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Form 12

Securities Act

SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE
VANCOUVER CURB EXCHANGE

Date Accepted
For Filing
Thursday, September
18, 1980.

STATEMENT OF MATERIAL FACTS

VANCOUVER CURB EXCHANGE
Name of Exchange

GRENOBLE ENERGY LIMITED
Name of Issuer

#1015 - 470 Granville Street, Vancouver, British Columbia
Address of Head Office of Issuer

#1275-555 Burrard Street, Vancouver, British Columbia
Address of Registered Office of Issuer

#1275-555 Burrard Street, Vancouver, British Columbia
Address of Records Office (Section 38 - Companies Act)

GUARANTY TRUST COMPANY OF CANADA, 800 West Pender Street, Vancouver,
Name & address of Registrar & Transfer Agent
for Issuer's shares in British Columbia. British Columbia.

Neither the Superintendent of Brokers nor the Vancouver Stock Exchange/Vancouver Curb Exchange has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

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

By an agreement (the "Agency Agreement") dated July 18, 1980, Grenoble Energy Limited (the "Issuer") appointed Canarim Investment Corporation Ltd. of #1350-409 Granville Street, Vancouver, B.C. (the "Agent") to offer through the facilities of the Vancouver Curb Exchange (the "Exchange") 100,000 shares of the Issuer at the market price prevailing from time to time on the Vancouver Curb Exchange, but not less than \$2.00 per share. The offering will commence on the date specified by the Exchange, being the "Effective Date" set forth on the front page hereof, and continue for a period of thirty (30) business days or until all of the 100,000 shares are sold, whichever shall first occur.

The Agent will receive a fee of \$500.00 on the Effective Date and a commission of 6% of the gross sales at the time the shares are sold. In the event that all the shares are sold, the Agent shall receive an additional 1½% of the gross sales, less the initial fee of \$500.00.

Although it is not possible to determine the actual net proceeds from the offering of shares pursuant to this Statement of Material Facts, in the event all of the 100,000 shares are sold at the minimum price of \$2.00 per share, the Issuer will receive, after commission, \$185,000.00. No payments in cash, securities or other consideration are being made or are to be made to a promoter, finder or any other person or company in connection with the proposed offering.

The Directors and Insiders of the Company may purchase shares from this offering.

The Agent will be the market maker during the period of primary distribution of shares offered pursuant to this Statement of Material Facts, subject to the by-laws of the Vancouver Curb Exchange and may make purchases and sales of the shares of the

Issuer for the purpose of maintaining an orderly market for the Issuer and for assisting in the distribution of the offered shares. The Agent does not control any shares of the Issuer other than those offered hereunder. To the knowledge of the signatories hereto there are no other market maker or makers.

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

The Agent has been granted a right of first refusal for all financings to be done through the Vancouver Curb Exchange within 12 months from the effective date.

The beneficial shareholders of Canarim Investment Corporation Ltd. holding more than 5% of the issued shares are:

<u>Name and Address</u>	<u>No. & Class of Shares</u>	<u>Percentage</u>	<u>Percentage of Voting Rights</u>
A.E. Turton Investments Ltd.	17,982 Class "A" Common	100% of Class "A" Common	40%
The MacLachlan Investments Corporation Ltd.	17,982 Class "B" Common	100% of Class "B" Common	40%
Petersham Holdings Ltd.	6,744 Class "C" Common	100% of Class "C" Common	15%
Channing Investments Corporation	2,248 Class "D" Common	100% of Class "D" Common	5%

A.E. Turton Investments Ltd. is 100% owned by Alfred E. Turton, of 3rd. floor, Canarim Place, 52 Donald Street, Winnipeg. Manitoba.

The MacLachlan Investments Corporation Ltd. is owned 100% by Peter M. Brown of #1350-409 Granville Street, Vancouver, B.C.

Petersham Holdings Ltd. is owned 100% by Brian D. Harwood of #1350-409 Granville Street, Vancouver, B.C.

Channing Investments Corporation is owned 100% by Charles Channing Buckland, of #1350-409 Granville Street, Vancouver, B.C.

The range of the market price of the shares of the Issuer and the volume of shares for each of the four weeks immediately preceding the date on which this Statement of Material Facts was accepted for filing by the Vancouver Curb Exchange, is as follows:

<u>Week</u>	<u>Market Range</u>		<u>Volume</u>
	<u>High</u>	<u>Low</u>	
Aug. 18 - 22	1.40	1.00	55,900
Aug. 25 - 29	2.48	1.35	284,900
Sept. 2 - 5	2.45	2.00	115,900
Sept. 8 - 12	3.00	2.25	144,800

The promoters, directors, officers and other insiders of the Issuer own, as a group, directly or indirectly, 980,250 shares representing 45.7% of the presently issued shares of the Issuer.

Shareholders Offerings

Subsequent to the completion of the offering of treasury shares, Wendy Hynson and three directors of the Issuer as set out below intend to offer through the facilities of the Vancouver Curb Exchange at market prices from time to time prevailing the herein-after noted number of shares set opposite their names, such offering to be for a period of three months following the completion of the sale of the agency offering herein or the expiration of 30 business days following the effective date herein or the first of such dates.

<u>Names & Addresses</u>	<u>Number of Shares held at beginning of Offering</u>	<u>Number of Shares Qualified for Sale</u>	<u>Number of Shares held at end of Offering assuming all Shares sold</u>
Wendy Hynson, #303-2445 West 3rd. Avenue, Vancouver, B.C.	250,000 Escrow		250,000 Escrow
	250,000 Free	100,000 Free	150,000 Free

<u>Names & Addresses</u>	<u>Number of Shares held at beginning of Offering</u>	<u>Number of Shares Qualified for Sale</u>	<u>Number of Shares held at end of Offering assuming all Shares sold</u>
Earl Edward Weisbrod, 11420 Kingfisher Dr., Richmond, B.C.	143,750 Escrow 72,000 Free	60,000 Free	143,750 Escrow 12,000 Free
Kenneth Albert Sherlock, 2413 McBain Avenue, Vancouver, B.C.	140,500 Escrow 60,000 Free	25,000 Free	140,500 Escrow 35,000 Free
Albert Fyfe Probyn, 14531 Westminster Hwy., Richmond, B.C.	54,000 Free	40,000 Free	15,000 Free

None of the proceeds from the sale of Ms. Hynson's or the directors' shares will accrue to the Company.

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

There is no known body of commercial ore on any of the Issuer's mining properties and the proposed programs are exploratory searches for ore.

The shares of the Issuer must be considered speculative securities as the Issuer's mining properties are in the exploration and development stage.

No survey has been made of the Issuer's located mineral claims and, therefore, in accordance with the mining laws of the jurisdiction in which such claims are situate their existence and area could be in doubt.

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

Since April 3, 1980, the date of a Statement of Material Facts of the Issuer, there have been no material changes or proposed material changes in the affairs of the Issuer other than of the 300,000 best efforts offering made pursuant to that Statement only 163,600 shares were sold.

4. PROCEEDS DERIVED FROM THE SALE OF THE SHARES OFFERED HEREUNDER.

Although it is not possible to determine the actual net proceeds from the offering pursuant to this Statement of Material Facts, in the event all of the 100,000 shares are sold at a minimum price of \$2.00 per share, the proceeds would be \$200,000.00 less commission of \$15,000.00 for a net of \$185,000.00.

The purpose for which such estimated net proceeds from the sale of the shares offered by this Statement of Material Facts are to be spent along with the approximate \$ 15,000.00 of working capital presently held by the Company and in priority are as follows:

To fund Phase II of the work Program per R.W. Phendler's, P.Eng. report dated July 20, 1979 supplemented Feb.20, 1980 and further supplemented July 14, 1980 on the Lexington Property

Phase II	\$ 150,000.00
Property payments due during 1981	23,500.00
Balance for Working Capital	<u>26,500.00</u>
Total estimated funds on hand if all shares are sold	\$ 200,000.00

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Funds raised pursuant to the offering not necessary for the Lexington property program will not be expended on other properties without filing up to date engineering reports with and acceptable to the Vancouver Curb Exchange.

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

Name, Address and Present Office Held	Chief Occupation	Number of Shares of Issuer Beneficially Owned
Earl Edward Weisbrod 11420 Kingfisher Drive, Richmond, B.C. Director/President	Catering Manager, Pacific Western Airlines.	225,750
Kenneth Albert Sherlock, 2413 McBain Avenue, Vancouver, B.C. Director/Secretary	Chartered Accountant employed by Cancedra Homes, Vancouver Whitecaps, Carlyle Shepherd & Asso- ciates, Quest Vitamin Supplies Ltd.	200,500
Albert Fyfe Probyn, 14531 Westminster Hwy., Richmond, B.C. Director	Mechanic, Dennison Motors Ltd.	54,000
Thomas Patrick Bowes, 20720 - 48th Avenue, Langley, B.C. Director	For various periods during the past 5 years has held directorships in Tupco Mines Ltd. (NPL), GBX Mines Ltd., Dungannon Explorations Ltd., Henrietta Mines Ltd., Galveston Petroleums Ltd., United Gunn Resources Ltd., Grenoble Energy Limited, Domego Resources Ltd. and Golden Granite Mines Ltd.	None

6. PARTICULARS OF THE CORPORATE STANDING OF THE ISSUER.

The Issuer was incorporated under the laws of the Province of British Columbia on June 1, 1979 and has not yet held its first Annual General Meeting.

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

The latest audited financial statements of the Issuer are dated September 14, 1979.

