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Farren Corp.

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

PROSPECTUS

RECEIVED

APR 13 1984
KERR ADDISON MINES LTD.**VERMILION RESOURCES INC.**

**FIRST PUBLIC OFFERING
300,000 Units**

Each Unit consisting of one Common Share without par value and two Series "A" Share Purchase Warrants. Two Series "A" Warrants entitle the holder to purchase one Common Share.

	Price to Public	Commission	Proceeds to Company ⁽¹⁾
Per Unit	\$1.05	\$0.15	\$0.90
Total	\$315,000.00	\$45,000.00	\$270,000.00

(1) Before deduction of legal, audit, and printing expenses payable by the Company estimated not to exceed \$20,000.00.

THERE IS NO MARKET FOR THE SECURITIES OF THE COMPANY.

A PURCHASE OF THE UNITS OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION. ALL OF THE PROPERTIES IN WHICH THE COMPANY HAS AN INTEREST ARE IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY AND ARE WITHOUT A KNOWN BODY OF COMMERCIAL ORE. REFERENCE IS MADE TO THE HEADING "RISK FACTORS" ON PAGE 8.

NO SURVEYS HAVE BEEN MADE OF ANY PROPERTY OF THE COMPANY AND THEREFORE, IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH THEY ARE SITUATE, THEIR EXISTENCE AND AREA COULD BE IN DOUBT.

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

REFERENCE IS MADE TO THE HEADING "PRINCIPAL HOLDERS OF SECURITIES" ON PAGE 11 OF THIS PROSPECTUS AND THE COMPARISON OF THE PERCENTAGE OF SHARES BEING OFFERED TO THE PUBLIC FOR CASH AND ALREADY ISSUED BY THE COMPANY TO PROMOTERS, DIRECTORS, OFFICERS, AND CONTROLLING PERSONS.

WE, AS AGENTS, CONDITIONALLY OFFER THESE UNITS SUBJECT TO PRIOR SALE, IF, AS, AND WHEN ISSUED BY THE COMPANY AND ACCEPTED BY US IN ACCORDANCE WITH THE CONDITIONS CONTAINED IN THE AGENCY AGREEMENT REFERRED TO UNDER "PLAN OF DISTRIBUTION" ON PAGE 4 OF THIS PROSPECTUS.

**CANARIM INVESTMENT
CORPORATION LTD.**

**CONTINENTAL CARLISLE DOUGLAS
C. M. OLIVER AND COMPANY LIMITED**

This Prospectus is dated January 13, 1984

EFFECTIVE DATE: February 23, 1984

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THE COMPANY

Vermilion Resources Inc. (the "Company") was incorporated on August 28, 1980, under the Company Act of British Columbia by registration of its Memorandum and Articles. Pursuant to the provisions of the Company Act, the Company will be deemed to be a "reporting company" upon the completion of its filing of this Prospectus with the Superintendent of Brokers and the issuance by the Superintendent of Brokers of a receipt for it.

The registered and records office of the Company is located at 1300-1090 West Georgia Street, Vancouver, British Columbia, V6E 3X9, and its head office is located at 402-1755 West Broadway Avenue, Vancouver, British Columbia, with a field office at 387 Burton Avenue, Princeton, British Columbia.

The original authorized capital of the Company was 10,000 common shares without par value. On March 17, 1983, the Memorandum of the Company was altered to provide for an authorized capital of 10,000,000 common shares without par value.

The Company was incorporated under the name of Vermilion Enterprises Ltd. and changed its name to Vermilion Resources Inc. on August 5, 1983.

The original Articles of the Company did not provide for the removal of restrictions on the issue and transfer of shares when the Company became a reporting company. The Articles were replaced by a form which, among other things, did provide for this removal of restrictions, by a resolution of members dated July 29, 1983.

THE BUSINESS AND PROPERTIES OF THE COMPANY

The Business

The Company is a natural resource company engaged in the acquisition, exploration and development of mining and natural resource properties. The Company owns six claims and has an option to purchase a 100% interest in a seventh claim in the Osoyoos Mining Division of British Columbia. These claims are known as the "Snowflake Group."

Snowflake Group, Osoyoos Mining Division

The Company has an option to purchase a 100% interest in the Snowflake mineral claim, Record No. 31320, a 2-post claim located in the Osoyoos Mining Division, British Columbia.

The Snowflake mineral claim is in good standing until December 5, 1985.

William Hegan, of Box 30, Kaleden, British Columbia, is the recorded owner of this claim. By an option agreement dated March 22, 1983 between him and the Company, the Company acquired an option to purchase a 100% interest in this mineral claim. The option is open for acceptance until March 22, 1985. The purchase price is \$100,000.00, of which \$1,000.00 was payable on execution of the option agreement and has been paid; \$25,000.00 is to be paid on or before March 22, 1984 or 10% of net smelter returns whichever is greater; and the balance is to be paid on or before March 22, 1985.

The Snowflake mineral claim is recorded in the name of William Hegan. Collateral to the option agreement is an escrow agreement between Answith Corporate Services Ltd., William Hegan, and the Company, by which Answith Corporate Services Ltd. as escrow agent holds a Bill of Sale executed by William Hegan transferring title in Snowflake mineral claim. This Bill of Sale is to be released to the Company for recording if it exercises the option.

Before the option agreement was executed, Kenneth Burke had acquired the right to an option from William Hegan and agreed with the Company to place the option directly in its name and assign all his rights in the Snowflake mineral claim to the Company in consideration of the issuance by the Company of 750,000 escrowed shares.

The Company is the recorded and beneficial owner of the following mineral claims:

<u>Name</u>	<u>Record No.</u>	<u>Units</u>	<u>Expiry Date</u>
Search	1659	12	February 10, 1985
Ram	1693	20	March 14, 1985
Ewe	1692	12	March 14, 1985
Lamb 1	1760	(2-post claim)	May 13, 1985
Lamb 2	1761	(2-post claim)	May 13, 1985
Lamb 3	1762	(2-post claim)	May 13, 1985

The Search mineral claim was acquired from Kenneth Burke, President and a Director of the Company, for staking costs of \$1,200.00. The Ram, Ewe, and Lamb 1, 2, and 3 mineral claims were acquired from Gary Mintzler, of Box 1715, Princeton, British Columbia; Lloyd Nyman, of Box 112, Princeton, British Columbia; and George Murphy, of Box 1595, Princeton, British Columbia. Each was paid \$6,250.00. All three vendors were at arms-length to the Company and subsequently became shareholders of the Company.

These seven mineral claims are a contiguous group known as the "Snowflake Group" in the historic Fairview Camp in the Oliver area, 423 kilometers east of Vancouver. The property may be reached by travelling three kilometers west from the traffic lights in the centre of Oliver to the Fairview Lake Road, then 2.7 kilometers to a secondary road branching off to the north, then 0.8 kilometers along this road.

On the Snowflake mineral claim, work was carried out by Continental Consolidated and Norex in 1961 and 1962. This work consisted of trenches, shafts, the driving of three adits, and the drilling of four diamond drillholes at the end of one adit to locate the extension of vein. A fourth exploratory adit was driven in 1978 by William Hegan. There was no work done on the property since then.

A reported 2,900 tons of gold-silver ore was shipped from this mineral claim in 1961 and 1962. The shipments included 405 tons averaging 1.43 ounces of gold per ton and was taken from stopes above the second adit level.

In a report dated May 17, 1983, Laurence Sookochoff, P. Eng., states that:

The Snowflake property has through past production proven to contain significant gold values within a strong quartz vein which is relatively consistent in width along strike. The two mineralized zones which occur within the quartz vein and which have been stoped for production are inferred to rake at a low angle to the northeast and from the width of the vein and consistence could be expected for 30 meters (100 ft) vertically.

He then concludes that an exploration and development program is warranted to delineate the two gold-bearing zones below one adit and to locate potentially

mineralized parallel quartz vein structures in the immediate area of the main zone. He recommends a two-stage exploration and development program. Stage 1 involves establishing survey control and diamond drilling for 300 meters at a cost of \$40,000.00. Stage 2 involves drifting for 365 meters at a cost of \$217,500.00 and will be carried out if the results from Stage 1 are favourable.

If the results of Stage 2 are favourable, then the Company expects to be able to place the property in production, although further work may be done at that time to determine the most appropriate mode of production.

The Company intends to complete Stage 1 before March 22, 1984.

A copy of Laurence Sookochoff's report is included with this Prospectus.

There is no known body of commercial ore on this property. The Company's work program is an exploratory search for ore.

Champion Mineral Claim, Similkameen Mining Division, B.C.

