

THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY MAY BE LAWFULLY OFFERED FOR SALE AND, THEREIN ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES.

NO SECURITIES COMMISSION OR SIMILAR AUTHORITY HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREBY, AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

PROSPECTUS

821202

# NIRVANA OIL & GAS LTD.

Incorporated under the laws of the Province of British Columbia

1020 - 475 Howe Street  
Vancouver, British Columbia  
V6C 2B3

(hereinafter called the "Company")

## NEW ISSUE

400,000 common shares at \$.50 per share

RECEIVED

OCT 24 1983

REGISTRAR GENERAL LTD.

PER \_\_\_\_\_

	Price to Public	Commissions	Proceeds to the Company (1)
Per Share .....	\$.50	\$.10	\$.40
Total .....	\$200,000.00	\$40,000.00	\$160,000.00 (1)

(1) BEFORE DEDUCTION OF LEGAL, AUDIT AND PRINTING EXPENSES PAYABLE BY THE COMPANY, ESTIMATED NOT TO EXCEED \$16,000.00.

THE OFFERING OF THE COMPANY IS SUBJECT TO A MINIMUM SUBSCRIPTION FOR SHARES BEING RECEIVED BY THE COMPANY, PARTICULARS OF WHICH ARE SET FORTH ON PAGE "2" UNDER THE HEADING "PLAN OF DISTRIBUTION".

THERE IS NO MARKET FOR THE SECURITIES OF THE COMPANY.

A PURCHASE OF THE SHARES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION AS ALL OF THE PROPERTIES IN WHICH THE COMPANY HAS AN INTEREST ARE IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY. MINING PROPERTIES IN WHICH THE COMPANY HOLDS AN INTEREST ARE WITHOUT KNOWN BODIES OF COMMERCIAL ORE, AND THE MAJORITY OF THE COMPANY'S OIL AND GAS PROPERTIES ARE WITHOUT PROVEN RESERVES OF RECOVERABLE OIL OR GAS.

NO PERSON IS AUTHORIZED BY THE COMPANY TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE ISSUE AND SALE OF THE SECURITIES OFFERED BY THE COMPANY.

REFERENCE IS MADE TO THE HEADING "PRINCIPAL SHAREHOLDERS" ON PAGE "14" OF THIS PROSPECTUS AND THE COMPARISON OF THE PERCENTAGE OF SHARES BEING OFFERED TO THE PUBLIC FOR CASH AND ALREADY ISSUED BY THE COMPANY TO PROMOTERS, DIRECTORS, OFFICERS AND CONTROLLING PERSONS.

WE, AS AGENTS, CONDITIONALLY OFFER THESE SHARES SUBJECT TO PRIOR SALE, IF, AS AND WHEN ISSUED BY THE COMPANY AND ACCEPTED BY US IN ACCORDANCE WITH THE CONDITIONS CONTAINED IN THE AGENCY AGREEMENT REFERRED TO UNDER "PLAN OF DISTRIBUTION" ON PAGE "2" OF THIS PROSPECTUS, SUBJECT TO APPROVAL OF ALL LEGAL MATTERS ON BEHALF OF THE COMPANY BY MESSRS. SIKULA, YAGER, WERBES & BROWN, BARRISTERS AND SOLICITORS.

**JONES, GABLE & CO. LTD.**

**CONTINENTAL CARLISLE DOUGLAS**

EMPLOYEES AND AN ASSOCIATE OF AN EMPLOYEE OF JONES, GABLE & CO. LTD. HAVE PURCHASED 77,500 SHARES OF THE COMPANY'S CAPITAL STOCK OF WHICH 50,000 SHARES WERE ACQUIRED AT A PRICE OF 10c PER SHARE, 12,500 SHARES WERE ACQUIRED AT A PRICE OF 20c PER SHARE AND 15,000 SHARES WERE ACQUIRED AT A PRICE OF 50c PER SHARE.

This Prospectus is dated June 17, 1983.

EFFECTIVE DATE: June 20, 1983.

NIRVANA OIL & GAS LTD.

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PLAN OF DISTRIBUTION

By an Agreement dated for reference the 26th day of April, 1983 entered into between the Company as Issuer and Jones, Gable & Co. Ltd., of 835 Thurlow Street, Vancouver, British Columbia and Continental Carlisle Douglas, of 10th Floor, 1055 Dunsmuir Street, Vancouver, British Columbia (Jones, Gable & Co. Ltd. and Continental Carlisle Douglas being hereinafter collectively called the "Agents"), the Agents have been appointed the Company's Agents to use their best efforts to sell to the public 400,000 shares of the Company's capital stock at a price of \$.50 per share.

The shares qualified for sale under this Prospectus will be offered for sale to the public in the Province of British Columbia by the Agents in the following proportions:

Jones, Gable & Co. Ltd.	- 250,000 shares
Continental Carlisle Douglas	- 150,000 shares

The Company reserves the right to accept applications in whole or in part and to reject any application and withdraw this offering at any time without notice.

All funds received under the offering will be delivered to The Canada Trust Company, 1055 Dunsmuir Street, Vancouver, British Columbia, pending receipt of the minimum subscription. The minimum subscription of \$125,000.00 to be received by The Canada Trust Company on the sale of 250,000 shares must be obtained within 180 days from the date this Prospectus is accepted for filing by the Office of the Superintendent of Brokers for the Province of British Columbia, failing which The Canada Trust Company will return the proceeds received on the subscription for shares to the subscribers without any deduction whatsoever and without interest and no further shares will be offered under this Prospectus.

The Agents' obligations to offer the Company's shares for sale to the public may be terminated if the state of the financial markets becomes such that the securities of the Company cannot be properly marketed and also on the occurrence of certain events stated in the Agency Offering Agreement.

Under the Agency Offering Agreement, the Agents have reserved the right to offer selling group participation in the securities being offered to the public in the normal course of the brokerage business to selling groups of other licensed broker dealers, brokers and investment dealers who

may or may not be offered part of the discounts or bonuses derived from the offering.

NAME AND INCORPORATION OF THE COMPANY

The full name of the Company is Nirvana Oil & Gas Ltd. Its registered and records offices are located at 901 - 1199 West Pender Street, Vancouver, British Columbia. The Company's head office is located at 1020 - 475 Howe Street, Vancouver, British Columbia, V6C 2B3.

The Company was incorporated on March 7, 1980 by registration of its Memorandum and Articles under the Company Act of the Province of British Columbia. The Company became a reporting company as defined under the Company Act of the Province of British Columbia on June 15, 1982 by virtue of a receipt being issued for the Company's Prospectus dated November 12, 1981.

THE BUSINESS OF THE COMPANY

The Company is a natural resource company engaged in the acquisition, exploration and development of mining, oil and gas and natural resource properties. The Company owns or has an interest in the properties described under the heading "The Properties" and intends to seek and acquire additional properties worthy of exploration and development.

USE OF PROCEEDS

The estimated net proceeds to be derived by the Company from the sale of no less than 250,000 shares of the 400,000 shares offered by this Prospectus, namely \$100,000.00 together with cash on hand in the amount of \$25,274.00 will be used for the following purposes:

- |  |             |
|--|-------------|
| 1. To pay the legal, audit and printing expenses of this offering:   | \$16,000.00 |
| 2. To pay current liabilities:   | 10,075.00   |
| 3. To pay the listing fee due and payable to the Vancouver Stock Exchange - Development Section on an Application for Listing:   | 2,125.00    |
| 4. To provide the Company with sufficient funds to be able to pay 50% of the next option payments due and payable under Agreements dated September 15, 1982 entered into with J.J. O'Neill, Kerr, Dawson and Associates Ltd. and G. Belik and Associates Ltd.: | 11,500.00   |

5. To provide the Company with sufficient funds to be able to pay 50% of the estimated costs of completing phase 1 of the exploration program recommended by K.L. Daughtry, P.Eng., of K.L. Daughtry & Associates Ltd., in his report to the Company and Roddy Resources Inc. dated January 6, 1983 on the Kusk # 1-11 mineral claims located in the Cariboo Mining Division, in the Province of British Columbia, which program consists of geological mapping and a geochemical survey particulars of which are as follows:

Geological personnel, supervision	\$16,000.00
Geochemical survey personnel	11,000.00
Camp costs	6,500.00
Ground transport	1,000.00
Helicopter support	9,000.00
Analytical services	16,000.00
Contingencies (10%)	<u>5,950.00</u>
	\$65,450.00

One-half thereof: 32,725.00

6. Subject to favourable results being obtained from phase 1, to complete phase 2 of the exploration program recommended by K.L. Daughtry, P.Eng., of K.L. Daughtry & Associates Ltd. in his report dated January 6, 1983 prepared for the Company and Roddy Resources Inc. on the Kusk # 1-11 group of mineral claims, which second phase exploration program consists of road building, trenching, sampling particulars of which are as follows:

Road work 10 km @ \$1700/km	\$17,000.00
Trenching with backhoe	20,000.00
Supervision, sampling	5,000.00
Camp costs	1,000.00
Ground transport	1,500.00
Analytical services	8,000.00
Contingencies	<u>5,250.00</u>
	\$57,750.00

One-half thereof: \$ 28,875.00

7. To provide the Company with general working capital:	<u>23,974.00</u>
Total:-	<u><u>\$125,274.00</u></u>

In the event the entire 400,000 shares are sold, an additional \$60,000.00 will be added to working capital.