The Issuer is engaged in the business of developing natural resource properties.

7. THE AUTHORIZED AND ISSUED SHARE CAPITAL OF THE ISSUER.

The authorized capital of the Issuer consists of 5,000,000 common shares without par value, of which 2,145,100 are issued and outstanding. There are no conversion rights, no special liquidation rights, pre-emptory rights, or subscription rights attached to the shares of the Issuer.

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

The following are details of securities issued during the past year:

<u>Date</u>	<u>Number of Shares</u>	<u>Price Per Share</u>
June 1979	750,000	For Properties at a deemed value of 1 cent each *
June 1979	557,500	10¢
June 1979	294,000	25¢
Dec. 1979	300,000	65¢
Feb. 1980	80,000	50¢ derived from the exercise of directors options.
April 1980	163,600	Average \$1.15 on a best efforts offering.

* The 750,000 shares were issued subject to escrow restrictions as follows:

Kenneth Albert Sherlock 2413 McBain Avenue, Vancouver, B.C.	250,000 Shares
Earl Edward Weisbrod 11420 Kingfisher Drive, Richmond, B.C.	250,000 Shares
George Fordham Jones, 41 Bastion Square, Victoria, B.C.	250,000 Shares

Messrs. Sherlock and Weisbrod are directors of the Issuer.

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

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

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

Harrison Lake Property

The Issuer owns 100% of the ROCCO #3 mineral claim, Record Number 2380, Vancouver Mining Division, British Columbia, expiry date July 17, 1983. The claim consists of 12 full size B.C. units and is situated 10 Km. Northwest of Harrison Mills, B.C.

The Issuer completed an airborne geophysical survey at a cost of \$10,400.00. James W. McLeod, B.Sc. and E. Percy Sheppard, P.Eng. completed a report for the Issuer on the property dated July 20, 1979. The report recommended the expenditure of \$20,000.00 consisting of geological mapping, soil sampling and a magnetometer survey. During 1980 the Issuer carried out most of this work at a cost of approximately \$16,500.

There is no known body of commercial ore on this property.

There is no underground or surface plant or equipment on this property.

Lexington Property

The Issuer has options to acquire 4 reverted crown granted mineral claims, 3 located claims, 11 crown granted claims and 2 mineral leases situated 11 Km southeast of Greenwood, British Columbia in the Greenwood Mining Division, as follows:

Reverted Crown Grants & Located Claims

<u>Name of Claim</u>	<u>Size - Acres</u>	<u>Record Number</u>	<u>Expiry Date</u>
St. Lawrence	41.40	1000	April 19, 1980
New Jack of Spades	5.023	996	April 19, 1980
Cuba	40.00	997	April 19, 1980
Excelsior	46.37	1351	October 16, 1980
Holly #12	52.0	1282	August 11, 1980
Holly #1	52.0	1271	August 11, 1980
Holly #3	52.0	1273	August 11, 1980

(Assessment work filed to extend expiry dates one year subject to survey)

Crown Granted Mineral Claims:

<u>Lot Number</u>	<u>Size - Hectares</u>	<u>Name</u>
621	7.34	Lincoln
622	7.38	City of Paris
791	7.12	Number Four
2013	9.41	City of Vancouver Fraction
645	8.36	Lexington
1161	9.43	City of Denver
1095 S	8.70	N.D. Des Mines Fraction
614	6.75	Oro
1096 S	1.54	Oro Fraction
1152	6.15	Puyallup
955	14.34	Golden Cache Fraction

Mineral Leases

<u>Lot Number</u>	<u>Size - Acres</u>	<u>Name</u>
868	5.95	Marie Stuart
1878	23.00	No.5

A considerable amount of work has been completed on the property over a 90 year period since 1890 by a succession of previous owners. R.W. Phendler, P.Eng. in a report to the Issuer, dated July 20, 1979 outlines the history. A copy of Mr. Phendler's report is attached to and form part of this Statement of Material Facts along with supplemented reports dated February 20, 1980 and July 14, 1980.

In his reports Mr. Phendler recommends work programs in three phases. Phase I consists of 150 meters of adit and some drilling. Phase II underground development and Phase III surface diamond drilling.

The Company has been working on Phase I of Mr. Phendler's recommendations and has completed a claim survey, 138 meters of adit, 30 meters of raise, and 407 meters of diamond drilling. Cost of this work to August 31, 1980 including supervision was \$264,700.00. At the date of this Statement of Material Facts the work is continuing.

The adit encountered very bad ground conditions and excessive water. These conditions occasioned exceptional overruns in cost. Mr. Phendler has re-estimated the cost to complete an additional 100 meters of adit and 43 meters of raising in his report of July 14, 1980. Following completion of that work Mr. Phendler will review the estimated costs of the balance of the recommended program.

There are limited underground workings on some of the claims comprising the Lexington property, but such workings are not considered significant to the Issuer's present operations. There is no surface or underground plant or equipment on the property.

There is no known body of commercial ore on this property. The purpose of the work and the recommended feasibility study is to ascertain whether or not the mineralized zone can be considered as ore.

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

Harrison Lake Property

Pursuant to a Trust Declaration of the recorded holder dated August 31, 1979, the Issuer acquired ownership of the ROCCO #3 mineral claim situated 10 Km. Northwest of Harrison Mills, British Columbia by the issuance of 750,000 escrow shares to the Vendors as follows:

Kenneth Albert Sherlock,
2413 McBain Avenue,
Vancouver, B.C. 250,000 shares

Earl Edward Weisbrod,
11420 Kingfisher Drive,
Richmond, B.C. 250,000 shares

George Fordham Jones,
41 Bastion Square,
Victoria, B.C. 250,000 shares

The claims were acquired by the Vendors at a staking cost of \$3,400.00

Messrs. Sherlock and Weisbrod became directors of the Company.

The vendors of the Harrison Lake property subsequently reduced their escrow shareholdings by transferring 300,000 of their shares to the vendors of the Lexington Property as set out below.

Lexington Property

The Issuer acquired an option to the claims comprising the Lexington Property pursuant to agreements with Wendy Hynson of #303-2445 West 3rd Avenue, Vancouver, B.C. dated June 5, 1979 and Ralph Sostad of #1012 - 470 Granville Street, Vancouver, B.C. dated July 24, 1979. The options were acquired for a combination of share consideration and cash payments on an option basis. Details of the various claims, agreements and the option payments are set out below:

Pursuant to the Sostad Agreement:

<u>Name of Claim</u>	<u>Size - Acres</u>	<u>Record Number</u>	<u>Expiry Date</u>
St. Lawrence	41.40	1000	April 19, 1980
New Jack of Spades	5.023	996	April 19, 1980
Cuba	40.00	997	April 19, 1980
Excelsior	46.37	1351	Oct. 16, 1980
Holly #12	52.0	1282	August 11, 1980
Holly #1	52.0	1271	August 11, 1980
Holly #3	52.0	1273	August 11, 1980

(assessment work was filed to extend expiry dates one year subject to survey).

Pursuant to the agreement with Wendy Hynson:

Crown Granted Mineral Claims:

<u>Lot Number</u>	<u>Size - Hectares</u>	<u>Name</u>
621 ✓	7.34	Lincoln
622 ✓	7.38	City of Paris
791	7.12	Number Four
2013 ✓	9.41	City of Vancouver Fraction
645 ✓	8.36	Lexington
1161 ✓	9.43	City of Denver
1095 S	8.70	N.D. Des Mines Fraction
614 ✓	6.75	Oro
1096 S ✓	1.54	Oro Fraction
1152 ✓	6.15	Puyallup
955 ✓	14.34	Golden Cache Fraction

Mineral Leases

<u>Lot Number</u>	<u>Size - Acres</u>	<u>Name</u>
868	5.95	Marie Stuart
1878	23.00	No.5

The Issuer acquired rights to the St. Lawrence, New Jack of Spades, Cuba, Excelsior, Holly 1, 2 and 12 pursuant to the agreement with Ralph Sostad, the agreement grants the Issuer an option to purchase the claims outright for \$100,000. The agreement provides an option payment schedule as follows:

\$ 7,500.00	paid on execution
2,500.00	January 1, 1980 (paid)
2,500.00	July 1, 1980 (paid)
2,500.00	January 1, 1981
15,000.00	July 1, 1981
20,000.00	January 1, 1982
<u>50,000.00</u>	July 1, 1982
\$ 100,000.00	
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In addition, Mr. Sostad has received 50,000 of the previously issued escrow shares of the Issuer. The vendors of the above described Harrison Lake property agreed to the transfer to aid the Issuer in acquiring Mr. Sostad's claims.

The balance of the claims were acquired pursuant to the agreement with Wendy Hynson who was paid \$40,000.00 cash by the Issuer on execution of the agreement. Ms. Hynson also received 250,000 of the previously issued escrow shares from the vendors of the Harrison Lake property.

The agreement with Ms. Hynson is subject to a number of agreements with the various claim owners. Ms. Hynson's interest was obtained by an assignment of certain agreements known as the "Greenwood" agreements from Rudolf Securities Ltd. pursuant to an agreement dated May 1, 1979. Rudolf Securities Ltd. obtained the claims pursuant to the following agreements:

Agreement of February 1979 between Kent Energy Corp. and Rudolf Securities Ltd.

Agreement dated September 25, 1978 between the Estate of Marguerite Felicite Johnson and the Roman Catholic Archbishop of Los Angeles of the first part, Rudolf Securities Ltd. of the second part, and S.D. Anfield, Trustee of the third part; (Johnson Agreement).