The Company owns a 100% interest in the Champion Mineral Claim, consisting of 16 units, located on Champion Creek in the Similkameen Mining Division, B.C. Access to the claim is by the Tulameen River Road from which the claims are approximately two miles by trail.

The claim was acquired by staking at an estimated cost of \$500.00 during the fall of 1983. There is no history of previous exploration, development or operations on this property.

There has been no work performed on this property by the Company. No work other than assessment work is planned on this property at the present time.

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

THE ISSUE

Plan of Distribution

By an agency agreement dated for reference January 13, 1984, between the Company, Canarim Investment Corporation Ltd. ("Canarim"), of 2200-609 Granville

Street, Vancouver, British Columbia, as to 100,000 Units, Continental Carlisle Douglas ("C.C.D."), of 10th Floor, 1055 Dunsmuir, Vancouver, British Columbia, as to 100,000 Units, and C.M. Oliver and Company Limited ("C.M. Oliver"), of 200-750 West Pender Street, Vancouver, British Columbia, as to 100,000 Units, (Canarim, C.C.D., and C.M. Oliver are collectively referred to as the "Agents"), the Agents agreed to use their best efforts to sell to the public in British Columbia 300,000 Units at a price of \$1.05 per Unit for a period of ninety days after the issuance of a receipt for this Prospectus by the Superintendent of Brokers. Each Unit consists of one Common Share with two Series "A" Warrants attached.

The Series "A" Warrants to be issued to the public pursuant to this offering will be in bearer form and two Warrants will entitle the holder to purchase one share in the capital of the Company at a price of \$1.15 at any time up to the close of business 180 days from the date of the listing of the Company's shares on the Vancouver Stock Exchange, but in any event, not later than one year from the date of this Prospectus. The Warrants will contain anti-dilution provisions including, amongst other things, provisions for appropriate adjustment in class, number, and price of shares issuable pursuant to any exercise of the Warrant upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the shares of the Company or payment of stock dividends.

The Agents will receive a commission of \$0.15 per Unit or 14.3% of the offering price. The sale price of the Units was determined by negotiation between the Company and the Agents.

The Agents have agreed to purchase any Units not sold at the end of the ninety day period and in consideration for this, the Company has agreed to issue to the Agents 150,000 Series "B" Warrants entitling the Agents to purchase up to 150,000 shares of the Issuer at a price of \$1.15 at any time prior to the close of business 180 days from the date of the listing of the shares on the Vancouver Stock Exchange, but in any event, not later than one year from the date of this Prospectus.

The Series "B" Warrants will have the same terms and conditions as the Series "A" Warrants except that they are non-transferrable and each Series "B" Warrant shall entitle the Agent to purchase one additional share of the Company.

The obligations of the Agents under the Agency Agreement may be terminated before the sale of any of the Units at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events.

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

There are no sub-underwriting or sub-option agreements. The Agents, notwithstanding anything to the contrary, reserve 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, commissions, or bonuses derived from this offering.

The Agents have been granted a right of first refusal to provide future financing to the Company for a period of twelve months from the Effective Date of this Prospectus.

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 this offering.

Additional Offering

Any shares acquired by the Agents through the exercise of the Series "B" Warrants are also qualified for sale to the public under this Prospectus, at the market price prevailing from time to time, for a period of ninety days from the date of the listing of the Company's shares on the Vancouver Stock Exchange.

Use of Proceeds

The net proceeds to be received by the Company from the sale of securities offered by this Prospectus is \$270,000.00 which, together with cash on hand of approximately \$85,000.00, will be spent as follows:

- | | |
|--|--------------|
| (a) legal, audit, and printing costs of this issue | \$ 20,000.00 |
|--|--------------|

(b) reserve for Vancouver Stock Exchange listing fee	2,200.00
(c) reserve for property payments for Snowflake mineral claim option due within one year	25,000.00
(d) Stage 1 of the work program recommended by L. Sookochoff for the Snowflake Group	40,000.00
(e) Stage 2 of the work program recommended by L. Sookochoff for the Snowflake Group	217,500.00
(f) working capital	<u>50,300.00</u>
TOTAL	<u>\$355,000.00</u>

If any Series "A" or Series "B" Warrants are exercised, then the proceeds, to the extent available, will be used for working capital of the Company.

No part of the proceeds will be used to invest, underwrite, or trade in securities other than those that qualify as investments in which trust funds may be invested under the laws of the jurisdiction in which securities offered by this Prospectus may be lawfully sold. Should the Company propose to acquire other than trustee type securities after initial distribution of the securities offered by this Prospectus, approval by the shareholders will first be obtained and prior disclosure will be made to the securities regulatory bodies having jurisdiction over the sale of the securities offered by this Prospectus.

The Company may, pursuant to the recommendations of a qualified engineer, abandon in whole or in part any of its properties or may alter as work progresses a work program recommended or may make such arrangements for the performance of all or any part of such work by other persons or companies and may use any monies so diverted for the purpose of conducting work on or examining other properties acquired by the Company after the date of this Prospectus, although the Company has no present plans in this regard. If any such event occurs during the primary distribution of Units offered by this Prospectus, an amendment to the Prospectus will be filed. If any such event occurs after primary distribution of the Units, the shareholders will be notified. The Company will not make commitments which require the expenditure of more than \$50,000.00 on or for any project or venture without first obtaining the recommendation of a

qualified engineer or geologist independent of the vendor or operator and after the Company is listed on the Vancouver Stock Exchange, the Exchange. The Company will arrange for engineering reports and contracts to be filed with the Exchange and the Superintendent as soon as practical after such commitments are made.

THE CAPITAL

Description of Securities

The securities offered by this Prospectus are Units consisting of one Common Share and two Series "A" Share Purchase Warrants.

The authorized capital of the Company consists of 10,000,000 Common Shares without par value, of which 1,258,517 shares are issued as fully paid and non-assessable. All shares of the Company, both issued and unissued, rank equally as to dividends, voting powers, and participation in assets on liquidation. No shares have been issued subject to call or assessment. While the Articles of the Company presently provide for pre-emptive rights, upon the issuance of a receipt for this Prospectus the Company will become a reporting company and there will be no pre-emptive rights attached to shares. There are no conversion rights and no provision for redemption, purchase for cancellation, surrender, or sinking fund or purchase fund provisions. Provisions as to modification, amendment, or variation of these rights and provisions are contained in the Articles and in the Company Act (British Columbia).

Risk Factors

The Units offered by this Prospectus must be considered speculative owing to the nature of the Company's business. The mineral properties in which the Company has an interest are in the exploration or development stage only and are without known or proven mineral reserves. No survey of the Company's properties has been made and therefore in accordance with the laws of the appropriate jurisdictions in which the properties are situate, their existence and area could be in doubt.

The Company has no income and no earnings. The Company has paid no dividends and no dividends are proposed in the near future. The natural resource industry involves a high degree of risk. There is no assurance that commercial quantities of ore will be discovered, or if found, will be present in sufficient quantities to enable the Company to recover costs incurred in its discovery.

Share and Loan Capital Structure

<u>Designation of Security</u>	<u>Amount Authorized</u>	<u>Amount Outstanding as of December 31, 1983</u>	<u>Amount to be Outstanding if all Securities being Offered are Sold</u>
Common Shares	10,000,000	1,258,517	1,558,517 ¹

1. This figure does not include shares which may be issued upon the exercise of the Series "A" and Series "B" Warrants. If all of these warrants are issued then there will be 2,008,517 shares outstanding.

Prior Sales

During the period from incorporation of the Company on August 28, 1980, to the date of this Prospectus, the Company has sold the following shares for cash:

<u>Number of Shares</u>	<u>Price Per Share</u>	<u>Commissions Paid</u>	<u>Cash Received</u>
122,200	\$0.25	Nil	\$ 30,550.00
<u>386,267</u>	<u>\$0.30</u>	<u>Nil</u>	<u>\$115,880.10</u>
508,467			\$146,430.10

Escrowed and Pooled Shares

<u>Designation of Class</u>	<u>No. of Shares Held in Escrow</u>	<u>Percentage of Class</u>
Common Shares	750,000	59.6%

At the date of this Prospectus, 750,000 shares are held in escrow by the Montreal Trust Company of Canada subject to the direction or determination of the Superintendent and the Exchange. 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 the escrow holder make any transfer

or record any trading of the shares without the consent of the Superintendent or the Exchange.

In the event the Company loses, abandons, or fails to obtain title to all or part of the property or assets of which it allotted all or part of the escrow shares, the Company will declare any such event to the Superintendent or the Exchange by way of Directors' Resolution and the holders of such shares, the trustee of them, and the Company, have agreed that such number of shares as the Superintendent or Exchange determine are subject to cancellation, shall be transferred to the Company by way of gift for cancellation.