The \$2,125.00 listing fee due and payable to the Vancouver Stock Exchange on an Application for Listing on the Development Section will be held on deposit with The Canada Trust Company to be used for that purpose only.

The Company may, pursuant to the recommendations of a qualified engineer, abandon in whole or in part any of its properties or may alter as work progresses a work program recommended or may make such arrangements for the performance of all or any portion of such work by other persons or companies and may use any monies so diverted for the purpose of conducting work on or examining other properties acquired by the Company after the date of this Prospectus although the Company has no present plans in this regard. If any such event occurs during the primary distribution of shares referred to in this Prospectus, an Amendment to this Prospectus will be filed. If any such event occurs after primary distribution of the shares, the shareholders will be notified.

No part of the proceeds will be used to invest, underwrite or trade in securities other than those that qualify as an investment in which trust funds may be invested under the laws of the jurisdiction in which the securities offered by this Prospectus may be lawfully sold. Should the Company intend to use the proceeds to acquire other than trustee type securities after the distribution of the securities offered by this Prospectus, approval by the shareholders of the Company must first be obtained and notice of the intention must be filed with the regulatory bodies having jurisdiction over the sale of the securities offered by this Prospectus.

## RISK FACTORS

### Speculative Aspects

A purchase of shares offered by this Prospectus must be considered speculative as the Company's mineral properties are all without known quantities of commercial ore and the majority of the oil and gas properties in which the Company holds an interest are without known proven reserves of recoverable oil or gas. In addition, the Company has not established an earnings record nor a dividend policy.

### Oil and Gas Industry

The oil and gas industry is intensely competitive and the Company will compete with a substantial number of other companies that have greater resources. Many of such companies not only explore for and produce petroleum and natural gas but also carry on refining operations and market petroleum and other products on a worldwide basis. There is also competition between the oil and gas industry and other industries supplying energy and fuel to industrial commercial and individual customers.

Petroleum and natural gas exploration involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that additional petroleum or natural gas in commercial quantities will be discovered by the Company. The marketability of the petroleum and natural gas which may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of oil and gas pipelines and processing equipment and government regulations, including regulations relating to prices, taxes, royalties, land tenure, allowable production, importing and exporting of petroleum and natural gas and environmental protection. The exact effect of these factors cannot be accurately predicted.

Hazards such as unusual or unexpected geological formations, high pressures or other conditions are involved in drilling and operating wells. The Company will have the benefit of insurance which it will place in such amounts as it considers adequate.

The Company may become subject to liability for pollution, blow-outs or other hazards against which it cannot

insure or against which it may elect not to insure because of high premium costs or other reasons. The payment of such liabilities would reduce the funds available to the Company.

THE PROPERTIES

A. McKusky Creek Area,  
Cariboo Mining Division,  
British Columbia

The Company and Roddy Resources Inc. of R.R.#3, Yellowhead Highway, Kamloops, British Columbia, each participating equally are the holders of an option to purchase a variable interest in and to eleven located mineral claims situate in the McKusky Creek Area, Cariboo Mining Division, Province of British Columbia approximately sixty-two kilometers east of Horsefly and ninety-five kilometers east of Williams Lake, British Columbia and more particularly described as follows:

<u>Name of Claim</u>	<u>Record No.</u>	<u>Expiry Date</u>
Kusk #1	4141	November 20, 1983
Kusk #2	4142	November 20, 1983
Kusk #3	4143	November 20, 1983
Kusk #4	4144	November 20, 1983
Kusk #5	4145	November 20, 1983
Kusk #6	4146	November 20, 1983
Kusk #7	4147	November 20, 1983
Kusk #8	4148	November 20, 1983
Kusk #9	4149	November 20, 1983
Kusk #10	4150	November 20, 1983
Kusk #11	4151	November 20, 1983

The Company and Roddy Resources Inc. acquired an option to purchase an 80% undivided interest in and to the claims or alternatively, in certain circumstances, a 100% undivided interest in and to the claims subject to royalties under three separate Agreements, all dated September 15, 1982, entered into with J.J. O'Neill (participating as to 50%), Kerr, Dawson & Associates Ltd. (participating as to 25%) and G. Belik & Associates Ltd. (participating as to 25%).

The option to purchase an interest in and to the claims can be exercised upon the payment of the following sums:

- (a) \$23,000.00 on June 15, 1983;
- (b) \$47,000.00 on or before June 15, 1984;
- (c) \$70,000.00 on or before June 15, 1985;



- (d) \$75,000.00 on or before June 15, 1986;
- (e) \$90,000.00 on or before June 15, 1987.

At such time as the owners of the claims have received the total sum of \$305,000.00, the Company and Roddy Resources Inc. must deliver to the owners a budget covering proposed expenditures for the claims for a period of one year extending from the 1st of the month next occurring, whereupon the owners have the right to elect by notice in writing to pay 10% of all future costs incurred on the claims in order to maintain a 20% undivided interest in and to the claims.

If the owners decline to participate their interest in and to the claims is reduced to a 10% interest, which interest is deemed to be a 10% interest in net profits derived from the operations of the claims except for the first year in which net profits for that year exceeds the expenses incurred in operating the claims, the Company and Roddy Resources Inc. will be paid a royalty equal to 10% of such excess and thereafter the owners will be paid an annual royalty equal to 10% of net profits, if any, for that year.

Kerr, Dawson & Associates Ltd. is a company 100% beneficially owned and controlled by James Dawson and John Kerr of Suite 1 - 219 Victoria Street, Kamloops, British Columbia.

G. Belik & Associates Ltd. is a company 100% beneficially owned and controlled by Gary Belik of 664 Sunvalley Road, Kamloops, British Columbia.

The Company and Roddy Resources Inc. have entered into a Joint Venture Agreement dated September 15, 1982, which Agreement provides for the joint development of the claims by each of the Company and Roddy Resources Inc. on an equal basis.

The mineral claims are located on a height of land between the headwaters of McKusky Creek and MacKay River in the Horsefly District of the Cariboo Mining Division, British Columbia. The nearest settlement is the village of Horsefly, sixty-two kilometers to the west and the nearest major supply centre is Williams Lake, ninety-five kilometers to the west.

Access to the claims is by helicopter or on foot from logging roads five kilometers to the northwest along MacKay River. MacKay River is accessible by road from Horsefly by driving east along the main Horsefly River road for about forty-five kilometers. The claims are on the west flank of the Cariboo Mountains near the west boundary of Wells Gray Provincial Park.

The Cariboo area of British Columbia has been one of North America's major gold-producing districts since the middle of the 19th century.

The release of regional reconnaissance geochemical data by the British Columbia government in 1980 resulted in extensive prospecting activity and a gold occurrence was discovered northwest of Crooked Lake, similar to a gold occurrence discovered in the vicinity of Fraser Gold Creek.

In early October, 1982 a reconnaissance geochemical exploration program was begun to evaluate the potential of the Kusk property at a cost to the Company of approximately \$15,608.00. This work was terminated after a few days due to the early onset of winter conditions.

Resumption of exploration on the claims is planned.

Reference is made to an engineering evaluation prepared on the Kusk group of mineral claims by K.L. Daughtry, P.Eng., of K.L. Daughtry & Associates Ltd. as contained in his report dated January 6, 1983 prepared for the Company and Roddy Resources Inc., a copy of which is hereunto annexed and forms part of this Prospectus.

B. Hughes County,  
Oklahoma

The Company is the holder of a 15% working interest (12.188% net revenue interest) in and to the George Turner #2 gas well and a 3% working interest (2.438% net revenue interest) in and to the B. Bear #1 gas well drilled on approximately 318 acres of oil and gas leased lands legally described as Lots 3, 4 and 5 and the SE 1/4, NW 1/4 and the NE 1/4, Sections 6, 7N, Range 11E.

The Company acquired its initial interest in and to the oil and gas leases by an Assignment Agreement dated April 3, 1980 entered into with Glenco Petroleum Corporation, for and in consideration of 750,000 fully paid and non-assessable shares of the Company's capital stock, together with an Agreement by the Company to assume 15% of the lease acquisition costs, and 15% of the cost of drilling each well to be drilled on the lands.

