

THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY MAY BE LAWFULLY OFFERED FOR SALE AND THE PROCEEDS THEREFROM ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES. NO SECURITIES COMMISSION OR SIMILAR AUTHORITY HAS REVIEWED THIS PROSPECTUS. THE WAY PASSED UPON THE MERIT OF THE PROSPECTUS IS AN OFFENCE.

093K/06

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DATED: FEBRUARY 1, 1985

**PROSPECTUS**

**WINDFLOWER MINING LTD.**

4405 Glencanyon Drive  
North Vancouver, British Columbia  
(hereinafter called the "Issuer")

**PUBLIC OFFERING 500,000 COMMON SHARES**

RECEIVED  
JUL 19 1985  
WINDFLOWER MINING LTD.  
[Signature]

	Price to Public	Commissions	Net Proceeds to be received by Issuer *
Per Share .....	\$0.35	\$0.05	\$0.30
Total .....	\$175,000.00	\$25,000.00	\$150,000.00 *

\* Before deduction of the costs of the issue estimated to be \$2,500.00.

THERE IS NO MARKET FOR THE SECURITIES OF THE COMPANY.

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED AS SPECULATION. ALL OF THE PROPERTIES IN WHICH THE ISSUER HAS AN INTEREST ARE IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY AND ARE WITHOUT A KNOWN BODY OF COMMERCIAL ORE. NO SURVEY OF ANY PROPERTY OF THE ISSUER HAS BEEN MADE AND THEREFORE IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH THE PROPERTIES ARE SITUATE, THEIR EXISTENCE AND AREA COULD BE IN DOUBT. SEE ALSO PARAGRAPH "RISK FACTORS" ON PAGE 11.

THE VANCOUVER STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED PURSUANT TO THIS PROSPECTUS. LISTING IS SUBJECT TO THE ISSUER FULFILLING ALL THE LISTING REQUIREMENTS OF THE VANCOUVER STOCK EXCHANGE ON OR BEFORE JUNE 3, 1985, INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

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

UPON COMPLETION OF THIS OFFERING THE ISSUE WILL REPRESENT 22.95% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 52.38% THAT WILL THEN BE OWNED BY THE PROMOTERS, DIRECTORS AND SENIOR OFFICERS OF THE ISSUER AND ASSOCIATES OF THE AGENT. REFER TO THE HEADING "PRINCIPAL HOLDERS OF SECURITIES" ON PAGE 13 HEREIN FOR DETAILS OF SHARES HELD BY DIRECTORS, PROMOTERS AND CONTROLLING PERSONS AND ASSOCIATES OF THE AGENTS.

SHAREHOLDERS, PARTNERS, EMPLOYEES AND/OR ASSOCIATES OF UNDERWRITERS OWN, DIRECTLY OR INDIRECTLY, 150,000 SHARES IN THE CAPITAL OF THE ISSUER, OF WHICH 100,000 SHARES WERE PURCHASED FROM THE ISSUER AT 15¢ PER SHARE AND 50,000 SHARES WERE PURCHASED AT 35¢ PER SHARE.

ONE OR MORE OF THE DIRECTORS OF THE ISSUER HAS AN INTEREST, DIRECT OR INDIRECT, IN OTHER NATURAL RESOURCE COMPANIES. REFERENCE IS MADE TO THE ITEM "DIRECTORS AND OFFICERS" ON PAGE 12 FOR A COMMENT AS TO THE RESOLUTION OF POSSIBLE CONFLICTS OF INTEREST.

THIS PROSPECTUS ALSO QUALIFIES FOR SALE TO THE PUBLIC AT THE MARKET PRICE OF THE SHARES AT THE TIME OF SALE ANY SHARES OF THE ISSUER WHICH THE AGENT MAY ACQUIRE PURSUANT TO THE AGENT'S WARRANTS OR GREENSHOE OPTION. REFERENCE SHOULD BE MADE TO "PLAN OF DISTRIBUTION" ON PAGE 1.

WE, AS AGENT, CONDITIONALLY OFFER THESE SECURITIES SUBJECT TO PRIOR SALE, IF, AS AND WHEN ISSUED BY THE ISSUER AND ACCEPTED BY US IN ACCORDANCE WITH THE CONDITIONS CONTAINED IN THE AGENCY AGREEMENT REFERRED TO UNDER "PLAN OF DISTRIBUTION" ON PAGE 1 OF THIS PROSPECTUS.

**NAME AND ADDRESS OF AGENT**  
**Canarim Investment Corporation Ltd.**  
2200 - 609 Granville Street  
Vancouver, British Columbia

**EFFECTIVE DATE: MARCH 4, 1985.**

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## **ITEM 2. PLAN OF DISTRIBUTION**

### **Offering**

The Issuer, by its Agent, hereby offers (the "Offering") to the public, through the facilities of the Vancouver Stock Exchange (the "Exchange"), Five Hundred Thousand (500,000) Shares (the "Shares"). The Offering will be made in accordance with the rules and policies of the Exchange and will take place on a day (the "Offering Day") as determined by the Agent and the Issuer, with the consent of the Exchange, within a period of 90 days from the date (the "Effective Date") upon which the securities of the Issuer are conditionally listed on the Exchange. The Offering price of the Shares will be \$0.35 Cents per Share.

### **Appointment of Agent**

The Issuer, by an agreement dated July 18, 1984 (extended on January 22, 1985 and amended February 1, 1985), appointed Canarim Investment Corporation Ltd. as its agent ("Agent") to offer the Shares through the Exchange.

The Agent has agreed to purchase any Shares not sold at the conclusion of the Offering. In consideration therefor, the Agent has been granted non-transferable warrants (the "Agent's Warrants") entitling the Agent to purchase up to Two Hundred and Fifty Thousand (250,000) shares of the Issuer at any time up to the close of business 180 days from the listing of the Issuer's shares on the Vancouver Stock Exchange (the "Exchange") or 12 months from the date of this Prospectus, whichever is earlier, at a price of \$0.38 per share.

The Agent is also entitled to over allot the Shares of the Issuer in connection with this Offering and has been granted an option (the "Greenshoe Option") to purchase at \$0.30 per share such number of shares of the Issuer being the lesser of 15% of the Offering or the actual number of shares subscribed for by way of an oversubscription during primary distribution of the Shares offered pursuant to the Agency Agreement. The Greenshoe Option is exercisable for a period of 30 trading days from the Offering Day. The number of shares subject to the Greenshoe Option shall be determined at the conclusion of the Offering Day. The Agent in the alternative, is entitled to cover such over allotment by making purchases of the Issuer's Shares in the open market through the facilities of the Exchange at the market price from time to time during the exercise period of the Greenshoe Option.

The Agent will receive a commission of \$0.05 per share.

The Agent reserves the right to offer selling group participation, 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 this Offering.

The obligations of the Agent under the Agency Agreement may be terminated prior to the Offering Day at the Agent's discretion on the basis of its assessment of the state of the financial markets and may also be terminated at any time upon the concurrence of certain stated events.

The Issuer has granted the Agent a right of first refusal to provide equity financing to the Issuer for a period of twelve (12) months from the Effective Date.

Those persons holding an interest of not less than 5% in the capital of Canarim Investment Corporation Ltd. are Alfred E. Turton, Peter M. Brown, Brian D. Harwood, C. Channing Buckland and Michael W. Murphy.

A company which is associated with the Agent, namely A.E. Turton Investments Ltd, holds 150,000 common shares in the capital of the Issuer. Of the 150,000 shares held, 100,000 were purchased from the Issuer at 15¢ per share and 50,000 shares were purchased at 35¢ per share.

There are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other person or company in connection with the Offering.

The Directors, Officers and other Insiders of the Issuer may purchase shares from this Offering.

The Vancouver Stock Exchange has conditionally listed the securities being offered pursuant to this Prospectus. Listing is subject to the Issuer fulfilling all the listing requirements of the Vancouver Stock Exchange on or before June 3, 1985, including prescribed distribution and financing requirements.

### Additional Offering

The Prospectus also qualifies for sale to the public at the market price prevailing at the time of the sale, any shares purchased by the Agent hereunder and any of the common shares which may be acquired on the exercise of the Agent's Warrants at any time up to 180 days from the listing of the Issuer's shares on the Exchange but not more than one year from the date of this Prospectus. The Issuer will not receive any proceeds from the sale of any such shares by the Agent, all of which proceeds will in such event accrue to the Agent.

The Prospectus also qualifies for sale to the public at the market price prevailing at the time of the sale, any shares acquired by the Agent upon exercise of the Greenshoe Option.

### ITEM 3. USE OF PROCEEDS TO ISSUER

The estimated net proceeds to be derived by the Company from the sale of 500,000 Common Shares offered by this Prospectus, namely \$150,000.00, together with a working capital deficit as at February 1, 1985 of \$34,447 will be used for the following purposes:

1. To pay remaining legal, audit and printing expenses of this Prospectus, estimated to be: \$ 2,500.00
2. To conduct the proposed exploration program recommended for the Silver Fox Claim Group by A.D. Drummond, Ph.D., in his reports to the Company dated June 1, 1984 and February 11, 1985, particulars of which exploration program are as follows:

Phase IA Geochemical soil sampling, prospecting, geological mapping and VLF-EM survey:	\$ 40,000.00
3. To conduct the proposed exploration program recommended for the Independence Group Mineral Claims by W.S. Read in his Report to the Company dated September 21, 1983, particulars of which exploration program are as follows:	
Phase I Geochemical survey, geophysical testing prospecting and geological mapping:	\$ 43,000.00
4. For general administrative expenses and addition to working capital:	\$ 30,053.00
TOTAL:	<u>\$115,553.00</u>

The working capital deficit of \$34,447 referred to above, is the result of option payments made by the Issuer pursuant to property agreements and the incurring of liabilities in respect of legal, audit, administration and transfer agent expenses.

Any funds received by the Company from the exercise of the Agent's warrants will be added to working capital.

The Two Thousand Two Hundred (\$2,200.00) Dollar listing fee has been paid by the Company to the Vancouver Stock Exchange.

The proceeds from the sale of shares offered by this Prospectus are intended to be used for the purposes set forth above. However, the Company, pursuant to the recommendations of a qualified engineer, may abandon in whole or in part any of its property or, as work progresses, may alter the work program recommended or 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 or examining other properties acquired by the Company after the date of this Prospectus. All of the foregoing is subject to the advice and recommendation of a qualified engineer. If any such event occurs during the primary distribution of the 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.

**ITEM 4. SALES OTHERWISE THAN FOR CASH**

No shares are being offered other than for cash.

**ITEM 5. SHARE AND LOAN CAPITAL STRUCTURE**

Designation of Security	Amount Authorized	Amount Out- Standing as at October 31, 1984	Amount Out- Standing as at date of Prospectus	Amount to be Outstanding on Completion of Offering if all of the Shares are Sold
Common Shares Without Par Value	10,000,000	1,678,500	1,678,500	2,178,500

Particulars of Shares sold for cash to date are as follows:

No. of Securities Sold	Price	Total Cash Received	Commissions Paid
310,500	\$ 0.10	\$ 31,050.00	Nil
26,500	\$ 0.30	\$ 7,950.00	Nil
250,000	\$ 0.15	\$ 37,500.00	Nil
236,500	\$ 0.35	\$ 82,775.00	Nil
74,000	\$ 0.35	\$ 25,900.00	Nil

The foregoing shares were sold for cash during the period from incorporation of the Issuer (April 13, 1973) to the date of this Prospectus.

At the request of the Agent, 755,000 of the above shares have been voluntarily pooled with Canada Trust Company, 1055 Dunsmuir Street, Vancouver, B.C. to be released twenty-five (25%) per cent at six (6) months following the time of listing on the Vancouver Stock Exchange and twenty-five (25%) per cent at three (3) month intervals thereafter. In the event that a listing has not been effected on the Vancouver Stock Exchange within twelve (12) months from the date of the Company's Prospectus and if primary distribution has ceased, then all cash paid shares shall be subject to automatic release.

750,000 common shares, subject to escrow conditions, were issued for property pursuant to an escrow agreement dated July 31, 1973 (details at p.7 , Item 7(d)). Pursuant to an Option Agreement dated October 12, 1983, the Company issued 25,000 common shares to Academy Enterprises Ltd. (details at p. 6, Item 7(b)). By Determination under Section 55 of the Securities Act dated October 28, 1982, 6,000 common shares were issued to Graham Maskell (at a deemed price of 50¢ per share) as part consideration for the purchase of a motor vehicle by the Company.

**ITEM 6. NAME AND INCORPORATION OF ISSUER**

The full name of the Issuer is Windflower Mining Ltd. Its Registered and Records Office is located at 16th Floor, 1100 Melville Street, Vancouver, British Columbia. The Company's Head Office is located at 4405 Glencanyon Drive, North Vancouver, British Columbia.

The Company was incorporated on April, 3, 1973 under the name Windflower Mining Ltd. (N.P.L.) by registration of its Memorandum and Articles under the Company Act of the Province of British Columbia. The Company changed its name to Windflower Mining Ltd. on September 21, 1983. The Company is a reporting company as defined by the Company Act of the Province of British Columbia.

**ITEM 7. DESCRIPTION OF BUSINESS AND PROPERTY OF ISSUER**

The Company is a natural resource company engaged in the acquisition and exploration of mineral properties. The Company owns or has an interest in the properties described hereafter and intends to seek and acquire additional properties worthy of exploration and development.

**(a) Silver Fox Claims - Omineca Assessment District, B.C.**

By Agreement dated April 18, 1983 and Amendment Agreement dated October 15, 1984 with Michael Paul of 12771 - 20th Avenue, Surrey, British Columbia and Stokes Anderson Muller of 11378 Red Cedar Lane, San Diego, California, the Company acquired an option to purchase the Silver Fox crown granted mineral claim for the sum of \$20,000.00. (\$5,000.00 paid on execution of Agreement and \$5,000.00 paid July 1984 and \$10,000.00 to be paid by December 1985) plus the issuance of 20,000 common shares (10,000 shares upon regulatory approval of the Agreement and 10,000 shares on or before December 1985). Under the Agreement the Company is required to carry out work on the Silver Fox crown granted mineral claim, or claims contiguous thereto, to a total value of \$100,000.00 (\$50,000 exploration expenditure by December 31, 1985 and a further \$50,000 by December 31, 1986). Additionally, the Vendors have retained a 20% net profit interest in any production from the Silver Fox claim.

The Company also acquired two additional claims which are contiguous to the Silver Fox Claim, namely, the Wind 1 mineral claim (12 units) and the Le Croix reverted Crown granted mineral claim. These claims were acquired by the Company from Gerald Ryznar, president and director of the Company, for \$5,741.54 (cost of staking plus maintenance expenses). The Wind 1, Silver Fox and Le Croix mineral claims are located in Central British Columbia about 40 kilometers north of Burns Lake, B.C. Vehicle access is by way of gravel road from Decker Lake immediately to the west of Burns Lake. Burns Lake is 229 kilometers west of Prince George, B.C., along Highway 16.

In his report to the Company, dated June 1, 1984, A.D. Drummond, Phd., P.Eng., states that the area was explored in 1919 to 1928 for its silver-bearing base metal quartz veins. Re-examination of the property since that time has indicated that the silver-gold bearing copper-lead-zinc quartz veins are actually part of a shattered and faulted contact zone between Cache Creek volcanic rocks and siliceous hydro-thermally altered sulphide-bearing quartz monzonitic intrusive. It is within this uncompletely defined volcanic-intrusive contact zone that the mineralized

quartz veins occur as a north-easterly to easterly striking, steep to gentle north dipping group of sub-parallel mineralized veins.

In his June 1, 1984 report, A.D. Drummond recommends a two stage evaluation program to define and test the economic potential of the claims. The estimated cost of Phase I of the work program is \$79,000.00 and consists of geological mapping, sampling, geophysical survey, VLF-EM survey and 800 feet of diamond drilling. Phase II engineering would consist of 3,000 ft. of diamond drilling at a cost of \$162,000.00. At the request of the Company, Mr. Drummond reviewed the funds allocated to Phase I and revised the same to provide for a two-part Phase I program. In his letter to the Company dated February 11, 1985, Mr. Drummond has stated that a Phase IA program could be carried out at a cost of \$40,000, followed by a Phase IB program at a cost of \$39,000. The Company intends to proceed with Phase IA and, if warranted from the results thereof, Phase IB and Phase II of the work program. To date the Company has incurred exploration and development costs of \$3,159 (excluding option payments) for geological, mineralogical and mapping work on the claims.

A.D. Drummond reports that previous work in the area of the claims was carried out during the 1920's. In 1925, a shaft dump was sampled and assayed trace gold, 3.6 oz. per ton silver, 1% copper, 3% lead and 27% zinc. During 1926, the shaft was extended to 90 feet and apparently intersected 3 ft. vein. It was reported that a shipment of hand-sorted material in the order of 4 tons was made from the high-grade vein. The shipment, when sampled, gave an assay of 0.04 oz. per ton gold, 16 oz. per ton silver, 1.5% copper, 9% lead and 16% zinc. Diamond drilling on the property was reported in 1928 when an inch core was sunk and at a depth of 216 ft. went through 7 feet of ore, which assayed 0.03 oz. per ton gold, 12.6 oz. per ton silver, 7.8% lead and 2.4% zinc. It is also reported that at a depth of 303 feet the drill went through 7 feet of high grade ore which assayed 0.03 oz. per ton gold, 77.2 oz. per ton silver, 1.9% copper and 5.1% zinc. It is reported by A.D. Drummond that the property appeared to remain dormant until 1970. At that time A.R. Allen, P.Eng., examined the property and recommend a work program. In August 1970 a small quantity of mineralized material from the Silver Fox claim was assayed by Cominco Ltd. The assay certificate in this regard forms Appendix B to the report of A.D. Drummond, which forms a part of this prospectus.

During August, 1982, the Company undertook reconnaissance geochemical stream silt and soil surveys. Fifty four samples were taken and analyzed from three locations in the south-west portion of the Wind 1 claim, the results of which are set forth on page 8 and Appendix C of A.D. Drummond's Report to the Company.

There is no surface or underground plant and equipment.

The property is principally a gold and silver property.

The property is without a known body of commercial ore.

**(b) Independence Group Mineral Claims - Revelstoke Mining Division, B.C.**

By Option Agreement dated October 12, 1983 and Amendment Agreement dated October 15, 1984 with Academy Enterprises Ltd. of Sicamous, British Columbia and Richard K. Evans of Fanny Bay, British Columbia, the Company acquired an option to purchase five Crown granted mineral claims, three reverted Crown grants and four located mineral claims (the "Property"), all located in the Revelstoke mining division of



British Columbia. The Company acquired the exclusive right and option to purchase the Property for the total sum of \$245,000 (\$70,000 paid to date, \$50,000 due February 1, 1986, \$50,000 due by February 1, 1987 and \$75,000 due by February 1, 1988) and the issuance of 200,000 shares to Academy Enterprises Ltd. (25,000 shares issued and the balance of 175,000 shares in three installments (52,500 shares by July 15, 1985, 52,500 shares by October 30, 1985 and 70,000 shares by September 1, 1986), subject to regulatory approval). All of the principals of Academy Enterprises Ltd. are not known to the Company, however, the Company discloses that the Agreement with the optionors is at arms-length.

Under the Option Agreement, as amended, the Company is required to incur a total of \$340,000 if exploration and development expenditures (\$190,000 by December 31, 1985 and \$150,000 by December 31, 1986). To date the Company has incurred exploration and development costs of approximately \$5,746 (excluding options payments) for geophysical work on the Property.

The Property is composed of a total of 68 units and is approximately 4 air kilometers north of Camborne, British Columbia and about 35 kilometers southeast of Revelstoke. Access to the property is by way of well maintained logging roads.

W.S. Read, B.Sc., P.Eng., in his report to the Company dated September 21, 1983, which forms part of this prospectus, recommends a Phase I engineering program to consist of geological mapping, prospecting, geochemical surveying and geophysical testing at a cost of \$43,000.00. Phase II engineering consist of detailed surface exploration on the main showings on the Dorothy Crown grant at a cost of \$40,000.00. The Company intends to proceed with Phase I and, if warranted, Phase II of the engineering program recommended by W.S. Read. Phase II will be the subject of a future financing.

W.S. Read reports that there has been a history of mining activity in the immediate area dating back to 1890. At page 7 of his report, reference is made to excerpts from an earlier report prepared by Newton W. Emmens (Emmens report included at pp. 13 - 16) in which Emmens describes in detail work that had been completed on the Claim and the surrounding area.

W.S. Read reports that little is known of the property history, although it received most of its workings prior to 1914 when a shallow adit intersecting two veins was surface trenched. Recent work consists mainly of two open cuts, one excavating a particular adit and the second opening on a high face, possibly covering former exposures. In 1979 a bulk sample of 36 tons of material from a surface cut was shipped to the Trail smelter. It returned a gold value of 0.152 oz. per ton, silver 0.35 oz. per ton and silica 64.5%.

The Company also has an option on certain adjoining claims, namely the Goldfinch Property referred to in Item 7(c) herein.

There is no surface of underground plant or equipment.

The property is principally a gold property.

The property is without a known body of commercial ore.

**(c) Goldfinch Property - Revelstoke Mining Division, B.C.**

By Option Agreement dated November 5, 1984 with Synco Development Corporation (the "Vendor"), of 102 - 1410 Bute Street, Vancouver, British Columbia, the Company acquired an option to purchase the Goldfinch claims for the sum of \$40,000 (already paid) and the issuance of 175,000 common shares (25,000 shares upon regulatory approval of this Agreement, 50,000 shares by June 30, 1985, 50,000 shares by December 31, 1985 and 50,000 shares by June 30, 1986). Under the Agreement the Company is required to carry out exploration work on the claims to a value of \$150,000 by December 31, 1986 (exploration work carried out on the Company's adjoining property, the Independence Claim Group (Item 7(b)) can be applied towards the required work commitment expenditure for the Goldfinch Property). The Vendor has retained a 2% net smelter return royalty from any production from the claims. The principal of the Synco Development Corporation is Bruce Ellner.

The claims consist of 9 crown grants and 2 located mineral claims covering a strike length of 6 kilometers and a width of between 2 to 3 kilometers. The claims are located 35 kilometers east of Revelstoke near Beaton, British Columbia. Access to the claims is by way of well-maintained logging roads.