The complete text of the Escrow Agreements is available for inspection at the registered office of the Company, 1300-1090 West Georgia Street, Vancouver, British Columbia.

With the exception of the fifty shares issued on incorporation and now held by Kenneth Ralph Burke, all other issued shares, a total of 508,467 shares, have been pooled with the Montreal Trust Company of Canada, subject to release in four quarterly installments: 25% are to be released on the first day the shares of the Company commence trading on the Vancouver Stock Exchange (the "Listing Date"); 25% are to be released three months after the Listing Date; 25% are to be released six months after the Listing Date; and the balance are to be released nine months after the Listing Date.

THE PERSONNEL

Directors and Officers and Their Remuneration

The names, addresses, and principal businesses or occupations in which each of the Directors and officers of the Company have been engaged during the five years preceding this Prospectus are:

<u>Name and Address and Position with Company</u>	<u>Business or Occupation</u>
Kenneth Ralph Burke 387 Burton Avenue Princeton, B.C. President & Director	Self-employed prospector; Engineering technician, Newmont Mining Limited, until 1981

Norman Sidney Chamberlist
207-10160 Ryan Road
Richmond, B.C.
Director

Businessman;
President, B.A. Resources Ltd.;
Director, Goldex Resources Inc. and
Goldex Oil Corporation; President
and principal shareholder, Normic
Holdings (Yukon) Ltd.

James Herbert Beswick
Coalmont Road
Princeton, B.C.
Secretary-Treasurer & Director

Self-employed
logging contractor

Friedrich Hermann Findler
4918 2nd Avenue
Delta, B.C.
Director

Accountant,
Management Services Ltd.;
Director, United Hearne Resources Ltd.;
Director, Transcontinental Resources
Limited; Director, Grange Gold Corporation;
Director, Sable Resources Ltd.; Director,
London Silver Corporation

Robert Jules Henderson
56 Hillsmount Road
London, Ontario
Director

Businessman;
President, S.D.L. Foods Inc.; President,
Cal-Van Canus Camp Services Ltd.;
Vice-President, Beaver Foods Limited;
President, Les Services Alimentaires
C.V.C. Inc.; Vice-President, Corporate
Development, Arvak Management Inc.

No direct remuneration has been paid or is payable by the Company to the directors and senior officers of the Company from the date of incorporation to the date of this Prospectus.

All directors and officers of the Company have retained the right to conduct their own independent business activities separate and distinct from the Company; hence, conflicts could arise and the Company would be deprived of certain opportunities presented to its directors and officers.

It is possible that situations may arise in the future in regard to possible acquisitions and investments where the personal interests of the officers and directors may conflict with the interests of the Company. The Company's Articles do not establish any formal procedures for resolving conflicts of interest. If and when conflicts arise, any transactions between the Company and entities affiliated with the officers will be resolved in accordance with industry standards.

Promoters

The Directors are the promoters of the Company. Kenneth Ralph Burke received 50 shares when he purchased them from Timothy John Hall on March 3, 1983. Timothy John Hall was then the only shareholder of the Company. Kenneth Burke received 750,000 escrow shares for his interest in the Snowflake mineral claim. He has since transferred 50,000 shares to his wife Colleen Burke, 100,000 shares to James Herbert Beswick, 125,000 shares to Friedrich Hermann Findler, 125,000 shares to Norman Sidney Chamberlist, and 50,000 shares to Robert Jules Henderson.

Since then James Beswick, Friedrich Findler, and Norman Chamberlist have each transferred 17,000 of these shares to Robert Henderson.

Norman Chamberlist purchased 50,000 shares for cash at \$0.30 per share. Friedrich Findler purchased 50,000 shares for cash at \$0.30 per share. James Beswick purchased 20,000 shares for cash at \$0.25 per share and 50,000 shares at \$0.30 per share. Robert Henderson purchased 20,000 shares from James Beswick at \$0.30 per share and 25,800 shares from George Murphy at \$0.30 per share.

Principal Holders of Securities

At the date of this Prospectus, the number of shares the Company owned beneficially, directly or indirectly, by each person or company who owns record or is known by the Company to own beneficially more than 10% of the shares of the Company is:

<u>Name and Address</u>	<u>Designation of Class</u>	<u>Type of Ownership</u>	<u>Number of Shares Owned</u>	<u>Percentage of Class</u>
Kenneth Ralph Burke 387 Burton Avenue Princeton, B.C.	Common	Direct, of record, and beneficial	300,050	23.8%
James Herbert Beswick Coalmont Road Princeton, B.C.	Common	Direct, of record, and beneficial	133,000	10.6%
Norman Sidney Chamberlist 207-10160 Ryan Road Richmond, B.C.	Common	Direct, of record, and beneficial	158,000	12.6%

Friedrich Hermann Findler 4918 2nd Avenue Delta, B.C.	Common	Direct, of record, and beneficial	158,000	12.6%
Robert Jules Henderson 56 Hillsmount Road London, Ontario	Common	Direct, of record, and beneficial	146,800	11.7%

The number and percentage of shares in the Company beneficially owned, directly or indirectly, by all promoters, directors, and controlling persons of the Company, as a group, is 895,850 shares representing 71.18% of the presently issued shares, including the escrowed shares. On completion of the sale of Units offered by this Prospectus (prior to the exercise of the Warrants), the promoters, directors, officers, and controlling persons of the Company will own 57.48%.

GENERAL

Auditors, Transfer Agents, and Registrars

The auditors of the Company are Dyke & Howard, Chartered Accountants, 1525 West 7th Avenue, Vancouver, British Columbia.

The registrar and transfer agent of the Company is the Montreal Trust Company of Canada, 466 Howe Street, Vancouver, British Columbia.

Material Contracts

There are no material contracts except as disclosed in this Prospectus. All contracts and agreements disclosed in this Prospectus may be inspected at the registered office of the Company at 1300-1090 West Georgia Street, Vancouver, British Columbia, during normal business hours while the primary distribution of the securities offered by this Prospectus is in progress and for a period of thirty days after that.

Material Facts

There are no material facts not disclosed in this Prospectus.

DYKE & HOWARD

CHARTERED ACCOUNTANTS

C. D. L. DYKE, B.COMM., C.A.
R. E. FORET, B.COMM., C.A.
R. S. FERGUSON, B.A., C.A.
W. B. FRIESEN, B.A., C.A.

1525 WEST 7TH AVENUE
VANCOUVER, B.C. V6J 1S1
731-5881

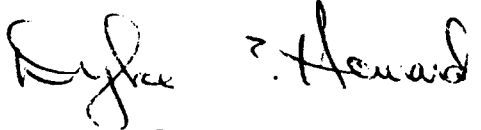
AUDITORS' REPORT

To the Shareholders of Vermilion Resources Inc.

We have examined the balance sheet of Vermilion Resources Inc. as at December 31, 1983 and the statement of changes in financial position 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 December 31, 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Vancouver, B.C.
January 19, 1984


Chartered Accountants

VERMILION RESOURCES INC.

PRINCETON, B.C.

FINANCIAL STATEMENTS

DECEMBER 31, 1983

ASSETS

CURRENT ASSETS:

Cash in bank	\$ 1,635
Term deposit	87,050
Accounts receivable	1,366
Prepaid expense	<u>5,000</u>

\$ 95,051

MINERAL CLAIMS - (Note 3)

127,950

DEFERRED EXPENDITURES - (Note 4)

18,278

CAPITAL ASSETS - at cost less accumulated depreciation:

Equipment	\$ 2,147
Automobile	<u>9,504</u>

11,651

INCORPORATION EXPENSE

200

\$ 253,130

LIABILITIES

AGREEMENT PAYABLE - (Note 3 (b))

\$ 99,000

SHAREHOLDERS' EQUITY

SHARE CAPITAL - (Note 5)

154,130

\$ 253,130

Approved by the Board:

Herbert B. Buehler, Director

John J. Buehler, Director

VERMILION RESOURCES INC.

PRINCETON, B.C.

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEAR ENDED DECEMBER 31, 1983

FINANCIAL RESOURCES GENERATED BY:

Issue of common shares for cash		\$ 146,430
Issue of common shares - for incorporation	\$ 200	
- for mineral claims	<u>7,500</u>	
		7,700
Agreement payable for the purchase of mineral claims		<u>100,000</u>
		\$ <u>254,130</u>

FINANCIAL RESOURCES WERE APPLIED TO:

Purchase of capital assets	\$ 12,860	
Deferred expenditures incurred, net of depreciation	17,069	
Payment on agreement payable	1,000	
Purchase of mineral claims for cash	<u>20,450</u>	
		\$ 51,379
Purchase of mineral claims for common shares	\$ 7,500	
Incorporation costs paid by the issue of common shares	200	
Purchase of mineral claims by agreement payable	<u>100,000</u>	
		<u>107,700</u>
		\$ <u>159,079</u>
WORKING CAPITAL, END OF THE YEAR		\$ <u>95,051</u>

VERMILION RESOURCES INC.

