATE: December 5, 1983

FROM: D. A. Lowrie

SUBJECT: Eaglet Mines Limited (Fluorspar)

I do not think that this fluorite property is economic now or in the foreseeable future.

DAL:fk
Encl.

Eaglet.

Nov' 83.

File

11 1/2% Co. F₂. @ 90% recovery = 20716/ton ore.

@ 17 1/2% tail grade = 1950 lbs ∴ ROC = 9 1/2

Value. \$180 net ton FOB Illinois.

4% cake = -\$6 = \$174

= \$169.65 net ton = \$210 ctn.

= \$22.11 / ton mined.

Mine, mill, transport, insurance.

Capital. say \$60 m - 20% F = \$3/ton
double = \$6/ton.

∴ \$16.11 / ton left for operating.

Freight ins. etc. = \$6.11 / ton. (\$50/ton core)

= \$10 left for mine & mill.

@ 3000 tpd. milling about \$7/ton.

Mining half of a lot more than \$3.



TELEPHONE (604) 685-9824

AUG 16 1983

Eaglet Mines Limited

BOX 11107 ROYAL CENTRE, 1400 - 1055 WEST GEORGIA STREET
VANCOUVER, B.C. V6E 3P3

Aug 10/83

REPORT TO EAGLET SHAREHOLDERS

Your Directors are pleased to advise that Eaglet Mines Limited has obtained financing adequate to complete the feasibility studies prerequisite to preparing your Company's Quesnel Lake property in Central B.C. for going into production. This financing arranged by Pemberton Houston Willoughby Incorporated ("Pemberton") through the facilities of the Vancouver Stock Exchange has provided Eaglet with \$1,831,500. which was received on August 4, 1983. The offering consisted of 500,000 units (each unit consisting of one common share with one Series "G" Warrant attached) at a fixed price of \$3.60. The Series "G" Warrants to be issued to the public pursuant to the offering will be in bearer form and each Warrant shall entitle the holder to purchase one share in the capital of Eaglet at any time up to the close of business 360 days after the offering.

Operations at the mine, both underground and surface, are being expedited to complete the relative feasibility studies as soon as possible.

Wright Engineers Limited of Vancouver have been retained as Consulting Engineers to advise and direct all phases of the studies leading up to Stage I and Stage II submissions to the Provincial Government.

A complete facility for the assaying of Fluorite samples has been installed at the property so quality control can be determined daily. Until the present, samples had to be shipped out to commercial assay facilities involving long delays and affecting proper control.

A contract for the opening of the Fluorite zone underground has been let to R. F. Fry and Associates (Pacific) Ltd. Their crew with full equipment is at the mine and making good progress.

Catering for the staff and contractors' crews is under contract to Northmount Industrial Catering Limited of Vancouver, who took over the operation of the camps on August 2nd.

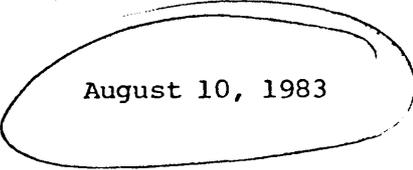
Diamond drilling, both surface and underground, will be resumed next month to provide detail of the mineralized zone already delineated and to expand the periphral limits of the mineral area.

Representative bulk samples of the Fluorite are being assembled and will be treated in a pilot plant to verify and complement the extensive bench tests already completed. The laboratory tests show that the raw material can be concentrated to the top commercial grades, required by the market, by conventional hydro-metallurgical methods.

The technical staff have been active at the mine since May 15th mobilizing equipment and housing and operating facilities so that all phases of the studies can proceed without delay.



Andrew Robertson
President and Chief Executive Officer



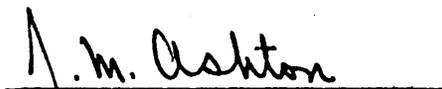
August 10, 1983

STATEMENT OF CHANGES IN FINANCIAL POSITION

	Six months ended <u>July 31, 1983</u>	Six months ended <u>July 31, 1982</u>
WORKING CAPITAL DERIVED FROM		
Issue of common shares	\$1,831,500	\$ -
Interest income	5,011	77,864
	<u>1,836,511</u>	<u>77,864</u>
WORKING CAPITAL APPLIED TO		
Buildings and equipment, Quesnel Lake	5,549	203,496
Development expenditures, Quesnel Lake	238,690	466,365
Administrative expenditures	75,539	77,512
	<u>319,778</u>	<u>747,373</u>
INCREASE (DECREASE) IN WORKING CAPITAL	1,516,733	(669,509)
WORKING CAPITAL AT BEGINNING OF PERIOD	<u>242,192</u>	<u>1,239,629</u>
WORKING CAPITAL AT END OF PERIOD	<u>\$1,758,925</u>	<u>\$ 570,120</u>

APPROVED:


Director


Director

EAGLET MINES LIMITED

STATEMENT OF INCOME AND DEFICIT

	Six months ended <u>July 31, 1983</u>	Six months ended <u>July 31, 1982</u>
INTEREST INCOME	\$ <u>5,011</u>	<u>\$77,864</u>
EXPENDITURES		
Legal, audit and secretarial	\$ 19,331	\$32,810
Office rent	22,189	21,438
General and office	1,188	3,719
Government fees and taxes	10,231	-
Shareholders' information	11,941	11,407
Stock transfer	4,634	4,195
Directors' expense	3,575	3,943
Listing fees	<u>2,450</u>	<u>-</u>
	<u>75,539</u>	<u>77,512</u>
INCOME (LOSS) FOR PERIOD	(70,528)	352
RETAINED EARNINGS AT BEGINNING OF PERIOD	<u>40,390</u>	<u>64,831</u>
RETAINED EARNINGS (DEFICIT) AT END OF PERIOD	<u>\$ (30,138)</u>	<u>\$65,183</u>

AUG 8 1983

THE TORONTO STOCK EXCHANGE

August 5, 1983

TORONTO

Bulletin 83-422

NOTICES FILED PURSUANT TO EXCHANGE REGULATIONS

COSEKA RESOURCES LIMITED - Notice has been accepted for filing of the issuance of 5,194,805 common shares to Bramalea Limited pursuant to the conversion of the \$20,000,000 Series A Debenture at a conversion price of \$3.85 per share. As approved by shareholders other than Bramalea Limited, the conversion price was reduced from \$10.00 per share to \$3.85 per share.

EAGLET MINES LIMITED - Notice has been accepted of the sale by the company of 550,000 Units by means of a fixed price offering on the floor of the Vancouver Stock Exchange at a price of \$3.60 per Unit.

Each Unit consisted of one common share of the company and one Series "G" Share Purchase Warrant. One Series "G" Share Purchase Warrant entitles the holder thereof to purchase one common share of the company at any time up to the close of business on January 23, 1984 at a price of \$3.77 per share and thereafter and up to the close of business on July 23, 1984 at a price of \$4.11 per share.

The agent for the offering agreed to purchase any and all Units remaining unsubscribed for at the conclusion of the offering. In consideration therefore, the company has issued to the agent a non-transferable Series "H" Share Purchase Warrant entitling the holder thereof to purchase 100,000 common shares of the company at any time up to the close of business on January 23, 1984 at a price of \$3.77 per share.

The Statement of Material Facts for the offering was delivered to members of the Exchange on July 25, 1983 for informational purposes.

Douglas G. Reeson
Co-ordinating Director
Markets and Market Development

BUY-INS

The following buy-ins could not be completed today.

<u>STOCK SYMBOL</u>	<u>NUMBER OF SHARES</u>	<u>STOCK SYMBOL</u>	<u>NUMBER OF SHARES</u>
ACT.PR.A	5	IWT.A	300
ADN	500	IWT.VT	10,200
AR.PR.D	900	LID	62
BCT.PR.C	51	LJ.A	25
BYX	4,000	MTU.B	50
CAR	400	RUP.WT	5,000
CCH.WTS	300	RYL.PR.D	200
CCH.PR.A	100	SRC	1,900
CCL	100	SSR.B	500
CDV.PR.A	3,300	TAU.PR.C	500
CGT.PR.A	100	TAU.PR.D	15
CU.PR.A	75	TAU.PR.K	100
CU.PR.B	200		
CVP.B	1,000		
DCD.WT	300		

John J. Kolosky,
Director,

AUG 8 1983

NBLZ1056 NBMP0190 26-JUL/17:07 VCR
TOT TCR TOC ALL

TCR - KAY TOR CONT
TOT - TOR J L
TOC - JERRY ALFONSO (15TH FLR)

V S E N O T I C E JUL 26/83

NEW LISTING

WESTERN TRINITY RESOURCES CORP - WTZ -
EFFECTIVE AT THE OPENING JUL 27/83

U/W

FLIN FLON MINES LTD - FLF WT -
400M UNITS EFFECTIVE AT THE OPENING JUL 27/83
AT A FIXED PRICE OF 1.38 PER UNIT
2 WTS TO 1 SHARE
2 WTS AT 1.44 PER SHARE TO JAN 23/84

GALACTIC RESOURCES LTD - GLC WT -
1MM (MILLION) UNITS EFFECTIVE AT THE OPENING JUL 27/83
AT A FIXED PRICE OF 3.93 PER UNIT
1 WTS TO 1 SHARE
1 WTS AT 4.13 PER SHARE TO JAN 23/84

EAGLET MINES LTD - EAG WT G -
500M UNITS EFFECTIVE AT THE OPENING JUL 27/83
AT A FIXED PRICE 3.60 PER UNIT
1 SERIES "G" WTS TO 1 SHARE
1 SERIES "G" WTS MAY BE EXERCISED TO PURCHASE 1 SHARE
OF THE CO AT 3.77 PER SHARE TO JAN 23/84
AND TO THE CLOSE OF JULY 23/84 AT 4.11 PER SHARE.