From recent examinations of the property by the Company, the claims are reported to be located along certain gold-bearing structures in Lardeau metasediments. It is reported by the Company that at least 10 different occurrences of gold-bearing veins are known to occur on two of the Crown grants. These veins vary from a few centimetres to 6 metres in width.

The Company reports that previous work on the property consisted of the mining of 300 tons of ore grading 0.316 oz. per ton of gold. Sampling carried out by the Company indicates values for the ore as high as 4.13 oz. of gold per ton over 0.85 metres. In 1976 a drill hole returned an intersection of 0.74 oz. of gold over a length of 3.36 metres.

The Company anticipates obtaining useful engineering information on the Goldfinch Property when conducting the engineering program on the Company's adjoining Independence Group Claims. The Company proposes an exploration program to include trenching, drilling and mining. The development of this property will be the subject of a future financing by the Company of which will depend upon the results from preliminary investigations and explorations on adjoining properties.

To date the Company has incurred exploration and development costs of approximately \$6,965 (excluding option payments) for geophysical work on the property.

There is no surface or underground plant and equipment.

The property is principally a gold property.

The property is without a known body of commercial ore.

**(d) C.C. Claim Group - Northwest Territories**

By Agreement dated July 31, 1973 with Gerald Ryznar, president and director of the Company, of 4405 Glencanyon Drive, West Vancouver, B.C., the Company acquired the C.C. Claims for the sum of \$3,000.00, being his cost of staking, plus 750,000 common shares subject to escrow conditions.

The escrowed share are currently owned by the following parties in the amounts indicated:

<u>NAME AND ADDRESS</u>	<u>NO. OF SHARES</u>
Gerald John Ryznar 4405 Glencanyon Drive, North Vancouver, B.C.	475,000
William James Thiessen P.O. Box 2130, Rutland, B.C.	12,500
Joel R. Sardone 1178 Hamilton Street, Vancouver, B.C.	262,500
	<hr/>
	TOTAL: 750,000
	<hr/> <hr/>

The C.C. Group of Claims consists of 129 claims located in the Clinton-Colden Lake area, which is approximately 380 kilometers north-east of Yellowknife. The claims cover a total of 6,662.85 acres at the north-west end of the volcanic belt that lies along the eastern side of Clinton-Colden Lake. The claims are easily accessible by float-equipped aircraft from Yellowknife.

Donald Bubar and Peter Lougheed, geologists, in their report to Kidd Creek Mines Ltd., dated May, 1983, state that the claims cover the northeast portion of a 45 kilometer long belt of Archean, metamorphosed volcanic and sedimentary rocks of the Yellowknife Supergroup. The claim area is underlain principally by felsic and intermediate volcanoclastic rocks that are considered to be highly prospective for volcanogenic massive sulphide deposits.

In their report Messrs. Donald Bubar and Lougheed state that the claims were staked after the discovery of sphalerite-bearing boulders and numerous gossan occurrences in felsic and intermediate metavolcanic rock at the north end of Clinton-Colden Lake. Additionally, the geologists report that data gathered to date indicates that the geological environment for the claims is a favourable setting for volcanogenic massive sulphide deposits.

Since 1973, the area has been fairly intensively explored by several companies, including Noranda Exploration Co. Ltd. and Kennco Exploration (Western) Ltd. Despite previous work, which included a small amount of diamond drilling by Noranda, in addition to geological, geochemical and geophysical surveys, the source and significance of the zinc-bearing boulders has never been fully explained. Messrs Bubar and Lougheed recommend that the mineralized horizon near the zinc showings should be drilled. Surveys done to date indicate that the geological environment is favourable to massive sulphide deposition and that further ground surveys would provide little in the way of additional useful data. The total drilling footage required to do this work would be approximately 2,000 ft. at an estimated cost of \$150,000.00.

By Option Agreement dated May 4, 1982, the Company optioned the C.C. Claim Group to Kidd Creek Mines Ltd. and since that date has received a total of \$12,500 in option payments. In April, 1984 the option was discontinued by Kidd Creek Mines Ltd. During the time that Kidd Creek Mines Ltd. held the option on the C.C. Claim Group they expended approximately \$118,225 on the claims and such exploration and development expenditures had indicated that further drilling is warranted. The Company intends to maintain the property in good standing and development of the same may be the subject of a future financing.

There is no surface of underground plant or equipment.

The property is principally a zinc property.

The property is without a known body of commercial ore.

**(e) Red and In Claim Group - Smithers, B.C.**

By Agreement dated June 1, 1983 the Company acquired two claim groups consisting of 39 claims (the Red group) and 18 claims (the In group) from Canadian Superior Exploration Ltd. of Calgary, Alberta, at a cost of \$15,000.00. Canadian Superior Explorations Ltd. is a major corporation and is a wholly owned subsidiary of Canadian Superior Oil Ltd. which is a subsidiary of Superior Oil Company, a multi-national corporation based in the U.S.A.

The Red and In claim group consists of approximately 4,028 acres and are situated approximately 100 miles north of Smithers, B.C. The claims are accessible by helicopter from Bear Lake airstrip located approximately 20 miles east of the property.

The Company reports that the claims are underlain by volcanoclastic and intrusive host rocks, bearing significant amounts of silver and copper mineralization.

In a previous drilling program carried out in 1973, the Red group claims outlined 5.5 million tons of 0.50% copper and 0.35 oz. per ton of gold. Trenching and sampling conducted on the In claims returned 0.39% copper and 0.80 oz. per ton of silver across a trenched exposure of 90 feet.

To date the Company has not incurred any development and exploration costs on the claims. Canadian Superior Explorations Ltd. incurred approximately \$200,000 on the claims for exploration work and some diamond drilling carried out over a ten year period. Getty Mining Ltd., which company held an option on the claims for a one year period, expended approximately \$100,000 in basic exploration work.

The Company does not propose to develop the Red and In group of claims at this time, however, the Company intends to maintain the claims which have the greatest potential in good standing for possible future development.

There is no surface or underground plant or equipment.

The property is principally a copper and silver property.

The property is without a known body of commercial ore.

### **Special Risk Factors**

The common shares offered hereby are considered speculative due to the nature of the Company's business. There is no assurance that expenditures to be made by the Company will result in any discoveries of minerals in commercial quantities.

Mineral exploration and development is inherently speculative and carries with it many risks that even the most careful evaluation and management cannot overcome. There is no assurance that any production will be obtained. If production is obtained prices received are subject to market fluctuations.

Mining operations generally involve a high degree of risk. Hazards such as unusual or unexpected formations and other conditions are involved. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure and which may have a material adverse effect on the Company's financial position.

### **ITEM 8. PROMOTERS**

Gerald Ryznar and Joel R. Sardone, acting in their capacities as Directors of the Company, may be considered the Promoters of the Company in accordance with Section 2(1) of the Securities Act. Reference is made to Item 7 wherein the interest of the Directors in the property acquired by the Company and the consideration received by them therefore is disclosed.

### **ITEM 9. PENDING LEGAL PROCEEDINGS**

Neither the Company nor its property is party to or the subject of pending legal proceedings.

### **ITEM 10. ISSUANCE OF SHARES**

The authorized capital of the Company consists of 10,000,000 Common Shares without par value of which 1,678,500 Shares are issued as fully paid and non-assessable. 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, conversion rights, provisions for redemption or purchase for either cancellation or surrender or provisions for sinking or purchase funds. 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.

### **ITEM 11. ISSUANCE OF OBLIGATIONS**

The Company is not offering any debt obligations.

### **ITEM 12. ISSUANCE OF OTHER SECURITIES**

No other securities are being offered by the Company.

### **ITEM 13. DIVIDEND RECORD**

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

### **ITEM 14. 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 (5) years are as follows:

<u>Name &amp; Address</u>	<u>Position with Company</u>	<u>Principal Occupation</u>
Gerald Ryznar 4405 Glencanyon Drive North Vancouver, B.C.	President/ Director	Geological Consultant formerly Senior Exploration Geologist with Cominco Ltd.
Joel R. Sardone* 1178 Hamilton Street Vancouver, B.C.	Secretary/ Director	Businessman; President of Alliance International Sales Ltd.
David J. Saxby 4727 South Picadilly St. West Vancouver, B.C.	Director	Businessman; President of Pacific Isotopes and Pharmaceuticals Ltd.; President of Aegis Consulting Services Ltd; Executive Trustee of Terry Fox Medical Research Foundation.
Edward Osborn 1385 Chartwell Drive West Vancouver, B.C.	Director	Businessman; Vice-President of Dillingham Construction Ltd.

The directors and senior officers of the Company are also officers, directors and promoters of a number of other reporting and non-reporting companies which are engaged in natural resources exploration and development. Thus, conflicts of interest may arise which could influence the directors in evaluation possible acquisitions on behalf of the Company or generally in acting on behalf of the Company, notwithstanding that they are bound by the provisions on the British Columbia Company Act to act at all times bona fide and in good faith in the interests of the Company. Persons considering the purchase of securities pursuant to the offering under this Prospectus must appreciate that they will be required to rely on the judgment and good faith of the Company's directors in resolving such conflicts of interest as may arise.

\*In November, 1984, in order to assist the Company in meeting its present financial obligations, Joel Sardone advanced to the Company the sum of \$25,000.00 by a way of director's loan. The loan is to be repaid by February 1, 1986 or upon the Company's next financing, whichever is earlier.

**ITEM 15. REMUNERATION OF DIRECTORS & SENIOR OFFICERS**

\$1,000.00 per month has been paid to Gerald Ryznar for management services rendered to the Company.

**ITEM 16. OPTIONS TO PURCHASE SECURITIES**

There are no outstanding options to purchase securities from the Company.

**ITEM 17. ESCROWED SECURITIES**

As of the date of this Prospectus, 750,000 Shares are held in escrow by Canada Trust Company, 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, 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. The complete text of the Escrow Agreement is available for inspection at the Registered Office of the Company, 16th Floor, 1100 Melville 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	44.68%

**ITEM 18. PRINCIPAL HOLDERS OF SECURITIES**

The shareholders of the Company who own 10% or more of the issued shares of the Company as at the date of this prospectus are as follows:

<u>Name</u>	<u>Class</u>	<u>Type of Ownership</u>	<u>No. of Shares Owned</u>	<u>Percentage</u>
Gerald Ryznar	Common	Of Record & Beneficially	538,500	32.08%
Joel R. Sardone	Common	Of Record & Beneficially	452,500	26.96%

The percentage of Shares of the Company being offered to the public for cash will represent 22.95% of the shares issued and outstanding upon completion of the offering and the number of shares currently held by Promoters and Directors of the Company will represent 45.49% of the shares issued and outstanding upon completion of the offering.

The number and percentage of shares in the Company beneficially owned, directly or 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 Shares	991,000	59.04%

**ITEM 19. PRIOR SALES**

The only prior sales are as disclosed under Item 5.

**ITEM 20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

The Directors and Senior Officers of the Issuer have no interest in any material transactions in which the Issuer has participated or intends to participate at this time, save and except as disclosed in this Prospectus and, in particular, those matters disclosed under the heading "Description of Business and Property of Issuer".

**ITEM 21. AUDITORS, TRANSFER AGENTS AND REGISTRARS**

The Auditors of the Company are Smith, Flynn, Staley, Chartered Accountants, 225 - 4299 Canada Way, Burnaby, British Columbia.

The Company's Registrar and Transfer Agent is Canada Trust Company, 1055 Dunsmuir Street, Vancouver, British Columbia.

The Company's solicitor is Bruce E. Morley of Boughton & Company, 1600-1100 Melville Street, Vancouver, British Columbia.

**ITEM 22. MATERIAL CONTRACTS**

There are no other material contracts except as disclosed in this Prospectus. The material contracts of the Company may be inspected at the Registered Office of the Company during normal business hours while primary distribution of the Shares offered by this Prospectus is in progress and for a period of thirty (30) days thereafter.

**ITEM 23. OTHER MATERIAL FACTS**

As disclosed in Items 2 and 14, in November 1984, Joel Sardone, director and secretary of the Company, advanced the sum of \$25,000.00 to the Company by way of director's loan to assist the Company in meeting its present financial obligations. The loan is to be repaid by February 1, 1986 or upon the Company's next financing, whichever is earlier.

There are no other material facts except as disclosed in this Prospectus.



**PURCHASERS' 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 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.
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 expiration of 90 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.

WINDFLOWER MINING LTD.

FINANCIAL STATEMENTS

30 APRIL 1984

SMITH, FLYNN, STALEY  
Chartered Accountants

# SMITH, FLYNN, STALEY

CHARTERED ACCOUNTANTS

225 - 4299 CANADA WAY,  
BURNABY, B.C. V5G 1H3  
TELEPHONE: 434-1384

R. C. SMITH CA  
A. R. FLYNN CA  
D. L. STALEY CA

## AUDITORS' REPORT

To the Shareholders of  
Windflower Mining Ltd.

We have examined the balance sheet of Windflower Mining Ltd. as at 30 April 1984 and the statements of changes in financial position and deferred exploration and development costs for the year 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 30 April 1984 and the results of its exploration activities and changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

15 May 1984

*Smith, Flynn, Staley*  
Chartered Accountants

WINDFLOWER MINING LTD.  
 (Under the Company Act, British Columbia)  
 BALANCE SHEET AS AT 30 APRIL 1984  
 (With comparative figures as at 30 April 1983)

	<u>1984</u>	<u>1983</u>
<u>ASSETS</u>		
CURRENT		
Cash	\$ 1,451	\$ 9,118
Bank term deposits	5,030	5,033
Deposit	7,395	-
	13,876	14,151
MINERAL RIGHTS, at cost (Notes 2 and 3)	25,500	10,500
DEFERRED EXPLORATION AND DEVELOPMENT COSTS - Schedule A (Notes 2 and 4)	154,728	25,668
AUTOMOTIVE EQUIPMENT, at cost less accumulated depreciation (Note 2)	9,425	13,464
INCORPORATION COSTS	896	896
	\$ 204,425	\$ 64,679

LIABILITIES

CURRENT		
Accounts payable	\$ -	\$ 179

SHAREHOLDERS' EQUITY

SHARE CAPITAL (Notes 5 and 6)		
Authorized -		
10,000,000 shares without par value		
Issued and fully paid -		
For cash	903,500 (443,000) shares	188,175 57,000
For rights	<u>775,000 (750,000) shares</u>	<u>16,250 7,500</u>
	<u>1,678,500 (1,193,000) shares</u>	<u>204,425 64,500</u>

ON BEHALF OF THE BOARD:

, Director  
 , Director

\$ 204,425	\$ 64,679
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WINDFLOWER MINING LTD.  
 STATEMENT OF CHANGES IN FINANCIAL POSITION  
 FOR THE YEAR ENDED 30 APRIL 1984  
 (With comparative figures for 1983)

	<u>1984</u>	<u>1983</u>
<b>SOURCE OF FUNDS</b>		
Share capital	\$ 139,925	\$ 18,000
Less - Share capital issued for an option on mineral rights	(8,750)	-
- Share capital issued for automotive equipment	-	(3,000)
	131,175	15,000
Option payments	7,500	5,000
Interest income	2,390	452
	141,065	20,452
<b>APPLICATION OF FUNDS</b>		
Exploration and development costs	136,560	7,701
Adjustment for the following items:		
Depreciation	(4,039)	(2,376)
Interest income	2,390	452
Share capital issued for an option on mineral rights	(8,750)	-
	126,161	5,777
Mineral rights	15,000	-
Automotive equipment	-	12,840
	141,161	18,617
<b>INCREASE (DECREASE) IN WORKING CAPITAL</b>		
	(96)	1,835
Working capital - Beginning of year	13,972	12,137
	\$ 13,876	\$ 13,972
<b>WORKING CAPITAL - 30 APRIL</b>		

WINDFLOWER MINING LTD.  
 SCHEDULE OF DEFERRED EXPLORATION AND DEVELOPMENT COSTS  
 FOR THE YEAR ENDED 30 APRIL 1984  
 (With comparative figures for 1983)

	<u>1984</u>	<u>1983</u>
DIRECT		
Independence Mineral Claims, B.C.		
Option payments	\$ 58,750	\$
Engineering report	3,024	
Property examination	2,340	
Assays	382	
	<u>64,496</u>	<u>-</u>
Goldfinch Mineral Claims, B.C.		
Option payment	25,000	
Property examination	1,245	
Assays	382	
	<u>26,627</u>	<u>-</u>
Silver Fox Mineral Claims, B.C.		
Engineering reports	5,389	
Option payment	5,000	
Sundry	2,224	
	<u>12,613</u>	<u>1,746</u>
Wind Mineral Claims, B.C.		
Staking and recording	2,400	
Assessment work	2,021	
Cash in lieu	1,320	
	<u>5,741</u>	<u>-</u>
Red, In and Con Mineral Claims, B.C.	660	-
TOTAL DIRECT COSTS	110,137	1,746
INDIRECT AND ADMINISTRATIVE COSTS - Schedule B	26,423	5,955
TOTAL COSTS FOR THE YEAR	136,560	7,701
Balance - Beginning of year	25,668	22,967
Option payments	(7,500)	(5,000)
BALANCE - 30 APRIL	<u>\$ 154,728</u>	<u>\$ 25,668</u>

WINDFLOWER MINING LTD.  
SCHEDULE OF INDIRECT AND ADMINISTRATIVE COSTS  
FOR THE YEAR ENDED 30 APRIL 1984  
(With comparative figures for 1983)

	<u>1984</u>	<u>1983</u>
Management fees	\$ 12,000	\$ -
Legal fees	7,094	1,501
Office and telephone	3,021	278
Depreciation	2,423	1,663
Travel and promotion	1,536	1,309
Licences and fees	1,100	-
Transfer agent fees	1,014	1,056
Audit and accounting fees	625	600
Interest income	(2,390)	(452)
	<u>\$ 26,423</u>	<u>\$ 5,955</u>

WINDFLOWER MINING LTD.  
 NOTES TO FINANCIAL STATEMENTS  
 30 APRIL 1984

## 1. GENERAL

By special resolution passed at an annual general meeting of the company held on 12 September 1983 the company converted from a specially limited company into a limited company and deleted the initials (N.P.L.) from its name.

## 2. SIGNIFICANT ACCOUNTING POLICIES

## (a) Exploration Activities

The company follows a full cost method of accounting for exploration activities whereby all costs, including related general and administrative expenses, are capitalized during the development stage for an area of interest. The capitalized costs are then amortized on an area of interest basis or written off to deficit when the mineral rights are abandoned.

As of 30 April 1984 the company had no production and accordingly all costs, including general and administrative expenses, have been deferred.

## (b) Depreciation

The company provides for depreciation on its automotive equipment at the rate of 30% on the declining balance method.

## 3. MINERAL RIGHTS

Details of mineral rights are as follows:

	<u>1984</u>	<u>1983</u>
C.C. Mineral Claims, Northwest Territories (100% interest in 129 mineral claims)	\$ 10,500	\$ 10,500
Red, In and Con Mineral Claims, B.C. (100% interest in 75 mineral claims)	15,000	-
	<u>\$ 25,500</u>	<u>\$ 10,500</u>



WINDFLOWER MINING LTD.  
 NOTES TO FINANCIAL STATEMENTS  
 30 APRIL 1984

4. DEFERRED EXPLORATION AND DEVELOPMENT COSTS

Details of deferred exploration and development costs are as follows:

	<u>1984</u>	<u>1983</u>
Independence Mineral Claims, B.C. (Option to acquire a 100% interest in 12 mineral claims) (Note 6b)	\$ 64,496	\$ -
Goldfinch Mineral Claims, B.C. (Option to acquire a 100% interest in 11 mineral claims) (Note 6c)	26,627	-
Silver Fox Mineral Claims, B.C. (Option to acquire a 100% interest in 1 mineral claim) (Note 6a)	13,647	1,033
Wind Mineral Claims, B.C. (100% interest in 2 mineral claims)	5,741	-
C.C. Mineral Claims, Northwest Territories (100% interest in 129 mineral claims)	4,024	11,524
Red, In and Con Mineral Claims, B.C. (100% interest in 84 mineral claims)	660	-
	<u>115,195</u>	<u>12,557</u>
Indirect and administrative	39,533	13,111
Total	<u>\$ 154,728</u>	<u>\$ 25,668</u>

5. SHARE CAPITAL

- (a) By special resolution passed at the annual general meeting on 12 September 1983 the authorized share capital was increased from 3,000,000 to 10,000,000 shares.
- (b) During the year ended 30 April 1984 the company issued 460,500 shares for cash in the amount of \$ 131,175 and 25,000 shares as an option payment for certain mineral rights at a deemed value of \$ 8,750.
- (c) 750,000 shares are held in escrow, to be released only with the consent of the governing regulatory bodies.

WINDFLOWER MINING LTD.  
NOTES TO FINANCIAL STATEMENTS  
30 APRIL 1984

6. OPTION AGREEMENTS

(a) On 1 May 1983 the company entered into an agreement to acquire a 100% interest in certain mineral claims in the Omineca Assessment District, B.C. In order to complete the terms of the agreement, the company shall:

(A) Make option payments as follows:

<u>Date</u>	<u>Share Capital</u>	<u>Cash Payment</u>
By 1 May 1983	10,000 (i)	\$ 5,000 (Paid)
By 1 July 1984		5,000
By 31 December 1985	<u>10,000</u>	<u>10,000</u>
	<u>20,000</u>	<u>\$ 20,000</u>

(B) Complete exploration work as follows:

<u>Date</u>	<u>Amount</u>
By 31 December 1984	\$ 70,000
By 31 December 1985	<u>80,000</u>
	<u>\$ 150,000</u>

(i) The issuance of the share capital is subject to completion of the transfer of ownership.

(ii) These mineral claims are subject to a 20% net profits interest reserved to the vendors.

(b) On 12 October 1983 the company entered into an agreement to acquire a 100% interest in certain mineral claims in the Revelstoke Mining Division, B.C. In order to complete the terms of the agreement the company shall:

(A) Make option payments as follows:

<u>Date</u>	<u>Share Capital</u>	<u>Cash Payment</u>
By 5 December 1983	25,000 (Issued)	\$ 20,000 (Paid)
By 31 December 1983	35,000	-
By 1 February 1984	-	30,000 (Paid)
By 30 June 1984	35,000	-
By 31 December 1984	35,000	-
By 1 February 1985	-	50,000
By 30 June 1985	35,000	-
By 1 February 1986	35,000	50,000
By 1 February 1987	<u>-</u>	<u>75,000</u>
	<u>200,000</u>	<u>\$ 225,000</u>

(The issuance of these shares is subject to approval from the governing regulatory bodies based on submission of satisfactory engineering data.)