PRINCETON, B.C.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1983

1. Activities of company -

The company was incorporated on August 28, 1980 as Vermilion Enterprises Ltd. There were no activities or transactions in the company until March, 1983. These financial statements reflect the transactions from March, 1983 to December 31, 1983.

Effective August 5, 1983 the company's name was changed to Vermilion Resources Inc.

2. Significant accounting policies -

a) The company is engaged in the exploration and development of mineral properties. It is the policy of the company to record the acquisition of mineral claims and related exploration, development and administrative expenditures at cost, to be amortized against subsequent revenues from production or written off to deficit at such time that the properties are determined to have no commercial value.

b) Recorded costs of mineral claims and related deferred expenditures are not intended to reflect present or future values of the mineral properties.

c) Depreciation has been recorded at the following annual rates:

Equipment - 20%, declining balance method
Automobile - 30%, declining balance method

Depreciation is recorded at 50% of the above rates in the year of addition.

3. Mineral claims -

The company's interest in mineral claims is comprised of:

a) Osoyoos Mining Division -

Search	\$	1,200	
Ram		6,250	
Ewe		6,250	
Lamb # 1, 2 and 3		<u>6,250</u>	\$ 19,950

VERMILION RESOURCES INC.

PRINCETON, B.C.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1983

b) Osoyoos Mining Division -

Pursuant to an agreement dated March 22, 1983, the company obtained an option to purchase an undivided 100% interest in the Snowflake claims. The option is open for acceptance to March 22, 1985. In order to keep the option in good standing the company is required to make the following payments:

i) the payment of \$ 1,000 on the execution of the Agreement	\$ 1,000	
ii) the greater of \$ 25,000 or 10% of the Net Smelter Returns on March 22, 1984	25,000	
iii) \$ 74,000 on March 22, 1985	<u>74,000</u>	
		\$ 100,000

The total purchase price is \$ 100,000

The company has issued 750,000 shares to a director of the company in consideration for assigning his rights in the above option agreement to the company

	<u>7,500</u>	107,500
c) Similkimeen Mining Division Champion # 3		<u>500</u>
		\$ <u><u>127,950</u></u>

4. Deferred Expenditures -

The deferred expenditures are comprised of:

Exploration -

Snowflake claim - Geological report \$ 2,350

Administrative -

Depreciation	\$ 1,209	
Interest and bank charges	345	
Legal and accounting	3,278	
Licences and permits	550	
Office	571	
Telephone	790	
Travel	<u>12,286</u>	

	\$ 19,029	
Less: Interest earned	<u>3,101</u>	

15,928

\$ 18,278

VERMILION RESOURCES INC.

PRINCETON, B.C.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1983

5. Share capital -

Authorized - 10,000,000 common shares without par value
Issued -

	<u>#</u>	<u>\$</u>
For cash	508,467	\$ 146,430
For mineral claims	750,000	7,500
For incorporation costs	<u>50</u>	<u>200</u>
	<u>1,258,517</u>	<u>\$ 154,130</u>

- i) The 750,000 shares issued to a director relating to the Snowflake claims are being held in escrow subject to the order of the Superintendent of Brokers and the Vancouver Stock Exchange.

6. Subsequent event -

The company signed an Agency Agreement on January 13, 1984 with three investment dealers for the offering of 300,000 units of the company at a price of \$ 1.05 per unit. Each unit is comprised of one common share and two Series "A" Warrants. In addition the investment dealers are to receive 150,000 Series "B" Warrants. The Series "A" Warrants entitle the holder to purchase one common share at \$ 1.15 for two warrants and each Series "B" Warrants entitles the holder to purchase one common share at \$ 1.15. The warrants may be exercised for a period of 180 days after listing of the company's shares on the Vancouver Stock Exchange.

Geological Report

for

VERMILION ENTERPRISES LTD.

on the

SNOWFLAKE PROPERTY

Osoyoos M.D.

N.T.S. 82E 4E

May 17, 1983
Vancouver, B.C.

L. Sookochoff, P.Eng.
Consulting Geologist

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Geological Report
for
VERMILION ENTERPRISES LTD.
on the
SNOWFLAKE PROPERTY

PART A

SUMMARY

Vermilion Enterprises Ltd. holds a group of claims in the historic Fairview Camp in the Oliver area, 423 km east of Vancouver. The property includes the Snowflake claim from which up to a reported 2900 tons of gold-silver ore was shipped in 1961 and 1962. The shipments included 405 tons averaging 1.43 oz. Au/ton and was taken from stopes above the second adit level. The stopes are an apparent gently northerly dipping gold-silver bearing zones where values of up to 8.74 oz. Au/ton occur across 1.06 meters (42 inches).

Other parallel gold bearing quartz veins occur within the immediate area of the main zone and are exposed by numerous open-cuts and trenches including the lower elevations of the slopes from the No. 2 main adit.

CONCLUSIONS

The Snowflake property has through past production proven to contain significant gold values within a strong quartz vein which is relatively consistent in width along strike. The two mineralized zones which occur within the quartz vein and which have been stoped for production are inferred to rake at a low angle to the northeast and from the width of the vein and consistence could be expected for 30 meters (100 ft) vertically.

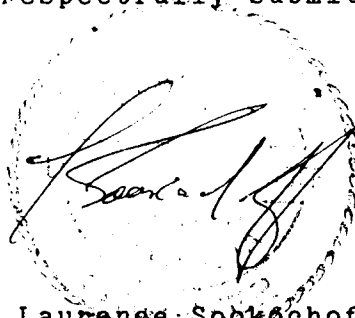
Thus an exploration and development program is warranted to delineate the two gold bearing zones below the No. 2 adit and to locate potentially mineralized parallel quartz vein structures in the immediate area of the main zone.

RECOMMENDATIONS

It is recommended that a two stage exploration and development program consisting of surveying and diamond drilling followed by the driving of a 365 meter (1,200 foot) drift 30 meters below the main level to explore the main zone at that level to the projected intersection of the mineral zones where development would be initiated.

The recommended exploration and development program is estimated at \$257,500. It is also recommended that Vermilion Enterprises Ltd. allocate \$40,000 to the initiation and completion of the first stage of the recommended program.

Respectfully submitted,



Laurence Sobolechhoff, P.Eng.
Consulting Geologist

May 17, 1983
Vancouver, B.C.

Geological Report
for
VERMILION ENTERPRISES LTD.
on the
SNOWFLAKE PROPERTY
PART B
INTRODUCTION

At the request of Ken Burke of Vermilion Enterprises Ltd. the writer prepared the following report on the Snowflake property. The purpose of the report is to evaluate the geology of the property, taking into consideration the known mineralization and workings thereon and to recommend an exploration and development program to locate extensions to known or other potential economic mineralized vein structures.

The information for the report was obtained from sources as cited under bibliography and from a property examination carried out on May 8, 1983.

PROPERTY

The property is comprised of seven contiguous claims consisting of four two post claims and three unit claims consisting of 44 units. Particulars are as follows:

<u>Claim</u>	<u>Units</u>	<u>Record No.</u>	<u>Expiry Date</u>
Ram	20	1693	March 14, 1984
Search	12	1659	February 10, 1984
Ewe	12	1692	March 14, 1984
Lamb 1	(2 post)	1760	March 16, 1984
Lamb 2	(2 post)	1761	March 16, 1984
Lamb 3	(2 post)	1762	March 16, 1984
Snowflake	(2 post)	31320	December 5, 1985

Any legal aspects pertaining to the claim group is beyond the scope of this report.

LOCATION AND ACCESS

The property is located within five km northwest of Oliver, B.C. within the historic Fairview Camp 423 km east of Vancouver, B.C. Oliver is the main commercial centre of the immediate area. Penticton 45 km north of Oliver is served daily by commercial airline from Vancouver or Calgary.

Access to the property is for three km west from the traffic lights Oliver center to the Fairview Lake Road, thence two and seven-tenths km to a poor secondary road branching off to the north. The portal is eight-tenths of a km along this road.

Trail, B.C. where smelter facilities are available is 270 km east of Oliver.

WATER AND POWER

At the time of the writer's property examination, the main workings were making a minimal amount of water, however during the summer months this water source may not be present.