BRACE RESOURCES LTD - BCE -
1MM (MILLION) UNITS WITHIN 30 BUSINESS DAYS
1 SHARE AND 2 WTS.

USE 0000

AUG 4 1983

July 14, 1983

MEMO TO: REGISTERED REPRESENTATIVES
FROM: CORPORATE FINANCE
RE: FORTHCOMING NEW ISSUE - EAGLET MINES LIMITED

SUMMARY OF OFFERING

Issue: Units each comprising of One Common Share and One Common Share Purchase Warrant.

Size: 500,000 Units with a "green shoe" of 10% to 550,000 Units. Approximately \$2,000,000.

Price: Priced off the close of the market the day prior to issue. Units will be priced at 105% of this closing price.

Warrant: The Warrant is a 360 day Warrant which entitles the holder to purchase one Common Share at a 10% premium during the first 180 days and at a 20% premium during the next 180 days. Premiums apply to the closing price of the stock on the day prior to issue.

Issue Date: Expected to be during the week of July 18, 1983.

Use of Proceeds: To complete a feasibility study concerning establishment of the mine on the property, including extension of an adit, pilot plant and metallurgical testing. A program of surface and underground drilling will be carried out as well to further define and augment the tonnage of the fluorite zones.

Listing: The Common Shares are listed on the Toronto Stock Exchange (since December, 1982) and Vancouver Stock Exchange (Since July, 1979) (Symbol - EAG). The Warrants will be listed on the VSE.

Marketing Restrictions: The Units are cleared for sale only in British Columbia.

Indication of Interest: Should be forwarded to Pat Masse (Vancouver) and Susi Salfi (Branches).

EAGLET MINES LIMITED

INVESTMENT HIGHLIGHTS

Experienced Management

Mr. Andrew Robertson, President, has been responsible for the development of several producing mines, the most notable of which is Endako.

Mr. Andrew von Kursell, General Manager, was head of Cypress Anvil's Yukon operations for six years prior to joining Eaglet.

Massive World Class Fluorspar Deposits

The deposit has several desirable characteristics for development and is huge. Reserves have been established at 20 million tons (11.6% Fluorspar) and is open in all directions.

Outlook for Fluorspar Price

Fluorspar has several industrial applications (aluminum and steel manufacture and fluoro-chemicals). With increased industrial activity, a growing fluoro-chemical industry and expanding U.S. stock pile adding to the demand side and little addition on the supply side, price growth is expected to significantly outpace the price increase of the past five years.

Low Production Costs

The nature of the deposit is such that mining and milling costs will be low; likely equaling those of efficient copper producers.

Supplemental Mineral Values

The presence of other minerals such as silver, lead and molybdenum may prove to be economically recoverable as by-products and further enhance the project economics.

COMMENTS

The Company

Eaglet Mines Limited ("Eaglet") was incorporated for the sole purpose of exploring and developing a mine on a massive fluorspar deposit on Quesnel Lake near Williams Lake, British Columbia. The Company's thinking at this preliminary stage is for a mine with a capacity of 3,000 tons per day which would produce approximately 100,000 tons of fluorspar per annum.

In 1978, Andrew Robertson became President. Mr. Robertson has extensive experience in the mining industry with his most notable success being the discovery and promotion of the Endako molybdenum mine now owned by Placer Development. In February, 1983, Andrew von Kursell joined Eaglet as General Manager and Chief Engineer. Before joining Eaglet, he was head of Cyprus Anvil's Faro Yukon operations for six years. Prior to that he spent six years as Superintendent at Cominco's Pine Point Mine, and six years with Algom Ore Properties. With extensive mining experience he will add depth to the Company's management.

The Property

Eaglet owns mineral claims on approximately 4,450 acres located on the north arm of Quesnel Lake. Eaglet's recent drilling program has been conducted over the past three seasons, with the Summer of 1982 being the most active. In all, over 100 holes have been drilled totalling in excess of 50,000 feet. The results to date have located reserves of proven, probable and inferred which is an economic grade. The deposit is open on all sides and also in depth. Only 150 acres of the deposits have been drilled to date. The property has several desirable characteristics versus other fluorspar properties in the world as follows:

1. It is located near existing infrastructure, i.e. townsite, power and rail are nearby.
2. It is located in Canada - politically stable and close to the U.S. market which imports over 90% of its requirements.
3. Little radioactive contamination - many fluorspar deposits contain radioactive material which restricts mining of the material.
4. Massive scale of the deposit - only 150 acres of this 4,450 acre property have been drilled and the deposit is open in all directions. ?
5. Low operating costs - nature of the mine will be similar to that of a copper mine and at 3,000 tons per day the unit operating costs will be low.
6. Indications of the presence of other minerals (silver, lead and molybdenum) may prove to be valuable by-products further enhancing the economics of the mine.

Fluorspar

Fluorspar is used in the production of aluminum, as a fluxing agent in the manufacture of steel, and in the manufacture of hydro-fluoric acid which is used to make fluoro-carbon compounds for refrigerants, plastic and solvents. It is also used in the ceramic industries for enamel.

Total U.S. consumption in 1981 was 932,000 tons versus total U.S. production of 115,000 tons. The balance of approximately 817,000 tons was imported mainly from Mexico, making the United States highly dependent on this source of supply. With no mine in production in Canada, and no new mines in sight in the United States, Eaglet expects to sell a major portion of its production in the United States. Canada consumes approximately 400,000 tons of fluorspar mostly imported from Mexico. The Canadian consumer is also a potential customer for Eaglet.

World reserves of fluorspar are expected to be depleted by the year 2000 if no new mines are brought into production, and supply and demand imbalance is expected by the mid-1980's when consumption will begin to exceed supply.

The recent price history of fluorspar is as follows:

<u>Year</u>	<u>US \$/ton</u>
1977	\$105
1978	\$110
1979	\$120
1980	\$150
1981	\$175
1982	\$175
1983	\$180

? *Grade*

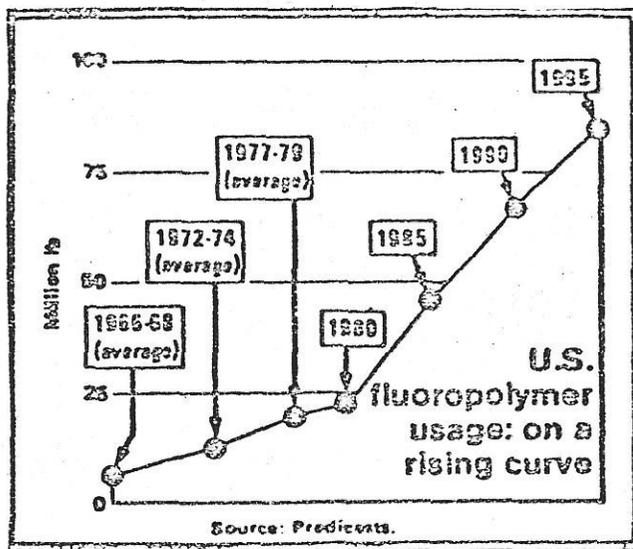
The price has increased at an 11 1/2% annual compound rate over the past five years. The price flattened out over the past two years in response to the faltering world economy. With fluorspar's tie to industrial uses, demand is closely related to the general level of economic activity.

The price increase over the next five years is expected to be more rapid than that of the past half decade for the following reasons:

1. Increased industrial activity associated with the general recovery now underway will increase demands.
2. Increased uses for fluorspar in fluoro-chemical industry will increase demand.
3. Lack of any significant world production expansion.
4. Increases to the U.S. government stock pile.

On this latter point, fluorspar has been designated a strategic material by the U.S. government and they are in the process of accumulating a stock pile.