WINDFLOWER MINING LTD.  
 NOTES TO FINANCIAL STATEMENTS  
 30 APRIL 1984

## 6. OPTION AGREEMENTS (Continued...)

(b) (B) Complete exploration work as follows:

By 31 December 1984	\$ 190,000
By 31 December 1985	<u>340,000</u>
	<u>\$ 530,000</u>

These mineral claims are subject to a 3% net smelter interest reserved to the vendors.

(c) On 1 November 1983 the company entered into an agreement to acquire a 100% interest in certain mineral claims in the Revelstoke Mining Division, B.C. In order to complete the terms of the agreement the company shall make the following payments and commitments:

(A) Cash - \$ 25,000 (Paid)

(B) Share capital

On or before 15 September 1984	50,000 shares
On or before 15 September 1985	<u>50,000 shares</u>
	<u>100,000 shares</u>

(C) Share purchase option

Exercisable on or before 31 December 1986 (the price per share to be equal to that at which the primary is to be sold)	<u>100,000 shares</u>
------------------------------------------------------------------------------------------------------------------------	-----------------------

(D) Complete exploration work as follows:

(i) On the subject mineral claims

On or before 31 December 1984	\$ 50,000
On or before 31 December 1986	<u>50,000</u>
	<u>\$ 100,000</u>

(ii) On the subject mineral claims and adjoining mineral claims (including expenditures in (i) above)

On or before 31 December 1986	<u>\$ 300,000</u>
-------------------------------	-------------------

These mineral claims are subject to a 3% net smelter return reserved to the vendors.

## 7. RELATED PARTY TRANSACTIONS

- (a) During the year ended 30 April 1984 management fees in the amount of \$ 12,000 were paid to a director of the company.
- (b) The Wind Mineral Claims, B.C., were acquired from a director of the company for \$ 5,741 (total costs to the director).

WINDFLOWER MINING LTD.

FINANCIAL STATEMENTS

31 OCTOBER 1984

- Prepared Without Audit -

SMITH, FLYNN, STALEY

Chartered Accountants

# SMITH, FLYNN, STALEY

CHARTERED ACCOUNTANTS

225 - 4299 CANADA WAY,  
BURNABY, B.C. V5G 1H3  
TELEPHONE: 434-1384

R. C. SMITH CA  
A. R. FLYNN CA  
D. L. STALEY CA

## COMMENTS ON UNAUDITED INTERIM FINANCIAL INFORMATION

To the Directors of  
Windflower Mining Ltd.

We have prepared the accompanying unaudited interim financial statements comprising the summarized balance sheet and the summarized statements of changes in financial position and deferred exploration and development costs for the six months ended 31 October 1984 from the records of Windflower Mining Ltd. and from other information supplied to us by the company and have reviewed such interim financial information. Our review, which was made in accordance with standards established for such reviews, consisted primarily of enquiry, comparison and discussion.

We have not performed an audit and consequently do not express an opinion on this interim financial information. The most recent audited financial statements issued to shareholders on which we have expressed an opinion were for the year ended 30 April 1984.

22 November 1984

*Smith, Flynn, Staley*  
Chartered Accountants

WINDFLOWER MINING LTD.  
 (Under the Company Act, British Columbia)  
 BALANCE SHEET AS AT 31 OCTOBER 1984 (Note 8)  
 - Prepared Without Audit -

ASSETS

CURRENT		
Cash		\$ 174
MINERAL RIGHTS, at cost (Notes 1 and 2)		25,500
DEFERRED EXPLORATION AND DEVELOPMENT COSTS		
- Schedule A (Notes 1 and 3)		189,849
AUTOMOTIVE EQUIPMENT, at cost less		
accumulated depreciation (Note 1)		8,012
INCORPORATION COSTS		896
		<u>\$ 224,431</u>

LIABILITIES

CURRENT		
Accounts payable		\$ 20,006

SHAREHOLDERS' EQUITY

SHARE CAPITAL (Notes 4 and 5)			
Authorized -			
10,000,000 shares without par value			
Issued and fully paid -			
For cash	903,500 shares	\$ 188,175	
For rights	<u>775,000 shares</u>	<u>16,250</u>	<u>204,425</u>
	<u>1,678,500 shares</u>		

ON BEHALF OF THE BOARD:

 \_\_\_\_\_, Director

 \_\_\_\_\_ Director

\$ 224,431

WINDFLOWER MINING LTD.  
STATEMENT OF CHANGES IN FINANCIAL POSITION  
FOR THE SIX MONTHS ENDED 31 OCTOBER 1984 (Note 8)  
- Prepared Without Audit -

APPLICATION OF FUNDS

Exploration and development costs	\$ 35,121
Adjustment for depreciation, being an item not affecting working capital	<u>(1,413)</u>
DECREASE IN WORKING CAPITAL	(33,708)
Working capital - 30 April 1984	<u>13,876</u>
WORKING CAPITAL (DEFICIT) - 31 OCTOBER 1984	<u><u>\$ (19,832)</u></u>

WINDFLOWER MINING LTD.  
 SCHEDULE OF DEFERRED EXPLORATION AND DEVELOPMENT COSTS  
 FOR THE SIX MONTHS ENDED 31 OCTOBER 1984 (Note 8)  
 - Prepared Without Audit -

## DIRECT

Silver Fox mineral claims, B.C.		
Option payments		\$ 5,000
Other		254
		<hr/>
		5,254
Goldfinch mineral claims, B.C.		
Electro magnetic and magnetometer survey		5,338
Wind mineral claims, B.C.		(420)
		<hr/>
		10,172

## INDIRECT AND ADMINISTRATIVE

Legal fees	\$ 10,825	
Management fees	6,000	
Listing and filing fees	3,040	
Audit fees	1,750	
Depreciation	1,413	
Transfer agent fees	1,190	
Travel and promotion	792	
Interest income	(61)	
	<hr/>	24,949
		<hr/>

COSTS FOR THE PERIOD		35,121
Balance - 30 April 1984		154,728
		<hr/>
BALANCE - 31 OCTOBER 1984		<u>\$ 189,849</u>



WINDFLOWER MINING LTD.  
 NOTES TO FINANCIAL STATEMENTS  
 31 OCTOBER 1984  
 - Prepared Without Audit -

## 1. SIGNIFICANT ACCOUNTING POLICIES

## (a) Exploration Activities

The company follows a full cost method of accounting for exploration activities whereby all costs, including related general and administrative expenses, are capitalized during the development stage for an area of interest. The capitalized costs are then amortized on an area of interest basis or written off to deficit when the mineral rights are abandoned.

As of 31 October 1984 the company had no production and accordingly all costs, including general and administrative expenses, have been deferred.

## (b) Depreciation

The company provides for depreciation on its automotive equipment at the rate of 30% on the declining balance method.

## 2. MINERAL RIGHTS

Details of mineral rights are as follows:

C.C. Mineral Claims, Northwest Territories (100% interest in 129 mineral claims)	\$ 10,500
Red, In and Con Mineral Claims, B.C. (100% interest in 57 mineral claims)	<u>15,000</u>
	<u>\$ 25,500</u>

## 3. DEFERRED EXPLORATION AND DEVELOPMENT COSTS

Details of deferred exploration and development costs are as follows:

Independence Mineral Claims, B.C. (Option to acquire a 100% interest in 12 mineral claims) (Note 5)	\$ 64,496
Goldfinch Mineral Claims, B.C. (Option to acquire a 100% interest in 11 mineral claims) (Note 5)	31,965
Silver Fox Mineral Claims, B.C. (Option to acquire a 100% interest in 1 mineral claim) (Note 5)	18,901
Wind Mineral Claims, B.C. (100% interest in 2 mineral claims)	5,321
C.C. Mineral Claims, Northwest Territories (100% interest in 129 mineral claims)	4,024
Red, In and Con Mineral Claims, B.C. (100% interest in 57 mineral claims)	<u>660</u>
	125,367
Indirect and administrative	<u>64,482</u>
Total	<u>\$ 189,849</u>

WINDFLOWER MINING LTD.  
 NOTES TO FINANCIAL STATEMENTS  
 31 OCTOBER 1984  
 - Prepared Without Audit -

## 4. SHARE CAPITAL

750,000 shares are held in escrow, to be released only with the consent of the governing regulatory bodies.

## 5. OPTION AGREEMENTS

(a) By agreement dated 1 May 1983 and amended 15 October 1984 the company has the right to acquire a 100% interest in certain mineral claims in the Omineca Assessment District, B.C. In order to complete the terms of the agreement, the company shall:

(A) Make option payments as follows:

<u>Date</u>	<u>Share Capital</u>	<u>Cash Payment</u>
By 1 May 1983	10,000 (i)	\$ 5,000 (Paid)
By 1 July 1984		5,000 (Paid)
By 31 December 1985	<u>10,000</u>	<u>10,000</u>
	<u>20,000</u>	<u>\$ 20,000</u>

(B) Complete exploration work as follows:

<u>Date</u>	<u>Amount</u>
By 31 December 1985	\$ 50,000
By 31 December 1986	50,000
	<u>\$ 100,000</u>

- (i) The issuance of the share capital is subject to completion of the transfer of ownership.
- (ii) These mineral claims are subject to a 20% net profits interest reserved to the vendors.

(b) By agreement dated 12 October 1983 and amended 27 February 1984 and 12 October 1984, the company has the right to acquire a 100% interest in certain mineral claims in the Revelstoke Mining Division, B.C. In order to complete the terms of the option agreement the company shall:

WINDFLOWER MINING LTD.  
 NOTES TO FINANCIAL STATEMENTS  
 31 OCTOBER 1984  
 - Prepared Without Audit -

## 5. OPTION AGREEMENTS (Continued...)

(A) Make option payments as follows:

<u>Date</u>	<u>Share Capital</u>	<u>Cash Payment</u>
Upon approval by the governing regulatory bodies	25,000 (Issued)	\$ 20,000 (Paid)
By 1 February 1984		30,000 (Paid)
By 1 February 1985		20,000
By 15 July 1985 (upon completion of Stage I of an exploration program)	52,500	
By 30 October 1985 (upon completion of Stage II of an exploration program)	52,500	
By 1 February 1986		50,000
By 1 September 1986 (upon completion of Stages III and IV of an exploration program)	70,000	
By 1 February 1987		50,000
By 1 February 1988		75,000
	<u>200,000</u>	<u>\$ 245,000</u>

(B) Complete exploration and development work as follows:

By 31 December 1985	\$ 190,000
By 31 December 1986	<u>150,000</u>
	<u>\$ 340,000</u>

(c) By agreement dated 1 November 1983 and amended 5 November 1984, the company has the right to acquire a 100% interest in certain mineral claims in the Revelstoke Mining Division, B.C. In order to complete the terms of the agreement the company shall, at its option, make the following payments and commitments:

(A) Cash

By 1 November 1983	\$ 25,000 (Paid)
By 5 November 1984	<u>15,000</u>
	<u>\$ 40,000</u>

WINDFLOWER MINING LTD.  
 NOTES TO FINANCIAL STATEMENTS  
 31 OCTOBER 1984  
 - Prepared Without Audit -

## 5. OPTION AGREEMENTS (Continued...)

## (B) Share capital

Upon approval of the agreement by the governing regulatory bodies	25,000
On or before 30 June 1985	50,000
On or before 31 December 1985	50,000
On or before 30 June 1986	<u>50,000</u>
	<u>175,000</u>

## (C) Complete exploration and development work on the subject and/or adjoining mineral claims

On or before 31 December 1986	<u>\$ 150,000</u>
-------------------------------	-------------------

The mineral claims are subject to a 2% net smelter return reserved to the vendor.

## 6. RELATED PARTY TRANSACTION

During the six months ended 31 October 1984 management fees in the amount of \$ 6,000 were paid or credited to a director of the company.

## 7. CONTINUED OPERATIONS

These financial statements have been prepared on a going concern basis which assumes that the company will be able to realize assets and discharge liabilities in the normal course of business for the foreseeable future. As at 31 October 1984 the company had a working capital deficiency of \$ 19,832. The ability to continue as a going concern is dependent on the company's ability to obtain additional financing.

## 8. COMPARATIVE FIGURES

Comparative figures have not been presented because financial statements for the six months ended 31 October 1983 were not prepared and such financial information is not readily available.

WINDFLOWER MINING LTD.

FINANCIAL STATEMENTS

1 FEBRUARY 1985

- Prepared Without Audit -

SMITH, FLYNN, STALEY

Chartered Accountants

# SMITH, FLYNN, STALEY

CHARTERED ACCOUNTANTS

225 - 4299 CANADA WAY,  
BURNABY, B.C. V5G 1H3  
TELEPHONE: 434-1384

R. C. SMITH C.A.  
A. R. FLYNN C.A.  
D. L. STALEY C.A.

## COMMENTS ON UNAUDITED INTERIM FINANCIAL INFORMATION

To the Directors of  
Windflower Mining Ltd.

We have prepared the accompanying unaudited interim financial statements comprising the summarized statements of changes in financial position and deferred exploration and development costs for the period ended 1 February 1985 from the records of Windflower Mining Ltd. and from other information supplied to us by the company and have reviewed such interim financial information. Our review, which was made in accordance with standards established for such reviews, consisted primarily of enquiry, comparison and discussion.

We have not performed an audit and consequently do not express an opinion on this interim financial information. The most recent audited financial statements issued to shareholders on which we have expressed an opinion were for the year ended 30 April 1984.

11 February 1985

*Smith, Flynn, Staley*  
Chartered Accountants

WINDFLOWER MINING LTD.  
 STATEMENT OF CHANGES IN FINANCIAL POSITION  
 FOR THE PERIOD FROM 1 MAY 1984 TO 1 FEBRUARY 1985  
 - Prepared Without Audit -

SOURCE OF FUNDS

Shareholder's loan		\$ 25,000
--------------------	--	-----------

APPLICATION OF FUNDS

Exploration and development costs	\$ 75,679	
Adjustment for depreciation, being an item not affecting working capital	(2,356)	73,323

DECREASE IN WORKING CAPITAL

48,323

Working capital - 1 May 1984

13,876

WORKING CAPITAL DEFICIT - 1 FEBRUARY 1985

\$ 34,447

REPRESENTED BY:

Current assets		\$ 1,156
----------------	--	----------

Current liabilities		35,603
---------------------	--	--------

\$ 34,447

WINDFLOWER MINING LTD.  
 SCHEDULE OF DEFERRED EXPLORATION AND DEVELOPMENT COSTS  
 FOR THE PERIOD FROM 1 MAY 1984 TO 1 FEBRUARY 1985  
 - Prepared Without Audit -

DIRECT

Goldfinch mineral claims, B.C.		\$ 15,000
Option payment		5,338
Electromagnetic and magnetometer survey		<u>5,338</u>
		20,338
Independence mineral claims, B.C.		
Option payment		20,000
Silver Fox mineral claims, B.C.		
Option payment	\$ 5,000	
Other	<u>254</u>	5,254
Wind mineral claims, B.C.		(420)
		<u>45,172</u>

INDIRECT AND ADMINISTRATIVE

Legal fees	14,374	
Management fees	6,000	
Listing and filing fees	3,040	
Audit and accounting	2,465	
Depreciation	2,356	
Transfer agent fees	1,530	
Travel and promotion	792	
Interest and bank charges - net	<u>(50)</u>	<u>30,507</u>

COSTS FOR THE PERIOD

\$ 75,679



D.D.H. GEOMANAGEMENT LTD.

REPORT

ON THE

WIND 1, SILVER FOX AND LE CROY

MINERAL CLAIMS

PINKUT CREEK

BABINE LAKE AREA

OMINECA MINING DIVISION

BRITISH COLUMBIA

LATITUDE  $54^{\circ} 24.4'$  N. - LONGITUDE  $125^{\circ} 25.4'$  W.

(NTS 93 - K - 6W)

FOR

WINDFLOWER MINING LTD.

4405 GLENCANYON DR.

NORTH VANCOUVER, B.C.

BY

A.D. DRUMMOND, Ph.D., P.ENG.

GEOLOGICAL ENGINEER

1 June 1984

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## APPENDICES

- APPENDIX A: Taltapin Mining Co. Ltd. Internal Letter of August 7, 1928 by R.M. Morgan, General Manager, including Report of Provincial Assayer (B.C.).
- APPENDIX B: Cominco Ltd., Trail, B.C., Assay Certificate, Serial No. 8215 (O.P. 447) dated August 27, 1970.
- APPENDIX C: Bondar-Clegg and Co., Ltd., North Vancouver, B.C., Geochemical Lab. Report No. 122-2780 dated 28 August, 1982.

SUMMARY

The Pinkut Creek property of Windflower Mining Ltd. is located 40 road kilometres north of Burns Lake, B.C. near the southern end of Babine Lake. The property consists of the staked Wind 1 mineral claim (12 units), the optioned Silver Fox (L. 4097) Crown Granted mineral claim and the Le Croy reverted Crown Granted mineral claim. Historically (1919 to 1928) the area was explored for its silver-bearing base metal (Cu, Pb, Zn) quartz veins.

Re-examination of the property during the intervening years to the present has indicated that the silver-gold bearing copper-lead-zinc quartz veins are actually part of a shattered and faulted contact zone between Cache Creek volcanic rocks and a siliceous hydrothermally altered sulphide-bearing quartz monzonitic intrusive. It is within this uncompletely defined volcanic-intrusive contact zone that the mineralized quartz veins occur as a north-easterly to easterly striking, steep to gentle north dipping group of sub-parallel mineralized veins.

Under current metal prices, the precious metal content of the formerly explored veins and their undefined extension is warranted. For example, in the former shaft area two separated seven foot intersections were reported from a drill hole (Day (1928)) which assayed (216 to 223 ft.) 0.03 oz/t Au, 12.6 oz/t Ag, 7.8% Pb and 2.4% Zn and (303 to 310 ft.) 0.03 oz/t Au, 77.2 oz/t Ag, 1.9% Cu and 5.1% Zn. At the 120 foot mark in the shaft, a 18 to 20 inch width gave 0.36 oz/t Au, 67.8 oz/t Ag, 1.2% Cu, 17.5% Pb and 13.8% Zn. The highest values reported were at 140 feet in the shaft with 0.16 oz/t Au, 257.2 oz/t Ag, coupled with 24.1% combined Pb - Zn.

An evaluation program has been recommended to define and test the economic potential of the mineralized veins within the shattered and faulted volcanic-intrusive contact zone. The estimated cost of the proposed work program is \$241,000.00 which is composed of two phases, i.e. \$ 79,000.00 (Phase I) and \$162,000.00 (Phase II) respectively.

### INTRODUCTION

The firm of D.D.H. Geomanagement Ltd. was commissioned on 25 May, 1983 by the Directors of Windflower Mining Ltd., 4405 Glencanyon Drive, North Vancouver, British Columbia, V7N 4B4, to appraise the exploration potential and to recommend an evaluation program for the Wind Mineral Claim, near Babine Lake, Omineca Mining Division, British Columbia. This assignment was accomplished by examining the property on 8 June, 1983, and by compiling past work, published and unpublished, government and private, on the subject area. This report outlines the exploration potential of the property and a work program to test that potential.

### LOCATION AND ACCESS

The Wind 1, Silver Fox, and Le Croy mineral claims of Windflower Mining Ltd. are located in central British Columbia about 40 kilometres (25 miles) north of Burns Lake, B.C. (see Location Map, Figure 1). Coordinates are latitude  $54^{\circ} 24.4'$  N. and longitude  $125^{\circ} 25.4'$  W.

Vehicle access is via gravel road from Decker Lake immediately to the west of Burns Lake, which road gives access to the Babine Lake and the Pinkut Creek Spawning Channel (Figure 2). Burns Lake is 229 kilometres (142 miles) west of Prince George, B.C., along Highway 16

and 496 kilometres (308 miles) east of Prince Rupert, B.C. Road distance from Vancouver, B.C. to Burns Lake is 1007 kilometres (626 miles). Commercial airport facilities exist at Prince George, B.C. and Smithers, B.C., the latter being 145 kilometres (90 miles) west of Burns Lake, B.C.

Topography within the Nechako Plateau is characterized as gentle rolling hills with a base elevation of about 910 metres (3000 feet), upon which hills such as Taltapin Mountain rise to 1604 metres (5295 feet) a.s.l.

Forest cover is abundant and composed of spruce, balsam, jack pine, and poplar.

#### PROPERTY AND TITLE

The following claims constitute the holdings of Windflower Mining Ltd. in the Omineca Mining Division:

(a) Staked Mineral Claim

<u>Name</u>	<u>Units</u>	<u>Record No.</u>	<u>Expiry Date</u>
Wind (Registered owner is Gerald Ryznar)	12	3333 (10)	21 October, 1984

(b) Crown Granted Mineral Claim

<u>Name</u>	<u>Lot No.</u>	<u>Registered Owner</u>
Silver Fox	L. 4097	Michael Paul and Stokes Anderson Muller

(Held by Windflower Mining Ltd. under an option agreement dated 18 April, 1983 with the registered owners).

(c) Reverted Crown Granted Mineral Claim

<u>Name</u>	<u>Lot No.</u>	<u>Record No.</u>	<u>Expiry Date</u>
Le Croy (Registered owner is Gerald Ryznar)	4098	4983(2)	3 February, 1990

The claims are outlined in Figure 3, which map was reproduced from Mineral Claim Map 93 K/6W (Microfile date 1983-03-17).

## HISTORY

The Taltapin Mining Company was formed in 1919 to explore the Silver Fox and six adjoining mineral claims according to Galloway (1920). In 1920, a number of quartz veins were exposed in the 70 foot high gorge of Anderson Creek (now known as Pinkut Creek), which veins reportedly had a north-easterly strike and dipping at angles of  $30^{\circ}$  to  $60^{\circ}$  to the northwest. The most important vein was termed the "High-grade vein" which had an altitude of N.  $30^{\circ}$  E./ $60^{\circ}$  N.W. According to Galloway (1921), the veins consisted of abundant quartz with variable amounts of galena, sphalerite, chalcopyrite, arsenopyrite, pyrite, and tetrahedrite. Host rocks are andesitic volcanic rocks striking northeast and dipping shallow to the northwest. Vein widths are variable and range from 6 inches (15 cms.) to about 5 feet (1.5 m.). During 1920, several adits were started, i.e. the Anderson and Wood "tunnels", and a shaft was sunk on the "High-grade vein" which subsequently filled with water.