Approximately 75 meters below the main workings are two small lakes from which sufficient water could be available for all phases of the exploration and development program.

A commercial power line is within 200 meters of the main portal.

PHYSIOGRAPHY

The topography within the confines of the property boundaries is gently rolling hills with local bluffs and escarpments.

Elevations are up to 670 meters with a relief of 250 meters.

HISTORY

The history of the general area stems from the historic Fairview Camp within which the Snowflake property is located.

The Fairview Camp is one of the older mining camps of B.C. which is presently being re-explored due to the rise in gold prices. The original claims of the camp were staked in the early 1890's and the greater part of the work done on them prior to 1900.

The main producer of the camp was the Stemwinder, which is within one km of the southwestern portion of the Snowflake property, with the Morning Star and Rattler also credited with production.

In 1936, Fairview Amalgamated Gold Mines began operations on the Morning Star and Fairview properties, and between that time and the end of 1939 produced 10,681 ounces of gold, and a large amount of silver from the milling of 109,405 tons of ore.

On the Snowflake property work was carried out by Continental Consolidated and Norex in 1961 and 1962. The property was then known as the Standard and work consisted of trenches, shafts, the driving of three adits (described under Mine Workings) and the drilling of four diamond drill holes at the end of No. 2 Adit to locate the extension of the vein (not located), a fourth exploratory adit was driven in 1978 by Bill Hegan. There was no work done on the property thereafter.

Smelter returns from Cominco of Lot number 4 through 7 indicate the following shipments processed from shipments made by Norex Mines Ltd. from October 6, 1961 to December 13, 1961.

<u>Serial No.</u>	<u>Tons</u>	<u>Au oz/ton</u>	<u>Grade Ag oz/ton</u>	<u>Silica %</u>	<u>Gross Value</u>
6957-C	217.67	1.593	1.2	90.3	\$12,066.77
7067-C	55.28	1.335	0.7	08.7	2,568.41
7068-c	56.56	1.3295	1.3	91.0	2,675.77
7069-C	<u>75.404</u>	1.1615	1.15	90.6	<u>2,491.18</u>
	404.914	1.43			\$19,802.13
	=====				=====

The values were based on gold at \$35 and silver at \$.97. The present day gross value of the shipments would be approximately 12 times the 1961 prices which is \$237,625.56 or \$586.80 per ton.

It appears that there were three lots of shipments prior to the above. These could be the eight cars of ore that were shipped that averaged 0.20 oz Au/ton for 510 tons (Skerl). The gross value of these shipments would approximately \$7 per ton in gold or \$3,750. At present prices - \$84 per ton or \$42,840.

In January 1962 four of five cars of ore shipped (Skerl) averaged .485 oz per ton Au but no tonnage was mentioned. However in a report dated April 23, 1962 Skerl reports that to that date approximately 1,200 tons of ore have been produced averaging 0.54 oz Au/ton and a net smelter value of \$16 per ton. This would gross value the total production at \$19,200 or approximately \$230,400 at present day prices.

It appears there is a discrepancy in not so much total tonnage but gross value. If the five cars shipped in January 1962 averaged 50 tons each, the total tonnage would approximate the 1,200 tons total, however the average grade differs considerably.

	Tons	Grade Au oz/ton
Lot 4-7	404.9	1.43
Prior shipments	510.0	0.20
January 1962	<u>250</u> (est)	0.485
	1,164.9	0.689

The gross value when shipped would be \$28,083.99 or at present prices \$337,007.95.

Additional information from the 1961 and 1962 Annual Reports of the Minister of Mines report that in 1961 "an adit 230 feet long was driven under old shallow workings on a quartz vein and a small stope was mined to surface. A total of 502 tons was shipped to the Trail smelter". In 1962 the report states that "development consisted of 600 feet of drifting, 15.3 feet of crosscutting and 527 feet of raising. Ore shipped to Trail, 2,417 tons".

Thus it appears that a total of 2,919 tons of ore were shipped of an unreported grade.

GEOLOGY

In the general area of the Snowflake property, the Oliver granite is in a northwesterly contact with the Carboniferous Kobau group with the Oliver syenite sandwiched along the easterly portion of the contact. The Kobau group forms a lenticular zone in contact with the Fairview granodiorite in the south. Within this lenticular Kobau group are the most productive deposits of the Fairview Camp - the Fairview and the Morning Star.

The Oliver granite consists of light pink to grey, medium to coarse grained rocks of granitic texture. Quartz with abundant orthoclase and microcline, a little oligoclase with biotite or muscovite predominates. The granite is mainly porphyritic except in its central part where it has a uniform texture. Towards its contacts it becomes more basic and on its south side it grades in places into a dark syenite.

The Kobau group comprises a great thickness of metamorphosed stratified rocks mainly of sedimentary origin. The quartzite members are thinly bedded and commonly micaceous or graphitic. There are also fine grained siliceous, mica schists and others containing chlorite, hornblende, graphite and talc. The associated greenstones are variously sheared.

The Fairview granite is a medium grained, flesh-coloured to light brown rock with a granitic texture. In places a gneissic texture is indicated. Quartz, andesine, a little orthoclase, biotite or muscovite and pyroxene constitute the quartz diorite.

The ore deposits of the Fairview Camp occur in three ways: veins in the schist conforming closely to the strike and dip of the schistosity; veins in the schist crosscutting the schist in dip and strike; and veins in the granitic bodies.

Examples of veins in the schist are the Fairview and Morning Star where the veins vary greatly in width from great masses of quartz "up to 30 feet wide" to narrow veinlets of partly silicified schist.

The second group of veins, crosscutting the schist in dip and strike, are small and can be traced for only short distances. They generally dip at steep angles and "it is believed that they unite with veins of the first type to form a vein system".

The veins occurring in granitic rocks have apparently no general direction of dip and strike. Veins range from almost flat to nearly vertical within a short distance of each other. Several veins in the granitic rocks are fairly persistent along strike.

Examples of veins within the Oliver granite are on the Susie group which is within two km northwest of the Snowflake workings. The vein consists of a wide, flat-lying vein striking near the shaft approximately north 10 degrees east and dipping about 25 degrees southeast. The vein where exposed is of an apparent width of 3.04 to 4.57 meters (10 to 15 feet).

A parallel quartz vein occurs 61 meters (200 feet) east of the main vein. The width of the vein is from 38 cm to 121 cm for 24 meters (80 feet). This vein may be a faulted continuation of a vein to the north on which the No. 3 adit was driven.

LOCAL GEOLOGY

Within the confines of the property boundaries, the claim group predominantly covers the Oliver granite with a northwesterly contact of the syenitic phase along the extreme southern portion.

The Snowflake vein is hosted by the granite with the main vein trending at approximately 040° and dipping from 85 to 65 easterly. Dykes bisect the vein at two locations, the first intersection is by a hornblende porphyry dyke as revealed within the No. 2 adit is at 100 meters (330 feet) where the dyke strikes at 060° and dips 70 north. The second intersection by a feldspar porphyry dyke near the end of the drift at 155 meters (510 feet) where the dyke strikes at 350° and dips steeply. The drift was not extended through the second dyke.

The vein consists basically of quartz with occasional carbonates and is in a sharp contact with the wallrock. A gouge zone (less than 6 cm) may occur along the footwall.

The width of the vein is up to 1.52 meters with no obvious relationship of grade to width.

SNOWFLAKE WORKINGS

The workings consist of open-cuts and four adits over a horizontal distance of 387 meters. Two adits are on the main zone with two other exploratory adits.

The two main adits at 582 meters (1,920 foot) and 579 meters (1,900 foot) elevations are 22 meters (72 feet) and 168 meters (551 feet) long respectively.

The third adit at the 554 meter (1,820 foot) elevation or 25 meter (82 foot) below adit No. 2 is 29 meters (95 feet) long and explores a vein exposed in surface cuts.

Adit No. 4 at the 545 meter (1,788 foot) elevation reportedly extends for 30 meters (100 feet).

The No. 4 adit - 187 meters north of the No. 1 adit and 36 meters below in elevation is the northern limit of the workings, however surface workings explore vein structures for up to 200 meters to the south of the No. 1 adit.

The stoped areas occur within the No. 2 drift. The first is 73 meters (75 feet) long and extends from 54 meters (177 feet) to 78 meters (256 feet) and extends for 17 meters (55 feet) above the drift back. This stope reaches the surface through a raise from the roof of the stope.

A short stope occurs at the dyke intersection with the second major stope from the footwall of the dyke for 26 meters (86 feet). The roof of the stope borders the dyke with the stope increasing in height westward as the distance from the intersection of the dyke and stope increases.