Agreement of March 12, 1979 between Notre Dames Des Mines Ltd. of the first part, Napoleon Peter Casorso and Englebert H. Sperling of the second part, and Rudolf Securities Ltd. of the third part; (Notre Dames Agreement).

Rudolph Securities Ltd. is a private company, the issued shares of which are wholly owned by Rudolph Nosalek of #1012-470 Granville Street, Vancouver, British Columbia.

Kent Energy Ltd. is a reporting company, the shares of which trade on the Vancouver Stock Exchange. None of the directors or insiders of the Issuer are directors of Kent Energy Ltd.

Notre Dames Des Mines Ltd. is a private company, the greater than 5% shareholders are as follows:

Kenneth Edward Casorso,
R.R.4 Casorso Road,
Kelowna, B.C.

Velma Patricia Sperling,
R.R.4, Casorso Road,
Kelowna, B.C.

Barbara Joyce MacDonald,
1530 West 40th Avenue,
Vancouver, B.C.

Norma Jone Barker,
1189 Kelwinn Avenue,
Penticton, B.C.

The Issuer pursuant to its agreement with Ms. Hynson has assumed the commitments of the earlier agreements. Those commitments are set out below and are the entire commitments pursuant to the various agreements.

Pursuant to the Johnson Agreement, the claims City of Paris, Lincoln and Number Four were acquired. Royalty payments of 2% of the net profits to a total of Forty-Five Thousand (\$45,000.00) Dollars must be made on or before September 25, 1983. The Issuer can merely pay a cash payment in lieu of a production royalty.

Pursuant to the Notre Dames Agreement the balance of the claims were obtained. The Issuer entered into an amending agreement dated August 24, 1979 with the parties of the Notre Dames Agreement, and a further amending agreement dated September 7, 1979 with Kent Energy Ltd.

Payments under those agreements are as follows:

Notre Dames Des Mines Ltd. is entitled to the following:

- \$ 5,000.00 paid on execution of the amendment;
- \$ 5,000.00 paid during January 1980; (paid)
- \$ 2,000.00 on or before October 15, 1981;
- \$ 88,000.00 on or before April 15, 1984.

Napoleon Peter Casorso is entitled to the following:

- \$ 5,000.00 paid on execution of the amendment;
- \$ 5,000.00 paid during January 1980; (paid)
- \$ 2,000.00 on or before October 15, 1981;
- \$ 38,000.00 on or before April 15, 1984.

Englebert H. Sperling is entitled to the following:

- \$ 5,000.00 paid on execution of the amendment;
- \$ 5,000.00 paid during January 1980; (paid)
- \$ 2,000.00 on or before October 15, 1981;
- \$ 18,000.00 on or before April 15, 1984.

Kent Energy Ltd. is entitled to the following:

The sum of One Hundred Thousand (\$100,000.00) Dollars within a period of ten (10) years ending February 1989 by paying 1% of the net smelter or refinery returns as received from the sale or shipment of all ores or concentrates from the said property interest.

Mr. Sperling was entitled to and received an \$8,000 payment following the Company's first financing on the Vancouver Curb Exchange for quit claiming an interest in the Kent Energy Agreement.

The Issuer was obligated to place \$60,000.00 in Trust with Sobolewski & Anfield, on the 30th day of June in each of 1980, 1981, 1982 and 1983 to secure payment under the various agreements. This commitment has been waived by Wendy Hynson for the years 1980 and 1981 pursuant to a letter dated July 29, 1980.

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

The Directors are the promoters of the Company.

<u>Name and Address</u>	<u>Consideration Received</u>
Earl Edward Weisbrod, 11420 Kingfisher Drive, Richmond, B.C.	250,000 Escrow Shares and a share option for 32,000 shares exercised at 50 cents.
Kenneth Albert Sherlock, 2413 McBain Avenue, Vancouver, B.C.	250,000 Escrow Shares and a share option for 24,000 shares exercised at 50 cents.
Albert Fyfe Probyn, 14531 Westminster Hwy., Richmond, B.C.	A share option for 24,000 shares exercised at 50 cents.
Thomas Patrick Bowes, 20720 - 48th Avenue, Langley, B.C.	\$3,650 for work done in acquiring the Lexington Property and over-seeing work thereon. This was received before Mr. Bowes became a director of the Issuer.

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

There are 750,000 shares held in escrow by the Issuer's Registrar and Transfer Agent, not to be released without the written consent of the Superintendent of Brokers and the Vancouver Curb Exchange. In the event the Issuer loses, abandons or fails to obtain title to all or part of the property for which it allotted the shares, some or all of the said shares may be required to be surrendered for cancellation.

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

The following person owns beneficially, directly or indirectly, more than 10% of the equity shares of the Issuer:

<u>Name and Address</u>	<u>No. of Shares</u>
Wendy Hynson, #303-2445 West 3rd Avenue, Vancouver, B.C.	500,000

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

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

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

During the past year no remuneration was paid to directors as such. Thomas Patrick Bowes received \$5,750.00

for supervising the Issuer's mining and exploration programs and Kenneth Albert Sherlock has received \$800.00 for accounting services performed for the Issuer.

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

There are no options to purchase securities of the Issuer outstanding.

18. THE DATES OF AND PARTIES TO AND THE GENERAL NATURE OF EVERY MATERIAL CONTRACT ENTERED INTO BY THE ISSUER WITHIN THE PRECEDING TWO YEARS WHICH IS STILL IN EFFECT AND NOT PREVIOUSLY DISCLOSED HEREIN.

There are no other material contracts entered into by the Issuer within the preceding two years which have not been disclosed in this Statement of Material Facts.

Material contracts of the Issuer may be inspected at the Records Office at #1275-555 Burrard Street, Vancouver, British Columbia during normal business hours during primary distribution of the securities offered hereby and for 30 days after completion of primary distribution.

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

There are no other material facts relating to the securities of the Issuer which have not been disclosed in this Statement of Material Facts.

GRENOBLE ENERGY LIMITED
INDEX TO FINANCIAL STATEMENTS

AUGUST 31, 1980

BALANCE SHEET

SCHEDULE OF EXPENSES

SCHEDULE OF DEFERRED EXPLORATION COSTS

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

NOTES

GRENOBLE ENERGY LIMITED

BALANCE SHEET

AUGUST 31, 1980

ASSETS

CURRENT

Cash in bank and term deposits	\$ 18,192.32	
Accounts receivable and advances	2,130.80	
Prepaid expenses and deposits	<u>51,390.00</u>	\$ 71,713.12

Mineral Claims, at cost (note)		480,500.00
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FIXED, at cost

Furniture, fixtures and equipment	4,537.93	
Automotive equipment	2,704.00	
Mine equipment	<u>5,750.38</u>	12,992.31

Deferred Exploration Costs (note)		291,893.73
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Incorporation Costs		<u>600.00</u>
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\$ 857,699.16

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT

Accounts payable and accruals	\$ 38,856.27	
Current portion of agreements payable	<u>17,500.00</u>	\$ 56,356.27

NON-CURRENT

Agreements payable (note)	382,500.00	
Current portion	<u>17,500.00</u>	365,000.00

SHAREHOLDERS' EQUITY

Share Capital (note)	503,443.70	
Deficit		
Opening balance	\$ 59,612.34	
Expenses	<u>7,488.47</u>	<u>67,100.81</u>

\$ 857,699.16

APPROVED BY THE DIRECTORS

W. W. M. M. Director

D. P. Jones Director

PREPARED BY MANAGEMENT WITHOUT AUDIT

GRENOBLE ENERGY LIMITED

SCHEDULE OF EXPENSES

TWO MONTHS ENDED AUGUST 31, 1980

ADMINISTRATION

Audit and accounting	\$ 300.00
Automobile	910.65
Bank charges and interest	1,038.88
Cartage and delivery	105.50
Equipment rental	96.60
Employee benefits	19.00
Legal	2,000.00
Office and sundry	141.16
Promotion and business development	306.20
Registration and filing fees	800.00
Rent	702.50
Salaries	1,500.00
Secretarial services	186.00
Shareholder information	1,258.72
Telephone	1,123.74
Travel	128.84
	<u>10,617.79</u>

SUNDRY INCOME

Interest earned on investments	<u>3,129.32</u>
	<u>\$ 7,488.47</u>

GRENOBLE ENERGY LIMITED

SCHEDULE OF DEFERRED EXPLORATION COSTS

JUNE 1, 1979 to AUGUST 31, 1980

	<u>ROCO</u> <u>CLAIMS</u>	<u>LEXINGTON</u> <u>CLAIMS</u>	<u>TOTAL</u>
Assessment fees	\$	\$ 889.00	\$ 889.00
Automobile		1,343.42	1,343.42
Equipment rental		72.80	72.80
Engineering and consulting		13,082.76	13,082.76
Inspection costs		257.60	257.60
Labour		1,720.00	1,720.00
Licenses and taxes		305.00	305.00
Management fees		7,700.00	7,700.00
Supervision		7,400.00	7,400.00
Supplies and sundry		620.03	620.03
Survey costs	27,193.56	8,448.65	35,642.21
Telephone		150.38	150.38
Travel and lodging		10,408.07	10,408.07
Tunnel and drilling		212,302.46	212,302.46
 TOTAL	 \$ 27,193.56	 \$264,700.17	 \$291,893.73