In 1925, the shaft dump was sampled and assayed trace gold, 3.6 oz/t silver, 1% copper, 3% lead, and 27% zinc (Lay, (1926)). Lay (1926) reported that the objective of the shaft - namely the penetration of the "High-grade vein" - had not yet been reached. Presumably, the mineralized material noted in the dump was from another vein. Wilkinson (1926) reported that the shaft was 7 by 8 feet (2.1 m. by 2.4 m.) and 70 feet deep (21.2 m.).

During 1926, the shaft was extended to 90 feet (27.3 m.) and apparently intersected a hitherto unknown 3 foot vein. Lay (1927) also reported that a shipment of hand sorted material in the order of 4 tons was made from the "High-grade vein". Lay (1927) further reported that the reject or cullings of the hand sorted material from the shipment when sampled gave an assay of 0.04 oz/t gold, 16 oz/t silver, 1.5% copper, 9% lead, and 16% zinc.

During 1927, regional exploration in the general vicinity of the Silver Fox Crown Granted mineral claim indicated that the geological setting was one of mineralized quartz veins both within the andesitic volcanic rocks to the west of Pinkut Creek, and within batholithic rocks to the east of Pinkut Creek. On the Le Croix (L.4983) (current spelling on Record, Form A is Le Croy), adjacent on the east of the Silver Fox claim, surface exposures in 1927 indicated quartz mineralization with copper stain in andesitic country rock, an assay from which gave 0.5% copper and trace gold and silver (Day 1928)).

The first mention of diamond drilling on the property (pertaining to the "High-grade vein") was reported by Day (1928) who stated:

"The diamond drill with an inch core was sunk at an angle of 35°, and at a depth of 216 feet went through 7 feet of ore, which assayed: Gold, 0.03 oz. to the ton; silver, 12.6 oz. to the ton; lead, 7.8 per cent; zinc, 2.4 per cent; also at a depth of 303 feet the drill went through the high-grade ore appearing in Anderson Creek (now known as Pinkut Creek) for 7 feet, which assayed: Gold, 0.03 oz. to the ton; silver, 77.2 oz. to the ton; copper, 1.9 per cent; zinc, 5.1 per cent."

W.S. Bacon, Registered Mining Engineer, examined the property in July, 1927 and reported that a number of veins within the Silver Fox claim were sampled, the results of which are summarized below:

<u>Location</u>	<u>Width</u>	<u>Au</u> <u>oz/t</u>	<u>Ag</u> <u>oz/t</u>	<u>Cu</u> <u>%</u>	<u>Pb</u> <u>%</u>	<u>Zn</u> <u>%</u>
Creek bed opposite shaft NE strike NW dip	4'	trace	0.62	1	17.5	25
East side creek N-S vein	4'	0.06	1.2	trace	7.2	2.5
East side creek N-S vein	2'	trace	0.9	trace	0.8	1.0

<u>Location</u>	<u>Width</u>	<u>Au</u> <u>oz/t</u>	<u>Ag</u> <u>oz/t</u>	<u>Cu</u> <u>%</u>	<u>Pb</u> <u>%</u>	<u>Zn</u> <u>%</u>
West side creek N-S vein	12'	trace	0.4	0.2	6.3	1.0

(Note: Specific locations are not known as there is presently no accompanying map to the letter report.)

The only other pertinent data available is an internal letter of Taltapin Mining Co. Ltd. dated August 7, 1928 (see Appendix A) in which is indicated that the shaft was deepened 145 feet (43.9 m.), that water seeping into the shaft was a serious problem leading to the abandonment of the shaft, and that the vein or veins pinch and swell. Assays from the Provincial assayer (April 26, 1928, Vancouver, B.C.) are appended and given as:

Silver Fox Mineral Claim Shaft

	<u>Width</u>	<u>Au</u> <u>oz/t</u>	<u>Ag</u> <u>oz/t</u>	<u>Cu</u> <u>%</u>	<u>Pb</u> <u>%</u>	<u>Zn</u> <u>%</u>
Depth at 120'						
"A" )	18" to 20"	0.36	67.8	1.2	17.5	13.8
"B" )		0.12	31.2	0.6	6.1	8.3
)						
at 130'	Vein Pinched					
at 140'	15"	0.16	257.2	Not Assayed	11.6	12.5

During the writer's examination of 8 June, 1983, two shafts were observed and both were caved. From the available historical record, it is not known when the second shaft was constructed. Presumably the above dump and vein samples pertain to the first shaft, which would appear to be the one nearest to the creek. The second shaft west of the first is slightly higher in collar elevation and further from the creek supposedly to lessen the water problem.



The property appears to have remained dormant until 1970 when the owners renewed their interest (A.R. Allen (1970)). The Silver Fox claim was then jointly held by Mrs. Myrna Paul (granddaughter of Charles S. Anderson), C. Shank, R. Coombs, and R. Therrien. Charles S. Anderson was one of the original stakers. Mr. A.R. Allen, P. Eng., examined the property and recommended a work program. Also in 1970 during August, Mr. R. Coombs received the following assays from Cominco Ltd., Trail, B.C. in response presumably to his shipping a small quantity of mineralized material from the Silver Fox claim. Sample location is not known.

Cominco Co. Ltd., Trail, B.C.  
Serial No. 8215

August 27, 1970  
Lot. O.P. 447

<u>Au</u> <u>oz/t</u>	<u>Ag</u> <u>oz/t</u>	<u>Pb</u> <u>%</u>	<u>Zn</u> <u>%</u>	<u>SiO<sub>2</sub></u> <u>%</u>	<u>Fe</u> <u>%</u>	<u>CaO</u> <u>%</u>	<u>Al<sub>2</sub>O<sub>3</sub></u> <u>%</u>	<u>U<sub>3</sub>O<sub>8</sub></u> <u>%</u>
0.195	184.0	6.8	9.8	68.6	2.5	0.2	1.4	0.01

(See Assay certificate - Appendix B.)

Other mineral prospects in the Pinkut Creek - Babine Lake area are:

(a) The Radio Gold Mines Ltd. (No. 24) located some 3.4 kilometres (2 miles) to the northeast of the Wind claim and which prospect contains pyrite, chalcopyrite and molybdenite in quartz in metamorphosed Carboniferous rocks adjacent to granodiorite batholithic rocks (Armstrong (1949)).

(b) Silver Island Mining Company (No. 25) located on Silver Island in Babine Lake some 5.6 kilometres (3.5 miles) north of the Wind claim and which prospect contained tetrahedrite, argentite, native silver and minor galena, sphalerite, chalcopyrite and pyrite in narrow quartz veins at the contact of a rhyolite plug and a larger dioritic body (Armstrong (1938)).

(c) Boling Property (No. 28) located on the north side of Babine Lake some 8 kilometres (5 miles) north-northwest of the Wind claim, and which prospect is only known as silver-lead-zinc mineralization in Carboniferous greenstones (Armstrong (1938)).

(d) Anderson (No. 27) a silver-lead-zinc prospect located some 3.4 kilometres (2 miles) south of the Wind 1 claim (Mineral Inventory Map 93 K).

Locations are shown in Figure 2 for the deposit numbers referred to above.

#### RECENT WORK

During August, 1982, Windflower Mining Ltd. undertook reconnaissance geochemical stream silt and soil surveys. Of a total of fifty-four samples taken and analyzed for Ag, Cu, and in part for Mo, three locations in the southwest portion of the Wind 1 claim gave:

<u>Sample No.</u>	<u>Ag (ppm)</u>	<u>Cu (ppm)</u>
10	3.2	640
11	4.2	270
12	14.0	1020

A second area of weak response was near the north central portion of the Wind 1 claim which indicated:

<u>Sample No.</u>	<u>Ag (ppm)</u>	<u>Cu (ppm)</u>
39	0.8	163
40	0.8	174
41	0.4	135
42	0.6	100

Sample sites are shown in Figure 4. Analyses was made by Bondar - Clegg and Co., Ltd. of North Vancouver, B.C. Results are appended (Appendix C).

## REGIONAL GEOLOGY

The Fort St. James map area was mapped by Armstrong (1938, 1949) and outlined on Map 907 A. The geological setting for the southern end of Babine Lake comprises rocks of the Cache Creek Group of Permian age, which have been intruded by granitic rocks related to the Topley Intrusives during post-middle Permian to Upper Jurassic (?) time. The remainder of the area is covered either with Tertiary Endako Group volcanic rocks (Oligocene or later), or with Quaternary and Recent gravels (See Figure 5).

The stratigraphic column for the southern Babine Lake area is as follows (after Armstrong (1949) and Map 907 A):

<u>Age</u>	<u>Formation</u>	<u>Rock Type</u>
TERTIARY (Oligocene or later)	Endako Group	Vesicular and amygdaloidal basalt, andesite and dacite; flow breccia and agglomerate (15 A).
PERMIAN (?) AND/OR LATER (Post Middle Permian- Pre-Upper Jurassic (?))	Topley Intrusives	Granite and Granodiorite (5 A), Syenite (5 B), Diorite (5 C).
PENNSYLVANIAN (?) AND PERMIAN	Cache Creek Group	Ribbon chert, argillaceous quartzite, argillite, slate, greenstones, minor conglomerate and greywacke and metamorphosed equivalent of the above (2 A).

The silver-lead-zinc deposits of the Wind 1 claim including the Silver Fox Crown Granted claim, Silver Island and Boling, are at or near the contact of the Intrusive rocks and those of the Cache Creek Group. The Radio Gold deposit lies within the Intrusive and not surprisingly contains copper and molybdenite.

#### PROPERTY GEOLOGY

##### (a) General Setting

Along a steep gorge on Pinkut Creek within the Silver Fox Crown Granted mineral claim (L. 4097), a set of mineralized quartz veins outcrop near the contact of a siliceous quartz monzonitic-granodioritic intrusive rock and sheared andesitic rocks of the Cache Creek Group (Figure 6). Away from the gorge, outcrop is sparse, but overburden may not be thick. An area of intrusive rock to the east of Pinkut Creek was exposed in a road material quarry where overburden was less than one metre deep.

##### (b) Intrusive Rocks, Phases and Hydrothermal Alteration

The intrusive rocks adjacent to the contact with the Cache Creek Group andesitic volcanic rocks have been subjected to chloritization. The original rock was a biotite quartz monzonite or siliceous granodiorite. The original biotite has been chloritized and the feldspars have become bleached and clouded. Release of iron from the biotite has been sulphidized to pyrite such that it is not uncommon to have disseminated pyrite present in quantities up to 1 to 2% by volume in the rock. Locally within the quartz monzonitic intrusion, there are zones in which the grain size is noticeably coarser (up to 5 to 10 mm. in largest dimension). This coarser rock contains quartz, clouded whitish feldspar and coarse muscovite and is herewith termed pegmatitic phase (see Figure 6).

Mapping has indicated that a tongue of finer grained chloritized and bleached quartz monzonite about 50 metres (160 feet) wide trends away from the main mass towards the west.

(c) Volcanic Rocks

The andesitic rocks into which the quartz monzonite intruded have been similarly chloritized and subjected to structural readjustments such that the contact rocks, as currently exposed, are well shattered. Foliation (banding) and/or bedding attitudes within the andesitic volcanic rocks appears, on limited exposure, to be sub-parallel to the attitude of, at least, some of the quartz veins and associated veinlets.

(d) Structure

Structurally implications from the exposure along the Pinkut Creek gorge indicate that Pinkut Creek is the location of a fault with the west side down and the east side up; that in this locality the Cache Creek Group - intrusive contact is fault controlled and that the quartz veining forms a sheeted stockwork-like zone within the structurally disrupted zone of the contact area.

(e) Mineralization

Mineralization occurs not only within the quartz veins, but also on fracture surfaces outside of the quartz veins. Texture of the mineralization suggests that sulphide deposition was relatively late during the stage of quartz vein formation, in that the sulphides are on fracture surfaces within shattered quartz veins as well as outside of the quartz veins.

(f) Mineralogy

Mineralogy is relatively simple with, in order

of abundance, pyrite, galena, tetrahedrite and/or silver sulphosalt(s) and/or arsenopyrite, sphalerite, chalcopyrite (locally coated with chalcocite/covellite) in a gangue of quartz. Gold is noted in assay results, but was not observed. Sulphide grain size is generally very fine, being in the order of 100 microns with pyrite and sphalerite being larger (500 microns or more) on the average.

#### CONCLUSIONS ON EXPLORATION POTENTIAL

Previous work during the period 1919 to 1928 outlined the presence of several quartz-pyrite galena-tetrahedrite-arsenopyrite-sphalerite-chalcopyrite-gold veins in widths varying from veinlets to width in the 1.2 metres (4 feet) to 2.1 metres (7 feet) range. Two shafts and several adits comprise the former physical work on the property.

After examination of the property by the writer, it became clear that several mineralized veins must have been intersected in the shaft. Within the formerly explored area along Pinkut Creek about 150 to 200 feet north of the shafts and on both sides of the fault along Pinkut Creek, a NE to E-W striking and northerly dipping group of sub-parallel quartz veins or zone of sheeting can be observed. There is not only the previously reported one to five mineralized quartz veins, but actually a sub-parallel stockwork of mineralized veins and veinlets. A portion of mineralization was deposited on late fractures within the host andesites. The dyke-like-portion of the intrusive has been extensively chloritized and bleached in the contact area where the sheeted quartz veining occurs.

During the 1919 - 1928 period, reported assays indicated significant silver values (at current metal

prices) near the bottom of the shaft (presumably the easternmost of the two shafts), namely, at 120 feet of depth, 0.36 oz/t Au, 67.8 oz/t Ag, 1.2% Cu, and 31.2% combined Pb-Zn over 18 to 20 inches, and at 140 feet of depth, 0.16 oz/t Au, 257.2 oz/t Ag, and 24.1% combined Pb-Zn (no Cu assay available) over 15 inches. Further, the drill hole (collar location unknown but oriented to test the "High-grade vein") indicated the presence of a reported 7 foot intersection which assayed 0.03 oz/t Au, 77.2 oz/t Ag, 1.9% Cu, and 5.1% Zn (Pb was not given).

The presence of significant silver and gold values combined with copper, lead, and zinc in various mineralized quartz veins which occur in the form of a sheeted stockwork along the shattered and faulted volcanic-intrusive contact, suggest good exploration potential for either defining an economic mineral shoot within specific veins within the contact zone, or along the major fault traversing Pinkut Creek, or both. The presence of mineralization outside of the veins in the country rock may give potential to developing some disseminated mineral reserves. Definition of the gold-silver-copper-lead-zinc mineralized zone as previously indicated, should be evaluated by trenching and diamond drilling.

The presence of anomalous geochemical silver values away from the area of previous work require further detailed follow-up and trenching to locate the source of the silver. To date, because of surface cover, the zone away from the Pinkut Creek gorge along the volcanic-intrusive contact must be considered as being open with regard to potential mineralization. Drilling for both geology and mineralization may be necessary, if the overburden is too thick to be reasonably moved by a bulldozer.

Since the volcanic-intrusive contact is the site of the mineralized quartz veining, it will be necessary to indirectly define the contact using geophysical methods such as ground magnetometer and possibly V.L.F. - E.M. Test lines should be run to ascertain that the magnetic susceptibility difference between the volcanic rocks and the intrusive is sufficient to be useful as an indirect mapping tool. The V.L.F. used in a similar manner may suggest zones of fracturing along the contact.

#### RECOMMENDATIONS

In light of the exploration potential indicated on the Pinkut Creek property of the Windflower Mining Ltd. along the, as yet, undefined but mineralized volcanic-intrusive contact, the following program for further work is recommended:

#### PHASE I

- 1) Geologically map the entire Wind 1 claim with particular emphasis on the exposures along the Pinkut Creek gorge.
- 2) Conduct a ground magnetometer survey using minimum 100 metre grid lines over the entire claim.
- 3) Conduct V.L.F. and detailed geochemical surveys in those areas interpreted as being the volcanic-intrusive zone from the ground magnetometer survey.
- 4) Rehabilitate, if practical, the former underground openings, such work to include geological mapping and sampling.
- 5) Trench using a bulldozer or large backhoe those areas near the Pinkut Creek gorge and elsewhere along the inferred volcanic-intrusive contact to effect exposures for mapping and sampling.



- 6) Diamond drill along both sides of the Pinkut Creek gorge (fault) to define economic significance of the mineralized quartz veining. Some diamond drilling will also be required to test for mineralization along the volcanic-intrusive contact away from the Pinkut Creek gorge.

PHASE II

Diamond drill a "fill-in" pattern to further define the mineralization encountered during the Phase I program.

COST ESTIMATE OF PROPOSED WORK PROGRAM

PHASE I

Geological mapping, sampling and supervision	-	\$ 8,000.00
Line cutting (25 line kms. @ 100 m. spacing)	-	5,000.00
Geophysical survey (magnetometer) and interpretation	-	4,000.00
Geochemical survey	-	4,000.00
V.L.F. - E.M. survey	-	4,000.00
Bulldozer trenching	-	8,000.00
Rehabilitate underground openings	-	14,000.00
Diamond drilling - 600 feet at \$35/ft. "all in" (camp included)	-	21,000.00
Assaying	-	<u>4,000.00</u>
Sub-Total	-	\$ 72,000.00
Contingency @ 10% +/-	-	<u>7,000.00</u>
Total Phase I	-	\$ <u>79,000.00</u>

PHASE II

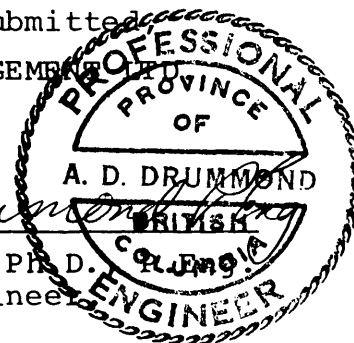
Diamond drilling 3000 feet @ \$40/ft. "all in"	-	\$120,000.00
Assaying	-	7,000.00
Core logging sampling and supervision	-	15,000.00
Report (compilation and writing)	-	<u>5,000.00</u>
Sub-Total	-	\$147,000.00
Contingency @ 10% +/-	-	<u>15,000.00</u>
Total Phase II	-	<u>\$162,000.00</u>

The total estimated cost of Phase I and II is \$241,000.00

Respectfully submitted

D.D.H. GEOMANAGEMENT

*A. D. Drummond*  
A.D. Drummond, Ph.D.  
Geological Engineer



REFERENCES:

- 1) Allen, A.R. (1970) Report on An Examination of The Silver Fox Property; Professional Engineer report for R. Therrien and Associates, Williams Lake, B.C., by Allen Geological Engineering Ltd., Vancouver, B.C., dated 22 October, 1970.
- 2) Armstrong, J.E. (1938) Northwest Quarter of the Fort Fraser Map - Area B.C., Preliminary Report; Geol. Surv. Canada, Paper 38-10.  
  
Armstrong, J.E. (1949) Fort St. James Map Area, Cassiar and Coast Districts, British Columbia; Geol. Surv. Canada, Memoir 252.
- 3) Bacon, W.S. (1927) registered mining engineer, Province of B.C.; unpublished letter report to Directors, Taltapin Mining Co. Ltd., 612 Vancouver Block, Vancouver, B.C.: dated August (?), 1927.
- 4) Galloway, J.D. (1920) Silver Fox; in Annual Report of the Minister of Mines for 1919, British Columbia, pp. N 105 - N 106.  
  
Galloway, J.D. (1921) Taltapin Mining Company; in Annual Report of the Minister of Mines for 1920, British Columbia, pp. N 93 - N 94.  
  
Galloway, J.D. (1925) Map - Silver Island Babine Lake and Taltapin Lake; in Annual Report of the Minister of Mines for 1924, British Columbia, p. B 102.
- 5) Lay, D. (1926) Taltapin Mining Co.; in Annual Report of the Minister of Mines for 1925, British Columbia, p. A 143.  
  
Lay, D. (1927) Taltapin Mining Co. Ltd.; in Annual Report of the Minister of Mines for 1926, British Columbia, pp. A 145 - A 146.  
  
Lay, D. (1928) Taltapin Mining Co. Ltd.; in Annual Report of the Minister of Mines for 1927, British Columbia, pp. C 150 - C 151.  
  
Lay, D. (1929) Taltapin Mining Co. Ltd.; in Annual Report of the Minister of Mines for 1928, British Columbia, pp. C 177 - C 179.
- 6) Ryznar, G. (1982) Geochemical Survey Report on Mineral Claim Wind 1, Omineca M.D., Windflower Mining Ltd.; report dated September 7, 1982.
- 7) Wilkinson, G. (1926) Taltapin; in Annual Report of the Minister of Mines, British Columbia, Chief Mines Inspector Report, P. A 360.

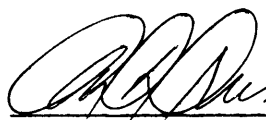
## D.D.H. GEOMANAGEMENT LTD.

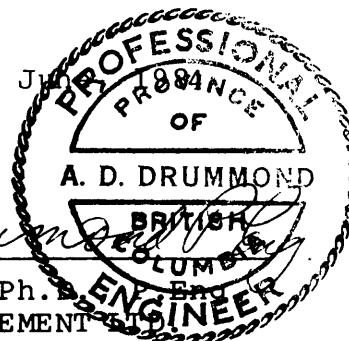
CERTIFICATION

I, Arthur Darryl Drummond of the City of Vancouver, Province of British Columbia, hereby certify as follows:

- 1) I am a geological engineer residing at 3249 West 35th Avenue, Vancouver, B.C. and employed by D.D.H. Geomanagement Ltd., with an office at 422 - 470 Granville Street, Vancouver, B.C.
- 2) I am a registered Professional Engineer of the Province of British Columbia, certificate no. 5778. I graduated from the University of British Columbia in 1959 with a B.A.Sc. in geological engineering, and in 1961 with a M.A.Sc. in geological engineering. I graduated from the University of California in 1966 with a Ph.D. in geology.
- 3) I have practised my profession continuously for 24 years primarily with the Placer Development Group of Companies at Craigmont, Endako and Gibraltar mines, and in mineral exploration in Canada, United States of America, Chile, Argentina, Mexico and the Philippines.
- 4) I am the author of this report which is based on published and unpublished, government and private reports, as well as an examination of the subject property on June 8, 1983.
- 5) I have no interest, direct or indirect, in the property discussed in this report or in the securities of Windflower Mining Ltd., nor do I expect to receive any.
- 6) I consent to the use of this report to satisfy requirements of the Vancouver Stock Exchange and the British Columbia Securities Commission.

Dated at Vancouver, B.C., this 1st day of July

  
 A.D. Drummond, Ph.D. Eng.  
 D.D.H. GEOMANAGEMENT LTD.  
 Geological Engineer.



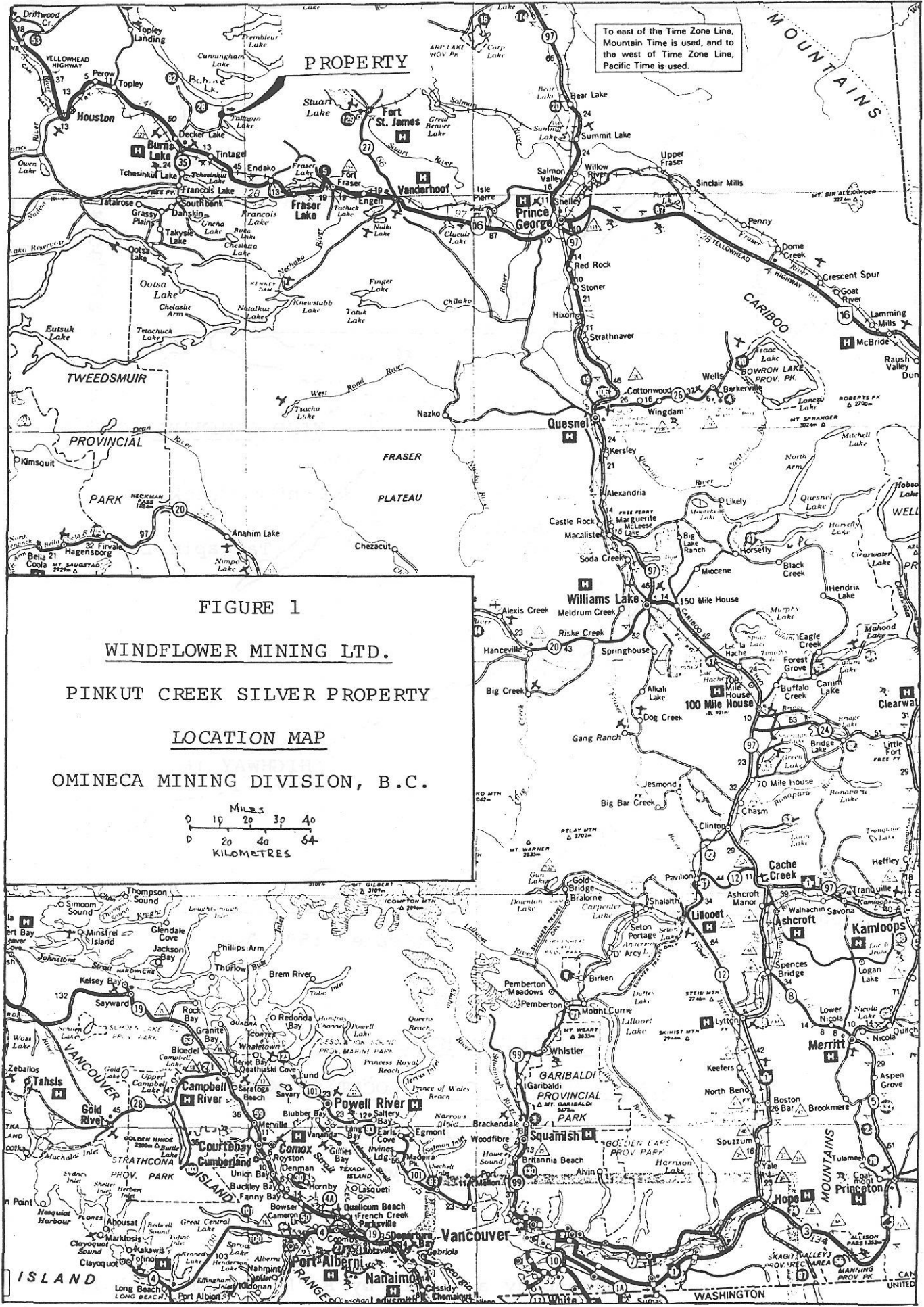


FIGURE 1  
 WINDFLOWER MINING LTD.  
 PINKUT CREEK SILVER PROPERTY  
 LOCATION MAP  
 OMINECA MINING DIVISION, B.C.

MILES  
 0 10 20 30 40  
 KILOMETRES  
 0 20 40 64

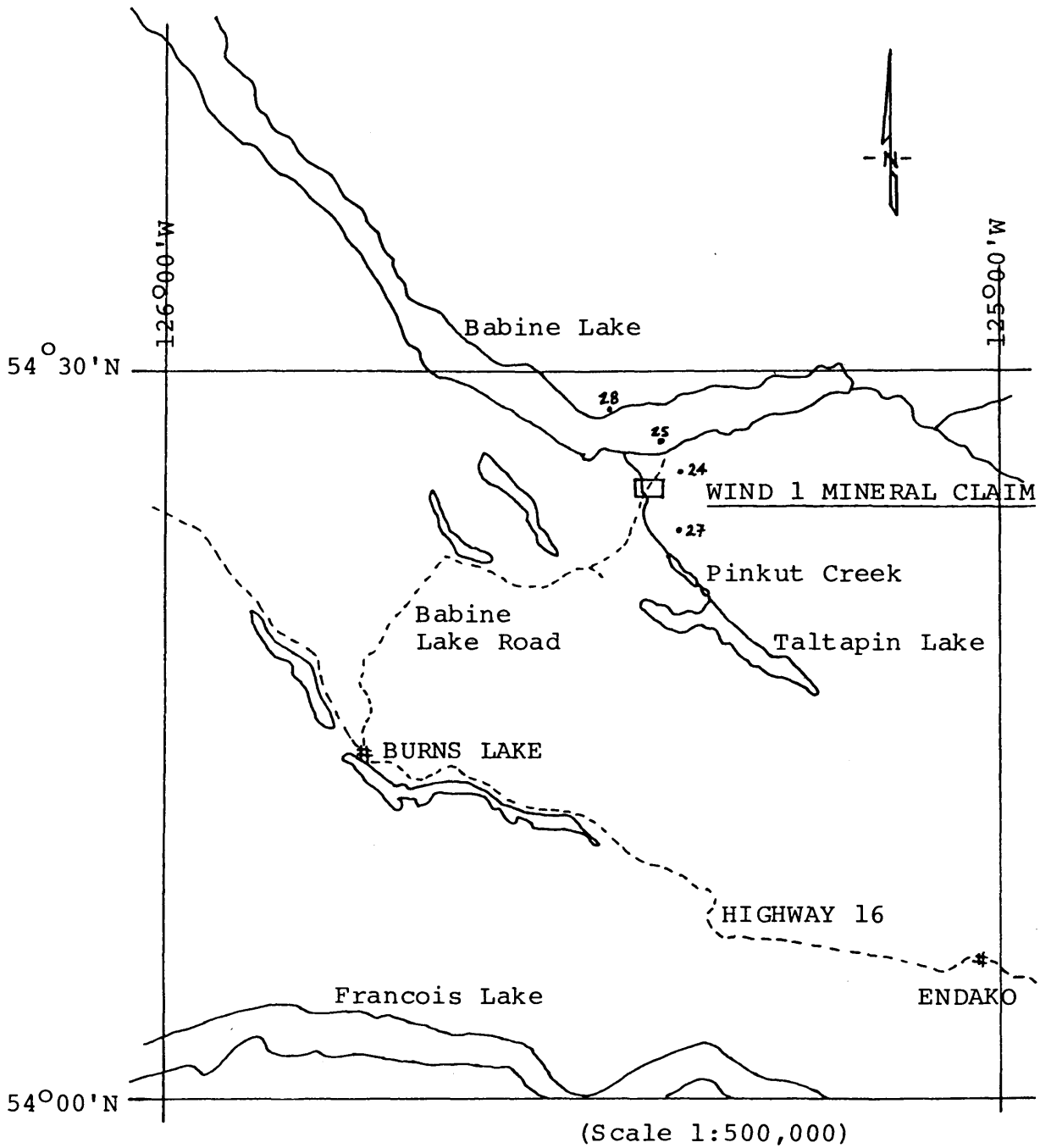


FIGURE 2

WINDFLOWER MINING LTD.

WIND 1 MINERAL CLAIM LOCATION MAP

BABINE LAKE AREA,

BRITISH COLUMBIA

(To accompany a report by A. D. Drummond, P.Eng.)

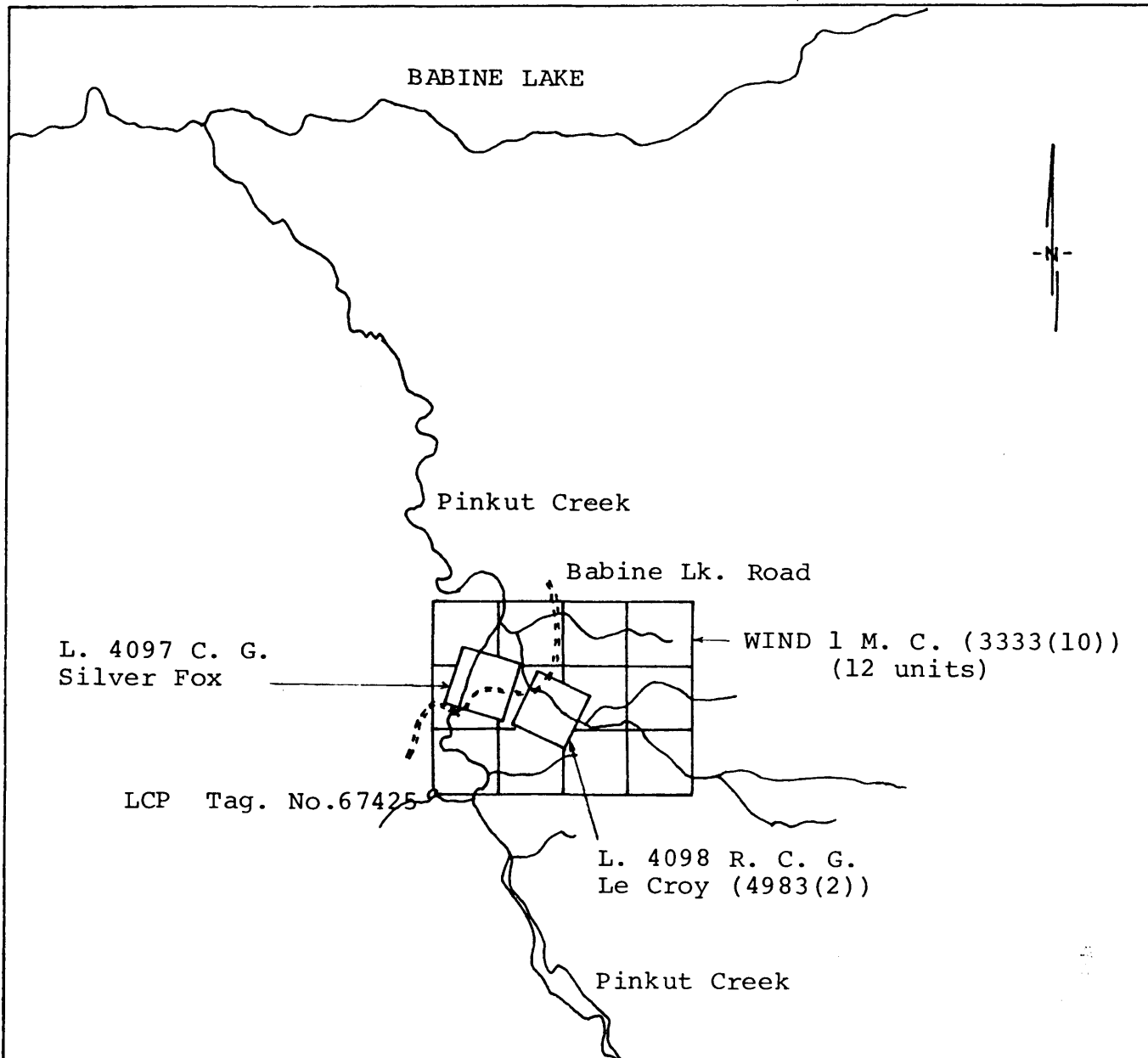


FIGURE 3

WINDFLOWER MINING LTD.

CLAIM MAP

OMINECA MINING DIVISION, B.C.

June 1983

(To accompany a report by A.D. Drummond, P.Eng.)

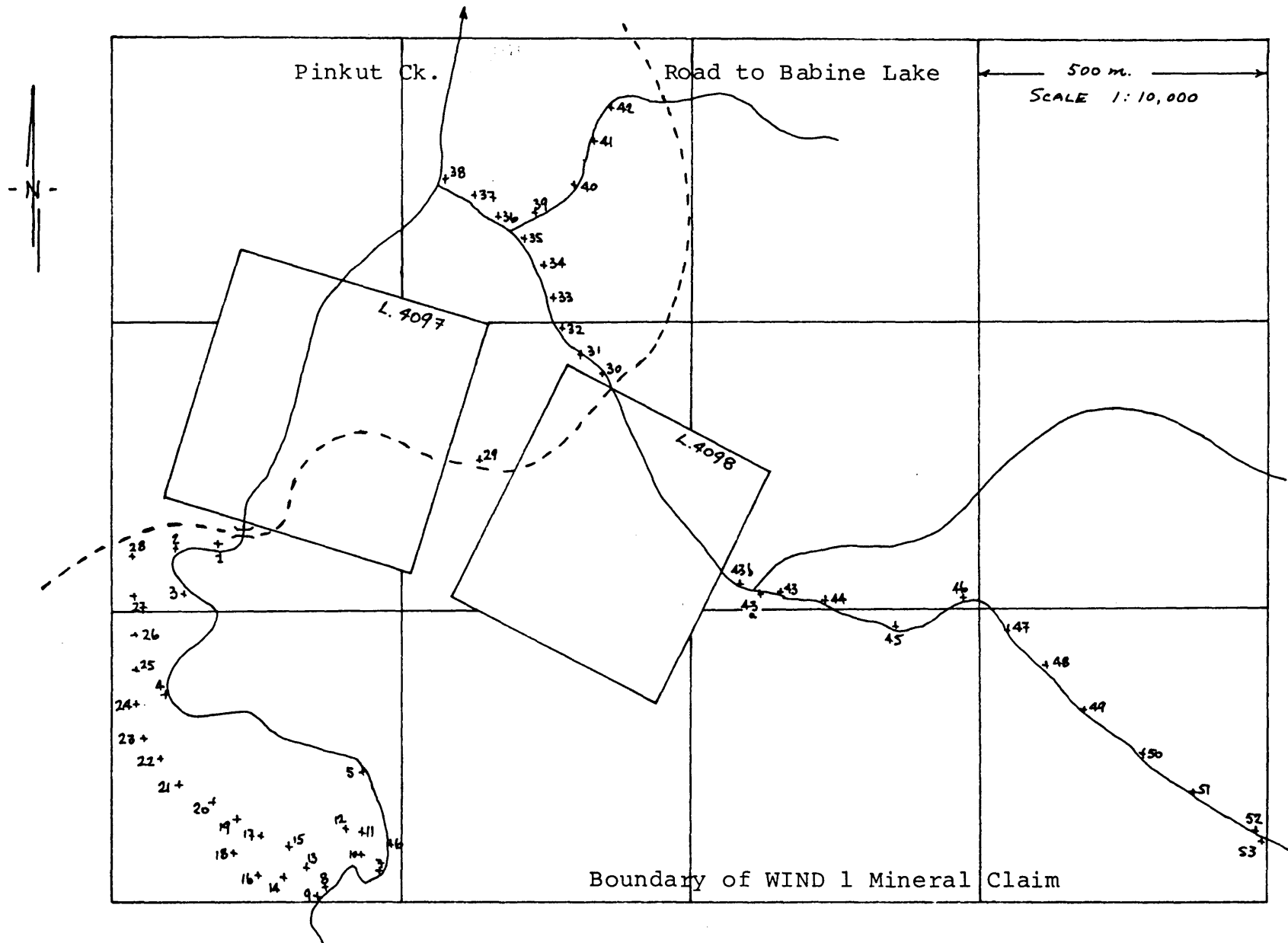


FIGURE 4  
WINDFLOWER MINING LTD.

GEOCHEMICAL SAMPLE SITE LOCATIONS  
(After G. Ryznar, P.Eng. (1982))



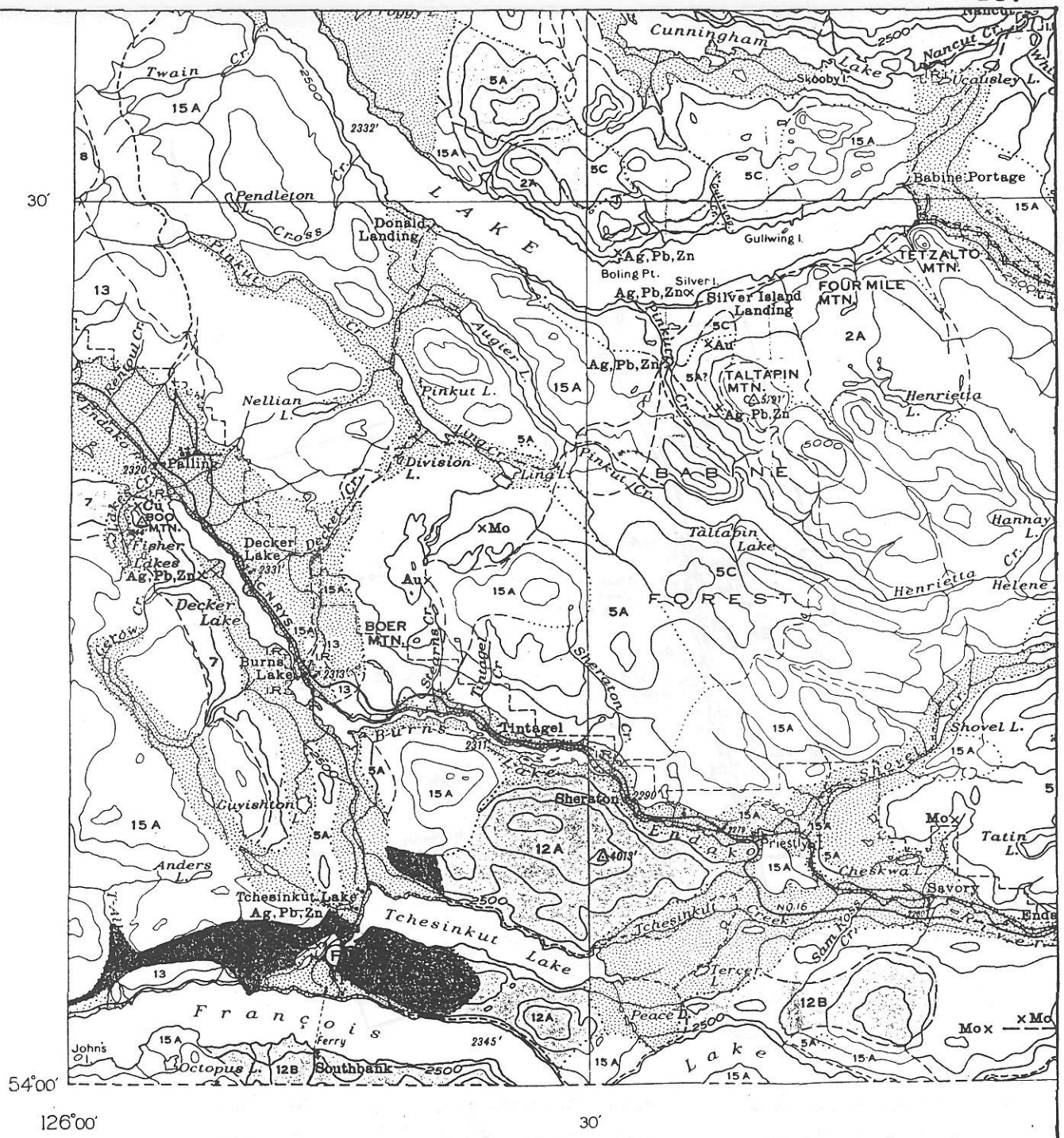
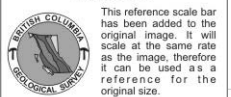
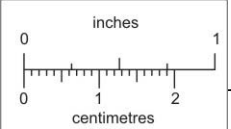


FIGURE 5

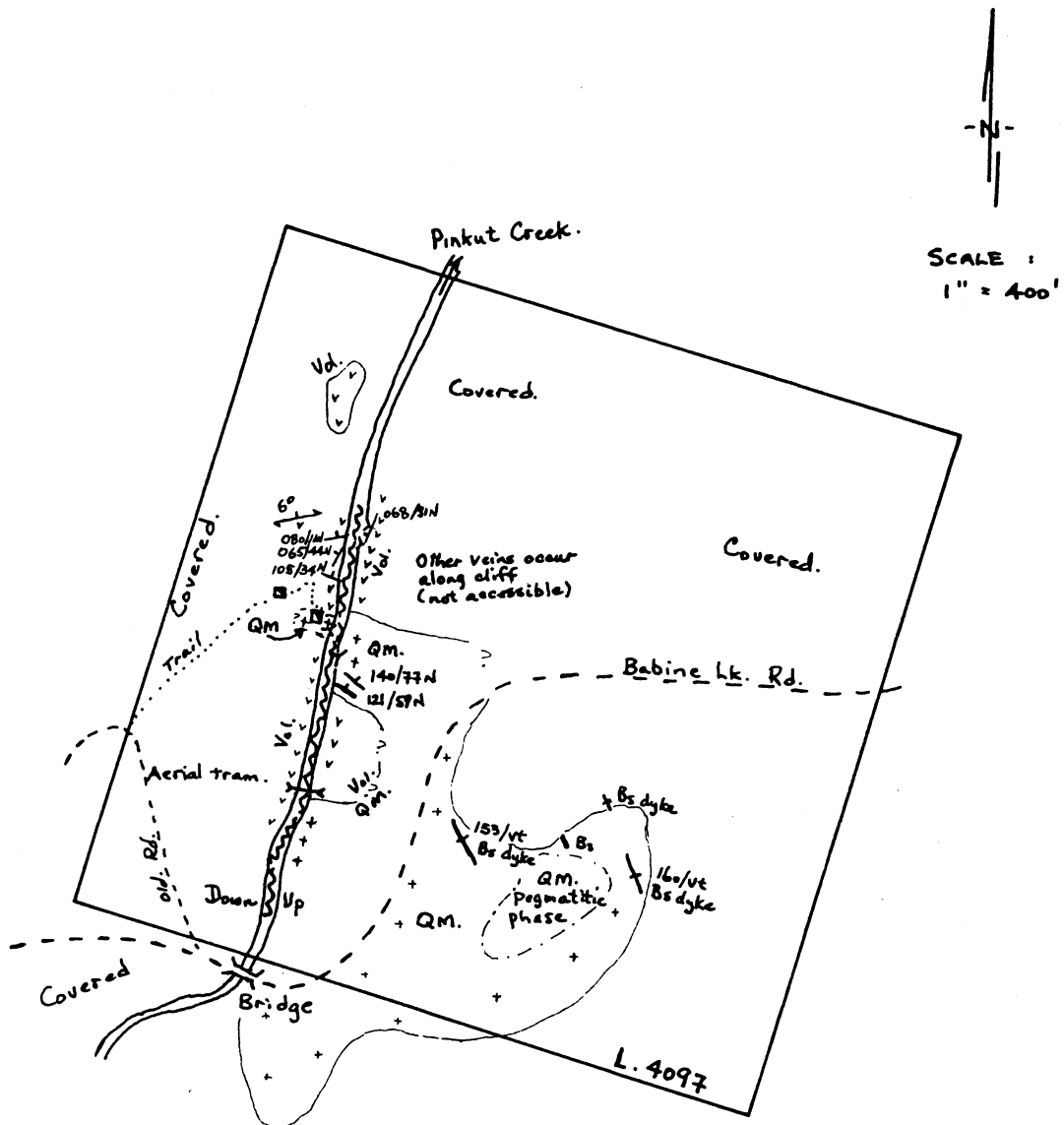
REGIONAL GEOLOGY  
SOUTHERN BABINE LAKE AREA

Geology after Armstrong, MAP 907A  
 Fort St. James, B.C.  
 Scale 1 inch = 6 miles  
 (See text for legend)

(To accompany a report by A.D. Drummond, P.Eng.)



This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.



**LEGEND.**

- |  |                         |  |                           |  |              |
|--|-------------------------|--|---------------------------|--|--------------|
|  | Attitude of quartz vein |  | Q.M. Quartz Monzonite     |  | Adit         |
|  | Attitude of foliation   |  | Vol. Volcanic Rocks       |  | Shaft        |
|  | Attitude of basalt dyke |  | Limit of outcrop          |  | Aerial tram. |
|  | Fault                   |  | Limit of pegmatitic phase |  | Bridge       |

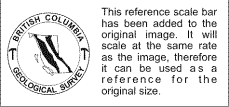
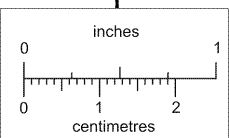
FIGURE 6

WINDFLOWER MINING LTD.

PROPERTY GEOLOGY

SILVER FOX CROWN GRANTED MINERAL CLAIM

(To accompany a report by A.D. Drummond, P.Eng.)



## APPENDIX A

Taltapin Mining Co. Ltd. Internal  
Letter of August 7, 1928 by R.M.  
Morgan, General Manager, including  
Report of Provincial Assayer (B.C.)

# TALTAPIN MINING COMPANY LIMITED

Office:

612 VANCOUVER BLOCK  
VANCOUVER, B. C.

The Directors,  
Taltapin Mining Co. Ltd.,  
Vancouver, B. C.

August 7th, 1928.

Directors:

W. C. STEARMAN  
President  
CAPT. DAVID BAIRD  
Vice-President  
W. D. GILLESPIE  
Secretary-Treasurer  
R. M. MORGAN  
General Manager  
ARTHUR WOOD  
WM. GREENLEES

Dear Sirs,

The shaft on the Silver Fox mineral claim on Anderson Creek is sunk to a depth of 145 feet. At 107' I encountered an ore lead standing at a high angle from 85 to 87 degrees. At 120' the ore vein widened out from 18" to 20" giving the following assays:-

Gold \$2.40; Silver \$17.78; Copper \$1.68; Lead \$7.32; Zinc \$9.13;  
Gross Value \$38.31.

Gold \$7.20; Silver \$38.64; Copper \$3.36; Lead \$21.00; Zinc \$15.18;  
Gross Value \$85.38.

This lead pinched at a depth of 130' but came in strong again at 145' and widened out to about 15" and assayed as follows:-

Gold \$3.20; Silver \$172.32; Copper trace; Lead \$13.92; Zinc \$15.00;  
Gross Value \$204.44;

On our last round of shots we encountered a greater volume of water and had to abandon our shaft as our pumps were not large enough. I decided to drive a tunnel from the high-water mark in the creek from the side of the ravine to try and cut off the water in the shaft. At 63' in this tunnel we cross-cut a mud seam from 12" to 15" wide through which I believe the water is getting into the shaft. At 85' we encountered an ore lead which we drifted on for 90' and at that point we encountered another ore lead running in a North Easterly direction which appears to be the same ore lead we were sinking on in the shaft. I strongly recommend 2 cross-cuts in the tunnel 35' long to be driven at a point 150' from the entrance of the tunnel to encounter further ore leads that appear on the surface.

The possibilities of stopping the water in the shaft are favorable and I recommend sinking on the mud seam to a depth of 25'. This will place us about 35' below the creek and by putting in a sump this water could be turned back to the creek through the tunnel. If the water cannot be stopped in the present shaft I would recommend sinking a standard shaft about 150' west of the present one away from water trouble which would enable us to handle a much larger tonnage of ore.

The Sunrise claims about  $3\frac{1}{2}$  miles N.E. of the main workings have a number of strong quartz leads, the widest being about 60', outcropping in a number of places and traceable across several claims. I cross-cut this lead in 2 places, also did some work on the other leads and sank a shaft about 20'. There is a good showing of molybdenite ore, also traces of Gold and Silver. This part of the property should be diamond drilled and the shaft should be sunk deeper as this is one of the best surface showings I have ever seen and should develop a very large tonnage. A further expenditure of \$25,000.00 should put this property on a shipping basis.

Yours truly,

"R. M. Morgan"

General Manager.

Vancouver, B. C. April 26th, 1928.

CERTIFICATE OF ASSAY of two Samples of Ore, Lead Zinc sulphides  
received from Taltapin Mining Co. Ltd. Vancouver Block.

Mark	Gold ozs per ton	Value per ton	Silver ozs per ton	Value per ton	Copper per cent	Value per ton
SILVER: FOX SHAFT (120 ft)						
"A"	0.36	\$7.20	67.8	\$38.64	1.2	\$3.36
"B"	0.12	\$2.40	31.2	\$17.78	0.6	\$1.68

Lead per cent	Value per ton	Zinc per cent	Value per ton	Gross Value per ton 2000 lbs.
17.5	\$21.00	13.8	\$15.18	\$85.38
6.1	\$ 7.32	8.3	\$ 9.13	\$38.31

Gold Calculated at \$20.00 per oz

Silver " .57¢ "

Copper Calculated at 14¢ per lb.

Zinc " 5½¢ "

Lead " 6¢ "

"P. W. Thomas"

Provincial Assayer.

Vancouver, B. C. June 7th, 1928.

APPENDIX A

CERTIFICATE OF ASSAY of one Sample of Ore, Lead Zinc sulphides  
in Quartzite received from Taltapin Mining Co. Ltd. Vancouver  
Block.

Mark	Gold : ozs : per ton	Value per ton	Silver : ozs : per ton	Value per ton	Lead : per : cent	Value per ton	Zinc : per : cent	Value per ton
Shaft 140 ft	0.16	\$3.20	257.2	\$172.32	11.6	\$13.92	12.5	\$15.00

Gross Value per ton 2000 lbs.      \$204.44.

Gold Calculated at \$20.00 per oz

Zinc Calculated at 6¢ per lb.

Silver      "      .67¢      "

Lead      "      6¢      "

"P. W. Thomas"

Provincial Assayer.

## APPENDIX B

Cominco Ltd., Trail, B.C. Assay  
Certificate, Serial No. 8215  
(O.P.447) dated August 27, 1970

APPENDIX B



Mr. R. Coombs  
General Delivery  
Williams Lake, B.C.

August 31, 1970

Dear Mr. Coombs:

We have completed an assay of the ore sample forwarded with your letter of August 4 and I enclose certificate No. 8215 (O.P. 447) for your information.

Ore of the sample grade would be valued at about \$319 per ton delivered to Trail and based on the Cominco Open Schedule for Purchase of Lead Ores and July 1970 metal prices.

We are prepared to accept a trial truckload of the ore but before shipping, you should forward me some proof of ownership (a copy of your lease) and advise me in advance of your actual shipment.

Yours very truly,

*W. J. ...*

Enc.



# Assay Certificate



Uranium

Date Aug. 27 19 70

Cominco Ltd., Trail, B.C.

Description Ores Purchasing	Lot	oz/ton		%		% Solub		% Solub			U <sub>3</sub> O <sub>8</sub>
		Au <i>Gold</i>	Ag <i>Silver</i>	Pb <i>Lead</i>	Zn <i>Zinc</i>	SiO <sub>2</sub>	Fe	CaO	Al <sub>2</sub> O <sub>3</sub>		
	O.P.										
P. Coombs Ore sample	447	.195	184.0	6.8	9.8	68.6	2.5	.2	1.4	.01	

APPENDIX B

Serial No. 8215

Supervisor *C. J. Mitchell*

## APPENDIX C

Bondar-Clegg and Co., Ltd., North  
Vancouver, B.C., Geochemical Lab.  
Report No. 122-2780 dated 28 Aug.,  
1982



APPENDIX C

REPORT: 122-2780 PROJECT: NONE GIVEN

PAGE 1

SAMPLE NUMBER	ELEMENT UNITS	Cu PPM	Mo PPM	As PPM	NOTES	SAMPLE NUMBER	ELEMENT UNITS	Cu PPM	Mo PPM	As PPM
S 01		20		0.2		S 41		135	3	0.4
S 02		25		0.2		S 42		101	6	0.6
S 03		24		0.2		S 43		43	3	0.2
S 04		22		0.2		S 43A		58	3	0.2
S 05		13		0.2		S 43B		40	3	0.2
S 06		26		0.2		S 44		41	2	0.2
S 07		13		0.2		S 45		43	3	0.2
S 08		36		0.2		S 46		48	3	0.3
S 09		58		0.2		S 47		49	3	0.3
S 10		640		3.2		S 48		44	4	0.2
S 11		270		4.2		S 49		33	3	0.2
S 12		1020		14.0		S 50		32	2	0.2
S 13		24		0.2		S 51		40	3	0.2
S 14		7		0.2		S 53		32	3	0.2
S 15		7		0.2						
S 16		12		0.2						
S 17		9		0.2						
S 18		8		0.2						
S 19		6		0.2						
S 20		5		0.2						
S 21		8		0.2						
S 22		7		0.2						
S 23		8		0.2						
S 24		14		0.2						
S 25		25		0.2						
S 26		12		0.2						
S 27		12		0.2						
S 28		14		0.2						
S 29		361		0.5						
S 30		19	2	0.2						
S 31		60	3	0.3						
S 32		44	3	0.2						
S 33		68	3	0.4						
S 34		52	2	0.2						
S 35		48	2	0.2						
S 36		44	1	0.3						
S 37		44	1	0.2						
S 38		42	2	0.2						
S 39		163	3	0.8						
S 40		174	2	0.8						

# D.D.H. GEOMANAGEMENT LTD.

11 February, 1985

Superintendent of Brokers  
1100 - 865 Hornby Street  
Vancouver, B.C.  
V6Z 2H4

Dear Sirs:

Re: Windflower Mining Ltd.

I am the author of the report on the WIND I, SILVER FOX and LE CROY mineral claims, Pintut Creek, Babine Lake area, Omineca Mining Division, B.C. dated 1 June, 1984 and have been requested by Windflower Mining Ltd. to review the funds allocated for Phase I on the subject property.

As a result of this review, the Phase I work program could be revised into Phase I Part A and Part B as outlined below:

## Phase I

### Part A:

Geological mapping, sampling and supervision	\$ 8,000.00
Line cutting (25 line-kms @ 100 m spacing)	5,000.00
Geophysical survey (magnetometer) and interpretation	4,000.00
Geochemical survey	4,000.00
V.L.F. - E.M. Survey	4,000.00
Bulldozer trenching	8,000.00
Assaying	<u>4,000.00</u>
Sub-Total Part A	37,000.00
Contingency	<u>3,000.00</u>
Total Phase I, Part A	<u>\$40,000.00</u>

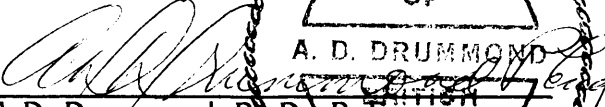
### Part B:

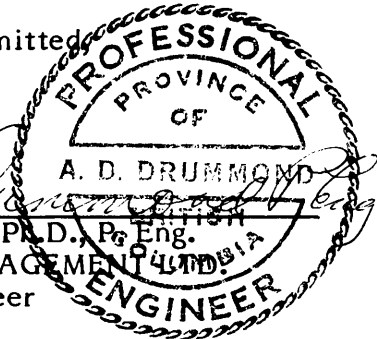
Rehabilitate underground openings	\$14,000.00
Diamond drilling - 600 feet at \$35.00/ft. "all in" (camp included)	<u>21,000.00</u>
Sub-Total	35,000.00
Contingency	<u>4,000.00</u>
Total Phase I, Part B	<u>\$39,000.00</u>

Phase I parts A and B total \$79,000.00.

I consent to the use of this letter to satisfy requirements of the Vancouver Stock Exchange and the British Columbia Securities Commission.

Respectfully submitted

  
A.D. Drummond, P. D., P. Eng.  
D.D.H. GEOMANAGEMENT LTD.  
Geological Engineer



REPORT

on

INDEPENDENCE GROUP MINERAL CLAIMS

50<sup>0</sup> 41.5'N, 117<sup>0</sup> 39.5'W, NTS 82K/13E

for

WINDFLOWER MINING LIMITED

in the

REVELSTOKE MINING DIVISION  
BRITISH COLUMBIA  
CANADA

by

W. S. READ, B.SC., P. Eng.  
Cobble Hill, B.C.  
Canada

21 September 1983

WAYLAND S. READ, B.S.C., P.ENG.  
CONSULTING GEOLOGIST

AREA CODE 604-TELEPHONE 743-2279

881 CHERRY POINT ROAD, COBBLE HILL, B.C. V0R 1L0 CANADA

21 September 1983

Mr. Gerald Ryznar, P.Eng.,  
President,  
Windflower Mining Limited,  
4405 Glen Canyon Drive,  
North Vancouver, B.C.  
V7N 4B4

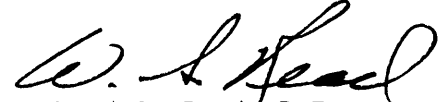
Dear Mr. Ryznar:

Please find attached my report on the Independence Group  
of mineral claims.

The property contains several targets to explore for gold  
mineralization.

A proposed program and an estimate of cost is included.

Respectfully submitted,

  
Wayland S. Read, P.Eng.

WSR:mer

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CLAIM & LOCATION MAP	2
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DETAILED GEOLOGY AND MINERALOGY	7
EXCERPT FROM REPORT BY NEWTON W. EMMENS	13
PROPOSED PROGRAM	17
ESTIMATE OF COST	19
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CERTIFICATE OF QUALIFICATIONS	23



INTRODUCTION:

The Independence group of claims is composed of five Crown-granted mineral claims, three mineral leases, and four located claims of sixty-eight units.

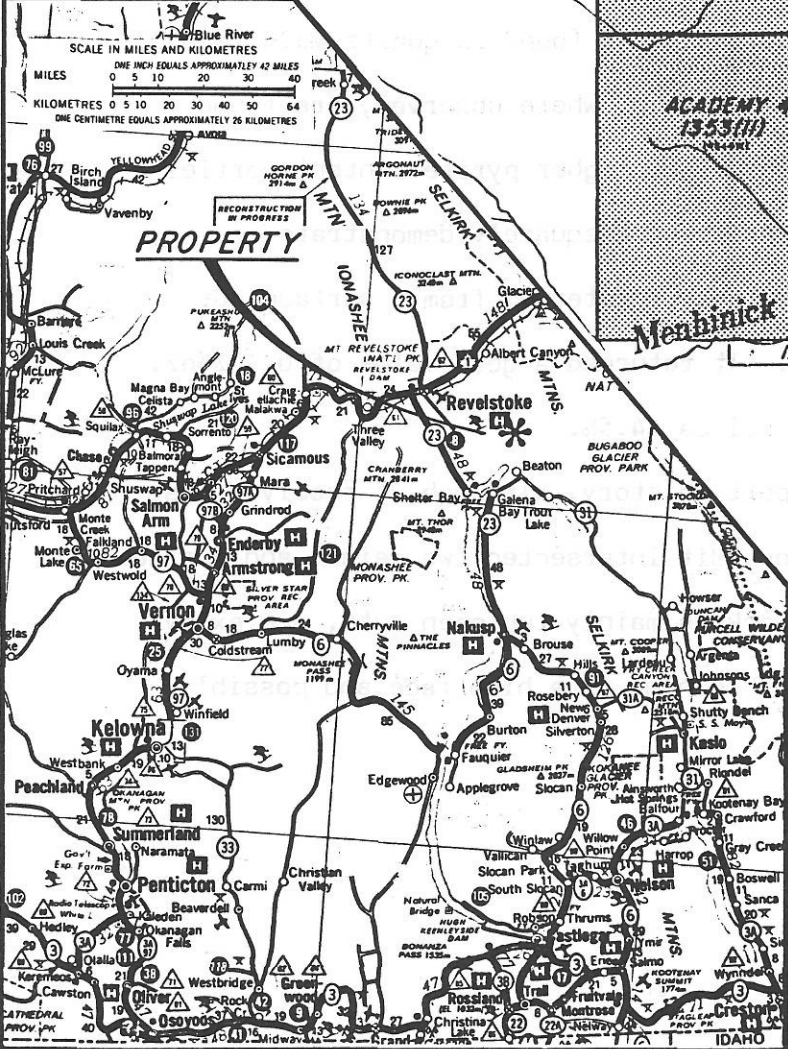
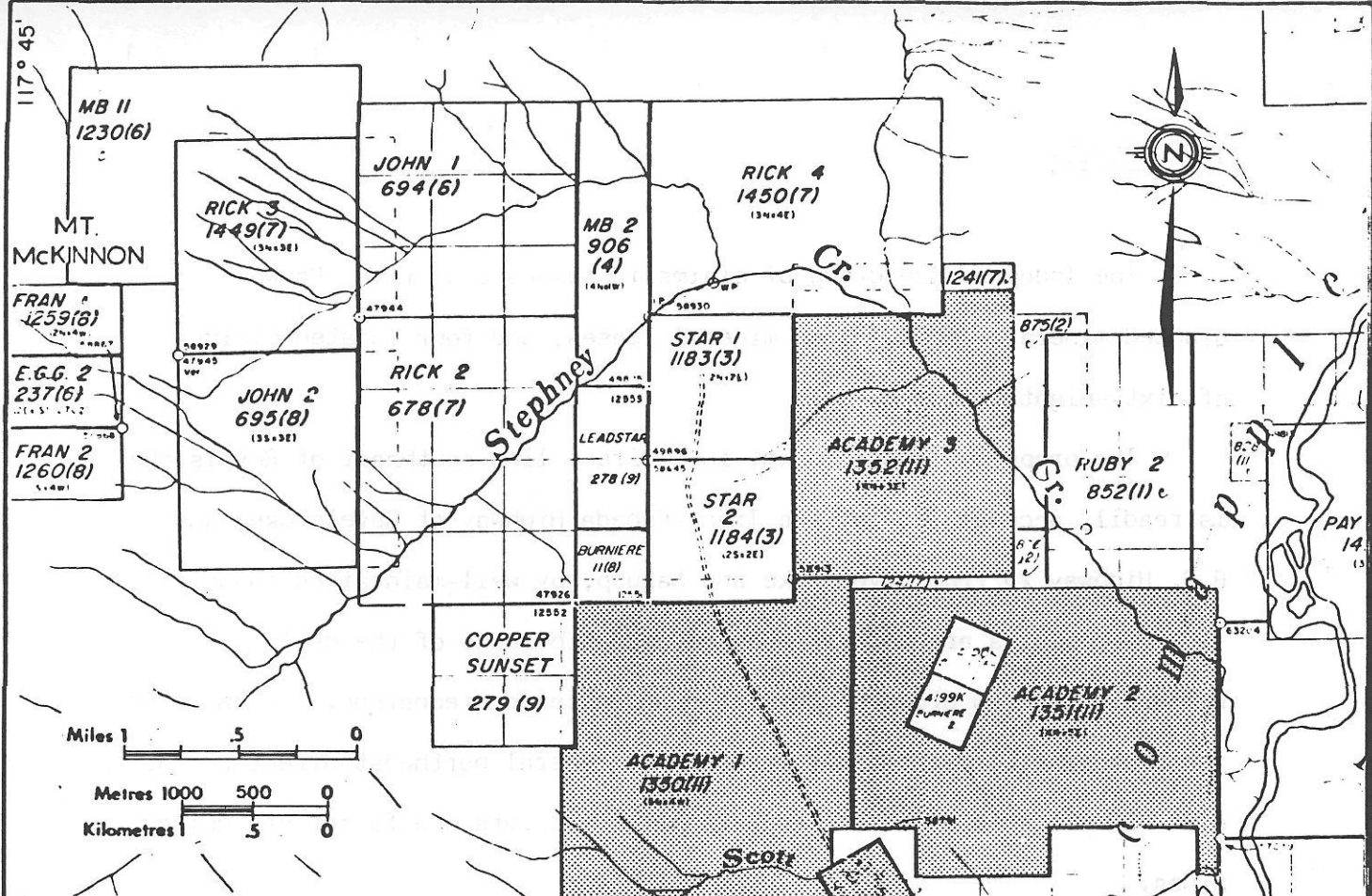
The property, about 35 km. in a direct line southeast of Revelstoke, is readily accessible from the Trans-Canada Highway at Revelstoke, and B.C. Highway 23 from Revelstoke and Nakusp, by well-maintained roads.