Near the end of the level and 11 meters (35 feet) west of the stope is a 26 meter (85 foot) raise to surface.

Other workings to the east as indicated on the accompanying maps explore vein structures.

MINERALIZATION

In the Fairview Camp:

The "ore" generally occurs in the form of shoots. considerable stretches of the veins are of comparatively low value. The gold appears to be very largely associated with the galena and zinc blende and not with the pyrite. The leaner parts of the veins particularly in the underground workings, usually carry considerable pyrite.

On the Snowflake property, numerous samples were taken during the mining period 1961-62 with returned values as indicated on the accompanying maps. The information on the map is as presented to the writer with the samples reportedly taken by Nbrex and Continental Consolidated in 1962. A number of assay sheets from J.R. Williams and Son Ltd. and Coast Eldridge bearing the name of Continental Consolidated (Mines Ltd.) are on file with the writer. The assays cannot be cross-referenced, however the values presented therein and in check sampling by the writer are in correspondence to the map values.

The main vein (No. 1 vein) is continuous for 155 meters (510 feet) throughout the length of the No. 2 adit to the south end of the drift which ended in a dyke. An intermediate section of the vein has also been bisected with a dyke. The vein appears to be consistent in width over the length of the drift with the narrower section - to 30 cm (12 inches) in the area of the first stope with the wider sections - up to 106 cm (42 inches) of higher value.

In the second stope area to the south of the central dyke, the vein is from 81 cm (32 inches) to 172 cm (68 inches).

Skerl describes the mineralization as "The mineralization ranges from 5% sulphides in the auriferous sections down to less than 1/2% in the almost barren southern section. It consists, in order of decreasing abundance, of patches of coarse pyrite, chalcopyrite, galena, sphalerite, tetrahedrite and specks of the silver tetrahedrite hessite (identified by Dr. R.M. Thompson at U.B.C.). No distinct gold mineral has been recognized so far."

Sampling by Continental Consolidated and Norex on the face of the drift during mining in 1961 and 1962 disclosed values of up to 8.42 oz. Au/ton across 1.06 meters (42 inches).

In the October to December shipments, the 405 tons shipped returned a weighted average assay of 1.43 oz. Au/ton.

The writer took samples from the main drift area with the following assay results.

<u>Location</u>	<u>Description</u>	<u>Width (meters)</u>	<u>Assay</u>	
			<u>oz Au/ton</u>	<u>oz Ag/ton</u>
<u>Underground</u>				
S stope	Qtz vein w/massive sulphides	.71	1.660	12.70
S stope	Barren vein		.45	.065
S stope	Py zone along F.W. of vein	Grab	.895	12.65
<u>Surface</u>				
Open cut north of No. 1 level	Py in granite Qtz. and wall rock	Grab	.009 .006	.16 .08

RECOMMENDED EXPLORATION AND DEVELOPMENT PROGRAM

A two stage program is recommended. The first stage would be comprised of a diamond drill program to test the main zone for extension to the 548 meter (1800 foot) elevation. Due to topographical considerations, the northern mineral zone extension would only be tested. Additional drill holes to the north would be completed to establish the location of the structure in this direction in order to confirm the specific location for the portal of the 548 meter (1,800 foot) adit. A survey control would also be completed in the initial stage.

The second stage of the program would be the driving of a 365 meter (1,200 foot) exploration and development drift from the 548 meter (1,800 foot) elevation along the main structure. The drift would serve as an exploratory working from the portal to the projected extension of the first mineral zone.

ESTIMATED COST OF THE RECOMMENDED EXPLORATION AND DEVELOPMENT PROGRAM

Stage I

Establish survey control	\$ 5,000
Diamond drilling 300 meters @ \$100	
- all inclusive	30,000
Engineering and supervision	<u>5,000</u>
	\$ 40,000

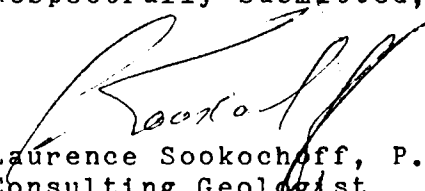
Stage II

Drifting - 365 meters @ \$500	\$182,500
Associated costs	20,000
Engineering and supervision	<u>25,000</u>
	<u>\$217,500</u>
	\$257,500
	=====

It is estimated that the first stage would take two months to complete.

The second stage of the program would be carried out contingent on the favorable results of the first stage.

Respectfully submitted,


 Laurence Sookochoff, P.Eng.
 Consulting Geologist

May 17, 1983
 Vancouver, B.C.

CERTIFICATE

I, Laurence Sookochoff, of the City of Vancouver, in the Province of British Columbia, do hereby certify:

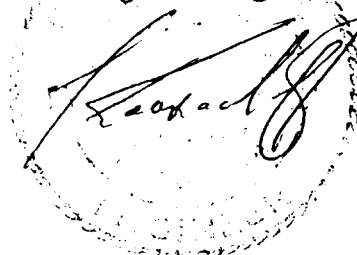
That I am a Consulting Geologist with the firm of Pan-American Consultants Ltd. of 1406-1055 West Georgia Street, Vancouver, B.C.

I further certify that:

1. I am a graduate of the University of British Columbia (1966) and hold a B.Sc. degree in Geology.
2. I have been practising my profession for the past seventeen years.
3. I am registered with the Association of Professional Engineers of British Columbia.
4. The information for this report was obtained from sources as cited under bibliography and from a property examination carried out on May 8, 1983.
5. Neither I or Pan-American has direct or indirect interest in the property described herein or in the securities of Vermilion Enterprises Ltd.
6. This report may be utilized by Vermilion Enterprises Ltd. for inclusion in a Prospectus or Statement of Material Facts to be filed with the regulatory authorities.

Laurence Sookochoff, P.Eng.
Consulting Geologist

May 17, 1983
Vancouver, B.C.



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Camp McKinney and Vidette Lake Area, and the
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- Progress Report on the Standard Mine, Oliver,
B.C. February 25, 1962

- Progress Report on the Standard Mine, Oliver,
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- Progress Report on the Standard Mine, Oliver,
B.C. April 23, 1962