*3% additive to cement kilns
medical - blood-artificial
primaries*



53 Chemical Week/November 17, 1982

World Production of Fluorspar

The major producing countries of fluorspar are as follows:

Country	Annual Production - 1981	
	(000's tons)	
Mexico	1,200	¹⁹⁸² 1000
USSR	585	575
South Africa	550	550
Spain	340	350
France	290	270
Italy	170	160

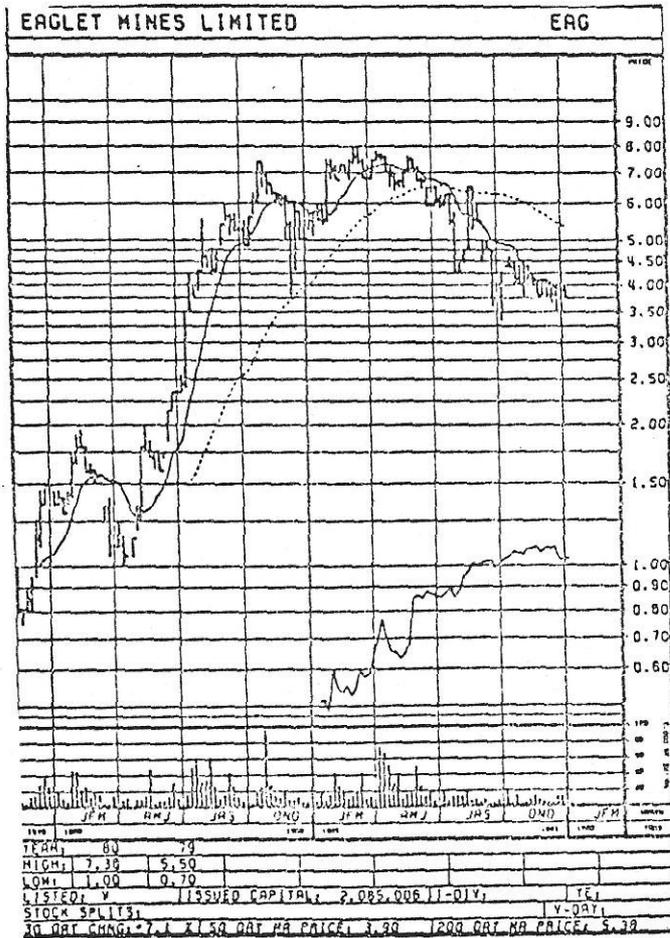
Total world production was 5,500,000 tons in 1981 up only 14% in five years from 4,850,000 tons in 1977. The world's largest fluorspar mine is in Mexico with an annual capacity of 300,000 tons and is owned by Noranda.

expected to be nationalized

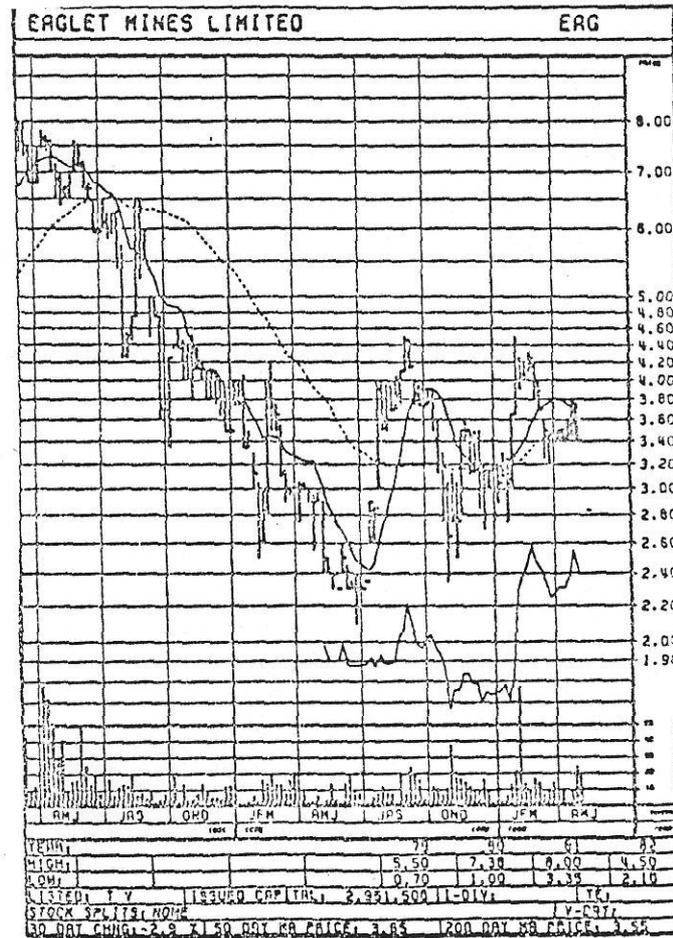
Marketing and Mine Development

Eaglet has been approached by several users of Fluorspar who are interested in this potential mine. They are seeking to secure a reliable supply of high quality fluorspar. Interest has been shown by U.S., Canadian, Korean and Japanese firms seeking long-term supply contracts. Until the feasibility study is complete, the Company is not able to advance these discussions.

Development of a 3,000 ton per day mine and mill is expected to cost in the \$50-\$60 million range. In dealing with customers on supply contracts, Eaglet will be seeking a commitment to enable it to arrange the senior financing necessary to provide with development.



LATE 1979 TO EARLY 1982



1981 TO MAY 1983



Eaglet Mines Limited

BOX 11107 ROYAL CENTRE, 1400 - 1055 WEST GEORGIA STREET
VANCOUVER, B.C. V6E 3P3

REPORT OF THE ANNUAL MEETING, JUNE 7, 1983

This brief report has been prepared for the benefit of shareholders who were unable to attend the Annual Meeting.

The meeting was convened at 11:00 o'clock in the forenoon on Tuesday, June 7, 1983.

The Annual Report, including the Auditors' Report, was submitted to the meeting.

The following were elected Directors of the Company: John M. Ashton, Allan J. Hammond and Andrew Robertson.

Thorne Riddell, Chartered Accountants, were reappointed auditors.

The meeting approved the increase in authorized capital from Five Million to Ten Million shares.

Questions were asked concerning the uses of FLUORITE or FLUORSPAR (CaF_2) which are answered as follows.

The information given here has been supplied by Energy, Mines and Resources Canada.

FLUORSPAR or FLUORITE, is calcium fluoride (CaF_2), an industrial mineral with a broad spectrum of uses. The most important of these are: in the manufacture of hydrofluoric acid and other fluorine chemicals; as a fluxing agent in various metallurgical processes, the most important being steel manufacture; in the manufacturing of artificial cryolite, an essential ingredient in the production of aluminum; in the refining of uranium ores; and in the glass and ceramic industries.

Fluorspar is marketed in three grades according to end-use:

- Acid Grade - Containing a minimum of 97 per cent CaF_2
- Metallurgical Grade - Containing 60 to 80 per cent CaF_2
- Ceramic Grade - Containing 88 to 97 per cent CaF_2

ACID GRADE

Roughly half the world's production of fluorspar is used in the manufacture of hydrofluoric acid which has a variety of uses, the most important of which are in the aluminum and chemical industries. The manufacture of fluorocarbons such as solvents, resins, plastics, films, refrigerants and aerosol propellants require large quantities of hydrofluoric acid. Fluorspar is also a key ingredient in uranium refining and the consumption is related to the pace of development and use of nuclear energy.

METALLURGICAL GRADE

Normally, 40 per cent of all fluorspar produced is consumed in the manufacture of steel. Metallurgical grade fluorspar is used in the steel industry to remove impurities during melting and also, to improve separation of metal and slag in the furnace by increasing the fluidity of the slag. Fluorspar is also used as a flux in foundries and in the production of Magnesium.

CERAMIC GRADE

Ceramic grade fluorspar is used as an opacifier in enamels and opal glass, and to a limited extent, in the manufacture of clear glass.

OUTLOOK

The performance of fluorspar parallels development in the steel, chemical, and aluminum industries, which together account for 95 per cent of fluorspar consumption. In the longer term, the chemical industry offers the greatest scope for growth in fluorspar consumption. Only the surface of its potential as a chemical has been scratched and based on current developments in the chemical industry and rate of consumption, a growth rate in demand for fluorspar, according to latest forecasts, will be in excess of 10 per cent per year. yes
X

EAGLET MINES LIMITED



Andrew Robertson
President and Chief Executive Officer

This report was prepared by the President, who accepts responsibility for its content. The Vancouver Stock Exchange has neither approved nor disapproved this release.



Eaglet Mines Limited

BOX 11107 ROYAL CENTRE, 1400 - 1055 WEST GEORGIA STREET
VANCOUVER, B.C. V6E 3P3

June 7/83

REPORT TO THE SHAREHOLDERS

The 1983 field program started on May 16th with the arrival of the supervisory and technical staff on the mine property at Quesnel Lake, B.C. Preparations for the underground mining contractor and the diamond drill crews are well underway. Sleep camps and cookery have been readied as well as the shops and equipment.

Diamond drill cores are being double checked for metallic minerals such as pyrite and galena that occur outside the rich fluorite zones already sampled and assayed.

Silver occurs throughout the area, in the wall rocks as well as in the fluorite zones, usually in the order of two tenths of an ounce, well below possible economic limits.

Checking of two core sections with visible metallic mineral content in hole S59 has given assays of specimen sections as follows:

<u>Sample no.</u>	<u>Silver oz./ton</u>	<u>Lead %</u>
18018	<u>6.5</u>	<u>13.0</u>
18019	<u>8.1</u>	<u>16.2</u>

These sections adjacent to the Fluorite zone which assayed 25% CaF₂ (Fluorite) across a width of three metres. While a concentration of silver mineral was expected somewhere in the area, because of the widespread hydro-thermal silver deposition, this is the first time that such potential has been encountered. The metallics potential will be explored actively from now on.

The current program at the property is designed to provide the necessary information for the feasibility report now under preparation. All factors including Environmental considerations, Power Supply, Transportation, Metallurgical Processing and Infrastructure are being processed. The target time for earliest production being early in 1986.

ON BEHALF OF THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read "Andrew Robertson". The signature is fluid and cursive, with a large initial "A".

Andrew Robertson
President

Vancouver, B.C.
June 7, 1983

This report was prepared by the President, who accepts responsibility for its content. The Vancouver Stock Exchange has neither approved nor disapproved this release.



THE GOVERNMENT OF
THE PROVINCE OF BRITISH COLUMBIA

Form 12

Securities Act

SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE

176/83

Date Accepted
For Filing July 26, 1983

STATEMENT OF MATERIAL FACTS

RESOURCE BOARD

Name of Section

EAGLET MINES LIMITED

Name of Issuer

1400-1055 West Georgia Street, Vancouver, B.C. V6E 3P3

Address of Head Office of Issuer

1300-1090 West Georgia Street, Vancouver, B.C. V6E 3X9

Address of Registered Office of Issuer

1300-1090 West Georgia Street, Vancouver, B.C. V6E 3X9

Address of Records Office (Section 39 - Company Act)

Central Trust Company,
750-700 West Pender Street, Vancouver, B.C. V6C 2B2.

Name & address of Registrar & Transfer Agent
for Issuer's shares in British Columbia.

1. DETAILS OF THE CIRCUMSTANCES RELATING TO THE OFFERING OF SECURITIES

Pursuant to an Agency Agreement dated May 16, 1983, made between Eaglet Mines Limited (the "Issuer") and Pemberton Houston Willoughby Incorporated ("Pemberton") of 1055 Dunsmuir Street, Vancouver, British Columbia (sometimes referred to as the "Agent"), the Agent agreed to act as the Agent of the Issuer to use its best efforts to sell to the public in British Columbia, through the facilities of the Vancouver Stock Exchange, 500,000 Units (each unit consisting of one common share with one Series "G" Warrant attached) at a fixed price on the floor of the Exchange.

The offering price of the Units shall be determined and fixed by the Vancouver Stock Exchange; and pursuant to the applicable by-laws of the Exchange such offering price will be not less than 5% higher than the prevailing market price of the Issuer's shares traded on the Exchange, as determined by the Exchange, but not at a price less than \$3.00 per Unit (the "Offering Price"). If all the Units are sold at the minimum price the Issuer will receive \$1,387,500.00 net of commissions.

Such Unit Offering will take place on a day (the "Offering Date") not more than 30 business days after the date this Statement of Material Facts is accepted for filing by the Exchange (the "Effective Date").

After the close of trading to 5:00 p.m. on the business day immediately preceding the Offering Date, and between the hours of 6:30 a.m. and 6:55 a.m. on the Offering Date, a book will be maintained on the floor of the Exchange to receive purchase orders. Under the terms of the Agency Agreement, the Agent may reserve not more than 80% of the Units for their own clients and at least 20% of the Units will be offered to other members of the Exchange. In the event of an oversubscription with respect to such 20% of the Units, the Units available shall be pro rated amongst the subscriptions, subject to the approval of the Exchange.

The Agent has been granted an option to purchase, within 30 trading days after the Offering Date, up to 50,000 Units at the Offering Price to cover its over-allocation position, if any, as at the close of trading two trading days after the Offering Date (the "Green Shoe Option"). The Agent will report its "over-allocation" position to the Vancouver Stock Exchange before the opening of trading on the third business day following the Offering Date.

The Series "G" Warrants to be issued to the public pursuant to the offering will be in bearer form and each Warrant shall entitle the holder to purchase one share in the capital of the Issuer at any time up to the close of business 180 days after the Offering Date at a price which is 10% higher than the said prevailing market price of the Issuer's shares and at any time from the close of business 180 days after the Offering Date up to the close of business 360 days after the Offering Date at a price which is 20% higher than the said prevailing market price. The Series "G" Warrants will trade on the Exchange, but if they diminish to the point where the Exchange determines that there is insufficient distribution for an orderly market, the Exchange may declare that the Series "G" Warrants be traded on a cash basis only. Any Warrants not exercised within the said 360 day period will thereafter be void.

The Warrants will contain anti-dilution provisions, including amongst other things, provisions for appropriate adjustment in class, number and price of shares issuable pursuant to any exercise thereof upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the shares of the Issuer or payment of stock dividends.

The Agent has agreed to purchase any Units unsubscribed for on the Offering Date, in consideration for which the Issuer has agreed to issue to the Agent a Series "H" Warrant entitling the Agent to purchase up to 100,000 shares of the Issuer at a price which is 10% above the said prevailing trading price, within 180 days from the Offering Date.

The Series "H" Warrants will have the same terms and conditions as the Series "G" Warrants except that they are non-transferable, and may be exercised only within 180 days from the Offering Date.

The Purchaser of any shares or Units under the offering will be required to pay regular commission rates as specified by the Exchange. In addition, the Agent will receive in respect of the Unit Offering a fee of 7½% of gross sales at the time the Units are sold.

No payments in cash, securities or other consideration are being made, or are to be made to a promoter, finder or any other person or company in connection with the proposed offering.

The Issuer has granted the Agent a right of first refusal for all financing within five (5) years from the Effective Date. This right does not apply to any financing offered from customers of the Issuer.

The Agent may be considered the market maker during the period of primary distribution and as such may, subject to the by-laws of the Exchange, make purchases and sales of the shares and Warrants of the Issuer for the purpose of maintaining an orderly market for the shares and Warrants of the Issuer.

The Agents may offer shares to clients outside of Canada and the United States but only to corporate or institutional purchasers who may be considered sophisticated investors.

The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events.

The obligations of the Agent may also be terminated if, immediately before the establishment of an Effective Date, the Issuer does not confirm that the Agency Agreement remains in effect and the Agent accepts the proposed Effective Date.

Directors and insiders of the Issuer may purchase Units from this offering.

Under the rules of the Toronto Stock Exchange, directors and insiders are limited to a subscription which is no greater than the lesser of (i) 20% of the offering, and (ii) the proportional holding of the director or insider prior to the offering in the class of security being offered.

The Agent neither owns nor has under its control any shares of the Issuer.

The Agent, notwithstanding anything to the contrary, reserves the right to offer selling group participation in the normal course of the brokerage business, to selling groups of other licenced broker dealers, brokers and investment dealers who may or may not be offered part of the discounts, commissions or bonuses derived from this offering.

W. Robert Wyman, of 3650 Marine Drive, West Vancouver, B.C., is the only person who beneficially owns, directly or indirectly, in excess of 5% of the issued shares of the Agent. He owns 67,250 shares or 6% of the issued shares of the Agent.

The promoters, directors, officers, and other insiders of the Issuer and owners of greater than 10% of the issued shares own as a group directly or indirectly 490,862 shares representing 15.2% of the presently issued shares of the Issuer.

The range of the market price of the shares of the Issuer and volume of sales for each of the four weeks immediately preceding the Effective Date of this Statement of Material Facts is:

on the Resource Board of the Vancouver Stock Exchange:

<u>Week</u>	<u>Market Range</u>			<u>Volume</u>
	<u>High</u>	<u>Low</u>	<u>Close</u>	
June 20 - 24	-	-	-	-
June 27 - July 1	-	-	-	-
July 4 - 8	4.00	3.80	3.80	900
July 11 - 15	3.95	3.75	3.95	2,300

on the Toronto Stock Exchange:

<u>Week</u>	<u>Market Range</u>			<u>Volume</u>
	<u>High</u>	<u>Low</u>	<u>Close</u>	
June 20 - 24	3.50	3.25	3.25	6,600
June 27 - July 1	4.05	3.90	4.00	17,700
July 4 - 8	4.00	3.85	3.85	26,600
July 11 - 15	4.05	3.75	3.75	19,600

ADDITIONAL OFFERINGS

Any shares or units acquired by the Agents pursuant to the exercise of the Series "H" Warrants and the "Green Shoe Option" are also qualified for sale to the public in British Columbia for a period of 180 days and 30 days respectively from the Offering Date at the market price prevailing from time to time.

<u>Name of Shareholder</u>	<u>No. of Shares or Units Owned and to be Owned</u>	<u>No. of Shares or Units Being Qualified For Sale</u>	<u>No. of Shares or Units to be Owned on Completion of Offering</u>
Pemberton	100,000 shares	100,000 shares	Nil
Pemberton	50,000 units	50,000 units	Nil

2. PARTICULARS CONTRIBUTING TO THE SPECULATIVE NATURE OF THE SECURITIES BEING OFFERED

The shares of this Issuer must be considered speculative securities as the Issuer's properties are in the exploration

and development stage. No survey has been made of the Issuer's mining claims and, therefore, in accordance with the mining laws of the appropriate jurisdiction in which the properties are situate, their existence and area may be in doubt.

There is no known body of commercial ore on any of the Issuer's mining properties and the proposed program is an exploratory search for ore and the preparation of a feasibility report on the Issuer's fluorospar property located in the Cariboo Mining Division, British Columbia.