The claims are underlain by metamorphic rocks of the early Paleozoic Lardeau group of phyllites and altered greenstone. It includes the Broadview Formation that trends in a general northwest direction for over 100 miles, and is host rock to many prospects and former producing mines.

Gold is the principal economic mineral found in quartz veins and altered wall rock. The higher gold values, where observed, are found with visible galena. It is reported that higher pyrite content carries higher gold values, but this has not been adequately demonstrated.

In 1979 a bulk sample of 36 tons of material from a surface cut was shipped to the Trail Smelter. It returned a gold value of 0.152 oz. per ton, silver 0.35 oz/ton, and silica 64.5%.

Little is known of the property history, although it received most work prior to 1914, when a shallow adit intersected two veins, and surface trenching was reported. Recent work is mainly two open cuts, one excavating much of the adit; the second opening up a high face and possibly covering former exposures.



**WINDFLOWER MINING LTD.**  
**CLAIM & LOCATION MAP**  
**INDEPENDENCE PROPERTY**  
**CAMBORNE, B.C.**  
 N.T.S. 82K / 13E

SEPT. 21, 1983	SCALE 1:50000	No. 1
WAYLAND S. READ CONSULTING GEOLOGIST		COBBLE HILL, B.C.

Across the boundary to the southeast, on strike of the Independence exposures, Eaton Mining in 1980 shipped 309.7 short dry tons averaging gold 0.316 oz/ton, silver 0.41 oz/ton, and silica 67.9%.

No drilling has been done on the property. There are good exploration targets for gold mineralization.

#### LOCATION:

The Independence group of mineral claims, composed of 68 units, 5 Crown-granted mineral claims, and 3 mineral leases, is located in the Revelstoke Mining Division, British Columbia, Canada.

The Independence Crown grant is about 4 air kilometers north of Camborne, B.C., and about 35km southeast of Revelstoke, at latitude 50°49.5'N and longitude 117°39.5'W, on mapsheet 82K/13E of the National Topographic System.

Elevations on the property range from 1600-6500 feet (488-1981 metres) above sea level, with the lowest point at the Incomappleux (Fish) River on the east, to a high at the northwest bounday on the southeast slopes of Comaplix Mountain.

#### ACCESS:

Road access to the property is very good as it is situated within an active logging area with well-maintained haulage roads and branch roads throughout much of the property.

The main workings on the Dorothy Crown grant L12481, are reached from the Galena Bay ferry via B.C.Highway 31. It is 18km to the Beaton-

Camborne junction, then a farther 16.5 km to the bridge crossing Fish River. From the bridge it is a farther 8km via switchbacks on Scott Road and company access road shared with Synco Development, owners of the Goldfinch group of mineral claims adjoining to the south.

The distance by road to the Trail Smelter is about 260km (161 miles) and haulage trucks can normally make a round trip per day.

#### TOPOGRAPHY AND VEGETATION:

The claims are located in the rugged Selkirk Mountain system. The main showings are located at about elevation 1040 metres on a bench with moderate slopes.

Much of the property consists of heavily timbered and logged-over slopes with some rock bluffs, and with more open alpine areas at higher elevations.

Menhinick, Sable and Stepney Creeks are deeply incised with steep gradients. One set of waterfalls on Menhenick Creek was used early in the century to power the 10 stamp mill and supply power for the tram line and mine on the Goldfinch group.

Elevations on the claims range from 1600-6500 feet (488-1981 metres) above sea level. Most of the rock outcrop is covered by a heavy layer of moss, making prospecting and geological mapping a slow process. There is some timber left on the Crown grants suitable for mining purposes.

The area has a high snowfall, but due to a southeast exposure and moderate elevation in the area of the main whowings, they are usually snowfree from about early May to late October.

There is no camp or plant on the property.

CLAIMS HELD BY COMPANY:

The company advises that it is optioning the following 4 located claims totaling 68 units, 5 Crown-granted mineral claims, and 3 mineral leases, in the Revelstoke Mining Division, British Columbia, Canada, on Mineral Claim Map 82K/13E.

<u>Claim Name</u>	<u>Crown Grant Lot No.</u>	<u>Mineral Lease</u>	<u>Acres</u>	<u>Record Number</u>	<u>Units</u>	<u>Anniversary Date</u>
Golden Eagle	L12479		30.12			5 December
Independence Fr.	L12480		10.84			5 December
Dorothy	L12481		29.34			5 December
Golden Standard	L12482		42.27			5 December
Vimy Ridge	L12483		34.55			5 December

MINERAL LEASES:

Lost Cup	L1870	11421	51.23			17 Sept. 1985
Nina	L4239	11420	51.00			17 Sept. 1985
Phyllis	L3755	11419	51.60			17 Sept. 1985

LOCATED UNITS:

Academy 1				1350(11)	20	26 Nov. 1985
Academy 2				1351(11)	20	26 Nov. 1985
Academy 3				1352(11)	12	26 Nov. 1985
Academy 4				1353(11)	16	26 Nov. 1985

The claim map shows claim Academy 2 as overstaking two previous located 2 post claims, Burniere 1 and 2, Record Numbers 4198K and 4199K, and the northern part of the Doe, Record Number 663(6).

The boundaries of the 5 Crown-granted claims and 3 mineral leases have been determined by survey; the remainder are unsurveyed.

HISTORY:

In 1890 prospectors travelled by boat down from Revelstoke to a point on the northeast arm of Upper Arrow Lake, cut out a trail to Trout Lake, and prospected the lower two miles of Lardeau Creek for placer gold. It is believed that they located the Great Northern and Silver Cup mineral claims that year. Intensive prospecting followed and most of the principal showings in that area were found before 1900. A wagon road was built from Thompson's Landing (renamed Beaton in 1903) to Trout Lake and Ferguson in 1897. By 1900 Ferguson and Trout Lake each had a population of about one thousand.

The first gold claim in the vicinity of Camborne was staked on a quartz lead on the Eva claim in July 1899. Numerous other claims were staked in the area during the ensuing excitement. In 1900 three adits were being driven on the Eva and development was proceeding on the Oyster and Criterion claims.

In 1901 the Eva, the Oyster-Criterion and to the northwest across the river, the Camborne group (including the Goldfinch claim) were the chief centres of activity, the latter under bond to the Rosenberger Syndicate of Nelson, B.C.).

In 1902 the Northwest Development Syndicate had spent about \$150,000 on the Camborne group and were erecting a power plant and mill. In 1903 the Camborne group was reorganized under the Goldfinch Mining Company, and preparations were made to operate the 10 stamp mill. In 1904 forest fires threatened the mining camp, and the Goldfinch surface equipment was partially destroyed. 1905 is reported as a prosperous year, but after a short period of production the Goldfinch ceased

production and activity in the area declined and finally ceased in 1909. During this period the town of Camborne had grown to include several hotels, three or four general stores, and a newspaper, supported by about 500 people.

The 1914 report by Newton W. Emmens on the Camborne district describes in detail work that had been completed on the Burniere, Nelson and Independence groups, as well as the Camborne group, which are on strike to the northwest from the Goldfinch.

Work consisted of surface trenches across the vein and adits to test the veins at a shallow depth. The history is vague but the work was probably completed at the time of the Goldfinch development.

Recent work has included some bulldozer stripping and two open cuts, with a test shipment to the Trail Smelter in 1979.

#### DETAILED GEOLOGY AND MINERALOGY:

The main workings on the Independence group are on the Dorothy Crown grant, immediately to the northwest of the Goldfinch Crown grant.

On the Goldfinch property in the area of the mine workings and beyond to the Independence, the rocks observed were metasediments field described as usually hard, grey to grey-green phyllites and phyllitic grit. In some cases a banding was present composed of fine, impure quartzite with poorly formed chlorite and sericite on foliations. In other cases the rock was softer with mineral development approaching a sericite to sericite-chlorite schist, sometimes with chlorite mottling. Foliation has been found in general to follow a trend of about  $N40^{\circ}W$ , with a dip to the northeast varying from  $35^{\circ}$  to  $75^{\circ}$ , with the steeper dip more prevalent.

Faulting and folding have contorted some areas, such as immediately north of the caved shaft on surface.

In the 1003 Level (Goldfinch) where underground workings total 352 metres (1155 feet) faulting trended about N35°W and dipped from 60° to 70° northeast. Jointing had a strike of N07°E to N16°E with steep dips to both east and west.

The 1980 smelter shipments from the Goldfinch came from the 1023 Level. The quartz vein containing the gold in general has a flat dip to the west with local reverses due to gentle anticlinal and synclinal folding, and averages 0.45 metre in width. Gold content in 26 samples ranged from a low of 0.061 to a high of 8.823 oz.per ton, with an uncut weighted average of 1.304 oz. per ton. No free gold was observed during sampling, mapping or mining and all results are based on assay data. This higher grade section appears to be at a point where the flat-lying vein crosses a steep-dipping quartz stringer zone similar to those encountered in the 1003 Level below, and in the surface glory hole to the north, and could be repeated on the Goldfinch and Independence Groups.

<u>Shipment Number</u>	<u>Short Dry Tons</u>	<u>Gold oz/ton</u>	<u>Silver oz/ton</u>	<u>Silica %</u>
1	11.4	0.351	0.85	68.5
2	14.2	0.563	1.35	68.2
3	14.3	0.251	0.40	69.3
4	<u>269.8</u>	0.306	0.35	67.8
Total Average	309.7	0.316	0.41	67.9



From the difference between the grade of gold found in the vein, values received from smelter shipments, and later wall rock sampling, it is believed that the gold in this area is closely confined to the flat vein, and the steeper stringer zone at the intersection is only weakly mineralized.

Galena is found in the vein in grey streaks and small inclusions, particularly in areas with high gold assays. Within the vein are fragments of altered wall rock often containing pyrite.

The glory hole, elevation 1029 metres, about 110 metres southwest of the Independence group boundary, is about 28 metres north and slightly higher in elevation than the face of the northwest drift of 1023 Level, and directly above the most northerly crosscut of the 1003 Level. It is described as providing the feed for the 10 stamp mill early in the century. A similarity exists to the veins found in 1023 Level, ie flat-lying veins crossing a steeply-dipping quartz stringer zone.

Also on the west nose of the glory hole a 3.0 metre wide white quartz vein was discovered striking N37<sup>0</sup>W and dipping 59<sup>0</sup> east. Cuttings from air drill holes 2.44 metres long, from either side of the vein, assayed gold 0.048 and 0.220 oz/ton respectively, and the vein projects into a swamp area to the northwest toward the boundary of the Independence group.

Farther west in the area of the log dump are other indications of quartz veins that would project to the Independence group.

On the Independence group most of the work is in view from the southeast boundary of the Dorothy Crown grant. Looking northwest, the lower part is in cedar swamp with no outcrop. On the east side is an access road to a large V-shaped cut.

On the east side in an area referred to as Trench 2 - Vein 1, is a partly exposed quartz vein. It has been partly surface-mined and is mostly below rubble from the cut. It is believed the sample by Emmens in 1914 came from this area. The 3 foot surface sample assayed Gold 0.06 oz/ton, silver 0.1 oz/ton. A chip sample by Sawyer Consultants in 1981 over 5.5 feet, assayed gold 0.018 oz/ton, silver 0.067 oz/ton. The vein strikes N36<sup>0</sup>W, is irregular and appears to dip from 53-75<sup>0</sup> southwest. The rock foliation has a similar strike, but dips from 63<sup>0</sup> - 80<sup>0</sup> northeast. Elevation is about 1045 metres.

The V-shaped open cut has a floor elevation of about 1039 metres and has a face about 8-10 metres high. It contains a mineralized shear about 3.5 metres wide. The strike is about N25<sup>0</sup>W and dip 85<sup>0</sup> west. Within the shear is a 0.20 metre zone containing about 80% pyrite. It is believed the 1979 smelter shipment came from this area.

1979 Smelter Shipment - Independence:

34.1 short dry tons, gold 0.152 oz/ton, silver 0.350 oz/ton, silica 64/5%.

Unfortunately the considerable waste from the open cut has been spread back covering any vein exposures that might have previously existed.

On the west side, north of the log landing, are stockpiles of mineralized quartz that have come from a small cut about 35 metres from the Dorothy southeast boundary. The cut exposes a wide vein zone of white quartz estimated to contain about 30% pyrite. On the west side of the cut, a short adit about 6 metres in length passes through the vein into hangwall phyllites. It appears the balance of the shallow underground workings were removed by the open cut, and the floor of the open cut is at the elevation of the floor of the old adit.

Two continuous chip samples totaling 6.3 metres were taken by the writer across the vein, starting at the hangwall at the south wall of the adit and continuing eastward along the south wall of the open cut to the footwall of gouge and rusty black graphitic schist.

<u>Sample</u>	<u>Width</u> <u>Metres (Feet)</u>		<u>Silver</u> <u>oz/ton</u>	<u>Gold</u> <u>oz/ton</u>
HW	3.0	9.84	0.26	0.154
FW	<u>3.3</u>	<u>10.83</u>	<u>0.16</u>	<u>0.242</u>
	6.3	20.7	0.21	0.20 (Total & Weighted Average)

Sawyer sampling 1981:

51335		7	0.22	0.17
51336		<u>4</u>	<u>0.34</u>	<u>0.34</u>
	3.35	11	0.26	0.23

Emmens sampling 1914:

28	4.88	16	0.3	0.5
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In the diagram in Emmens report the above sampling would be from what he referred to as the No. 3 Vein, and the No. 2 Vein that was immediately to the east is now covered by debris. A sample taken by Emmens across 6 feet of vein at the face of a drift on this vein assayed gold 0.02 oz. and silver trace.

There is vein material up to several tons in weight scattered on strike but no work has been done to expose and test continuity and grade of the veins.

Recent bulldozer trenching on the Dorothy Crown grant has partially exposed a quartz vein that strikes N12W and appears to have a steep dip. It is located from Dorothy S.W. corner, 25 metres at N30<sup>0</sup>E. A 1.0 metre chip sample was taken across the exposed vein that assayed silver 0.22 oz/ton and gold 0.008 oz/ton. Quartz float and small outcrops were

observed on strike 50-60 metres to the northwest but additional work is required to show how they relate. Width of zone between the veins is about 100 metres.

The Burniere and Nelson showings were not visited. They were examined and sampled by Emmens in 1914 when the work was much fresher and his findings are contained in this report. Exploration work is required to relate all the showings and search for extensions and undiscovered deposits, as well as determining the size and value of the mineralization in areas that have received some exploration in the past.

There is a relationship between the veins on the Independence group and the Goldfinch group, and it is expected that veins on one property will extend into the other. The underground workings (1003 Level) of the Goldfinch, reopened in 1980 and retracked with 20 pound rail, are in a position to be extended under the Independence if a target is developed.

Several reports have stated, and the writer concurs, that the two properties would benefit from being operated as one.

## EXCERPT FROM REPORT BY NEWTON W. EMMENS FOR B.C. BUREAU OF MINES, 1914.

## MINERAL ZONES.

In the Lardeau Division there are two recognized mineral belts, known respectively as the Central and Lime Dyke series.

The former extends from the head of Sable creek and the Akolkolex river in a general south-easterly direction, crossing the valley of the Incomapleux river just north of the town of Camborne, and continuing across Mount Poole into the Trout Lake Mining Division. This belt is somewhat irregular in width and consists of slates and phyllites cut by the green, rusty-weathering diabase-schist, lying between broad bands of the green schist. It is within this belt that the more important mineral deposits occur.

The second mineral belt, locally spoken of as the "Lime Dyke," extends along the divide between Sable and McDougal creeks south-easterly across the Incomapleux river, along the divides between Lexington and Boyd, and Boyd and Kellie creeks, across the head of Poole creek over into the Trout Lake District.

## CENTRAL BELT.

## MINES AND PROSPECTS.

This property consists of three claims, the *Bodmin*, *St. Mabyn*, and *Burniere*, situated on the north-east slope of Comaplix mountain, at the head of Scott creek, and at an elevation of 6,000 to 6,800 feet. (Plate 4.) On this property there is a well-defined quartz vein having a strike of N. 65° W., with a dip of 80 degrees south-westerly, lying at the contact between a rusty-weathering diabase-schist and a narrow belt of crystalline limestone containing a large amount of chlorite.

The vein varies in width from a few inches to 2.5 feet, and is particularly well exposed along the gently sloping hillside above the timber-line on the ridge dividing the watersheds of Scott creek and the West fork of Sable creek; here it shows as a white line through the green grass and alpine flora with which this slope is clothed.

A number of open-cuts and shallow prospect-pits have been made along this outcrop for a distance of 350 feet, and in many places free gold can be seen in the quartz with the naked eye. A sample taken along this outcrop, after rejecting the pieces in which free gold could be seen, assayed: Gold, 0.3 oz.; silver, 0.2 oz.

From a flat below the outcrop a crosscut has been driven to intersect the vein, which it does at a vertical depth of 19 feet. Here the vein is 12 inches wide, and a general sample, taken as nearly as possible at right angles to its strike assayed: Gold, 1.2 oz.; silver, 0.5 oz. Here was noticed some galena scattered through the quartz, which was stated to be very rich in gold, although only on very rare occasions is native gold visible in the galena itself. To confirm this, a sample of the quartz containing a considerable amount of galena was assayed, and found to contain: Gold, 12.32 oz.; silver, 4.7 oz. No assay was made for lead.

A peculiar characteristic of this vein is the presence in the quartz of a bright light-green chlorite, which weathers to a rusty yellow. This chlorite is considered an indicator for gold in this formation, as it has been found that those portions of the vein containing the greatest amount of chlorite are also the richest in gold, outside of the galena, which is the heaviest gold-carrier.

\* Daly, R. A. Summ. Rep. Geo. Surv. Can., 1912, p. 159.

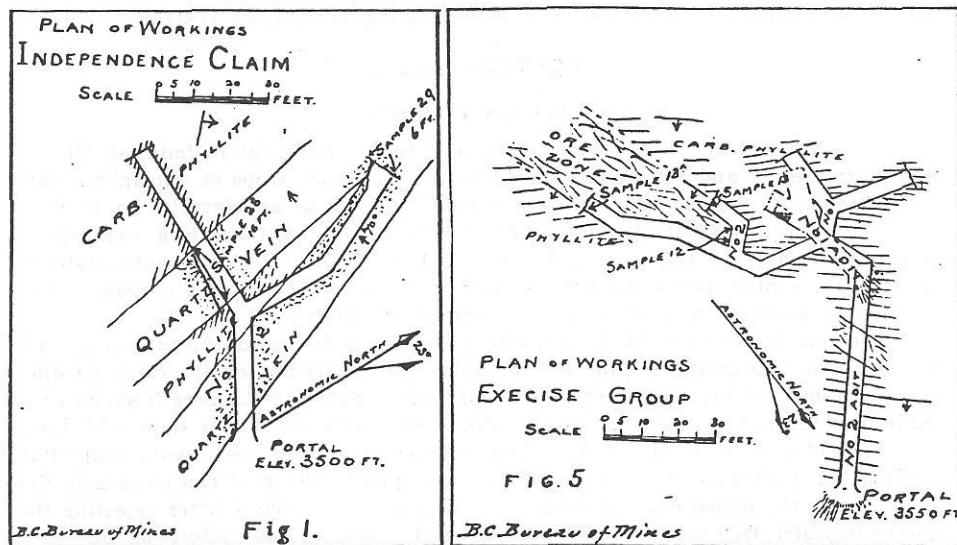
† Le Roy, O. E. Summ. Rep. Geo. Surv. Can., 1911, pp. 143, 144.

This group is situated on a ridge between Menhinick and Scott Nelson Group creeks, at an elevation of 4,000 feet on the west side of the Incomappleux river. On this property there is a quartz vein having a strike of N. 60° W., with a dip to the south-west at an angle of 50 degrees. A number of open-cuts have been made at various places along the vein-outcrop, which shows a width of from 10 to 18 feet. A short crosscut tunnel has also been driven into the vein, which it intersects at a depth of 40 feet. The vein contains many schist inclusions and is divided into two sections by a well-defined seam. In an open-cut above this crosscut the hanging-wall section has a width of 8 feet, a sample taken across which assayed: Gold, 0.2 oz.; silver, 0.1 oz. A sample of the foot-wall section, taken across 7 feet, assayed: Gold, 0.08 oz.; silver, 0.1 oz.

In the crosscut an assay of the foot-wall section showed it to contain: Gold, 0.02 oz.; silver, 0.6 oz.; and the hanging-wall part: Gold, 0.15 oz.; silver, 0.3 oz.; while a third sample taken across 6 feet of the centre of the vein assayed: Gold, a trace; silver, 0.1 oz.

In a second open-cut, about 150 feet south of the crosscut, a general sample taken across the vein assayed: Gold, 0.1 oz.; silver, 1.16 oz.

These assays from the open-cut samples are not as high as one is led to expect by the manner in which the ore pans, as a very nice "tail" of gold can nearly



always be obtained from a panful of the decomposed ore from the cuts. The explanation probably is that the gold occurs in very thin flakes which, while making a big showing, do not weigh much. The writer had a similar experience in California, where the ore obtained from an open-cut "panned big," it being quite a common thing to get a "tail" of gold an inch long from a pan of dirt; but on running this material through the mill it was found to contain only between \$2 and \$3 a ton, the explanation being that the gold was very thin and light.

The formation in which the Nelson vein occurs is a carbonaceous phyllite having a strike of N. 45° W., and is therefore cut by the vein at a slight angle.

This group consists of two claims and a fraction, situated on Independence the north side of Menhinick creek and west side of Incomappleux Group. river, at an elevation of 3,000 feet. The country-rock is a phyllite cut by a dyke of rusty-weathering diabase-schist. There are two veins on the property. One of these has a strike of N. 45° W. and a north-easterly dip of 60 degrees; it has a width of 4 feet and is known as the No. 1 vein. The second vein has a strike of N. 25° W., with a dip of 70 degrees south-westerly, and is known as the No. 2 vein.

The outcrops occur along a flat where the vegetation is so dense that it is difficult to trace them and so form an opinion as to their relationship.

The No. 1 vein has been opened by a series of surface trenches which show it to be continuous for a distance of between 300 and 400 feet. A sample taken across 3 feet of the quartz in the No. 1 cut assayed: Gold, 0.06 oz.; silver, 0.1 oz.