Minister of Mines and Petroleum Resources Annual Reports

1961 p 62

1962 p 65

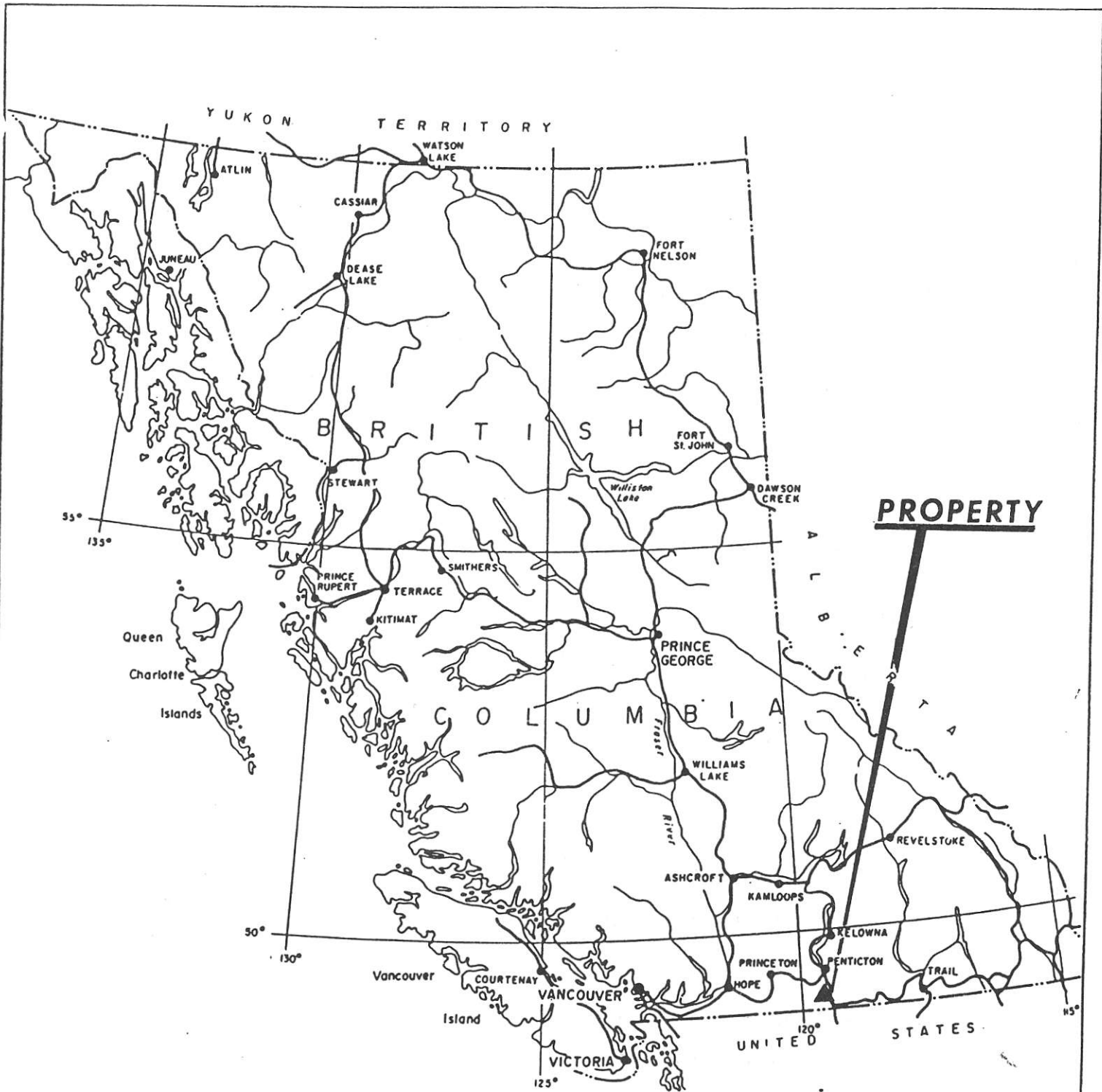
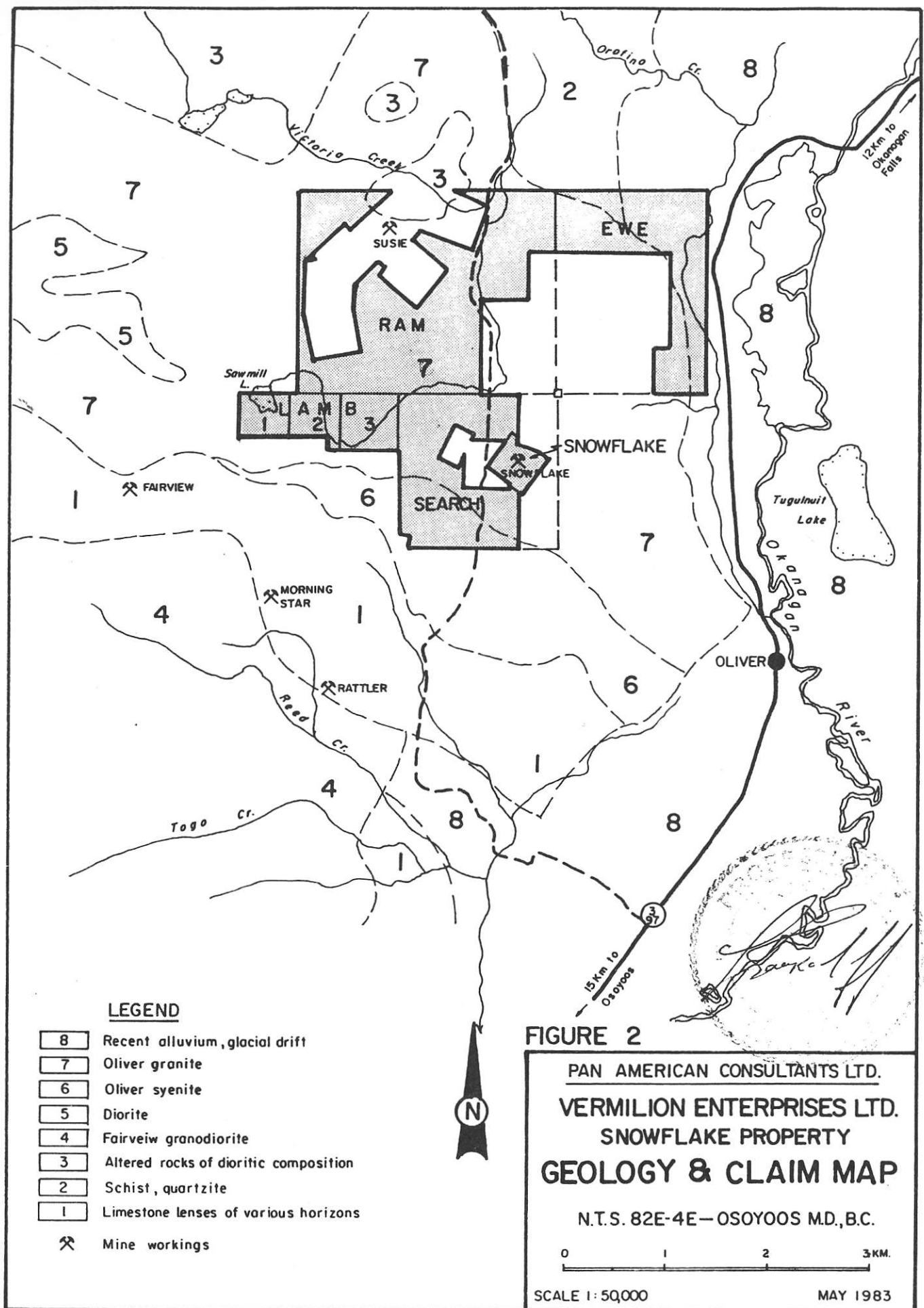


FIGURE 1



PAN AMERICAN CONSULTANTS LTD.			
VERMILION ENTERPRISES LTD. SNOWFLAKE PROPERTY PROPERTY LOCATION MAP			
<p>0 100 200 MILES</p> <p>0 100 200 300 KILOMETRES</p>			
N.T.S. 82E - 4 E		OSOYOOS M.D., B.C.	
DRAWN	PROJECT	DATE MAY 1983	FIG. 1



LEGEND

- 8 Recent alluvium, glacial drift
- 7 Oliver granite
- 6 Oliver syenite
- 5 Diorite
- 4 Fairveiw granodiorite
- 3 Altered rocks of dioritic composition
- 2 Schist, quartzite
- 1 Limestone lenses of various horizons
- Mine workings

FIGURE 2

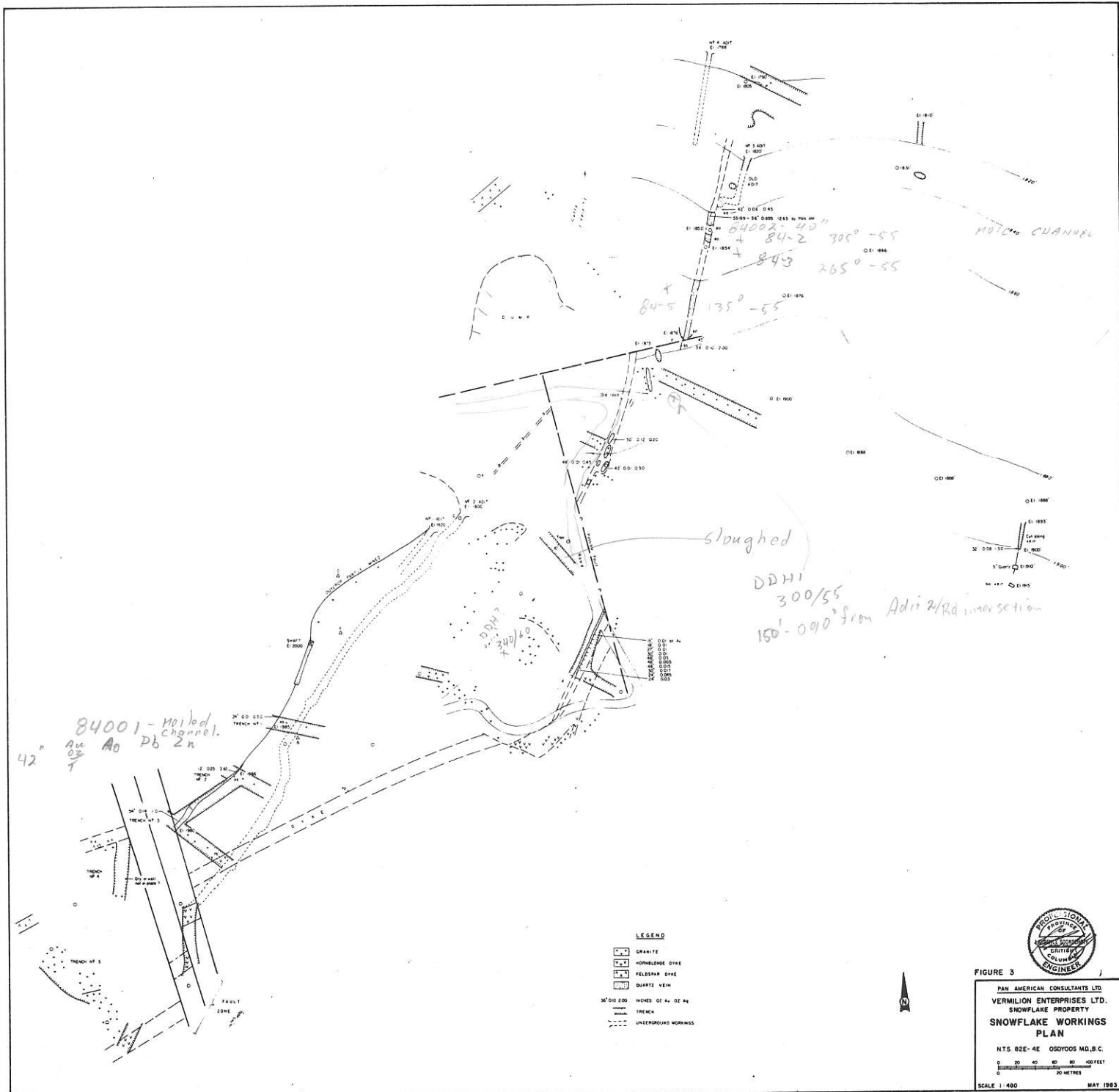
PAN AMERICAN CONSULTANTS LTD.
 VERMILION ENTERPRISES LTD.
 SNOWFLAKE PROPERTY
GEOLOGY & CLAIM MAP