3. DETAILS OF ANY MATERIAL CHANGES OR PROPOSED MATERIAL CHANGES IN THE AFFAIRS OF THE ISSUER

On January 13, 1983, Andrew H. von Kursell was appointed Chief Engineer and General Manager of the Issuer.

At the Annual General Meeting held on June 7, 1983, the authorized capital of the Issuer was increased from 5,000,000 to 10,000,000 shares without par value.

4. ESTIMATED NET PROCEEDS OF THE ISSUER ARE TO BE SPENT IN THE FOLLOWING MANNER

Upon the sale of the 500,000 Units at an estimated price of \$3.00 per Unit, the Issuer will net after commissions \$1,387,500.00, which sum will be spent as follows and in the following order of priority:

(a) estimated cost of this issue including legal, audit, and printing costs	\$ 25,000.00
(b) to carry out the work program recommended by C.W. Ball in his report dated April 5, 1983, on the Eaglet, Wasko, and Deb claims	1,297,000.00
(c) working capital	65,500.00
	<u>\$1,387,500.00</u>

If any Series "G" or Series "H" Warrants are exercised or if the Agent exercises its Green Shoe Option, the proceeds, to the extent available, will be used for working capital of the Issuer.

The working capital available as set forth above, as well as the proceeds which may be received pursuant to the exercise

of the Series "G" or Series "H" Warrants or the exercise of the Agent's Green Shoe Option, may not be used by the Issuer to acquire further interests in mineral properties or oil and gas prospects or to pay for the development of such interests, or continuation of any other programs now underway without first filing engineering reports acceptable to the Vancouver Stock Exchange and obtaining the prior consent of the Toronto Stock Exchange.

5. THE FULL NAME, HOME ADDRESS, AND CHIEF OCCUPATION, THE NUMBER OF SHARES OF THE ISSUER BENEFICIALLY OWNED, DIRECTLY OR INDIRECTLY, BY EACH SENIOR OFFICER OF DIRECTOR OF THE ISSUER AND, IF EMPLOYED DURING THE PAST FIVE YEARS, THE NAME OF EACH EMPLOYER

<u>Name, Address and Office Held</u>	<u>Chief Occupation</u>	<u>Number of Shares of Issuer</u>
Andrew Robertson 130 South Oxley Street West Vancouver, B.C. President & Director	Mining Engineer, Corporation Executive. Director of a number of corporations, including: Cusac Industries Ltd. since 1976; International Corona Resources Ltd. since 1981; Consolidated Silver Butte Ltd. since 1978; Texada Lime Limited since 1975. Cusac, Corona, and Consolidated Butte are all VSE listed companies; Texada is a wholly-owned subsidiary of British Petroleum. A. Robertson is also President and a Director of Aaron Mining Ltd., a VSE listed company, and R. & P. Metals Corpora- tion Limited, a B.C. non- reporting company controlled by him.	100,000
Allan John Hammond 907-200 Rideau Terrace Ottawa, Ontario	President of Lanark Wood Products Limited since 1942. This company is an Ontario private corporation controlled by A.J. Hammond.	301,112

William Earl Essery
1803-2075 Comox Street
Vancouver, B.C.
Secretary

Accountant and
Corporate Secretary,
employed by R. & P.
Metals Corporation
Limited since 1967.

2,000

John Michael Ashton
1402-1500 Haro Street
Vancouver, B.C.
Director

Counselling Engineer
of J.M. Ashton &
Associates Ltd. from
1978 to present. This
company is a B.C. non-
reporting corporation
controlled by J.M. Ashton.
Consulting Engineer
since 1970.

87,750

6. PARTICULARS OF THE CORPORATE STANDING OF THE ISSUER

The Issuer was incorporated on August 3, 1972, under the laws of the Province of Ontario. On December 12, 1978, the Issuer was continued as a company under the Company Act of British Columbia and is a reporting company.

The last Annual Report filed with the Registrar of Companies was to December 12, 1982.

All filings required to be made under the Securities Act and the Company Act of British Columbia are up to date.

The latest audited financial statements of the Issuer placed before the last Annual General Meeting were for the year ended January 31, 1983, and were dated February 7, 1983.

The last Annual General Meeting was held on June 7, 1983.

The Issuer is primarily engaged in the business of exploring for and developing natural resource properties.

7. THE AUTHORIZED AND ISSUED SHARE CAPITAL OF THE ISSUER

The authorized capital of the Issuer consists of 10,000,000 shares without par value, of which there are issued 3,238,756 shares. There are no conversion rights, special liquidation rights, pre-emptive rights, or subscription rights, attached to the shares of the Issuer. Sixty-three thousand treasury shares are reserved for issuance pursuant to a Director's Stock Option Agreement.

8. THE PRICES AT WHICH SECURITIES OF THE ISSUER HAVE BEEN ISSUED DURING THE PAST YEAR

No securities of the Issuer have been issued during the past year.

9. PARTICULARS OF ANY BONDS, DEBENTURES, NOTES, MORTGAGES, CHARGES, LIENS, OR HYPOTHECATIONS OF THE ISSUER

There are no bonds, debentures, notes, mortgages, charges, liens, or hypothecations outstanding.

10. PARTICULARS OF IMPORTANT PROPERTIES PRESENTLY OWNED, LEASED, HELD UNDER OPTION, OR OPERATED BY THE ISSUER OR ANY SUBSIDIARY THEREOF OR PROPOSED TO BE OWNED, LEASED, HELD UNDER OPTION, OR OPERATED BY THE ISSUER OR ANY SUBSIDIARY THEREOF

Quesnel Lake Mineral Claims,
Cariboo Mining Division, British Columbia

The Issuer owns outright six located mineral claims comprised of a total of 72 units, located on Junction Mountain, immediately North of Wasko Creek, on the North arm of Quesnel Lake, in the Cariboo Mining Division, British Columbia, identified as follows:

<u>Mineral Claims</u>	<u>Units</u>	<u>Record Numbers</u>	<u>Expiry Date</u>
Eaglet	20	1306	October 24, 1991
Eaglet II	16	3813	July 2, 1993
Eaglet III	12	3814	July 2, 1993
Wasko	20	1305	October 24, 1991
Deb 1	1	1634	May 9, 1991
Deb 2, 3, 4	3	1635	May 9, 1991
TOTAL UNITS	<u>72</u>		

All of these claims are recorded in the Issuer's name free of encumbrance.

The original 40 mineral claims acquired in consideration for escrow shares were abandoned for the purpose of restaking under the Mineral Act (British Columbia) and were restaked under the metric system, at which time additional claims were staked for a total of 72 units. Each unit is comprised of 25 hectares (or 61.78 acres) per unit, being approximately 4,450 acres in total. The cost of restaking was approximately \$19,180.00.

The property is accessible by boat from the South Shore of Quesnel Lake, Quesnel Lake Lodge, near Haggars Point. It is approximately eighty miles by road, partially paved, partially good gravel, and partially winding dirt road from Williams Lake to Quesnel Lake Lodge. The British Columbia railway connects Williams Lake to Vancouver.

The mining camp situate at the property is comprised of trailer housing and boarding for sixteen employees, in addition to auxiliary service buildings.

In 1946, Hubert Hall Forester discovered flourospar mineral and staked the property. In 1966, fluorite mineralization was investigated on the property by Canex Aerial Exploration Limited ("Canex"). In 1966-7, trenching, percussion drilling, and some mill testing were conducted by Canex under a working option agreement which was permitted to lapse due to disappointing results. In 1971, the Issuer conducted a modest programme of trenching, deepening the previous trenches, and conducted a programme of sampling with an average grade of about 3.3% CaF₂. In 1973, two "BQ" diamond drill holes, each about 122 metres in length, were completed concurrently with the drilling of a series of test holes with intersections up to 9 metres assaying 6.5% CaF₂. In June, 1975, a more extensive programme of diamond drilling was conducted, completing a total of 2,996 feet of "AQ" drill holes in nine angle holes at an approximate cost of \$54,502.00.

Mobilization of crew and equipment was completed early in December, 1979, and work commenced on underground cross-cuts, drifts, and diamond drilling, as recommended by C.W. Ball, P. Eng., in his report dated May 25, 1979. An adit to cross-cut the mineralized zone and establish total width and mineral content was planned, and the adit was advanced approximately 292 metres from the portal and a drift was advanced 67 metres west from this. A total of 360 metres of 2.4 metres by 2.4 metres of trackless tunnel was completed by June 25, 1980.

Results:

In 1980 and 1981, the Issuer carried out the work programme recommended by C.W. Ball, P. Eng., in his report dated September 8, 1980, which consisted of driving cross-cut numbers one and two, and surface diamond drilling a total of 7,559.5 metres completed in forty-nine diamond drill holes. Within a surface area of 24,000 square metres, the tonnage indicated by diamond drilling as outlined in the report is 1,304,078 tonnes with average grade 12% fluorite with an average width of 18.5 metres.

In 1982, a total of 6,354.5 metres of surface diamond drilling was completed mainly on a grid pattern of 30.5 metres. Twelve of the 42 drill holes were step-out exploratory holes.

A Summary of work completed in 1982 dated April 5, 1983, has been prepared by C.W. Ball, P. Eng. This Summary has been amended by two letters dated June 30, 1983, and July 18, 1983. In the Summary as amended Clive Ball states:

The drill indicated mineable mineralized material of economic importance is estimated to be in the order of 20,000,000 tonnes with an average grade of 11.5% CaF₂ (Fluorospars)

For the purpose of calculation, the above reserves cover an area of 75 hectares and the average thickness of the fluorite zone is 6.7 metres.

Reserves of economic mineralization are divided into two categories as follows:

1. Probable economic mineralization indicated by diamond drilling	11,000,000 tonnes	11.5% CaF ₂
2. Inferred economic mineralization	9,000,000 tonnes	11.5% CaF ₂
TOTAL	20,000,000 tonnes	

A copy of this Summary and the amendments forms part of this Statement of Material Facts.

The cost of this work is shown in the Statement of Deferred Exploration Expenditures for the fiscal year ended January 31, 1983. The total exploration expenditures for the fiscal year 1983 were \$784,101.00 and for the four months ended May 31, 1983, were \$108,766.00.

The present recommended program is the driving of an adit to provide access for geological mapping, sampling of the fluorite zones, and mill feed for pilot plant metallurgical tests. Surface and underground diamond drilling will help define and augment the tonnage of the fluorite zones. Environmental studies are also proposed.

The properties are the subject of a report by Clive W. Ball, P. Eng., dated April 5, 1983.

11. PARTICULARS OF THE COST OF PROPERTIES ACQUIRED BY THE ISSUER OR ANY SUBSIDIARY THEREOF WITHIN THE PAST THREE YEARS OR PROPOSED TO BE ACQUIRED BY THE ISSUER OR ANY SUBSIDIARY THEREOF

No properties have been acquired by the Issuer or any subsidiary thereof within the past three years and none are proposed to be acquired by the Issuer or any subsidiary thereof.

12. THE NAME AND ADDRESS OF ANY PERSON OR COMPANY WHO OR THAT IS OR HAS BEEN A PROMOTER OF THE ISSUER WITHIN THE PRECEDING TWO YEARS AND THE NATURE AND AMOUNT OF ANYTHING OF VALUE RECEIVED OR TO BE RECEIVED FROM THE ISSUER

The directors of the Issuer may be considered promoters of the Issuer, as defined by the Securities Act of British Columbia.

13. THE NUMBER OF THE SHARES OF THE ISSUER HELD IN ESCROW OR IN POOL AND A BRIEF STATEMENT OF THE TERMS OF THE ESCROW OR POOLING AGREEMENTS

In August, 1972, 750,000 shares were issued in payment for the 40 mineral claims which were later restaked under the metric system. Of these shares, 225,000 are still held in escrow by the Crown Trust Company. They are held as follows:

<u>Name and Address</u>	<u>Shares</u>	<u>Percentages</u>
Onolee Ernestine Pitt 115 Dorset Street West Port Hope, Ontario	31,667	14.07
Hubert Hall Forester (Estate of) 666 St. Paul Street Kamloops, B.C.	60,000	26.44
Tadeusz Budzich 80 Murwood Drive Moreland Hills Ohio, United States	55,000	24.44
David Baird Finlay 22-1501 Lonsdale North Vancouver, B.C.	11,667	5.18
John Michael Ashton 1402-1500 Haro Street Vancouver, B.C.	11,667	5.18
Chaili-Li Investments Corporation ¹ c/o Perley, Robertson, Panet, Hill & McDougall 99 Bank Street Ottawa, Ontario	18,333	8.15
Lanark Wood Products Limited ² 112 Kamloops Avenue Ottawa, Ontario	18,333	8.15

106816 Canada Inc. ³ c/o Perley, Robertson, Panet, Hill & McDougall 99 Bank Street Ottawa, Ontario	18,333	8.15
TOTAL	<u>225,000</u>	

¹ Chaili-Li Investments Corporation is a private corporation incorporated under the Canada Business Corporations Act, which is wholly-owned by John Russell Woods, of 2303-400 Stewart Street, Ottawa, Ontario.

² Lanark Wood Products Limited is an Ontario private corporation which is controlled by Allan John Hammond, a director of the Issuer.

³ 106816 Canada Inc. is a private corporation incorporated under the Canada Business Corporations Act, which is owned by James L. Williams, of 29 Bedford Crescent, Ottawa, Ontario.

The terms of escrow provide that the beneficial ownership of shares or any interest in them and certificates representing them, including any replacement share certificates, shall not be sold, assigned, hypothecated, alienated, released from escrow, transferred within escrow, or otherwise in any manner dealt with, without the express consent, order, or direction in writing of the Ontario Securities Commission, the Quebec Securities Commission, and the Superintendent of Brokers for the Province of British Columbia, being first had and obtained.

14. THE NUMBER OF EQUITY SHARES OF THE ISSUER OWNED BENEFICIALLY, DIRECTLY OR INDIRECTLY, BY EACH PERSON OR COMPANY WHO OWNS, OR IS KNOWN BY THE SIGNATORIES HERETO TO OWN BENEFICIALLY, DIRECTLY OR INDIRECTLY, MORE THAN 10% OF THE EQUITY SHARES OF THE ISSUER

The Directors of the Issuer know of no one who owns beneficially, directly or indirectly, more than 10% of the securities of the Issuer.

15. A BRIEF STATEMENT OF ANY MATERIAL LEGAL PROCEEDINGS TO WHICH THE ISSUER OR ANY OF ITS SUBSIDIARIES IS A PARTY OR WHOSE PROPERTY IS THE SUBJECT OF SUCH PROCEEDINGS

There are no legal proceedings to which the Issuer or any of its subsidiaries is a party or whose property is the subject of such proceedings.

16. THE AGGREGATE, DIRECT OR INDIRECT, REMUNERATION PAID OR PAYABLE BY THE ISSUER AND ITS SUBSIDIARIES DURING THE PAST YEAR TO INSIDERS OF THE ISSUER

During the fiscal year ended January 31, 1983, the Issuer paid no remuneration to its directors or senior officers, except a salary of \$30,000.00 to its corporate secretary.

17. BRIEF PARTICULARS OF ALL OPTIONS TO PURCHASE SECURITIES OF THE ISSUER UNLESS OTHERWISE DISCLOSED HEREIN

By Directors' Resolution and Agreement dated July 9, 1980, and approved by the Shareholders of the Company at their Annual General Meeting on July 28, 1980, the Company granted directors' stock options to Andrew Robertson (as to 63,000 shares), John Ashton (as to 63,000 shares), and Earl F. Hammond (as to 14,000 shares). The purchase price for the said shares was:

- (a) \$2.65 per share for all shares purchased on or before July 9, 1981;
- (b) \$2.90 per share for all shares purchased after July 9, 1981, and on or before July 9, 1982;
- (c) \$3.15 per share for all shares purchased after July 9, 1982, and on or before July 9, 1983;
- (d) \$3.40 per share for all shares purchased after July 9, 1983, and on or before July 9, 1984;
- (e) \$3.65 per share for all shares purchased after July 9, 1984, and on or before July 9, 1985.

The closing trading price for the Company's shares on the Vancouver Stock Exchange on July 9, 1980, was \$2.65. Earl Hammond exercised his option to purchase 14,000 shares at \$2.65 per share in November, 1980. John Ashton exercised his option to purchase 63,000 shares at \$2.65 per share in July, 1981. Andrew Robertson has not exercised any part of his stock option to date.

18. 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 NOT PREVIOUSLY DISCLOSED HEREIN

There are no material contracts entered into by the Issuer within the past two years not disclosed herein.

All material contracts may be inspected at the records office of the Issuer, 1400-1055 West Georgia Street, Vancouver, British Columbia, during normal business hours during the period of primary distribution and for thirty days thereafter.

19. PARTICULARS OF ANY OTHER MATERIAL FACTS RELATING TO THE SECURITIES BEING OFFERED AND NOT DISCLOSED UNDER ANY OTHER ITEM

Income Tax Considerations

Under the Income Tax Act (Canada) the Issuer and purchasers of Units will be required to allocate the purchase price of a Unit between the one common share and the one warrant. Such allocation must be made on a reasonable basis. The Issuer, for its purposes, will allocate to the common shares an amount equal to twenty twenty-firsts (20/21) of the unit price of the Units offered hereby and the remainder of the unit price will be allocated to each Series "G" warrant. For the purpose of determining the purchasers' cost of common shares and warrants acquired under this offering, purchasers will also be required to allocate the purchase price between a common share and warrant which comprise the Unit. Revenue Canada, Taxation in a published interpretation bulletin has stated its position that the allocations made by the Issuer and purchasers of Units must be the same. However, no such allocation is binding on Revenue Canada, Taxation. Prospective purchasers are urged to consult their own tax advisers as to their particular income tax situations.