GRENOBLE ENERGY LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

JUNE 1, 1979 to AUGUST 31, 1980

	<u>Year Ended</u> <u>June 30, 1980</u>	<u>Two</u> <u>Months Ended</u> <u>Aug. 31, 1980</u>	<u>TOTAL</u>
<u>SOURCE OF FUNDS</u>			
Agreements payable	\$ 380,000.00	\$ (15,000.00)	\$ 365,000.00
Share capital	503,443.70	-	503,443.70
	<u>883,443.70</u>	<u>(15,000.00)</u>	<u>868,443.70</u>
 <u>APPLICATION OF FUNDS</u>			
Purchase of furniture & equipment	4,329.98	207.95	4,537.93
Purchase of automotive equipment	2,704.00	-	2,704.00
Purchase of mine equipment	-	5,750.38	5,750.38
Incorporation costs	600.00	-	600.00
Deferred exploration costs	170,163.37	121,730.36	291,893.73
Expenses (net)	59,612.34	7,488.47	67,100.81
Cost of mineral claims	480,500.00	-	480,500.00
	<u>717,909.69</u>	<u>135,177.16</u>	<u>853,086.85</u>
 Increase (Decrease) in working capital	 165,534.01	 (150,177.16)	 15,356.85
Opening working capital	-	165,534.01	-
 Closing working capital	 <u>\$165,534.01</u>	 <u>\$ 15,356.85</u>	 <u>\$ 15,356.85</u>
 <u>WORKING CAPITAL COMPRISED OF:</u>			
Current assets	\$ 220,616.78	\$ 71,713.12	
Current liabilities	55,082.77	56,356.27	
	<u>\$ 165,534.01</u>	<u>\$ 15,356.85</u>	

GRENOBLE ENERGY LIMITED

NOTES

AUGUST 31, 1980

1. INCORPORATION

The company was incorporated on June 1, 1979 under the laws of the Province of British Columbia.

2. DEFERRED EXPLORATION COSTS

The company has established a policy of deferring all exploration costs until such time as the projects are put into commercial production, sold or abandoned.

3. MINERAL CLAIMS

a) Harrison Lake, B.C.

The company owns 12 staked mineral claims known as Rocco # III which were acquired from a group including two of the company's directors for a consideration of 450,000 shares of the company, currently held in escrow, with an attributed value of 1 cent per share.

b) Greenwood, B.C.

The company has entered into various agreements to acquire a group of mineral claims collectively known as the Lexington Property, situated at Greenwood, B.C.

The total consideration is \$475,500 of which \$90,000 has been paid in cash and \$3,000 was satisfied by the issue of 300,000 escrowed shares with an attributed value of 1 cent per share.

The balance of the consideration is payable at various times to 1989 (note 4).

4. AGREEMENTS PAYABLE

Under the terms of various agreements (note 3) the company is liable to make the following cash payments:

During 1981	\$ 23,500	
1982	70,000	
1984	<u>144,000</u>	\$ 237,500.

Certain of these agreements require the company to pay additional amounts in certain circumstances:

- 2% of the net profit to a maximum of \$45,000 or cash in lieu, to be paid on or before September 25, 1983 45,000.

- \$100,000, payable by 1989, by way of 1% of net smelter or refinery returns received from sale or shipment of all ores or concentrates from the mineral claims specified in

.... Cont'd/

.... 2/

the agreement.

100,000

\$382,500

5. SHARE CAPITAL

Authorized

5,000,000 shares without nominal par value.

Issued

2,145,100 shares.

GRENOBLE ENERGY LIMITED

INDEX TO FINANCIAL STATEMENTS

May 31, 1980

BALANCE SHEET

SCHEDULE OF EXPENSES

SCHEDULE OF DEFERRED EXPLORATION COSTS

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

NOTES

GRENOBLE ENERGY LIMITED

BALANCE SHEET

May 31, 1980

ASSETS

CURRENT

Cash in bank	\$171,648.90	
Term deposits	90,000.00	
Accounts receivable and advances	1,937.82	
Prepaid expenses and deposits	<u>50,300.00</u>	\$313,886.72
MINERAL CLAIMS, at cost (note 3)		472,500.00
FIXED, at cost		
Furniture, fixtures and equipment		3,317.76
DEFERRED EXPLORATION COSTS (note 2)		94,482.02
INCORPORATION COSTS		<u>600.00</u>
		<u>\$884,786.50</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT

Accounts payable and accruals	\$ 53,185.44	
Current portion of agreement payable	<u>5,000.00</u>	\$ 58,185.44

NON-CURRENT

Agreements payable (note 4)	385,000.00	
Current portion	<u>5,000.00</u>	380,000.00

SHAREHOLDERS' EQUITY

Share Capital (note 5)	503,443.70	
Deficit	<u>56,842.64</u>	446,601.06
		<u>\$884,786.50</u>

APPROVED BY THE DIRECTORS

W. A. Shulb R. A. Shulb
Director

J. B. Bowers
Director

GRENOBLE ENERGY LIMITED

SCHEDULE OF EXPENSES

June 1, 1979 to May 31, 1980

ADMINISTRATION

Audit and accounting	\$ 2,438.00
Automobile	4,584.66
Bank charges and interest	259.37
Cartage and delivery	150.50
Employee benefits	75.00
Insurance and bonding	297.00
Legal	10,336.16
Licenses and taxes	523.03
Mailing	1,031.16
Office and sundry	1,637.34
Printing and stationery	4,847.89
Promotion and business development	441.44
Registration and filing fees	3,150.00
Rent	3,968.00
Salaries	11,000.00
Secretarial services	1,829.66
Shareholders and directors meetings	370.95
Shareholder information	1,375.00
Telephone	5,858.79
Transfer fees and costs	504.20
Travel	4,772.28
	<u>59,450.43</u>

EXPLORATION

Survey costs for abandoned claims	<u>4,350.00</u>
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SUNDRY INCOME

Interest earned on deposits	<u>6,957.79</u>
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TOTAL	<u>\$ 56,842.64</u>
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GRENOBLE ENERGY LIMITED

SCHEDULE OF DEFERRED EXPLORATION COSTS

June 1, 1979 to May 31, 1980

	<u>Roco Claims</u>	<u>Lexington Claims</u>	<u>Total</u>
ASSESSMENT FEES	\$ 0	\$ 704.00	\$ 704.00
AUTOMOBILE		735.76	735.76
ENGINEERING AND CONSULTING		4,536.17	4,536.17
INSPECTION COSTS		177.60	177.60
LICENSES AND TAXES		305.00	305.00
MANAGEMENT FEES		3,650.00	3,650.00
SUPPLIES AND SUNDRY		51.69	51.69
SURVEY COSTS	27,193.56	8,448.65	35,642.21
TRAVEL		1,686.63	1,686.63
TUNNEL		46,992.96	46,992.96
TOTAL	<u>\$ 27,193.56</u>	<u>\$ 67,288.46</u>	<u>\$ 94,482.02</u>

GRENOBLE ENERGY LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

June 1, 1979 to May 31, 1980

	<u>Month of</u> <u>May, 1980</u>	<u>Year to</u> <u>Date</u>
<u>SOURCE OF FUNDS</u>		
Agreement payable	\$ 15,000.00	\$380,000.00
Share capital	<u>176,693.70</u>	<u>503,443.70</u>
	<u>191,693.70</u>	<u>883,443.70</u>
 <u>APPLICATION OF FUNDS</u>		
Purchase of fixed assets	0	3,317.76
Incorporation costs		600.00
Deferred exploration costs	49,295.88	94,482.02
Expenses	6,678.17	56,842.64
Cost of mineral claims		<u>472,500.00</u>
	<u>55,974.05</u>	<u>627,742.42</u>
 INCREASE IN WORKING CAPITAL	 135,719.65	 255,701.28
 OPENING WORKING CAPITAL	 <u>119,981.63</u>	 <u> </u>
 CLOSING WORKING CAPITAL	 <u>\$255,701.28</u>	 <u>\$255,701.28</u>
 <u>WORKING CAPITAL COMPRISED OF</u>		
Current assets		\$313,886.72
Current liabilities		<u>58,185.44</u>
		<u>\$255,701.28</u>

GRENOBLE ENERGY LIMITED

NOTES

May 31, 1980

1. INCORPORATION

The company was incorporated on June 1, 1979 under the laws of the Province of British Columbia.

2. DEFERRED EXPLORATION COSTS

The company has established a policy of deferring all exploration costs until such time as the projects are put into commercial production, sold or abandoned.

3. MINERAL CLAIMS

(a) Harrison Lake, B. C.

The company owns 12 staked mineral claims known as Rocco #III which were acquired from a group including two of the company's directors for a consideration of 450,000 shares of the company, currently held in escrow, with an attributed value of 1 cent per share.

(b) Greenwood, B. C.

The company has entered into various agreements to acquire a group of mineral claims collectively known as Lexington Property, situated at Greenwood, B. C.

The total consideration is \$468,000 of which \$62,500 was paid in cash and \$3,000 was satisfied by the issue of 300,000 escrowed shares with an attributed value of 1 cent per share.

The balance of the consideration is payable at various times between 1979 and 1989 (note 4).