The 750,000 shares issued under the Assignment Agreement were issued subject to escrow restrictions to the Directors and Insiders of the Company in the following proportions:

George Kokonis	275,000 shares
William Poole	125,000 shares
Robert Allan Ray Mills	125,000 shares
Glen O'Dell Cone	125,000 shares
Robert Edward Kadlec	50,000 shares
Marvin Lagrange Munro	50,000 shares

The cost incurred to date for the Company's interest in and to the lands is the sum of \$28,761.00, of which \$2,825.00 represents lease acquisition costs and \$25,936.00 represents drilling and operation costs.

Glenco Petroleum Corporation is a company organized and existing under the laws of the State of Oklahoma, 100% beneficially owned and controlled by Glen O'Dell Cone of the same address.

The George Turner #2 well has been connected to the Transok Pipeline located close to the well, and production revenue received by the Company since the date of commencement of production to February 28, 1983 is the sum of \$3,317.00 Canadian.

The B. Bear #1 well was perforated in the M. Gilcrease formation from 3,064-68 feet and placed on production in August, 1982. Since that date, the well has intermittently produced. The estimated stabilized flow rate is 156 MCF per day.

According to Ian Martin, P.Eng., of Martin Petroleum Consultants Ltd., the estimated value of the Company's portion of proven and probable reserves underlying these lands, discounted at 20% at current prices and costs, is \$19,200.00 U.S.

Plans by the Company to participate in the drilling of further wells on the leased lands have been abandoned.

C. Pottawatomie County,  
Oklahoma

The Company has abandoned a 40% working interest (32.70% net revenue interest) in and to approximately 320 acres of freehold leases situate in Sections 14 and 23, Township 8 North, Range 4 East, Pottawatomie County, Oklahoma, U.S.A.

A 100% leasehold interest in and to the leased lands was acquired by assignment from Glenco Petroleum Corporation, of 612 Highway 9 East, Seminole County, Oklahoma, U.S.A., for and in consideration of the sum of \$13,528.00 Canadian.

Glenco Petroleum Corporation acquired its interest in and to these leases for and in consideration of the sum of approximately \$10,000.00 U.S.

Glenco Petroleum Corporation acted on behalf of the Company in securing the leases and charged an administrative fee on the assembly equal to 10% of the cost of leasing the lands.

The Company subsequently assigned by five separate Agreements 60% of its working interest in and to the leases and retained a 40% working interest.

The dates of the Assignment Agreements and the parties to the Assignments are as follows:

- January 22, 1981 - James E. Yates  
c/o Hycroft Resources and  
Development Corporation  
1644 West Broadway  
Vancouver, B.C.
- February 6, 1981 - Ventura Energy Ltd.  
1900 - 355 Burrard Street  
Vancouver, B.C.
- February 8, 1981 - Totem Resources Ltd.  
811 - 543 Granville Street  
Vancouver, B.C.
- February 9, 1981 - Monica Resources Ltd.  
811 - 543 Granville Street  
Vancouver, B.C.
- February 9, 1981 - Texacana Resources Ltd.  
811 - 543 Granville Street  
Vancouver, B.C.

The parties hereto have no knowledge of the greater than 5% beneficial owners of the issued and outstanding shares of the limited companies being assignees under the terms of the aforementioned Agreements.

The total amount spent by the Company on developing these lands during the years 1981 and 1982 was the sum of \$105,294.00 which cost was incurred in the drilling of one well. The well was dry and abandoned.

D. Undeveloped Acreage,  
Hughes County, Oklahoma

The Company is the holder of oil and gas leases related to approximately 3,000 gross acres of oil and gas leased lands located in Hughes County, Oklahoma, U.S.A.

The Company's net interest in and to this acreage is approximately 950 net acres due to forced pooling required in the area.

The lands were acquired by the Company at an approximate cost to the Company of \$60,000.00 U.S. including delay rentals.

The leases were acquired by the Company under an Agreement dated June 30, 1980 entered into with Semoka Petroleum Corporation, whereby Semoka Petroleum Corporation acted as a finder in securing the leases, for and in consideration of \$25.00 per net acre and payment to Semoka Petroleum Corporation of a royalty equal to the difference between existing burdens and 20% overriding royalties.

The leases were three-year leases due to expire between August, 1983 and February 28, 1984.

Semoka Petroleum Corporation is an Oklahoma corporation having an address at 2207 Phelps Drive, Seminole, Oklahoma, U.S.A.

The beneficial owners of a greater than 5% interest in and to the issued and outstanding shares of Semoka Petroleum Corporation are Elmer Tanner and Robert Trammell of 2207 Phelps Drive, Seminole, Oklahoma, U.S.A.

The Company does not intend to spend any funds on the development of these lands at this time.

#### DIRECTORS AND OFFICERS

The names, addresses and principal occupations in which each of the Directors and Officers of the Company have been engaged during the immediately preceding five years are as follows:

<u>Name and Address</u>	<u>Principal Occupation</u>
GEORGE KOKONIS 1130 Mathers Avenue West Vancouver, B.C. President and Director	General Manager, Shaw Pipe Industries Ltd. (July, 1965 - February 19, 1978); Consulting Engineer, Elcon Enterprises Ltd. (March, 1978 - present)
ROBERT EDWARD KADLEC 1323 Cammeray Road West Vancouver, B.C. Director	President Inland Natural Gas Co. Ltd. (April, 1972 - present)

<u>Name and Address</u>	<u>Principal Occupation</u>
MORRIS ELDEN SCHORN 2355 Mathers Avenue West Vancouver, B.C. Secretary and Director	Social Economic Consultant, Schorn Consulting Ltd. (April, 1981 - April, 1983); Administrator, Northern Pipeline Agency, Government of Canada (April, 1979 - April, 1981); Assistant to the Assistant Deputy Minister of Northern Affairs, Federal Government (April, 1978 - April, 1979)

DESCRIPTION OF SHARES

The authorized capital of the Company consists of 10,000,000 shares without par value of which 1,600,000 shares are issued as fully paid and non-assessable shares. All of the shares of the Company, both issued and unissued rank equally as to dividends, voting powers and participation in assets. No shares have been issued subject to call or assessment. There are no pre-emptive rights or conversion rights and no provision for redemption, purchase for cancellation, surrender or sinking fund or purchase funds have been made. Provisions as to the modifications, amendments or variations of such rights or such provisions are contained in the Company Act of the Province of British Columbia.

SHARE AND LOAN CAPITAL STRUCTURE

Designation	Amount of Security Authorized	Amount Outstanding at February 28, 1983	Amount Outstanding at date of Prospectus	Amount to be Outstanding on Completion of Offering
Common Shares Without Par Value	10,000,000	1,600,000	1,600,000	2,000,000

PRIOR SALES

Number of Securities Sold	Price	Total Cash Received	Commissions Paid
470,000	10¢	\$ 47,000.00	nil
130,000	20¢	\$ 26,000.00	nil
250,000	50¢	\$125,000.00	nil

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

No remuneration has been paid to Directors and Senior Officers of the Company during the preceding year, nor is any remuneration expected to be paid either directly or indirectly to any Director or Senior Officer of the Company during the ensuing year.

George Kokonis, a Director of the Company, reserves the right to require payment for services rendered to the Company at a rate equal to the normal rate charged by him in his professional capacity for services rendered to independent third parties dealing at arm's length with him, dependent on the time and effort required to be spent in providing services to the Company in his area of expertise.

PRINCIPAL SHAREHOLDERS

Set forth hereunder are the particulars of shareholders of the Company as of the date of this Prospectus who own 10% or more of the issued shares of the Company:

<u>Name and Address</u>	<u>Class, Type of Ownership</u>	<u>Number of Shares Owned</u>	<u>Percentage</u>
GEORGE KOKONIS 1130 Mathers Ave. West Vancouver, B.C.	Common, direct of record and beneficial	723,750	45.23%
WILLIAM JOHN POOLE 3535 Overlander Dr. Kamloops, B.C.	Common, direct of record and beneficial	163,750	10.23%

George Kokonis is also the holder of an option to purchase 50,000 previously issued shares of the Company from William John Poole, which option is exercisable at any time on or before January 15, 1984 at a price of 10¢ per share.

The percentage of shares of the Company being offered to the public for cash will represent 20.0% of the shares issued and outstanding upon completion of the offering and the number of shares held by Promoters, Directors, Officers and controlling persons of the Company upon completion of the offering will be 51% of the shares then issued and outstanding.

The number and percentage of shares of the Company beneficially owned, directly and indirectly by all Directors and Senior Officers of the Company as a group is as follows:

<u>Designation of Class</u>	<u>Number of Shares Beneficially Owned</u>	<u>Percentage of Class</u>
Common	925,000	46.25%

PROMOTERS

The Directors of the Company may be considered the Promoters of the Company in accordance with the definitions contained in the Securities Act of the Province of British Columbia.

Reference is made to the caption "The Properties" wherein the interests of George Kokonis and Robert Edward Kadlec, being current Directors of the Company and William Poole, Robert Allan Ray Mills, Glen O'Dell Cone and Marvin Lagrange Munro, being past Directors of the Company, and the consideration received by them for the sale of a property interest to the Company is disclosed.