EAGLET MINES LIMITED
FINANCIAL STATEMENTS
YEAR ENDED JANUARY 31, 1983

Auditors' Report

Balance Sheet

Statement of Income and Retained Earnings

Statement of Deferred Exploration Expenditures

Statement of Changes in Financial Position

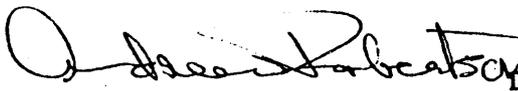
Notes to Financial Statements

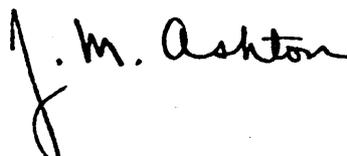
EAGLET MINES LIMITED
(Continued under the laws of British Columbia)

BALANCE SHEET AS AT JANUARY 31, 1983

ASSETS	<u>1983</u>	<u>1982</u>
CURRENT ASSETS		
Cash and term deposits	\$ 250,235	\$1,247,630
Accrued interest receivable	4,300	8,050
Prepaid expense	2,673	2,716
	<u>257,208</u>	<u>1,258,396</u>
RESOURCE PROPERTIES (note 2)	51,800	51,800
MINE EQUIPMENT		
Less accumulated depreciation	217,370	-
	43,475	-
	<u>173,895</u>	<u>-</u>
DEFERRED EXPLORATION EXPENDITURES	3,316,076	2,531,975
	<u>\$3,798,979</u>	<u>\$3,842,171</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 15,016	\$ 18,767
DEFERRED INCOME TAXES	-	<u>15,000</u>
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (notes 2 and 3)		
Authorized		
5,000,000 common shares without par value		
Issued		
3,238,756 common shares	3,743,573	3,743,573
RETAINED EARNINGS	40,390	64,831
	<u>3,783,963</u>	<u>3,808,404</u>
	<u>\$3,798,979</u>	<u>\$3,842,171</u>

Approved by the Board

 Director

 Director

EAGLET MINES LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

YEAR ENDED JANUARY 31, 1983

	<u>1983</u>	<u>1982</u>
Interest income	<u>\$102,556</u>	<u>\$253,265</u>
Expenses		
General and office	41,637	15,464
Accounting and secretarial	30,000	21,000
Stock exchange listing	20,558	850
Travel and promotion	19,983	-
Government fees and taxes	8,886	4,065
Shareholders' information	8,073	577
Stock transfer	5,934	9,937
Directors' expense	4,116	7,626
Legal and audit	2,810	6,991
	<u>141,997</u>	<u>66,510</u>
Income (loss) before income taxes	(39,441)	186,755
Deferred income taxes (reduction)	<u>(15,000)</u>	<u>15,000</u>
NET INCOME (LOSS)	(24,441)	171,755
Retained earnings (deficit) at beginning of year	<u>64,831</u>	<u>(106,924)</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$ 40,390</u>	<u>\$ 64,831</u>
Earnings (loss) per share	<u>(.8¢)</u>	<u>5.4¢</u>

EAGLET MINES LIMITED

STATEMENT OF DEFERRED EXPLORATION EXPENDITURES

YEAR ENDED JANUARY 31, 1983

	<u>1983</u>	<u>1982</u>
Exploration expenditures		
Core drilling	\$ 426,650	\$ 549,359
Labour	75,731	73,141
Equipment rentals	66,990	184,311
Supervision	61,641	25,700
Supplies	49,580	84,888
Depreciation	43,475	-
Assays	25,064	38,141
Travel and transport	13,713	26,704
Consulting	8,208	27,741
Insurance	3,515	-
Government fees and taxes	3,160	3,185
Adit #2	2,544	190,342
Repairs and maintenance	2,022	3,625
Sundry	1,808	2,528
	<hr/>	<hr/>
TOTAL EXPENDITURES	784,101	1,209,665
BALANCE DEFERRED AT BEGINNING OF YEAR	<u>2,531,975</u>	<u>1,322,310</u>
BALANCE DEFERRED AT END OF YEAR	<u><u>\$3,316,076</u></u>	<u><u>\$2,531,975</u></u>

EAGLET MINES LIMITED

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEAR ENDED JANUARY 31, 1983

	<u>1983</u>	<u>1982</u>
WORKING CAPITAL DERIVED FROM		
Operations		
Net income	-	\$ 171,755
Deferred income taxes which does not involve working capital	-	15,000
	<u>-</u>	<u>186,755</u>
Issue of common shares	-	1,671,667
	<u>-</u>	<u>1,858,422</u>
WORKING CAPITAL APPLIED TO		
Operations		
Loss for the year	\$ 24,441	-
Deferred income tax reduction which does not involve working capital	15,000	-
	<u>39,441</u>	<u>-</u>
Deferred exploration expenditures, net of depreciation of \$43,475	740,626	1,209,665
Additions to mine equipment	217,370	-
	<u>997,437</u>	<u>1,209,665</u>
INCREASE (DECREASE) IN WORKING CAPITAL	(997,437)	648,757
WORKING CAPITAL AT BEGINNING OF YEAR	<u>1,239,629</u>	<u>590,872</u>
WORKING CAPITAL AT END OF YEAR	<u>\$ 242,192</u>	<u>\$1,239,629</u>

EAGLET MINES LIMITED

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JANUARY 31, 1983

1. ACCOUNTING POLICIES

(a) Mine equipment

Mine equipment is recorded at cost. Depreciation is provided on the straight-line basis at an annual rate of 20%.

(b) Deferred exploration expenditures

The company is engaged in the development of resource properties and has established a policy of deferring all costs of exploration until such time as the resource properties are put into commercial production, sold or abandoned. Administrative costs are written off in the period in which they are incurred.

The recovery of the cost of the resource properties and related deferred exploration expenditures is dependent upon the development of a sufficient quantity of ore of economic value. If the mineral claims expire or are abandoned these costs are written off.

2. RESOURCE PROPERTIES

Resource properties comprise six mineral claims (72 units) located in the Quesnel Lake area, Cariboo Mining Division, B.C., acquired for 750,000 shares of capital stock valued at \$51,800.

3. CAPITAL STOCK

A director of the company has been granted an option to purchase a total of 63,000 common shares. Prices range from \$3.15 per share on or before July 9, 1983 to \$3.65 per share exercisable on or before July 9, 1985.

EAGLET MINES LIMITED
(Continued under the laws of British Columbia)

BALANCE SHEET
as at May 31, 1983

(Prepared by Management, without audit)

ASSETS

CURRENT ASSETS		
Cash and term deposits	\$ 91,282	
Prepaid expense	<u>4,499</u>	\$ 95,781
RESOURCE PROPERTIES		
		51,800
MINE EQUIPMENT		
Less accumulated depreciation	217,370	
	<u>43,475</u>	173,895
DEFERRED EXPLORATION EXPENDITURES		
		<u>3,424,842</u>
		<u>\$3,746,318</u>

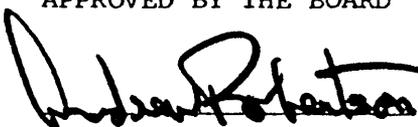
LIABILITIES

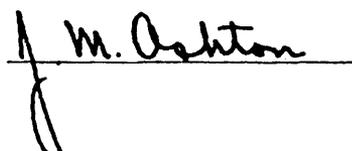
CURRENT LIABILITIES		
Accounts payable		\$ -

SHAREHOLDERS' EQUITY

CAPITAL STOCK		
Authorized		
5,000,000 common shares without par value		
Issued		
3,238,756 common shares	3,743,573	
RETAINED EARNINGS		
	<u>2,745</u>	<u>3,746,318</u>
		<u>\$3,746,318</u>

APPROVED BY THE BOARD

 Director

 Director

EAGLET MINES LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
for the four month period ended May 31, 1983

(Prepared by Management, without audit)

INTEREST INCOME		\$ 4,402
EXPENSES		
General and office	\$16,873	
Government fees and taxes	10,196	
Shareholders' information	4,419	
Stock transfer	2,816	
Directors' expense	3,412	
Legal and audit	<u>4,331</u>	<u>42,047</u>
LOSS FOR PERIOD		37,645
RETAINED EARNINGS AT BEGINNING OF PERIOD		<u>40,390</u>
RETAINED EARNINGS AT END OF PERIOD		\$ <u>2,745</u>

EAGLET MINES LIMITED

STATEMENT OF DEFERRED EXPLORATION EXPENDITURES
for the four month period ended May 31, 1983

(Prepared by Management, without audit)

EXPLORATION EXPENDITURES	
Management	\$ 22,291
Metallurgical research	39,206
Labour	22,775
Equipment rentals	12,039
Supplies and general	6,326
Insurance and workers' compensation	3,629
Report	<u>2,500</u>
TOTAL EXPENDITURES	108,766
BALANCE DEFERRED AT BEGINNING OF PERIOD	<u>3,316,076</u>
BALANCE DEFERRED AT END OF PERIOD	<u><u>\$3,424,842</u></u>

EAGLET MINES LIMITED

STATEMENT OF CHANGES IN FINANCIAL POSITION
for the four month period ended May 31, 1983

(Prepared by Management, without audit)

WORKING CAPITAL DERIVED FROM		\$ -
WORKING CAPITAL APPLIED TO		
Operations, Loss for the period	\$ 37,645	
Deferred exploration expenditures	<u>108,766</u>	<u>146,411</u>
DECREASE IN WORKING CAPITAL		146,411
WORKING CAPITAL AT BEGINNING OF PERIOD		<u>242,192</u>
WORKING CAPITAL AT END OF PERIOD		<u>\$ 95,781</u>



TELEPHONE (604) 685-9824

Eaglet Mines Limited

BOX 11107 ROYAL CENTRE, 1400 - 1055 WEST GEORGIA STREET
VANCOUVER, B.C. V6E 3P3

EAGLET MINES LIMITED

GEOLOGICAL REPORT

SUMMARY OF WORK COMPLETED IN 1982

FLUORITE PROPERTY

EAGLET, WASKO AND DEB CLAIMS

CARIBOO MINING DIVISION

QUESNEL LAKE, BRITISH COLUMBIA

N.T.S. 93A/10W

Vancouver, B.C.
April 5, 1983

BY: CLIVE W. BALL, P. ENG.
CONSULTING GEOLOGIST

1.0 DIAMOND DRILLING

From May 22, 1982 to September 19, 1982, a total length of 6,354.5 metres (20,843 feet) of surface diamond drilling was completed. This involved a total of 42 vertical "BQ" core holes at a total cost of \$417,616.33.