4. AGREEMENTS PAYABLE

Under the terms of various agreements (note 3) the company is liable to make the following cash payments:

During 1980	\$ 2,500	
1981	23,500	
1982	70,000	
1984	<u>144,000</u>	\$240,000

Certain of these agreements require the company to pay additional amounts in certain circumstances:

- 2% of the net profits to a maximum of \$45,000, or cash in lieu, to be paid on or before September 25, 1993 45,000

GRENOBLE ENERGY LIMITED

NOTES

May 31, 1980

-\$100,000, payable by 1989, by way of 1% of net smelter or refinery returns received from the sale or shipment of all ores or concentrates from the mineral claims specified in the agreement

100,000

\$385,000

5. SHARE CAPITAL

Authorized

5,000,000 shares without nominal or par value

Issued

2,145,100 shares

GRENOBLE ENERGY LIMITED

INDEX TO FINANCIAL STATEMENTS

September 14, 1979

AUDITORS' REPORT

BALANCE SHEET

SCHEDULE OF EXPENSES

SCHEDULE OF DEFERRED EXPLORATION COSTS

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

NOTES

CARLYLE SHEPHERD & CO.
CHARTERED ACCOUNTANTS

GRENOBLE ENERGY LIMITED

BALANCE SHEET

September 14, 1979

CURRENT

Cash	\$ 29,828	
Accounts receivable	1,440	
Prepays and deposits	<u>1,878</u>	\$ 33,146
MINERAL CLAIMS, at cost (note 3)		472,500
FIXED, at cost		155
DEFERRED EXPLORATION COSTS (note 2)		20,747
INCORPORATION COSTS		<u>600</u>
		<u>\$ 527,148</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT

Accounts payable and accruals	\$ 6,868	
Current portion of agreements payable	<u>20,000</u>	\$ 26,868

NON-CURRENT

Agreements payable (note 4)	402,500	
Current portion	<u>20,000</u>	382,500

SHAREHOLDERS' EQUITY

Share Capital (note 5)	136,750	
Deficit	<u>18,970</u>	<u>117,780</u>
		<u>\$ 527,148</u>

APPROVED BY THE DIRECTORS

Earl E. ... Director

R.H. ... Director

GRENOBLE ENERGY LIMITED

SCHEDULE OF EXPENSES

June 1, 1979 To September 14, 1979

ADMINISTRATION

Automobile	\$ 881
Audit and accounting	1,050
Legal	4,350
Office and sundry	1,584
Promotion and business development	277
Rent	705
Salaries and secretarial	3,905
Telephone	880
Travel	988
	<u>14,620</u>

EXPLORATION

Survey costs for abandoned claim	<u>4,350</u>
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TOTAL	<u>\$ 18,970</u>
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GRENOBLE ENERGY LIMITED

SCHEDULE OF DEFERRED EXPLORATION COSTS (NOTE 2)

JUNE 1, 1979 TO SEPTEMBER 14, 1979

ENGINEERING AND CONSULTING	\$ 1,896
MANAGEMENT	3,650
SURVEY	13,400
TAXES AND LICENSES	446
TRAVEL	<u>1,355</u>
TOTAL	<u>\$ 20,747</u>

GRENOBLE ENERGY LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

September 14, 1979

SOURCE OF FUNDS

Agreements payable	\$ 382,500
Share capital	<u>136,750</u>
	<u>519,250</u>

APPLICATION OF FUNDS

Purchase of fixed assets	155
Incorporation costs	600
Deferred exploration costs	20,747
Expenses	18,970
Cost of mineral claims	<u>472,500</u>
	<u>512,972</u>

WORKING CAPITAL	<u>\$ 6,278</u>
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WORKING CAPITAL COMPRISED OF

Current assets	\$ 33,146
Current liabilities	<u>26,868</u>
	<u>\$ 6,278</u>

GRENOBLE ENERGY LIMITED

NOTES

September 14, 1979

1. INCORPORATION

The company was incorporated on June 1, 1979 under the laws of the Province of British Columbia.

2. DEFERRED EXPLORATION COSTS

The company has established a policy of deferring all exploration costs until such time as the projects are put into commercial production, sold or abandoned.

3. MINERAL CLAIMS

(a) Harrison Lake, B.C.

The company owns 12 staked mineral claims known as Rocco #III which were acquired from a group including two of the company's directors for a consideration of 450,000 shares of the company, currently held in escrow, with an attributed value of 1 cent per share.

(b) Greenwood, B.C.

The company has entered into various agreements to acquire a group of mineral claims collectively known as Lexington Property, situated at Greenwood, B.C.

The total consideration is \$468,000 of which \$62,500 was paid in cash and \$3,000 was satisfied by the issue of 300,000 escrowed shares with an attributed value of 1 cent per share.

The balance of the consideration is payable at various times between 1979 and 1989 (note 4).

4. AGREEMENTS PAYABLE

Under the terms of various agreements (note 3) the company is liable to make the following cash payments:

Upon release of funds raised by prospectus	\$ 15,000	
During 1980	5,000	
1981	23,500	
1982	70,000	
1984	<u>144,000</u>	\$ 257,500

Certain of these agreements require the company to pay additional amounts in certain circumstances:

- 2% of the net profits to a maximum of \$45,000, or cash in lieu, to be paid on or before September 25, 1983	45,000
- \$100,000, payable by 1989, by way of 1% of net smelter or refinery returns received from the sale or shipment of all ores or concentrates from the mineral claims specified in the agreement	<u>100,000</u>
	<u>\$ 402,500</u>

GRENOBLE ENERGY LIMITED

NOTES

September 14, 1979

5. SHARE CAPITAL

Authorized

5,000,000 shares without nominal or
par value

Issued

1,601,500 shares

6. SHARE PURCHASE OPTIONS

Pursuant to an agreement dated August 15, 1979, directors share options have been granted as follows:

24,000 shares to Kenneth Albert Sherlock, exercisable at 50 cents per share on or before August 15, 1980 or 60 cents per share thereafter until August 15, 1981.

24,000 shares to Albert Fyfe Probyn, exercisable at 50 cents per share on or before August 15, 1980 or 60 cents per share thereafter until August 15, 1981.

32,000 shares to Earl Edward Weisbrod, exercisable at 50 cents per share on or before August 15, 1980 or 60 cents per share thereafter until August 15, 1981.

The directors have received no other remuneration.

R. W. PHENDLER, P.ENG.,
Geological Consultant,
Exploration and Mining
7360 Decourcy Cres.,
Richmond, B. C.
V7C 4E9 (604) 271-2588

July 14, 1980

Grenoble Energy Limited
1015 - 470 Granville Street
Vancouver, B. C.
V6C 1V5

Attention: Mr. T. P. Bowes

Re: Lexington Property, Greenwood, B. C.
1980 Development Program

My original report on the Lexington Property for Grenoble Energy Limited dated July 20, 1979 recommended that a seismic survey be carried out prior to the selection of an adit portal. This work was carried out in conjunction with road rehabilitation, re-establishment of the grid, and a resurvey of drill holes.

Part 2 Phase I recommended the driving of an exploratory adit, the driving of raises into the mineral zone, and some diamond drilling. The underground work was started on May 20, 1980, and some difficulty was encountered in collaring the portal due to the heavy rainfall. Because of this, timber sets were required, which increased costs significantly. This timbering was continued in the adit for 100 feet, adding to the costs.

On February 20th I recommended that more work be carried out than was originally planned by increasing the total programs to \$375,000 from the original \$200,200.

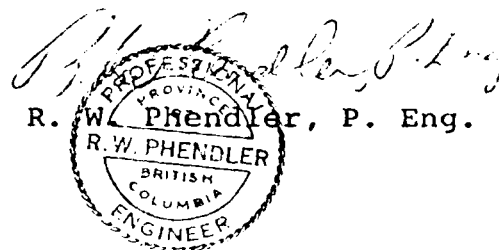
To date, the adit has advanced 200 feet (60 meters) through serpentine, which was not anticipated. This has required timbering at additional cost and has slowed down advance. A 45 degree raise was driven for 75 feet (22 meters) to intersect drill hole P-12, which cut 55 feet (16.7 meters) of 0.90% Cu (not assayed for gold). The raise intersected 45 feet (13.6 meters) of mineralization consisting of pods and disseminations of chalcopyrite. Muck from the raise has been stored on the dump on a round by round basis and is presently being crushed

and quartered in preparation for sampling and assaying. No assays have been received of the mineralization to date; however, visual examination is encouraging. As per the original layout the adit is advancing toward drill hole #1, which intersected 64.0 feet (19.4 meters) assaying 0.61% Cu and 0.02 oz. Au. At this point a raise will be driven to explore this area, while the adit advances towards drill hole #13, which cut 54.0 feet (16.4 meters) averaging 1.23% Cu and 0.10 oz. Au.

Although the cost of the program has overrun estimates, the mineralization encountered at the hole P-12 intersection confirms the validity of the program. It is recommended that the underground program set out in my original Part 2 Phase I be completed as follows:

1) 100 meters of adit at \$1,000 per meter	\$100,000
2) 46 meters of raising at \$326 per meter	14,996
3) Engineering, geology, sampling, assaying	<u>15,000</u>
Total	129,996
15% contingencies	<u>19,499</u>
Grand Total	\$149,495

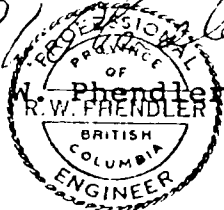
Following completion of this program, a review of the development costs should be made. Based on that review, the Phase II and Phase III programs originally recommended can be re-estimated.



CERTIFICATE

I, R. W. Phendler, of the City of Vancouver, certify as follows:

- 1) That I am a registered professional engineer in the Province of British Columbia.
- 2) That I am a graduate of McGill University, Montreal, with a Bachelor of Science degree in geology.
- 3) That I have not received nor do I expect to receive any interest directly or indirectly in the Lexington property nor do I own directly or indirectly any securities of Grenoble Energy Limited or any affiliated companies.
- 4) That the information contained herein was compiled as a result of numerous visits to the property in 1970, 1974, and 1980 and my close association with all phases of the earlier diamond drilling and the preparation of the current program.