ESCROWED SHARES

As of the date of this Prospectus, 750,000 shares of the Company's capital stock are held in escrow by The Canada Trust Company, of 1055 Dunsmuir Street, Vancouver, British Columbia, subject to the direction or determination of the Superintendent of Brokers. The escrow restrictions provide that the shares may not be traded in or dealt with in any manner whatsoever, or released, nor may the Company, its Transfer Agent or Escrow Holder make any transfer or record any trading of the shares without the consent of the Superintendent of Brokers.

In the event the Company loses or abandons or fails to obtain title to all or part of the property or assets for which it allotted all or part of the escrowed shares, the Company will declare any such event to the Superintendent of Brokers by way of Directors Resolution and the holders of such shares, the trustee thereof and the Company have agreed that such number of said shares as the Superintendent of Brokers determines shall have become subject to cancellation shall be surrendered to the Company by way of gift for cancellation. The complete text of the Escrow Agreement is available for inspection at the Company's registered office, 901 - 1199 West Pender Street, Vancouver, British Columbia.

<u>Designation of Class</u>	<u>Number of Shares Held in Escrow</u>	<u>Percentage of Class</u>
Common	750,000	46.875%



DIVIDEND RECORD

The Company has not since incorporation paid any dividend on any of its shares. The Company has no present intention of paying dividends but the future dividend policy will be determined by the Board of Directors on the basis of earnings, financial requirements and other relevant factors.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Reference is made to the caption "The Properties" for particulars of shares issued by the Company to present and past Directors of the Company for and in consideration of the acquisition by the Company of an interest in and to 320 acres of petroleum and natural gas leased lands located in Hughes County, Oklahoma, U.S.A.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The auditors of the Company are Topping, Eyton and Partners, Chartered Accountants, of Vancouver, British Columbia. The Company's Registrar and Transfer Agent is The Canada Trust Company, 1055 Dunsmuir Street, Vancouver, British Columbia.

OTHER MATERIAL FACTS

There are no other material facts.

PURCHASER'S STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

Sections 60 and 61 of the British Columbia Securities Act provides in effect, that where a security is offered to the public in the course of primary distribution:

1. 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 Prospectus, together with financial statements and reports and summaries of reports relating to the securities as filed with the Superintendent of Brokers, 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 sixty 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.
2. A purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the Prospectus or any amended

Prospectus 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 the expiration of ninety days from the later of the date of such contract or the date on which such Prospectus or amended Prospectus 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.

NIRVANA OIL & GAS LTD.  
FINANCIAL STATEMENTS  
FEBRUARY 28, 1983

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Auditors' Report	
Balance Sheet	Statement 1
Statement of Deficit	Statement 2
Statement of Income	Statement 3
Statement of Deferred Expenditures	Statement 4
Statement of Changes in Financial Position	Statement 5
Notes to Financial Statements	

# *TOPPING, EYTON and PARTNERS*

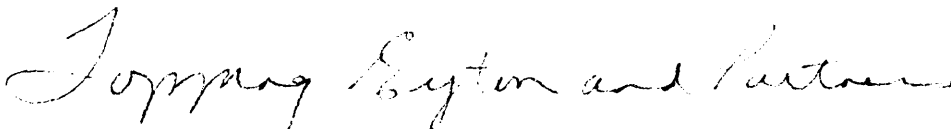
CHARTERED ACCOUNTANTS

## AUDITORS' REPORT

To the Shareholders of  
Nirvana Oil & Gas Ltd.

We have examined the balance sheet of Nirvana Oil & Gas Ltd. as at February 28, 1983 and the statements of deficit, income, deferred expenditures and changes in financial position for the period then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at February 28, 1983 and the results of its operations and the changes in its financial position for the period then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



Chartered Accountants

Vancouver, B. C.  
April 15, 1983

NIRVANA OIL & GAS LTD.

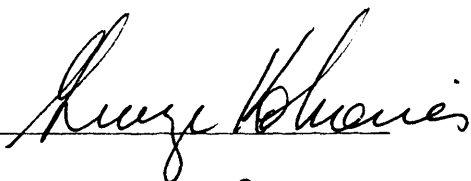
BALANCE SHEET

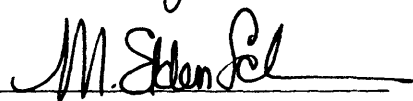
FEBRUARY 28, 1983

ASSETS

	<u>1983</u>	<u>APRIL 30, 1982</u>
CURRENT		
Cash and term deposits	\$ 25,274	\$ 43,979
Accounts receivable	42	683
	<u>25,316</u>	<u>44,662</u>
RESOURCE PROPERTY EXPENDITURES, per Statement 4 (Notes 1, 2 and 3)	54,333	40,266
DEFERRED EXPLORATION AND DEVELOPMENT EXPENDITURES, per Statement 4 (Notes 1 and 3)	28,044	102,453
DEFERRED ADMINISTRATIVE EXPENSES, per Statement 4 (Note 1)	28,325	26,343
FIXED, at cost		
Equipment	893	893
	<u>\$ 136,911</u>	<u>\$ 214,617</u>

APPROVED BY THE DIRECTORS:

DIRECTOR 

DIRECTOR 

(See accompanying notes)

NIRVANA OIL & GAS LTD.

BALANCE SHEET

FEBRUARY 28, 1983

LIABILITIES

	1983	APRIL 30, 1982
	<u>          </u>	<u>          </u>
CURRENT LIABILITIES		
Accounts payable	\$ 10,075	\$ 33,278
	<u>          </u>	<u>          </u>
SHAREHOLDERS' EQUITY		
Share capital		
Authorized		
10,000,000 common shares of		
no par value		
Issued and outstanding	205,500	205,500
1,600,000 shares (Note 4)		
Deficit, per Statement 2	(78,664)	(24,161)
	<u>          </u>	<u>          </u>
	126,836	181,339
	<u>          </u>	<u>          </u>
	<u>\$ 136,911</u>	<u>\$ 214,617</u>

(See accompanying notes)

NIRVANA OIL & GAS LTD.

STATEMENT OF DEFICIT

FOR THE TEN MONTHS ENDED FEBRUARY 28, 1983

	1983	APRIL 30, 1982
	<u>          </u>	<u>          </u>
BALANCE, BEGINNING OF PERIOD	\$ 24,161	
POTTAWATOMIE COUNTY PROPERTY WRITTEN OFF (Note 3)	41,992	
	<u>66,153</u>	
LOSS FOR YEAR, per statement 3	12,511	\$ 24,161
BALANCE, END OF PERIOD	<u>\$ 78,664</u>	<u>\$ 24,161</u>

(See accompanying notes)

## NIRVANA OIL &amp; GAS LTD.

## STATEMENT OF DEFERRED EXPENDITURES

FOR THE TEN MONTHS ENDED FEBRUARY 28, 1983

	BEGINNING OF PERIOD	EXPENDITURES DURING PERIOD	END OF PERIOD
RESOURCE PROPERTY			
Turner Prospect	\$ 6,630		\$ 6,630
Pottawatomie County (Note 3)	316	\$ (316)	
Autry Prospect	34,545		34,545
Kusk claims (Note 2)		15,608	15,608
	41,491	15,292	56,783
Less accumulated amortization	1,225	1,225	2,450
	<u>\$ 40,266</u>	<u>\$ 14,067</u>	<u>\$ 54,333</u>
EXPLORATION AND DEVELOPMENT			
Turner Prospect	28,761		28,761
Pottawatomie County (Note 3)	72,653	\$ (72,653)	
Autry Prospect	5,572		5,572
General engineering	780		780
	107,766	(72,653)	35,113
Less accumulated amortization	5,313	1,756	7,069
	<u>\$ 102,453</u>	<u>\$ (74,409)</u>	<u>\$ 28,044</u>
ADMINISTRATIVE			
Bank charges	\$ 51		\$ 51
Legal and audit	17,645	\$ 4,785	22,430
Loss (gain) on foreign exchange	1,902	(72)	1,830
Office and sundry	10,590		10,590
Telephone	4,120		4,120
Travel	5,335	5,568	10,903
	39,643	10,281	49,924
Less interest and other income	6,714		6,714
	32,929	10,281	43,210
Less accumulated amortization	6,586	8,299	14,885
	<u>\$ 26,343</u>	<u>\$ 1,982</u>	<u>\$ 28,325</u>

(See accompanying notes)



## NIRVANA OIL &amp; GAS LTD.

STATEMENT OF CHANGES IN FINANCIAL POSITION  
FOR THE TEN MONTHS ENDED FEBRUARY 28, 1983

	1983	APRIL 30, 1982
	<u>          </u>	<u>          </u>
FUNDS PROVIDED		
Issue of share capital		\$ 3,000
Reduction in accounts payable due to Pottawatomie County property write off	\$ 30,978	
	<u>30,978</u>	<u>3,000</u>
FUNDS APPLIED		
Operations		
Loss for the year	12,511	24,161
Less non-cash outlays		
Amortization of deferred expenditures	11,279	13,124
Incorporation costs written off		550
	<u>11,279</u>	<u>13,674</u>
	1,232	10,487
Resource property expenditures	15,608	11,559
Deferred exploration development expenditures		40,848
Deferred administrative expenditures	10,281	16,188
Purchase of equipment		350
	<u>27,121</u>	<u>79,432</u>
INCREASE (DECREASE) IN WORKING CAPITAL DURING PERIOD	3,857	(76,432)
WORKING CAPITAL, BEGINNING OF PERIOD	11,384	87,816
WORKING CAPITAL, END OF PERIOD	<u>\$ 15,241</u>	<u>\$ 11,384</u>
REPRESENTED BY		
Current assets	25,316	44,662
Current liabilities	10,075	33,278
	<u>\$ 15,241</u>	<u>\$ 11,384</u>

(See accompanying notes)

NIRVANA OIL & GAS LTD.

NOTES TO FINANCIAL STATEMENTS

FEBRUARY 28, 1983

1. ACCOUNTING POLICIES

(a) Resource properties and deferred expenditures

The company follows the full cost method of accounting for resource properties and deferred expenditures. These costs are recorded in the accounts as funds are expended. All such costs are to be amortized on the unit-of-production method, based on estimated proven recoverable reserves as determined by independent engineers.

(b) Joint venture accounting

Substantially all the company's exploration and development activities are conducted jointly with others. The financial statements reflect only the company's proportionate share of the total cost of these activities.

(c) Foreign exchange

Transactions in foreign currencies have been converted to Canadian funds at the rate in effect on the date of the transactions. Current assets and liabilities have been converted at the rate in effect on February 28, 1983.

(d) Depreciation

No depreciation has been recorded in the accounts as company management considers the value of fixed assets to be not less than cost.

(e) Deferred administrative expenses

Deferred administrative expenses are being amortized over five years on the straight-line basis.

2. KUSK CLAIMS

During the current period, the company entered into a joint venture agreement with Roddy Resources Ltd. for the purpose of acquiring an option on and exploring eleven mineral claims known as the Kusk Claims. The claims were acquired for a total initial contribution of \$31,215. The company's fifty percent share has been reflected in the financial statements under resource property costs. The joint venture is further obligated to make the following payments in order to maintain its option:

- (i) \$ 23,000 on or before June 15, 1983
- (ii) 47,000 on or before June 15, 1984
- (iii) 70,000 on or before June 15, 1985
- (iv) 75,000 on or before June 15, 1986
- (v) 90,000 on or before June 15, 1987

\$305,000

NIRVANA OIL & GAS LTD.

NOTES TO FINANCIAL STATEMENTS

FEBRUARY 28, 1983

3. POTTAWATOMIE COUNTY PROPERTY

During the period, this property was considered by company management to be un-economic. As a result, the property acquisition cost and exploration and development expenditures were written off against shareholders' equity.

4. SHARE CAPITAL

From the date of incorporation to February 28, 1983, the company issued shares in its capital stock as follows:

For the acquisition of resource properties	
750,000 shares at a price of \$.01 per share	\$ 7,500
For cash	
500,000 shares at a price of \$.10 per share	50,000
100,000 shares at a price of \$.20 per share	20,000
250,000 shares at a price of \$.50 per share	125,000
	<hr/>
	202,500
Additional contribution by three directors as required by an order of the Superintendent of Brokers	
	<hr/>
	3,000
	<hr/>
	<u>\$205,500</u>

The 750,000 shares issued for the acquisition of resource properties are held in escrow and may only be released with the approval of the Superintendent of brokers.

Report

- on the -

KUSK # 1-11 MINERAL CLAIMS

McKusky Creek Area

Cariboo Mining Division, British Columbia

- for -

RODDY RESOURCES INC.

- and -

NIRVANA OIL AND GAS LTD.

Prepared by:

K.L.DAUGHTRY & ASSOCIATES LTD.

Box 795, Vernon, B.C.

January 6, 1983

K.L. Daughtry, P.Eng.

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Figure 1	Location Map	Following Page 3
Figure 2	Claim Map	Following Page 4
Figure 3	General Geological Setting	Following Page 6

INTRODUCTION

Roddy Resources Inc., of RR 3, Yellowhead Highway, Kamloops, B.C. and Nirvana Oil and Gas Ltd., 1015-837 W. Hastings St., Vancouver, B.C., operating as a joint venture, have acquired an option to purchase the KUSK # 1-11 located mineral claims in the Cariboo Mining Division, B.C. These claims cover an area of geologically favourable ground adjacent to the Frasergold gold property of Keron Holdings Ltd.

This report describes the KUSK property and its potential for exploration for gold deposits, and presents recommendations for an exploration programme. The report is based upon a visit by the writer to the KUSK and Frasergold properties on October 2 and 3, 1982, and an examination of exploration data on the KUSK and Frasergold properties in December, 1982. In particular, the November 16, 1981 report by G.D. Belik, MSc., on the Frasergold property was most useful.

This report has been prepared at the request of the Directors of Roddy Resources Inc. and Nirvana Oil and Gas Ltd.

LOCATION, ACCESS, TOPOGRAPHY

The KUSK claims are on the height of land between the headwaters of McKusky Creek and MacKay River in the Horsefly district of the Cariboo Mining Division, British Columbia (Figures 1,2). The nearest settlement is the village of Horsefly, 62 kilometres to the west, and the nearest major supply centre is Williams Lake, 95 km to the west. The centre of the property is at 52°15' North latitude and 120°30' West longitude. The National Topographical System reference is 93A/7 East.

At present, access to the claims is by helicopter or on foot from logging roads 5 km to the northwest along MacKay River. MacKay River is accessible by road from Horsefly by driving east along the main Horsefly River road for about 45 km.

The claims are on the west flank of the Cariboo Mountains near the west boundary of Wells Gray Provincial Park. A series of steep-flanked northwesterly-trending ridges with rounded tops traverse the property. Elevations vary from 1300 metres above sea level at the northern boundary of the claims in MacKay River to over 2000 m a.s.l. on the ridges.

Treeline is about 1900 m a.s.l., above which are alpine meadows and swamps. Below treeline slopes are heavily forested with mature fir, spruce, balsam and cedar.

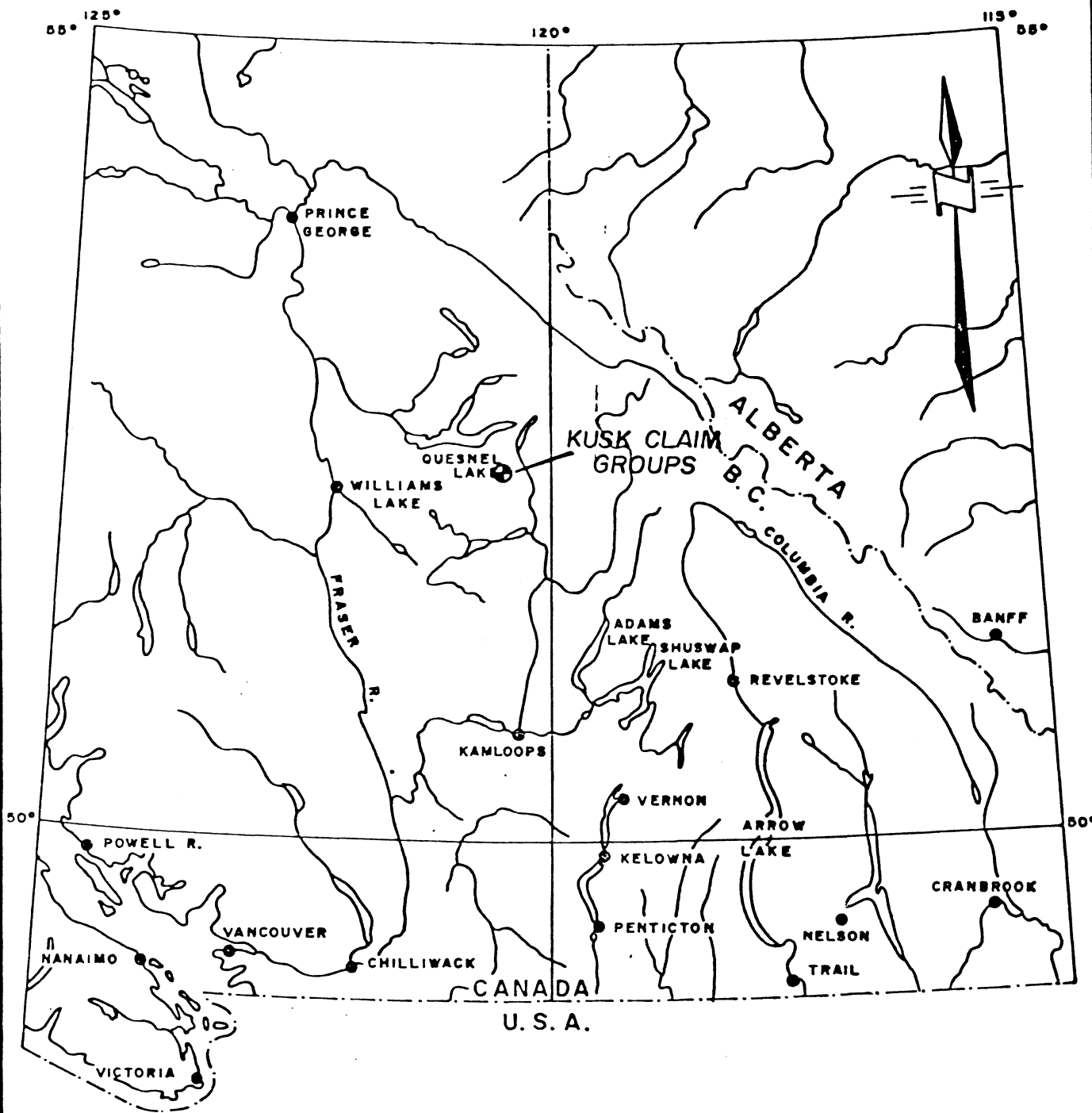
PROPERTY

The KUSK property comprises 11 contiguous metric grid located claims, totalling 154 units, in the Cariboo Mining Division. The pertinent claim data is as follows:

<u>Claim Name</u>	<u>No. of Units</u>	<u>Record No.</u>	<u>Expiry Date</u>
Kusk # 1	9	4141	Nov. 20/83 (assessment credit
Kusk # 2	12	4142	" pending)
Kusk # 3	20	4143	"
Kusk # 4	16	4144	"
Kusk # 5	9	4145	"
Kusk # 6	20	4146	"
Kusk # 7	20	4147	"
Kusk # 8	20	4148	"
Kusk # 9	4	4149	"
Kusk #10	4	4150	"
Kusk #11	20	4151	"

The owner of record at the date of writing is J.M. Dawson. An option agreement between Mr. Dawson and a joint venture of Roddy Resources Inc. and Nirvana Oil and Gas Ltd. has reportedly been negotiated.





RODDY RESOURCES INC. - NIRVANA OIL & GAS LTD.

LOCATION MAP  
**KUSK CLAIM GROUPS**

CARIBOO MINING DIVISION, BRITISH COLUMBIA.

Date: Nov. 1982.

Scale: 1" = 64 Miles

Dwn by: W.G.

Dwg no. 264-1

HISTORY

The Cariboo area of British Columbia has been one of North America's major gold-producing districts since the middle of the 19th century. The Horsefly River drainage has been a significant producer of placer gold, with more than 15,000 ounces reported.

The earliest recorded mining activity in the area of the KUSK property was the discovery of placer gold in the tributaries of the MacKay River in the early 1900's. In particular, minor production was reported from Frasergold Creek (immediately north of KUSK #5 claim) in 1902.

In 1966 an extensive exploration programme was carried out by Helicon Explorations Ltd. on the EN property at Eureka Peak, 6 km northwest of the KUSK property. Porphyry copper mineralization occurs in a mafic alkalic sill. Exploration by various operators continued on this occurrence until 1974.

In 1978, Mr. C. Gunn staked the ALPHA 1 claim in the northern part of the MacKay River area after discovering numerous mineralized quartz boulders. In 1979, Mr. Gunn staked the KAY 1-8 claims at Frasergold Creek after finding anomalous gold values in silt and soil samples in that area.

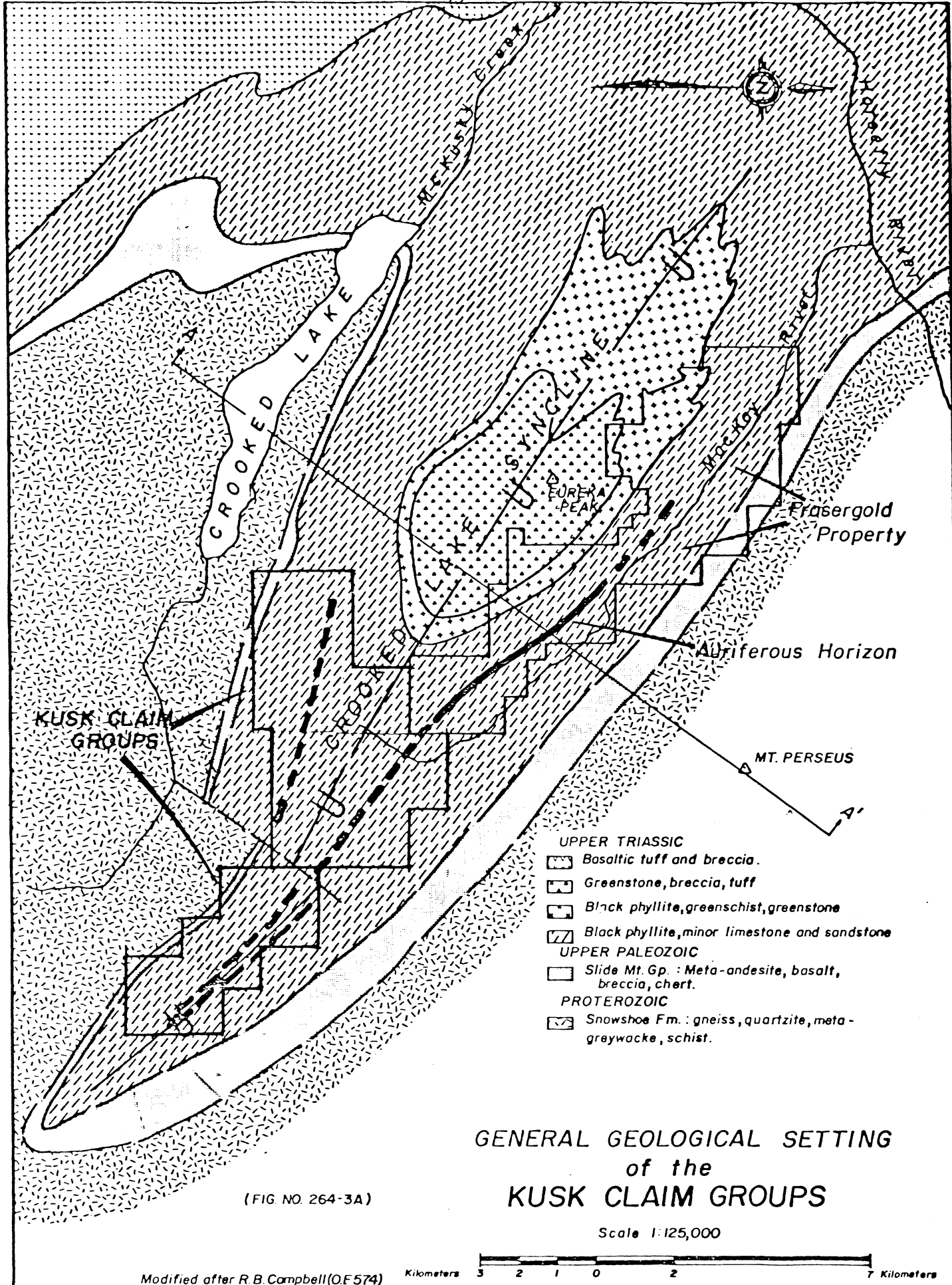
Keron Holdings Ltd. optioned the KAY claims in 1979 and began an intensive exploration programme, followed by the staking of a large claim block, in 1980. A large-scale exploration programme continued in 1981. This work resulted in the discovery of a large stratabound zone of gold mineralization near the southeastern boundary of the Frasergold property.

The release of regional reconnaissance geochemical data by the British Columbia Government in 1980 resulted in extensive prospecting activity, and a

similar gold occurrence was discovered northwest of Crooked Lake.

The two discoveries on the flanks of a major fold structure indicated the possible presence of a gold-bearing horizon of regional extent. This horizon should be exposed around the nose of the fold. On the basis of this hypothesis, James M. Dawson staked the KUSK claims in the autumn of 1981 to cover the geologically favourable target area.

In early October 1982, a reconnaissance geochemical exploration programme was begun to evaluate the potential of the KUSK property. This work was terminated after a few days due to the early onset of winter conditions. Resumption of exploration is planned as soon as conditions permit in the spring of 1983.

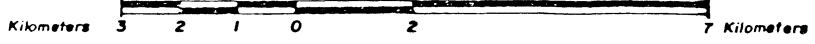


(FIG. NO. 264-3A)

### GENERAL GEOLOGICAL SETTING of the KUSK CLAIM GROUPS

Scale 1:125,000

Modified after R. B. Campbell (O.F. 574)



GEOLOGY AND MINERALIZATION

The KUSK property is in the eastern most part of the Intermontane Belt near its boundary with the Omineca Crystalline Belt. In the McKusky Creek - MacKay River area, the Omineca rocks belong to the Proterozoic Snowshoe Formation, a sequence of paragneiss, leucocratic feldspar augen gneiss, schist, and an upper greenschist unit (Figure 3). The Snowshoe Formation is overlain with angular discontinuity by the Upper Paleozoic Slide Mountain Group, represented in the area of the KUSK property by the Antler Formation, a 100 metre thick sequence of dark green recrystallized and foliated andesitic to basaltic greenstone.

Conformably overlying the Slide Mountain Group is a thick sequence of Upper Triassic volcanic and sedimentary rocks of the Takla Group. A basal unit of dark grey to black phyllite is overlain by greenschist, greenstone, augite porphyry breccia and tuff.

Numerous plugs, stocks and batholiths of Mesozoic age intrude all of the above rocks. The main lithologies include granodiorite, syenite, monzonite, diorite, granite, and quartz monzonite. Also, hypabyssal dykes, sills and plugs of alkaline composition, genetically equivalent to the Triassic extrusive rocks, are common.

Tertiary plateau and valley basalt is common throughout the region. In the MacKay River valley, a small remnant of valley basalt is present which might preserve part of a Tertiary paleo-valley.

All volcanic and sedimentary rocks, except those of Tertiary age, have suffered regional metamorphism of varying degrees. Above the highly metamorphosed Snowshoe Formation the Paleozoic and Mesozoic rocks have been

metamorphosed to greenschist facies. The biotite isograd approximately follows the Triassic lower phyllite sequence.

The major regional structure in the area of the KUSK claims is the Crooked Lake Syncline, a northwest-trending overturned structure plunging to the northwest. Most of the nose of the Crooked Lake Syncline has been covered by the KUSK claims.

Near the contact with the Omineca rocks, the basal Triassic phyllite is strongly foliated and tightly folded as a result of uplift of the crystalline rocks during the lower Jurassic.

Major mineral deposits in the Cariboo region fall into four main categories: placer gold, lode gold, alkali porphyry copper/gold and porphyry molybdenum deposits. The Cariboo has historically been one of North America's major placer gold camps. The peak activity was centred on Barkerville during the gold rush of the 1860's, and at least 800,000 ounces of gold has been produced to date. In the region of the KUSK property, the Horsefly River drainage has produced over 15,000 ounces. Most of the Cariboo placer gold is associated with old Tertiary channels.

Lode gold production from the Wells area has totalled over 1,200,000 ounces to date. At present parts of the mines are being operated on a small scale by Mosquito Creek Gold Mines Ltd. The Wells deposits are near the contact between the Proterozoic metamorphic rocks and the overlying Paleozoic and Triassic units. The regional setting at the KUSK property is similar.

Major porphyry molybdenum, copper-molybdenum, and copper gold deposits occur at several places in the Cariboo. Examples include the Gibraltar mine, the Boss Mountain mine, and the Cariboo-Bell deposit. Alkali porphyry copper

mineralization occurs on the EN property at Eureka peak, 9 km northwest of the KUSK claims.

The geology of the KUSK property is shown on Figure 3. Almost all of the claims are underlain by the Upper Triassic basal black phyllite unit, with small areas on the southwestern margin of the property underlain by the older Antler volcanic rocks and the Snowshoe metamorphic basement.

On the adjacent Frasergold property, the basal Triassic rocks have been subdivided by G.D. Belik into three members: the lower member, immediately above the Antler Formation, comprises greenschist, black phyllite and quartz-sericite schist; the middle member is characterized by dark grey to black lustrous phyllite with minor intercalated limestone lenses; the upper member represents a transition to the overlying volcanic rocks, and is composed of interbedded black phyllite, greenschist, and quartz-sericite-chlorite schist.

On the KUSK property, the entire phyllite unit is represented. The rocks in the tightly folded and overturned nose of the Crooked Lake Syncline have been crenulated and drag-folded. Abundant lenses, pods, irregular veins and swarms of milky quartz occur, commonly stained by limonite. The quartz bodies, which vary from a few centimetres to 2 metres wide, are both conformable and discordant to foliation. Bands and streaks of pyrite occur in the phyllite, and minor pyrite, galena and chalcopyrite have been noted in the quartz.

On the Frasergold property, an iron-carbonate rich facies within the middle member of the phyllite unit hosts low grade gold mineralization. The gold-bearing facies, termed the "knotted phyllite", is characterized by boudins, or knots, of rusty ankerite or siderite up to 8 mm in size. These knots were apparently formed by brittle deformation of originally continuous iron-carbonate

laminae in the phyllite. Genetically, this type of gold mineralization may belong to the class of gold deposits related to volcanogenic iron formations.

On the KUSK property, the significant stratigraphic interval, within which the gold-bearing "knotted phyllite" occurs on the Frasergold property, can be expected to be present over a total strike length of at least 20 kilometres along the flanks of the fold structure. Also, the extreme structural deformation, fracturing and faulting which is to be expected in the tightly folded core of the syncline presents an excellent environment for tectonic remobilization and concentration of any original syngenetic gold mineralization. One prominent northeasterly-striking normal fault is known to exist on the KUSK #2 and KUSK #8 claims and this structure should be explored.



GEOCHEMISTRY

In 1980, the British Columbia government released results of a regional reconnaissance geochemical stream sediment survey of the Cariboo region. Parts of the MacKay River - McKusky Creek drainage were found to be anomalous in silver, arsenic, copper and zinc content.

In 1981, Keron Holdings Ltd. carried out detailed geochemical soil surveys over the Frasergold property. The main gold-bearing "knotted phyllite" unit is reflected in a large zone of anomalous gold values in soils. This anomaly follows the trace of the stratigraphic unit and its southeast projection apparently continues on to KUSK property near the boundary between the KUSK # 3 and KUSK # 5 claims. Anomalous silver, lead and zinc values form a halo around the main gold anomaly. Arsenic values were not useful in defining the gold zone.

In 1982, a preliminary reconnaissance soil survey was begun on the KUSK property. The objective of this work was the testing of the southeastward projection of the gold anomaly on the Frasergold property and the preliminary exploration of that part of the property underlain by the favourable stratigraphic middle member of the phyllite unit where it wraps around the nose of the Crooked Lake Syncline.

Eight traverse lines, spaced from 600 to 2500 metres apart, and running across the trace of the stratigraphy, were sampled at 50-metre intervals. Samples were analyzed for gold and silver. The survey was terminated before completion by the early onset of winter and no exploration of the western limb of the fold structure was carried out.

The results of this work indicate that the gold anomaly on the Frasergold

property continues southeasterly on to the KUSK # 5 and KUSK # 3 claims. A low-order gold anomaly occurs on the valley slope immediately north of the headwaters of the MacKay River on the boundary between the above claims.

A number of silver anomalies were discovered on the KUSK # 1, # 2, # 3, # 4, # 8, # 10 and # 11 claims. These anomalies may represent parts of halos around zones of gold mineralization.

Geochemistry has proved to be an effective prospecting tool in the area of the KUSK claims, and preliminary results seem to support the hypothesis of the presence of a widespread mineralized lithologic unit. The next stage of exploration should include a detailed geochemical survey, possibly based on soil sampling along topographic contour lines.

CONCLUSIONS AND RECOMMENDATIONS

The KUSK claims have been located to cover that part of the Crooked Lake Syncline which is underlain by the middle member of the lower phyllite unit of the Upper Triassic Takla Group in the MacKay River - McKusky Creek area of the Cariboo Mining Division.

This geological unit hosts a large zone of low-grade gold mineralization on the adjacent Frasergold property, and the favourable host rock apparently continues into the KUSK claims. At least 20 kilometres of strike length of the favourable unit may be present on the KUSK claims.

The nose of the Crooked Lake Syncline is an area of tight folding and accompanying structural deformation, fracturing and faulting. This setting is considered highly favourable for the remobilization of low-grade syngenetic gold mineralization and concentration in higher-grade structurally-controlled deposits.

Geochemistry has proved to be an effective exploration tool on the Frasergold property and initial results from the KUSK claims indicate the presence of gold and silver anomalies in several parts of the property.

A programme of further exploration is warranted. The initial phase of this programme should concentrate on geological mapping and geochemical silt and soil sampling. Mapping should be directed toward tracing the favourable stratigraphic unit through the property and to the identification of potentially favourable structural traps. The possible existence of ancient Tertiary channels with potential placer gold deposits should be kept in mind.

Contingent upon favourable results from the initial phase of exploration, a programme of trenching of geochemical targets should be conducted. Such a programme will entail some road construction.

Mineralized zones discovered by the trenching programme should be tested by drilling.

A proposed budget for the above three-phase programme is recommended below.

PROPOSED BUDGET

Phase 1: Geological mapping and geochemical survey.