Core recovery was excellent and the results of assays of core samples are very satisfactory. Coupled with the 1980 and 1981 drilling from surface, there are 100 holes completed for a total length of 15,472 metres (50,762 feet). The drilling in 1982 was conducted on a grid system of 30.5 metre spacing with 12 step-out exploratory holes.

The above drilling covers an area of 1,500 metres in an east-west direction 900 metres in a north-south direction, open for extension on all sides.

2.0 GEOLOGY

The host rock is a granitic gneiss which has suffered intense hydrothermal alteration. The development of faulting, shearing and brecciation has conditioned the host-rock as a prelude to fluorite mineralization.

3.0 INDICATED ECONOMIC MINERALIZATION

The drill indicated mineable mineralized material of economic importance is estimated to be of the order of 20,000,000 tonnes with an average grade of 11.5 per cent CaF₂ (Fluorspar).

For the purpose of calculation, the above reserves cover an area of 75 hectares and the average thickness of the fluorite zone is 6.7 metres.

Reserves of economic mineralization are divided into three categories as follows:

1.	Economic mineralization	5,000,000 tonnes	11.5% CaF ₂
2.	Indicated economic mineralization	6,000,000 tonnes	11.5% CaF ₂
3.	Inferred economic mineralization	<u>9,000,000 tonnes</u>	11.5% CaF ₂
	TOTAL	<u>20,000,000 tonnes</u>	

4.0 METALLURGICAL TESTING

Samples of drill core from 48 holes were selected for preliminary testing by Kamloops Research and Assay Laboratory Ltd. and Met Engineers Ltd. The results of the above testing confirm that acid grade fluorite (97 per cent CaF₂) can be produced with acceptable recoveries.

5.0 PROPOSED 1983 PROGRAM

The main purpose of the 1983 work program is the advancement of No. 2 adit a distance of 366 metres (1,200 feet). This will provide access for geological mapping and sampling of the fluorite zones. The driving of the adit will enable determination to be made of the attitude and habit of the mineralized zones, as well as providing mill feed for pilot plant metallurgical tests.

In addition, the planned surface diamond drilling to the extent of 1,524 metres (5,000 feet) will help to define and augment the tonnage of the fluorite zones.

Environmental studies are proposed and this involves initiation of Stage I as required by government regulations.

6.0 COST

Estimated total cost of the proposed work program, as scheduled and itemized in Appendix "A" is \$1,297,000.00.

Respectfully submitted,

Clive W. Ball, P.Eng.

Clive W. Ball, P.Eng.
Consulting Geologist

Vancouver, B.C.

April 5, 1983

APPENDIX "A"

PROPOSED WORK PROGRAM

ESTIMATE OF COSTS

1.	Underground development extension of No. 2 adit in the order of 360 metres at \$820. per metre.	\$ 366,000.
2.	Surface diamond drilling 1,525 metres at \$147.60 per metre	225,000.
3.	Underground diamond drilling 610 metres at \$78.70 per metre	48,000.
4.	Metallurgical testing Pilot plant capacity at about 10 tonnes per day	250,000.
5.	Camp costs and salaries including transportation 3 months at \$50,000. per month	150,000.
5 A.	Fuel for camp and equipment	25,000.
6.	Environmental studies	50,000.
7.	Assaying	25,000.
8.	Engineering, Consulting and administration	<u>158,000.</u>
		<u>\$1,297,000.</u>

APPENDIX "C"

WRITER'S CERTIFICATE

I, Clive W. Ball of 3191 West 36th Avenue, Vancouver, B.C., hereby certify as follows:

1. I am a consulting geologist residing at the above address.
2. I am an honours graduate of the University of Queensland, Brisbane Australia, holding a M.Sc. degree in geology and mineralogy.
3. As a geologist, I have practiced my profession since 1935 in mining geology and exploration. I was employed as a geologist on the staff of Placer Development Limited for 30 years, retiring as Chief Geologist of Canex Placer in 1978.
4. I am registered as a Life Member of the Association of Professional Engineers (Geological) of the Province of British Columbia.
5. Physical inventory and knowledge of the property includes an original mapping and survey program supervised by the writer in May, 1966 for Canex Aerial Exploration Limited. This early field examination was supplemented by a visit to the property on May 7th, 1979, when the principal fluorite showings were closely checked.

On August 26, 1980, the writer again visited the property and made an examination of the underground workings and diamond drill core.
6. I hold no interest whatsoever in the Company or in the property of Eaglet Mines Limited, as encompassed in this report.
7. I hereby consent to the use of this summary in a Statement of Material Facts of the Company.

Respectfully submitted,

Clive W. Ball, P. Eng.

Clive W. Ball, P. Eng.
Consulting Geologist

Vancouver, B.C.

April 5, 1983



Eaglet Mines Limited

BOX 11107 ROYAL CENTRE, 1400 - 1055 WEST GEORGIA STREET
VANCOUVER, B.C. V6E 3P3

Re: Engineer's Report for the statement of material facts.

Mineralization is classified in three categories as follows:

1. Economic Mineralization: means mineralization delineated by diamond drill core holes located within 200 feet (61 metres) of each other.
2. Indicated Economic Mineralization: means mineralization delineated by diamond drill core holes located within 500 feet (152 metres) of each other.
3. Inferred Economic Mineralization: means mineralization delineated by diamond drill core holes located over 500 feet (152 metres) from each other.

The mineralized zone as delineated by diamond drilling cannot properly be described as "proven" until it has been opened to access on three sides. Such as in the proposed underground development program.

I, Clive W. Ball hereby consent to the above addition to my report dated April 5, 1983 for the statement of material facts for Eaglet Mines Limited.

Respectfully submitted,

Clive W. Ball, P. Eng.

Clive W. Ball, P. Eng.
Consulting Geologist

June 30, 1983.

AR:og



Eaglet Mines Limited

BOX 11107 ROYAL CENTRE, 1400 - 1055 WEST GEORGIA STREET
VANCOUVER, B.C. V6E 3P3

RE: Eaglet Mines Limited

Summary Report by Clive W. Ball, P. Eng.

Statement of Material Facts for the above property on page 10 (Item 10)

Reserves of economic mineralization are divided into two categories as follows:

1. Probable Economic Mineralization indicated by diamond drilling	11,000,000 tonnes	11.5%	CaF ₂
2. Inferred Economic Mineralization	<u>9,000,000 tonnes</u>	<u>11.5%</u>	CaF ₂
TOTAL	<u>20,000,000 tonnes</u>	<u>11.5%</u>	CaF ₂

July 18, 1983

Clive W. Ball P. Eng.

Clive W. Ball, P. Eng.
Consulting Geologist

20. STATUTORY RIGHTS OF RESCISSION

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

- (a) A purchaser has a right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last Statement of Material Facts, together with financial statements and a summary of engineering reports as filed with the Vancouver Stock Exchange, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice.
- (b) A purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the Statement of Material Facts or any amended Statement of Material Facts offering such security contains an untrue statement of material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after expiration of 90 days from the later of the date of such contract or the date on which such Statement of Material Facts or amended Statement of Material Facts is received or is deemed to be received by him or his agent.

Reference is made to the said Act for the complete text of the provisions under which the foregoing rights are conferred.

21. CERTIFICATE OF THE DIRECTORS AND PROMOTERS OF THE ISSUER:

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

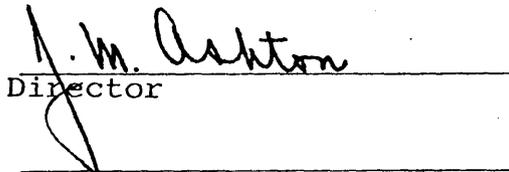
EAGLET MINES LIMITED

July 18, 1983.

(Date)


Director


Director


Director

CERTIFICATE OF THE UNDERWRITER(S):

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.

July 18, 1983.

(Date)

PEMBERTON, HOUSTON, WILLOUGHBY INCORPORATED

Per: 