R. W. Phendler, P. Eng.
R. W. Phendler, P. Eng.
A circular professional seal for R. W. Phendler, a Professional Engineer in the Province of British Columbia. The seal contains the text: "PROFESSIONAL ENGINEER OF THE PROVINCE OF BRITISH COLUMBIA". The name "R. W. PHENDLER" is stamped across the center of the seal.

February 20, 1980.

Grenoble Energy Ltd.
#1013 - 470 Granville St.
Vancouver, B.C. V6C 1J9

Attention: Mr. J.P. Bowes

Dear Sir:

Re: Lexington Copper - Gold Property,
Greenwood, B.C.

I have been studying the results of Phase I of the recommended exploration program, as outlined in my report of January 20, 1979 and conclude that the work has been carried out successfully. The results of the seismic survey indicate that a portal for the proposed decline can be located in an area where overburden is minimal and this phase of the layout is proceeding.

In view of the increase in the price of metals since July, 1979 (from \$1.00 to \$1.50 per pound for copper and from \$350 to \$800 per ounce for gold - Canadian prices), it is recommended that sufficient funds be made available to carry out the remainder of Phase I and Phase II. As well, an additional \$75,000 should be made available to carry out work on exploration targets within the property that have been located in the past.

These targets are induced polarization anomalies showing high chargeability similar in intensity to an I.P. anomaly that is situated over the mineralization where the indicated mineral reserves are located.

Total recommendations at present are as follows:

Phase I - part 2

150 meters of decline, 300 meters of drilling

20 meters of raising & metallurgical test - \$90,400

10% contingencies - 9,040

Total -- \$99,440

Phase II -

200 meters of decline, 800 meters of drilling

100 meters of raising, feasibility study - 182,000

10% contingencies - 18,200

Total - -

\$200,200

Phase III -

1) Surface diamond drilling - 600 meters @

\$83.33/meter - \$50,000

2) Detail geochemical survey - - - - - 5,000

3) Assaying - - - - - 5,000

4) Engineering and Geology . - - - - - 8,200

\$68,200

10% contingencies - 6,820

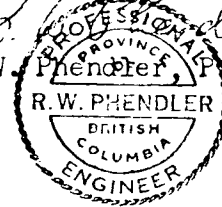
Total - \$ 75,020

Grand Total - \$374,660

The sum of \$375,000 should be made available to carry out
the above program.

Respectfully submitted,

R. W. Phendler, P. Eng.
R.W. Phendler, P. Eng.




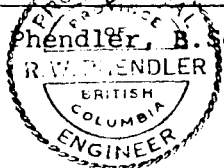
rwP/bj

CERTIFICATION

I, Roy William Phendler, of the City of Richmond, in the Province of British Columbia, hereby certify as follows:

- 1) That I am registered Professional Engineer in the Province of British Columbia, No. 4421 - 1963.
- 2) That I am a graduate of McGill University, Montreal, Quebec with a Bachelor of Science degree in Geology.
- 3) That I have practiced my profession as geologist continuously for the past twenty-five years in Quebec, Ontario, Saskatchewan, Nova Scotia, Newfoundland, British Columbia and the Yukon and Northwest Territories in Canada; in the U.S.A., Mexico, Peru, Colombia and Chile in South America.
- 4) That I have not received nor do I expect to receive any interest directly or indirectly in the Lexington property of Grenoble Energy Limited or any affiliated company nor do I own directly or indirectly any securities of the companies or any affiliated companies.
- 5) I consent to the use of this report in or in connection with the prospectus or in a statement of material facts relating to the the raising of funds for this project.


R. W. Phendler, B.Sc., P. Eng.



Richmond, B.C., Canada

February 20th, 1980.

REPORT

on the

**LEXINGTON COPPER — GOLD PROPERTY,
GREENWOOD MINING DIVISION,
BRITISH COLUMBIA**

for

GRENOBLE ENERGY LIMITED

by

R. W. PHENDLER, P. ENG.

July 20, 1979

Vancouver, Canada

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ILLUSTRATIONS

- Fig. 1 — Location Map 1" = 200 miles - frontispiece
Fig. 2 — Property Map 1" = 1,000' - back of report
Fig. 3 — Longitudinal Section - Main zone 1" = 100'



LEXINGTON PROPERTY

LOCATION MAP		
VANCOUVER	BRITISH COLUMBIA	
GRENOBLE ENERGY LIMITED		
SCALE 1" = 200 Miles		
NTS.	DATE	FIG.No. 1

PART "A"

SUMMARY AND CONCLUSIONS

Extensive exploration work including more than 8,800 meters of diamond and percussion drilling on this well-located property in southern British Columbia has indicated the presence of a gently plunging pipe-like mineral zone that may contain close to 900,000 tons grading 1.19% Cu and 0.171 oz. Au per ton.

The property lies close to Greenwood and a few kilometers south of the southern Trans Provincial Highway close to the U.S. border and the well known Phoenix copper property. First receiving attention in the 1890's, it was only recently in 1970 using modern exploratory techniques that a well defined copper - gold mineral zone was discovered and traced down plunge for 400 meters. Width is about 50 meters, thickness is 20 meters and host rock is a competent quartz porphyry 200 meters thick enclosed by serpentine.

About 110,000 tons averaging 0.92% Cu and 0.064 oz. Au per ton is available by open pit methods while 500,000 tons grading 1.25% Cu and 0.195 oz. Au per ton is considered available by underground mining methods.

Included in the reserves are 174,000 tons of material that is composed of discontinuous lenses that can be selectively mined and is of much higher grade — 2.41% Cu and 0.46 oz. Au per ton.

It is felt that sufficient exploratory work has been carried out and that underground testing is indicated. No better time can be expected to present itself with gold at an all time high (\$350 Canadian funds per ounce) and copper close to one dollar per pound and predicted by many to double within a couple of years.

RECOMMENDATIONS

PHASE I – It is recommended that:

PART 1

- 1) The survey grid be re-established, flagged, chained and brushed out to enable its use as a topographic control.
- 2) The diamond drill holes be located, marked and surveyed.
- 3) Roads be rehabilitated and the buildings on the property be made habitable.
- 4) The location for the proposed decline be surveyed seismically to determine depth to bedrock and the actual portal area, when determined, be prepared for development.

PART 2

- 1) A 200 meter decline be driven to reach Drill Hole No. 4, which has significant copper -gold assays.
- 2) Diamond drilling be carried out from the decline to locate with more accuracy the outlines of the copper - gold mineral zones.
- 3) Exploration raises be driven from the decline, which will be below the mineral zone to determine grade, thickness and general character of the mineral zones.
- 4) Metallurgical testing be carried out on the mineralized material.

PHASE II

- 1) The decline be continued an additional 300 meters to provide drilling and development access to the entire length of the mineral zone as presently indicated by surface diamond drilling.
- 2) Underground diamond drilling be continued to outline mineable pods of copper - gold mineralization.
- 3) A feasibility study be conducted on the viability of mining the deposit.
- 4) Additional raising be carried out to explore and prepare mineable pods for exploitation.

COST ESTIMATE

PHASE I

Part 1

1) Re-establish grid	—	\$ 3,000	
2) Resurvey drill holes	—	\$ 3,000	
3) Rehabilitate roads, etc.	—	2,000	
4) Seismic survey and prepare portal site	—	<u>5,000</u>	
		\$18,000	
	10% contingencies	—	1,800
	TOTAL	—	<u>\$ 19,800</u>

Part 2

1) Drive decline 200 meters @ \$300/meter	—	\$60,000	
2) Diamond drill 300 meters @ \$60/meter	—	18,000	
3) Development raises - 20 meters @ \$180/meter	—	3,600	
4) Metallurgical test	—	3,000	
5) Engineering & Geology	—	<u>5,800</u>	
		\$90,400	
	10% contingencies	—	<u>9,040</u>
	TOTAL	—	<u>\$99,440</u>
	GRAND TOTAL - Phase 1	—	<u>\$119,240</u>


The sum of \$120,000 should be made available to carry out the above program.

PHASE II

1) Drive decline 300 meters @ \$300/meter	—	\$90,000
2) Underground diamond drilling 800 meters @ \$60/meter	—	48,000
3) Development raises - 100 meters @ \$180/meter	—	18,000
4) Feasibility study	—	14,000
5) Engineering and geology	—	<u>12,000</u>
	Total	— \$182,000
	10% contingencies	— <u>18,200</u>
	GRAND TOTAL — Phase II	— <u>\$200,200</u>

The results of Phase I should determine if Phase II be undertaken.

Respectfully submitted,

R. W. Phendler P. Eng.
R.W. Phendler, P. Eng.
A circular professional seal for R.W. Phendler, a Professional Engineer in British Columbia. The seal features the text "PROFESSIONAL ENGINEERING" around the top inner edge, "R.W. PHENDLER" in the center, "BRITISH COLUMBIA" below the name, and "ENGINEER" around the bottom inner edge.

PART "B"

INTRODUCTION

At the request of Mr. E. Weisbrod, President of Grenoble Energy Limited, the writer agreed to undertake to compile all information on the Lexington property.

During 1970 the writer, when in the employ of Bacon and Crowhurst, Ltd. — Vancouver mining and geological consultants, made numerous visits to the Lexington property when Lexington Mines Ltd. was actively engaged in conducting an extensive exploration program consisting of diamond drilling, geochemistry, geophysics and mapping. The writer laid out and supervised the last half of the drilling program, planned the geochemical and geophysical surveys and examined all of the mineralized drill core. Visits were made to the property on February 14, April 9 - 10, May 6 - 7 and June 10, all in 1970. When the property was optioned to Aalenian Resources Ltd. in 1974 the writer again was involved in planning a program of drilling and bulk sampling. A visit was made to the property on November 18, 1974.