Geological personnel, supervision	\$16,000	
Geochemical survey personnel	11,000	
Camp costs	6,500	
Ground transport	1,000	
Helicopter support	9,000	
Analytical services	<u>16,000</u>	
	59,500	\$59,500

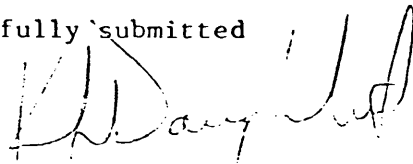
Phase 2: Road building, trenching, sampling  
Contingent upon favourable results from Phase 1

Road work 10 km @\$1700/km	\$17,000	
Trenching with backhoe	20,000	
Supervision, sampling	5,000	
Camp costs	1,000	
Ground transport	1,500	
Analytical services	<u>8,000</u>	
	52,500	52,500

Phase 3: Drilling  
Contingent upon favourable results from Phase 2

Percussion drilling 2500 metres @\$30/m	\$75,000	
Diamond drilling 750 metres @\$60/m	<u>45,000</u>	
	120,000	120,000
Allowance for Contingencies @10%		<u>23,000</u>
Total Proposed Budget		\$255,000

Respectfully submitted



K.L. Daughtry, P.Eng

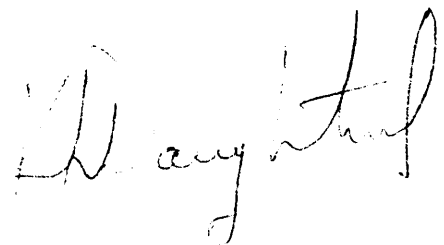
STATEMENT OF QUALIFICATIONS

I, KENNETH L. DAUGHTRY of R.R. #4, Vernon, British Columbia, DO HEREBY CERTIFY that:

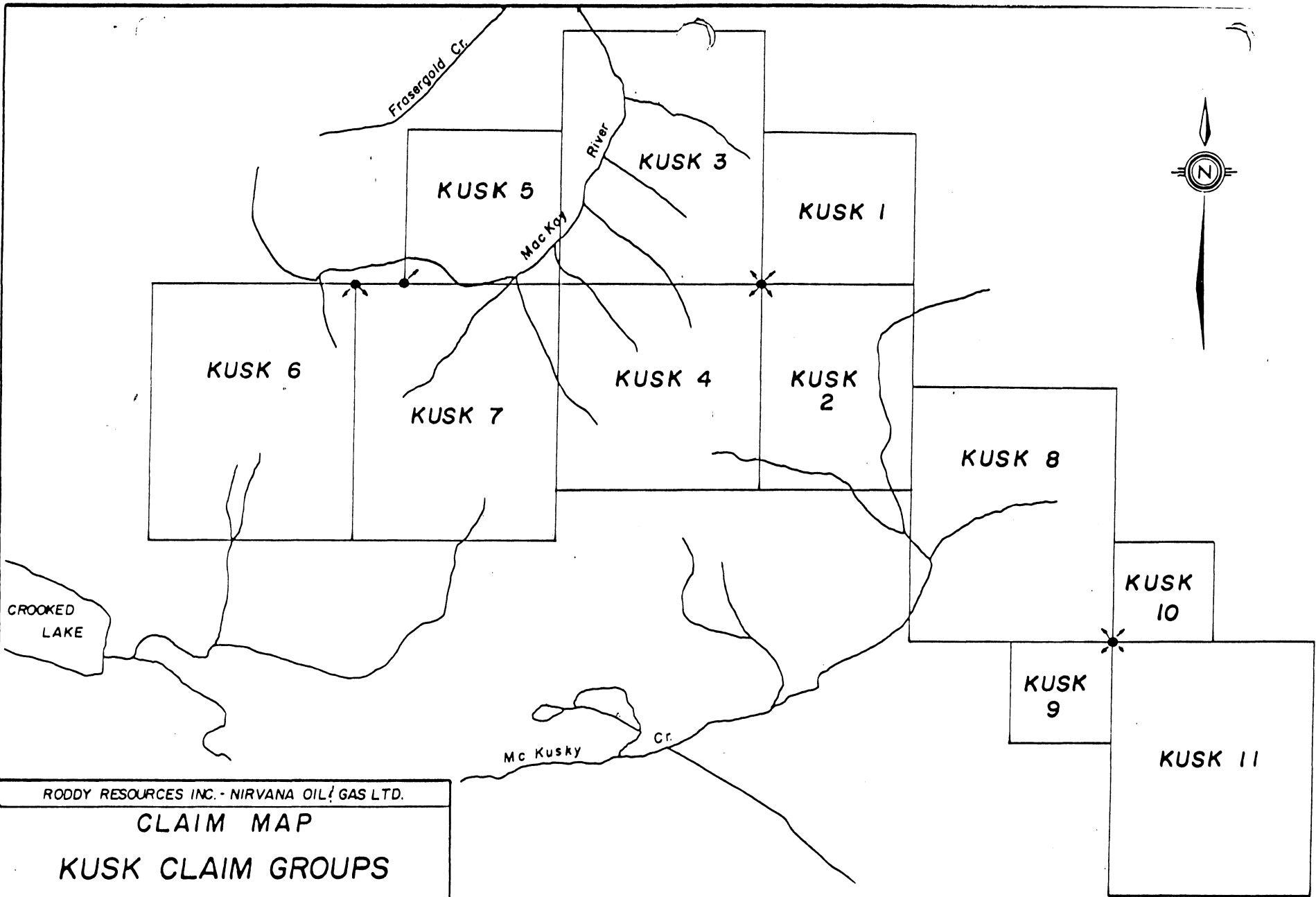
1. I am a Consulting Geologist in mineral exploration.
2. I have been practising my profession for eighteen years in Canada, the United States and Ireland.
3. I am a graduate of Carleton University, Ottawa, with a Bachelor of Science degree in Geology and Chemistry.
4. I am a member of the Associations of Professional Engineers of British Columbia, Ontario and Yukon Territory, and a Fellow of the Geological Association of Canada.
5. This report is based upon a personal examination of the KUSK property on October 3, 1982, upon an examination of exploration data from the 1982 programme on the property, upon reports on the adjacent Frasergold property and upon personal communication with G.D. Belik, M.Sc. and James M. Dawson, P.Eng.
6. I have had extensive experience in the exploration of gold deposits throughout western North America.
7. I have no interest, direct or indirect, in the shares or properties of Roddy Resources Inc. or Nirvana Oil and Gas Ltd., and I do not expect to receive any such interest at any time.
8. Permission is hereby granted to Roddy Resources Inc. and Nirvana Oil and Gas Ltd. to use this report in complying with requirements of the British Columbia Superintendent of Brokers and the Vancouver Stock Exchange.

Vernon, B.C.  
January 6, 1983

K.L. Daughtry, P.Eng.



K. L. Daughtry & Associates Ltd.



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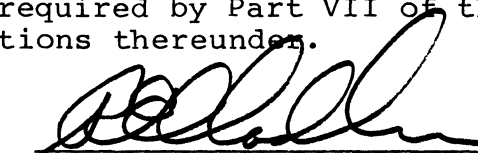
RODDY RESOURCES INC. - NIRVANA OIL & GAS LTD.	
<b>CLAIM MAP</b>	
<b>KUSK CLAIM GROUPS</b>	
CARIBOO MINING DIVISION, BRITISH COLUMBIA.	
Tech Work By: Kerr, Dawson & Assoc. Ltd.	Scale: 1:50,000.
Date: Nov. 1982.	Drawn By: W.G.
Approved By: J.M.Dawson, P.Eng	Fig. No. 264-2

To accompany a report by J.M.Dawson, P.Eng.

CERTIFICATE OF THE COMPANY

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, and the regulations thereunder.

  
\_\_\_\_\_  
GEORGE KOKONIS

  
\_\_\_\_\_  
ROBERT EDWARD KADLEC

  
\_\_\_\_\_  
MORRIS ELDEN SCHORN


DATED at Vancouver, British Columbia, this 17th day of June, 1983.

CERTIFICATE OF THE AGENTS

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 Prospectus as required by Part VII of the Securities Act, and the regulations thereunder.

JONES, GABLE & CO. LTD.

CONTINENTAL CARLISLE DOUGLAS

Per:   
\_\_\_\_\_

Per:   
\_\_\_\_\_

DATED at Vancouver, British Columbia, this 17th day of June, 1983.

Persons holding a greater than 5% interest, either directly or indirectly, in Jones, Gable & Co. Ltd. are Irving E. Jones, Donald I. Jones and Wayne A. McCoy, all of 1600 - 110 Yonge Street, Ontario.

Persons holding a greater than 5% interest, either directly or indirectly, in the corporate partnership of Continental Carlisle Douglas are Angus I. McPhail, G. Robert Fay, D. Grant MacDonald, Douglas A. Scammell, Thomas A. Taylor and J. Arthur Charpentier, all of 10th Floor, 1055 Dunsmuir Street, Vancouver, B.C.