The No. 2 vein has been opened by an adit (Fig. 1) run in from the flat. The first 30 feet of this adit passes diagonally through the vein, then turns to the west, and, 10 feet farther on, encounters a quartz vein having a strike of N. 10° W., and a westerly dip of 70 degrees. It continues through this vein for a distance of 16 feet and into the hanging-wall phyllites for a further distance of 34 feet. From the turn in the adit a drift was run north 27 feet into the No. 2 vein, then turned to a course of N. 25° W. and continued for a further distance of 27 feet. At the face of this drift a few shots were put into the west side, and apparently broke through into the No. 3 vein (?). A sample (No. 29) taken across 6 feet of the quartz exposed in the face of this drift assayed: Gold, 0.02 oz.; silver, a trace; while a sample (No. 28) taken across 16 feet of the No. 3 vein in the main adit showed it to contain 0.5 oz. gold and 0.3 oz. silver.

Sufficient work has not been done in connection with the No. 2 and No. 3 veins to determine whether they are separate and distinct, or whether they are one and the same, the ore-body being split by a horse of country-rock through which the main adit penetrates. Owing to the heavy covering of soil and rocky debris, no outcrops are visible where these veins should come to the surface.

There is a large amount of quartz float scattered about on the surface in both large and small masses, some of the former weighing several tons, a good many of which, upon being broken, show free gold. It is supposed, by the owners of the property, that this float comes from the No. 3 or "big vein," as they call it, but no systematic attempt has been made to prove the correctness of this supposition.

Some 500 feet north-westerly from the adit is a dyke of diabase-schist containing considerable quartz and having a strike of N. 25° W., with a south-westerly dip of 60 degrees. An open-cut has been made across the quartz portion of this dyke, from which a sample obtained over 5 feet of the more highly mineralized part assayed: Gold, 0.1 oz.; silver, 0.23 oz.

One hundred feet farther east from this cut, on the side of a low, narrow ridge, some open-cuts have been made across a series of quartz stringers which occur here in a carbonaceous phyllite. These stringers follow the bedding-planes of the rock and have a strike of N. 45° W., with a dip of 70 degrees to the north-east. A sample taken across 6 feet of the most promising portion of the No. 4 cut assayed: Gold, 0.06 oz.; silver, 1.13 oz. It is quite possible, and in fact probable, that these stringers represent the continuation of the No. 1 vein in this direction.

This group adjoins the *Independence* on the south-east and extends to the valley of the Incomappleux river. (Plate 5.) The **Goldfinch Group.** ore occurs in a diabase-schist, having the characteristic north-west strike and north-easterly dip. This schist is cut by a series of faults having a strike of N. 25° west, and a dip of 80 degrees to the south-west. There are also a series of flat joint planes having a strike of N. 45° W. and a southerly dip of 20 degrees.

The dyke apparently has been subjected to a considerable amount of movement, which has cracked and faulted the rock in different directions. Many of the fault-planes and cracks subsequently became filled with quartz, more or less mineralized with pyrite, galena, and zinc-blende, with, occasionally, a little visible free gold.

Some of the flat seams, or joint planes, are now occupied by quartz "veins" from 0.5 to 12 inches wide. These are apparently much richer in the precious metals than the other veins and stringers.

So far as development-work shows and can be seen, there is nothing on this property in the nature of a well-defined quartz vein, such as exist in other portions of the district.

A large amount of development-work has been done on the property, consisting of numerous open-cuts, adits, drifts, and crosscuts, aggregating a good many hundred feet.

The property was at one time equipped with a 10-stamp mill, situated near the mouth of Menhinick creek, in the valley of the Incomappleux river, which was connected with the mine-workings by a wire-rope aerial tram. A forest fire destroyed the tram-line some years ago and it was never rebuilt. The mill building and machinery are still on the ground and in a fairly good state of repair.

The writer was informed that a considerable tonnage of ore from the open-cuts was put through the mill, and that the yield in bullion was satisfactory; but no figures as to tonnage or actual recoveries are available, and, from the general appearance of the material which was put through the mill, it would be surprising if in the unsorted ore the yield was in excess of \$3 or \$4 a ton, and it was probably considerably less, inasmuch as the proportion of quartz to country-rock is exceedingly small.

An upper adit, at an elevation of 3,400 feet, was driven on one of the flat veins previously spoken of; this vein is exposed in the sides of the workings, and has a width of from 4 to 12 inches. In places this ore shows free gold, together with some galena and pyrite; a selected sample assayed: Gold, 1.8 oz; silver, 0.6 oz. This class of ore, however, occurs in comparatively small patches, and for every ton of material extracted a good many tons of waste would have to be handled.

Two hundred feet vertically below the upper adit a second adit has been driven for a considerable distance. For the first 50 feet it has a course of N. 25° W.; it then turns and follows the formation in a general N. 45° W. direction for some 200 feet, crossing, in its course, two well-defined fault-planes, the farthest one (in from the portal of the adit) of which contained some quartz. A drift was run along this quartz in a N. 25° W. direction for a distance of about 75 feet, and in one place a raise was put up 20 feet. In both directions the quartz terminated in a wedge, and it shows very little mineralization; no samples were taken.

From what can be seen, there is no verification of the existence of a commercial ore-body in this portion of the ground, but the face of the lower adit is very close to the line of the *Independence*, and if it was continued until it cut the "big vein" in that property might uncover an ore-body of considerable value.

This mine is situated on Lexington mountain, on the east side of the Incomappleux river and on the north side of Poole creek, close to the mouth of the latter. (Plates 6 and 7.) The property extends from the river-valley up the mountain-side to an elevation of 3,800 feet. It was upon this property that the first discovery of gold was made in the district. In the year 1900 an inexperienced prospector was searching for silver-lead ores, and found upon what is now known as the *Eva* property a vein containing a few specks of galena, which he staked as a silver-lead claim. On having his samples assayed, however, they were found to contain high values in gold, whereupon he and his partners staked a group of gold claims, and, the news getting abroad, started a little excitement.

A syndicate was formed in Nelson, under the management of A. H. Gracey, for the acquisition and development of this property, since which time a large amount of work has been done and a considerable tonnage of ore put through the 10-stamp mill with which the property is equipped.

The mine has been idle now for several years owing to the fact that the ore is of too low a grade to be profitably handled with a small reduction plant and at the same time keep development-work ahead. However, the mine has made a good showing considering the conditions under which it was worked.

Referring to the local geology, I cannot do better than quote from the report of R. W. Brock\* on the Lardeau District, in which he says:—

"The lead consists of two veins, lying in and along two fault-planes connected by numerous cross-veins and stringers. The direction of the lead is about 120 degrees (S. 40° E.), cutting the formation at a low angle.

\* Summ. Rep. Geo. Surv. Can., 1903. p. 59.



PROPOSED PROGRAM:

Several gold-bearing quartz veins have been found on the Dorothy Crown grant, striking in a northwesterly direction, and appear to be in a zone about 100 metres wide. Outcrops are too scarce to be sure of the total width. Additional showings are reported to the northwest. Distribution of the gold in the veins is not regular and inadequate technical work has been done to establish controls.

With variation in strike and dip of veins in different outcrops, lack of exposures, and knowing that the highest grade gold samples have come from a relatively flat-lying vein on the adjoining Goldfinch claim, tight surface control is imperative to interpret future drill results.

In many cases the quartz veins have not resisted weathering as much as one would normally expect due to shearing, gouge and possibly sulphide content, and thus do not necessarily exhibit a topographic high.

Survey control will be very important as detailed information is collected, and it is recommended that it be co-ordinated with the survey already established on the Goldfinch property. There the writer established permanent control points tied into key Crown grant corners and a mine co-ordinate grid by a B.C. Land Surveyor.

To explore and develop the property:

1. A grid should be established from the southeast boundary of the Dorothy Crown grant. It should be on line with the mineral zone (north-easterly) and initially extend for 2.0 kilometers. The picketed cross-lines should be at 100 metre intervals and 250 metre length to either side of the baseline, and slope-corrected because of topographic variation. An additional 5½ kilometers of line should be for extensions

and fill-in on known mineral zones. This grid may also pick up the Nelson showing, but will be short of the Burniere showing. This grid will give control for prospecting, geological mapping, geochemical survey, and geophysical testing.

2. Detailed work in the area of the main showings on the Dorothy Crown grant. The object would be to trace and crosscut the veins on surface and construct cross-sections showing surface orientation of veins and assay results to guide and aid in interpreting drilling. A large backhoe would be the most suitable for this type of trenching and needs to be under direction of a competent mining geologist.

3. Section diamond drilling to test area to depth from Item 2. The drilling should be based on results from Item 2. At this stage I believe several shorter holes drilled across parallel sections will give more information than single long holes. Because of possible poor ground conditions, a wider diameter core such as NQ should be secured.

4. A reconnaissance program of prospecting and geochemistry to locate the Burniere showing and other showings on the claims outside the grid area.

5. Follow-up drilling and work upon positive results would cost at least \$150,000.00

ESTIMATE OF COST:Item 1 - Grid Exploration:

Mobilization - Demobilization	2,000.00
Gridlines: Baselines 2km, Crosslines 16km	5,500.00
Soil Sampling, 18km @ 25m spacing 720 samples @ \$5 sample	3,600.00
Analysis - Soil samples (gold,lead,zinc) 720 samples @ 10.05	7,236.00
Geological mapping & prospecting	4,000.00
Assaying - gold, silver, 50 @ 14.25	712.50
Camp & supplies	5,250.00
Miscellaneous tools and equipment	500.00
Vehicle rental, 21 days @ \$75	1,575.00
Engineering & supervision, 8 days @ \$350.	2,800.00
Travel costs	1,000.00
Report	2,000.00
Drafting, maps, (est.)	1,200.00
	<hr/>
	37,373.50
Contingency 15%	5,606.03
	<hr/>
	42,979.53
Say	\$43,000.00

ESTIMATE OF COST (Cont'd):Item 2 - Detailed Surface Exploration:

(Can be done in conjunction with Item 1.

Mobilization - Demobilization	3,000.00
Backhoe	5,000.00
Engineering & Geology, supervision	8,000.00
Sampling	2,000.00
Assaying 200 samples @ 14.25	2,850.00
Miscellaneous tools, equipment & freight	1,200.00
Vehicle, 21 days @ \$75	1,575.00
Surveying	800.00
Camp & Supplies	3,150.00
Compilation of data	2,100.00
Report	2,500.00
Drafting maps, printing costs, etc.	<u>2,000.00</u>
	34,175.00
Contingency 17%	<u>5,809.75</u>
	39,984.75
Say	\$40,000.00

ESTIMATE OF COST (Cont'd):Item 3 - Diamond Drilling:

Mobilization - Demobilization	4,000.00
Drilling: 500 metres NQ @ \$95	47,500.00
Assaying, 250 samples @ 14.25	3,562.50
Bulldozer - drill roads & pads	2,000.00
Geology, core logging, sampling	6,000.00
Equipment and freight	1,000.00
Truck rental, 40 days @ \$75	3,000.00
Camp and supplies	12,000.00
Core storage	3,000.00
Compilation of data	3,500.00
Report	2,500.00
Drafting maps, printing costs, etc.	<u>2,000.00</u>
	90,062.50
Contingency 15%	<u>13,509.38</u>
	103,571.88
	Say \$104,000.00

Item 4:

Reconnaissance prospecting and Geochemistry, can be done in conjunction with Items 1,2, or 3	
Allow	6,000.00

Item 5:

With positive results from one or more of the above items, additional work could be required. If in the form of deeper drilling or underground testing, costs could be in excess of \$150,000.00

B I B L I O G R A P H Y

1. B.C. Minister of Mines, Annual Reports 1901, 1902, 1903, 1905, 1906, 1914, 1917, 1918, 1933, 1935.
2. Burns, D.W. 1981 - Report on the Independence Group of Claims for Academy Enterprises, Jan.14, 1981.
3. Copeland, R.W. 1976 - Preliminary Report, Goldfinch Claim Group, Camborne, B.C. (no maps)
4. Emmens, N.W. 1914 - The Mineral Resources of Lardeau and Trout Lake Mining Divisions, British Columbia Bureau Mines, Bull.2.
5. Fyles, J.T. and Eastwood, G.E.P., 1962 - Geology of the Ferguson Area, Lardeau District, British Columbia, B.C. Dept.Mines and Petrol Resources, Bull.22
6. Harris, C.R. 1977, 1979 - A Report on the Goldfinch Claim Group, Lardeau Mining District, B.C.
7. Hawkins, T.G. 1981 - Preliminary Assessment and Recommended Work Program B & C No.1 Group Sawyer Consultants Inc. July 10, 1981
8. Kerr, J.R. 1979 - Report on the Independence Group of Claims for Ron Bacon Kerr Dawson & Associates, June 30, 1979
9. Kerwan, G.L. 1971 - Eaton Mining & Exploration Co. Ltd., Report on Gold Property, Revelstoke Mining District, B.C. (no maps)
10. Read, P.B. 1975 - Lardeau Group, Lardeau Map Area West - Half (82Kw/2) British Columbia, Geol.Survey Can. Paper 75-1, PT.A. P.29-30.
11. Read, P.B., Wheeler, J.O. 1976 - Geology Map - Lardeau West-Half, Geological Survey of Canada Open File 432.
12. Read, W.S. 1981 - Report 1980 Exploration Program on Goldfinch Group Mineral Claims, 31 May 1981

CERTIFICATE OF QUALIFICATIONS

I, Wayland Stuart Read, do hereby certify that:

1. I am a practising Mining Geologist and my address is Cherry Point Road, Cobble Hill, B.C.
2. I am a graduate in Geology from Acadia University, Wolfville, Nova Scotia, have been granted the degree of Bachelor of Science in Geology, and have engaged in practising my profession for the past twenty-five years.
3. I am a member of the Association of Professional Engineers of British Columbia and the Yukon Territory, a Fellow of the Geological Association of Canada, and a Member of the Canadian Institute of Mining and Metallurgy.
4. This report is based on my personal work on the adjoining Goldfinch property, and that of crews under my direction during the 1980 program, plus an additional inspection of the Independence property on 6 September 1983.
5. I have no interest in the property or securities of Windflower Mining Limited, nor do I expect to receive any.

Respectfully submitted



Wayland S. Read, B.Sc., P.Eng.  
Consulting Geologist

Cherry Point Road,  
Cobble Hill, B.C.

21 September 1983

WAYLAND S. READ, B.SC., P.ENG.  
CONSULTING GEOLOGIST

TEA CODE 604-TELEPHONE 743-2279

851 CHERRY POINT ROAD, COBBLE HILL, B.C. V0R 1L0 CANAD

5 April 1984

Mr. Gerald Ryznar, P.Eng.,  
Windflower Mining Limited,  
4405 Glen Canyon Drive,  
North Vancouver, B.C.  
V7N 4B4

Dear Mr. Ryznar:

This letter is to give my consent to the use of my report  
on Independence Group Mineral Claims, in the Revelstoke  
Mining Division, B.C., dated 21 September 1983, in a  
company prospectus.

Yours very truly,



Wayland S. Read, P.Eng.


WSR:mr

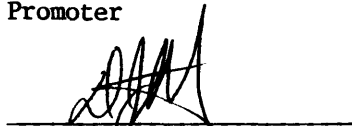



CERTIFICATE

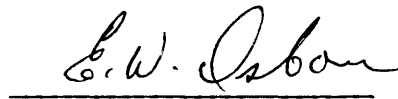
The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of the British Columbia Securities Act and the regulations thereunder.

DATED at Vancouver, British Columbia, this 1st day of February, 1985.

  
Gerald Ryznar  
Director and President  
Promoter

  
David J. Saxby  
Director

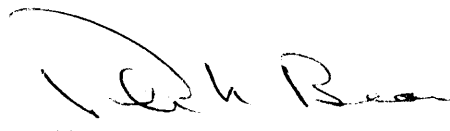
  
Joel R. Sardone  
Director and Secretary  
Promoter

  
Edward Osborn  
Director

CERTIFICATE OF AGENT

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 required by Part VII of the Securities Act of British Columbia, and the regulations thereunder.

**CANARIM INVESTMENT CORPORATION LTD.**

By:   
Peter M. Brown

DATED Feb. 1, 1985.

BEM002

EFFECTIVE DATE: JUNE 3, 1985

WINDFLOWER MINING LTD.

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AMENDMENT NO. 1 TO PROSPECTUS DATED MARCH 4, 1985

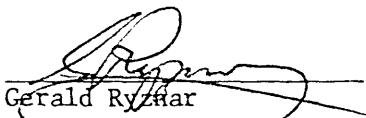
The "DISTRIBUTION SPREAD" and the "PLAN OF DISTRIBUTION" is amended in part to reflect the extension by the Agent of the Agency Agreement for a period of 90 days and the extension of the Issuer's conditional listing on the Vancouver Stock Exchange.

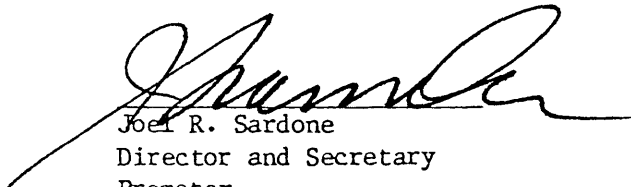
The Vancouver Stock Exchange has conditionally listed the securities being offered pursuant to the Issuer's Prospectus. Listing was subject to the Issuer fulfilling all of the listing requirements of the Vancouver Stock Exchange on or before June 3, 1985, including prescribed distribution and financial requirements. This deadline has been extended for Ninety (90) days to September 3, 1985.

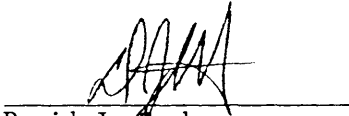
CERTIFICATE

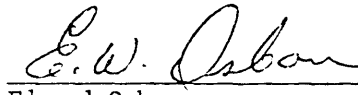
The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of the British Columbia Securities Act and the regulations thereunder.

DATED at Vancouver, British Columbia, this 24th day of May, 1985.

  
Gerald Ryznar  
Director and President  
Promoter

  
Joel R. Sardone  
Director and Secretary  
Promoter

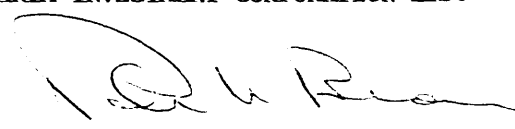
  
David J. Saxby  
Director

  
Edward Osborn  
Director

CERTIFICATE OF AGENT

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 required by Part VII of the Securities Act of British Columbia, and the regulations thereunder.

CANARIM INVESTMENT CORPORATION LTD.

By:   
Peter M. Brown

DATED May 24, 1985.

EFFECTIVE DATE: JUNE 27th , 1985

WINDFLOWER MINING LTD.

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AMENDMENT NO.2 TO PROSPECTUS DATED MARCH 4, 1985

1. The "DISTRIBUTION SPREAD" is amended in part to reflect that the Issuer has changed its agent to:

Yorkton Securities Inc.  
#800 - 609 Granville Street  
Vancouver, B.C.

2. Item 1 "PLAN OF DISTRIBUTION" is amended as necessary to reflect the alteration of the exclusive agent from Canarim Investment Corporation Ltd. to Yorkton Securities Inc.

The persons beneficially owning a 5% or greater interest in Yorkton Securities Inc. are Arthur J. Thomas, Marvin Z. Mandell, Allen Barry Van Stone, Stewart David Vorberg, Donald Risling, Frank Guistra, Lorne J. Levy and Jawaharlal Gondi.

3. Item 7 "DESCRIPTION OF BUSINESS AND PROPERTY OF ISSUER" and specifically Item 7(b) which deals with the Issuer's Independence Group Mineral Claims, is amended in part to reflect that the timing of the issuance of the balance of 175,000 shares to be issued by the Issuer to Academy Enterprises Ltd. has been extended. Pursuant to Amendment Agreement dated June 3, 1985, the balance of the 175,000 shares are to be issued in the following three installments:

- (1) 52,500 shares by October 30, 1985;
- (2) 52,500 shares by July 15, 1986; and
- (3) 70,000 shares by July 15, 1987.

Pursuant to the said Amendment Agreement the timing of the Issuer's required exploration and development expenditures has also been extended and the Issuer is now required to spend \$190,000.00 on the property by December 31, 1986 and a further \$150,000.00 by December 31, 1987.

4. Item 7 "DESCRIPTION OF BUSINESS AND PROPERTY OF ISSUER" and specifically Item 7(c) which deals with the Issuer's Goldfinch Property, is amended in part to reflect that the timing of the issuance of the balance of 150,000 shares to be issued by the Issuer to Synco Development Corporation has been extended. Pursuant to Amendment Agreement dated June 3, 1984, the balance of 150,000 shares are to be issued in the following three installments:

- (1) 50,000 shares by December 31, 1985;
- (2) 50,000 shares by June 30, 1986; and
- (3) 50,000 shares by December 31, 1986.

5. Item 15 "REMUNERATION OF DIRECTORS AND SENIOR OFFICERS" is amended as necessary to reflect that the remuneration paid to Gerald Ryznar (\$1,000.00 per month) for management services rendered to the Issuer, has not been paid by the Issuer to Gerald Ryznar since April, 1984 and that such remuneration, as accrued or for current services, will not be paid until such time as the Issuer's unallocated working capital can support such payments. Item 15 is amended and will now read as follows:


\$1,000.00 per month is to be paid to Gerald Ryznar for management services rendered to the Company, such remuneration shall accrue but will not be paid until such time as the Company's unallocated working capital can support such payments.

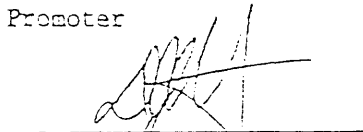
There are no other material facts.


CERTIFICATE


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 British Columbia Securities Act and the regulations thereunder.

DATED at Vancouver, British Columbia, this 4th day of June, 1985.

  
Gerald Rymer  
Director and President  
Promoter

  
David J. Saxby  
Director

  
Joel R. Sardone  
Director and Secretary  
Promoter

  
Edward Osborn  
Director

CERTIFICATE OF THE AGENT

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 amended by Amendment No. 1 and Amendment No. 2, as required by Part 7 of the Securities Act, and the regulations thereunder.

DATED the 4th day of June, 1985, at the City of Vancouver, in the Province of British Columbia.

YORNTON SECURITIES INC.

Per: 