Since that time no additional work has been carried out on the property and when the claims were acquired by Grenoble Energy Limited, the principals felt that the writer's familiarity with the property should be utilized.

All original documents, maps, etc., are in the hands of the writer. This includes original log sheets and assay certificates of all diamond drilling carried out on the property.

LOCATION AND ACCESS

The Lexington property is located at an elevation of 1200 - 1300 meters close to the U.S. border in south central British Columbia. Greenwood, on the southern Trans Provincial Highway (Route 3) is 11 kilometers northwest of the property and about 510 road kilometers east of Vancouver.

Access to the Lexington property is by a good gravel road, which starts at highway 3 about 3½ kilometers southwest of Greenwood. This road plus its many branches provides easy access to all parts of the claim group. The area is moderately to heavily timber covered and topography is moderate.

The area in which the exploration has been conducted is drained to the south through Goosmus Creek. This creek provides ample water for drilling.

Two buildings exist on the claims — a log cabin and a core shack. Present state of repair is unknown.

PROPERTY AND OWNERSHIP

The Lexington property consists of the following claims:

Name	Number	Status	Registered Owner
No. 5	L 1878	Reverted Crown Grant	Kent Energy Ltd.
Maria Stuart	L 868	Reverted Crown Grant	Kent Energy Ltd.
City of Paris	L 622	Crown Grant	M.F. Johnson (75%) R.C. Church (25%)
Lincoln	L 621	Crown Grant	M.F. Johnson (75%) R.C. Church (25%)
No. 4	L 791	Crown Grant	M.F. Johnson (75%) R.C. Church (25%)
St. Lawrence	Record #1000	Crown Grant	Peter Casorso, Kelowna
New Jack of Spades	Record # 996	Crown Grant	Peter Casorso, Kelowna
Excelsior	Record #1351	Crown Grant	Engelbert Sperling, Kelowna
Cuba	Record # 997	Crown Grant	Engelbert Sperling, Kelowna
Holly #12	Record #1282	located claim	R. Sostad
Holly #1	Record #1271	located claim	R. Sostad
Holly #3	Record #1273	located claim	R. Sostad

In 1957 the Phoenix property was re-appraised and brought into production as a low grade (0.80% Cu) open pit operation. Production continued until the mid 1970's.

In 1962 the old Mabel Mine was appraised by King Midas Mines Ltd. but results from exploration work, consisting of geophysical, geochemical work and trenching, apparently did not warrant additional expenditures.

In 1967 Lexington Mines Ltd. under the direction of Mr. Fred Reid acquired the claims covering the Mabel, Lexington and City of Paris Mines and gradually increased their holdings to 132 claims and mineral leases in 1970. During 1968 extensive exploration work was carried out with favourable results, the principal being the discovery of numerous induced polarization conductors. Diamond drilling commenced on April 3, 1969 and continued until July 27, 1970, completing over 5,500 meters in thirty-three drill holes. The last half of the program was under the supervision of the writer and this drilling outlined a gently-dipping pipe-like zone of mineralization 400 meters in length (minimum), 50 meters in width with an average thickness of 20 meters. Indicated tonnage was 1,100,000 averaging 0.93% Cu and 0.13 oz. Au (uncut). This was referred to as the "Main" zone.

In 1972 Granby Mining Co. Ltd. optioned the property and in October and November of that year 2000 meters was drilled in 37 percussion holes. Only three of these holes were drilled into the previously indicated mineral zone, confirming grades and thickness. However, the purpose of the program was to explore induced polarization anomalies on the property indicated in a 1971 survey.

In early 1974 the central claims totalling 76 Crown Grant claims, mineral leases and mineral claims was optioned to Aalenian Resources Ltd. During this year Aalenian carried out additional surveys and drilled 13 percussion holes totalling 974 meters and four NQ diamond drill holes totalling 330 meters. Because of the fractured nature of the ground and the turbulence caused by the numerous cracks, the loss of drill cuttings was high and contamination, sample by sample was considered to be extreme in the percussion drilling. In spite of this, significant mineralization was encountered. Diamond drill results (NQ) are considered to be more reliable and the Aalenian holes all encountered grades in line with the original drill holes.

Unstable political conditions dictated that the option be dropped and no interest was shown in the property until recently when Grenoble Energy Limited acquired the key claims.

GEOLOGY AND MINERALIZATION

The area in which the Lexington property is located is underlain by a northwesterly striking 1.6 kilometer wide belt of Paleozoic (?) gneiss and schist bounded on the north and south by zones of Paleozoic or Early Mesozoic metavolcanic and metasedimentary beds. These rocks are cut by a wide variety of igneous intrusions including a porphyritic quartz feldspar stock (dacite) and a few large serpentine and gabbro dyke-like bodies. Also, dykes and irregular shaped diorite intrusions are found throughout the area cutting many of the units. The youngest rocks consist of a few pulaskite and basalt dykes and a small outlier of Tertiary conglomerate.

The serpentine intrusives are sill like bodies that enclose a thick band of quartz porphyry (dacite) intrusive that has been traced on surface for 1800 meters in the southeast part of the claim group. These formations strike northwest and dip 20° to the northeast. The enclosed quartz porphyry contains subhedral quartz phenocrysts and composite quartz eyes set in a matrix of small rectangular plagioclase crystals, chloritized biotite and interstitial fine grained quartz and feldspar. It is a very competent rock and can be expected to present few mining problems.

The underlying and overlying serpentine is composed almost entirely of feathery and platy serpentine minerals with veins and disseminations of magnetite, carbonates and pyroxenes. It is suggested that mine openings be kept clear of this rock type, because of its platy cleavage and general incompetence.

Exploration since 1970 has been focused on the widespread copper-gold mineralization associated with the quartz porphyry intrusion in the City of Paris area. This mineralization is contained roughly within a 1000 meter long, 300 meter wide segment of the porphyry between the serpentine bodies.

The principal mode of occurrence of the main minerals, pyrite and chalcopyrite, is in fractures and disseminations and to a lesser extent in quartz stockworks. The rock is commonly leached at the surface with fracture faces being coated with limonite and malachite or black manganese oxide.

Fractures are strongly developed locally and the intensity of mineralization appears to be proportional to the relative development of fractures (after Dr. N. Church of the British Columbia Department of Mines).

Assay results of a detailed sampling of surface trenches by Dr. Church in 1972 shows an average grade of 0.23% Cu on eleven composite chip samples collected over a total length of 230 meters. This grade appears to be rather common throughout the 200 meter thick band of porphyry but in no way is typical of the entire zone: it is probably closer to 0.10% Cu.

The better concentrations of copper-gold mineralization appear to be confined to the upper and lower limits of the quartz porphyry intrusive within 30 meters of the enclosing serpentine. The old City of Paris Mine explored and developed a vein system consisting of two discontinuous subparallel veins near the upper limit of the quartz porphyry in contact with the overlying serpentine. Most of the ore (2100 tons) was removed in 1900 and averaged 3.14% Cu and 0.40 óz. Au per ton.

Of the 32 diamond drill holes and 31 percussion holes put down in the vicinity of the Main mineral zone, 21 intersected interesting mineralization that appears to lie in a continuous mineral zone. These holes are as follows:

Hole No.	Core intersection	% Cu	oz. Au per ton
D.H. 26	16.97 meters	0.99	0.08
D.H. 25	9.09 meters	0.36	0.02
D.H. 21	23.64 meters	1.21	0.23
D.H. 33	8.48 meters	1.08	0.02
D.H. 4	24.24 meters	1.16	0.25
D.H. 13	16.36 meters	1.23	0.10
D.H. 32	11.82 meters	0.40	0.004
D.H. 11	16.06 meters	0.46	0.05
P-8	12.12 meters	0.29	not assayed
D.H. 1	19.39 meters	0.61	0.02
P-12	16.67 meters	0.90	not assayed
D.H. 28	9.09 meters	0.30	0.003
P-11	12.12 meters	0.26	not assayed
P-74-2	12.12 meters	0.75	0.08
P-74-2	44.55 meters	0.37	0.03
P-74-8	9.09 meters	0.32	0.02
P-74-9	9.09	0.38	0.05
P-74-9	3.03	0.41	0.008
P-74-11	18.18	0.31	0.03
P-74-12	18.18	0.33	0.03

Results from P-74-2 to P-74-12 are considered unreliable due to excessive loss of drilling cuttings.

P-36	9.39	0.63	0.14
P-37	8.18	1.21	0.22

Diamond drill hole 27, the southeasternmost hole was drilled vertically to intersect the "Main" mineral zone close to the axis and 60.6 meters down dip from D.H. 26 which cut 17.0 meters averaging 0.99% Cu and 0.08 oz. Au per ton. This hole (27) intersected a large northerly striking pulaskite dyke in the area of the projected mineral zone. On surface this dyke is about 30 meters wide. There is no reason not to believe that the "Main" mineral zone continues in depth east of the pulaskite dyke.

The "Main" mineral zone is believed to project to surface at the northwest end but is not visible due to overburden. Hole P-74-11 entered mineralization at a depth of 9 meters.