N.T.S. 82E-4E—OSOYOOS M.D., B.C.

0 1 2 3 KM.

SCALE 1:50,000

MAY 1983



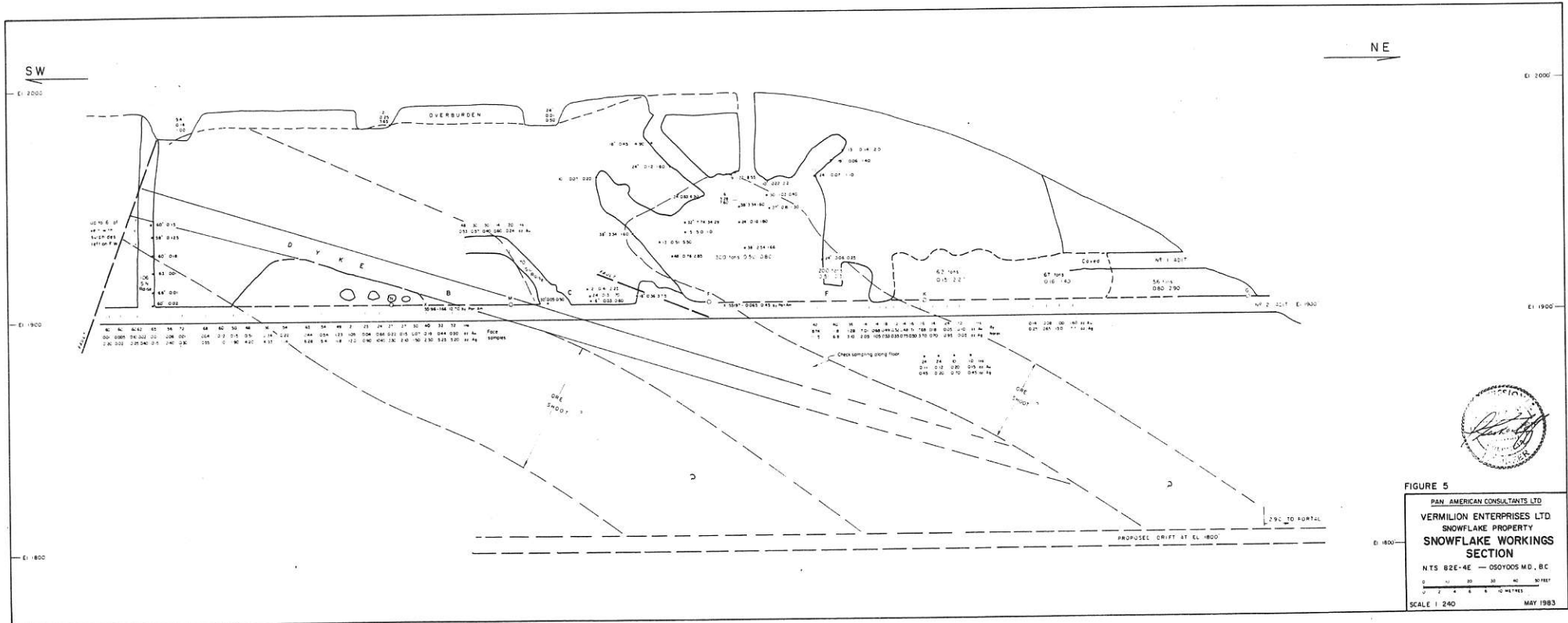


FIGURE 5

PAN AMERICAN CONSULTANTS LTD
 VERMILION ENTERPRISES LTD
 SNOWFLAKE PROPERTY
 SNOWFLAKE WORKINGS
 SECTION
 NTS B2E-4E — OSOY005 M.D., B.C.

0 10 20 30 40 50 FEET
 0 2 4 6 8 10 METERS


SCALE 1:240

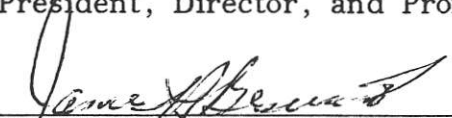
MAY 1983

CERTIFICATE OF THE DIRECTORS
AND PROMOTERS OF THE ISSUER

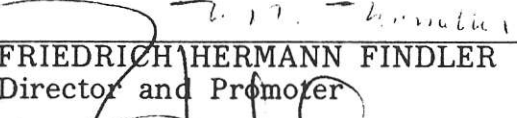
The foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this Prospectus, as required by Part 7 of the Securities Act (British Columbia) and the regulations under it.

DATED: January 13th, 1984.


KENNETH RALPH BURKE
President, Director, and Promoter


JAMES HERBERT BESWICK
Secretary-Treasurer, Director, and Promoter


NORMAN SIDNEY CHAMBERLIST
Director and Promoter


FRIEDRICH HERMANN FINDLER
Director and Promoter


ROBERT JULES HENDERSON
Director and Promoter

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 required by Part 7 of the Securities Act (British Columbia) and the regulations under it.

DATED: January 13th, 1984.

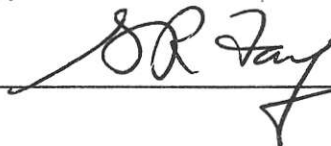
CANARIM INVESTMENT CORPORATION LTD.

Per:



CONTINENTAL CARLISLE DOUGLAS

Per:



C.M. OLIVER AND COMPANY LIMITED

Per:



Those holding more than a 5% interest in Canarim Investment Corporation Ltd. are Intercan Holdings Ltd., which holds an 82.2% interest, and Michael Wayne Murphy, who holds a 5.2% interest. Those holding more than a 5% interest in Intercan Holdings Ltd. are A.E. Turton Investments Ltd., wholly owned by Alfred E. Turton, as to 40%; The MacLachlan Investments Corporation, wholly owned by Peter M. Brown, as to 40%; Petersham Holdings Ltd., wholly owned by Brian D. Harwood, as to 15%; and Channing Investments Corporation, wholly owned by Charles Channing Buckland, as to 5%. All have addresses c/o 2200-609 Granville Street, Vancouver, B.C.

Continental Carlisle Douglas is a corporate partnership. The partners are MacPhail Securities Ltd., controlled by Angus I. MacPhail, as to 25.6%; Fay Securities Ltd., controlled by G. Robert Fay, as to 25.6%; DGM Securities Ltd., controlled by D. Grant MacDonald, as to 24.4%; Scammell Securities Ltd., controlled by Douglas A. Scammell, as to 12.2%; Gahala Securities Ltd., controlled by Thomas L. Taylor, as to 6.1%; and Charpentier Securites Ltd., controlled by J. Arthur Charpentier, as to 6.1%. All have addresses c/o 10th Floor, 1055 Dunsmuir Street, Vancouver, British Columbia.

Those holding more than a 5% interest in C.M. Oliver and Company Limited are Eagletree Estates Ltd. (controlled by Robert A. Chilcott), which holds a 15.1% interest; Robert A. Chilcott, who holds a 8.7% interest; R.P.C. Holdings Ltd. (controlled by R. Page Chilcott), which holds a 14.5% interest; W. Ross Nursey, who holds a 8.7% interest; and Kenzo Kawazoe, who holds a 8.0% interest. All have addresses c/o 200-750 West Pender Street, Vancouver, British Columbia.