MINERAL RESERVES AND POSSIBILITIES

An attempt was made to calculate tonnage and grade of the "Main" mineral zone, as intersected in holes drilled to date. Assay information was projected halfway to the nearest adjoining drill hole, be it in non-commercial or near-commercial material. Where no adjacent holes were drilled, assay and thickness information was projected for a distance of 15.15 meters (50 feet) up and down the dip (NE and SW) and a maximum of 30.30 meters (100 feet) slope distance along the strike or plunge of the mineral zone. Core intersection thicknesses of the mineral zone were used and a tonnage factor of ten cubic feet per ton (or 3.0 tons per cubic meter) was applied.

A summary of reserves is as follows:

DRILL INDICATED PROBABLE

Classification	Tons	% Cu	oz. Au/ton	Comment
Open pit	113,340	0.92	0.064	Stripping ratio of 4.65:1
<u>Underground</u>	<u>503,670</u>	<u>1.25</u>	<u>0.195</u>	Long hole stoping - 13 mtrs thick
Total	616,670	1.19	0.171	

Included in the reserves available from underground is a series of lenses of higher grade material that averages 5.15 meters thick and totals 174,700 tons averaging 2.41% Cu and 0.46 oz. Au.

An additional 209,000 tons of drill indicated possible reserves are believed to exist within the "Main" mineral zone, based on geological projections no greater than 60 meters from drill hole information. This is based on the greater thickness (13.0 meters) of the lower grade material. Of this tonnage, 53,000 tons are believed to be composed of higher grade lenses that could be mined selectively.

The higher grade material consists of a number of discontinuous lenses and is based on information derived from the following drill holes:

D.H. No.	Thickness	Dimensions	Tons	% Cu	oz. Au
13	12	150' x 100'	18,000	2.16	0.27
37	10	130' x 100'	13,000	2.50	0.51
36	11	100' x 30'	3,300	1.22	0.35
4	50'	120' x 120'	72,000	2.12	0.32
21	16'	200' x 120'	38,400	3.86	0.98
26	15'	200' x 100'	<u>30,000</u>	<u>1.52</u>	<u>0.21</u>
Total, averages			174,700	2.41	0.46

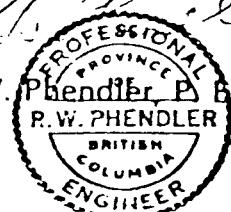
The thicknesses in some cases are composed of more than one zone in the same drill hole in the same general vicinity. The material can be considered drill indicated probable.

Good possibilities exist for the discovery of additional length to the "Main" mineral zone and for the locating of other similar zones.

COMMENT

Exhaustive geochemical and geophysical surveys over the areas underlain by dacite have led to the discovery of a number of co-incident anomalies. Some of them have been tested by percussion drilling while others remain to be explored. It is felt that this work should not be carried out at this time but all efforts should be put into the underground exploration and development of the "Main" mineral zone.

Respectfully submitted,

R.W. Phendler, P. Eng.
 R.W. Phendler, P. Eng.


July 25, 1979

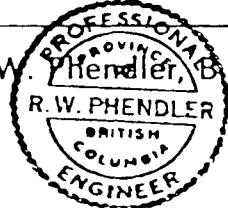
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- 2) Phendler, R.W. & Crowhurst, J.J. — "Report on the Lexington Copper Property — Greenwood, British Columbia" - March 23, 1970.
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- 4) Phendler, R.W. — "Report on the Lexington Property, Greenwood, for Aalenian Resources Ltd." - February 12, 1974.
- 5) Phendler, R.W. — "Interim Report on the 1974 drilling program at the Lexington Mine, Greenwood, B.C." - December 9, 1974.
- 6) Homenuke, A. — "Compilation Report on the Greenwood Gold Copper property (Lexington Option)" - March 12, 1975.

CERTIFICATION

I, Roy William Phendler, of the City of Vancouver, in the Province of British Columbia, hereby certify as follows:

- 1) That I am a registered Professional Engineer in the Province of British Columbia, No. 4421 - 1963.
- 2) That I am a graduate of McGill University, Montreal, Quebec with a Bachelor of Science degree in Geology.
- 3) That I have practiced my profession as geologist continuously for the past twenty-five years in Quebec, Ontario, Saskatchewan, Nova Scotia, Newfoundland, British Columbia and the Yukon and Northwest Territories in Canada; in the U.S.A., Mexico, Peru, Colombia and Chile in South America.
- 4) That I have not received nor do I expect to receive any interest directly or indirectly in the Lexington property of Grenoble Energy Limited or any affiliated company nor do I own directly or indirectly any securities of the companies or any affiliated companies.
- 5) That the information contained herein was compiled as a result of my examination of the Lexington Property on February 14, April 9 -10, May 6 - 7, June 10, 1970 and November 18, 1974.

R. W. Phendler, P. Eng.
R.W. Phendler, B.Sc., P. Eng.


Vancouver B.C., Canada

July 25, 1979

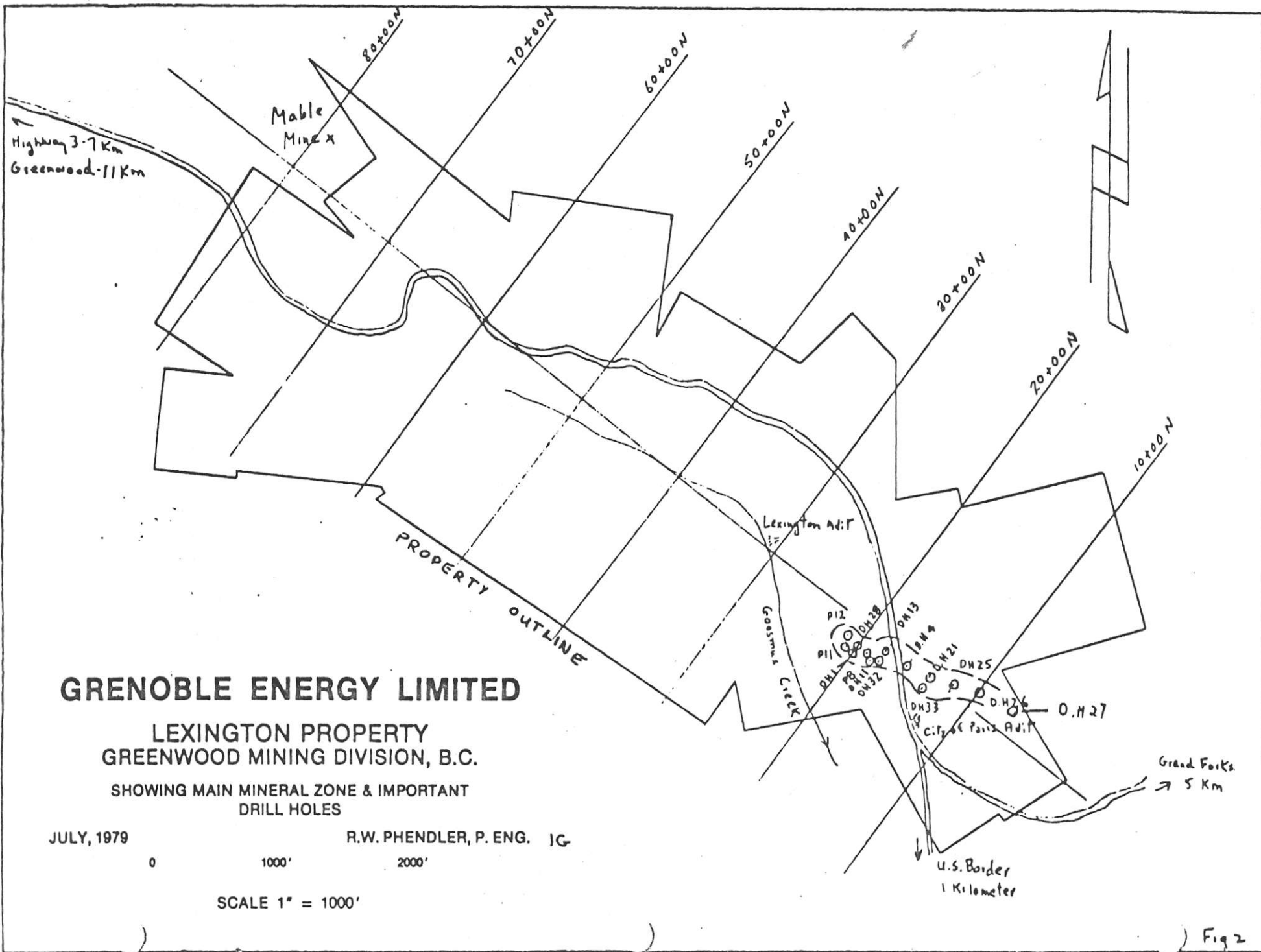


Fig 2

20. STATUTORY RIGHTS OF RESCISSION

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

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

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

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

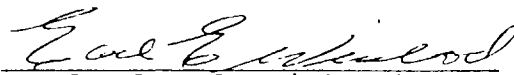
The foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

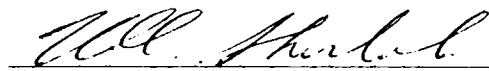
August 1, 1980


(Date)

GRENOBLE ENERGY LIMITED

Per:


 Earl Edward Weisbrod
 President/Director/Promoter


 Kenneth Albert Sherlock
 Secretary/Director/Promoter


 Albert Fyfe Probyn
 Director/Promoter


 Thomas Patrick Bowes,
 Director/Promoter

CERTIFICATE OF THE UNDERWRITER(S):

To the best of our knowledge, information, and belief, the foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

August 1, 1980

(Date)

CANARIM INVESTMENT CORPORATION LTD.

Per:

