

**NOTES TO FINANCIAL STATEMENTS***continued*

The recovery of the costs of resource properties is dependent upon the discovery of a sufficient quantity of ore of economic value and obtaining adequate financing for the development and mining of the ore body.

**2. Capital stock**

The Company is authorized to issue 10,000,000 common shares, without par value.

*(a) Issued*

	Number of shares	Amount
Balance, beginning and end of year	5,143,181	\$ 5,345,904

*(b) Stock options*

A total of 500,000 common shares are reserved for issue under stock options granted to directors of the Company exercisable until January 22, 1994 at \$0.71 per share.

**3. Income taxes**

Resource properties carried on the balance sheet at \$1,909,399 have \$38,000 in deductions remaining for income tax purposes and Mining Exploration Depletion Allowance of \$147,000.

The Company has not recognized the income tax benefits of differences in timing between the treatment for income tax and accounting purposes of option payments received, interest income and exploration, development and administration expenditures. As at January 31, 1991, such timing differences amounted to approximately \$1,320,000 (1990-\$1,080,000).

**4. Related party transactions**

A director is the president of the engineering company which was engaged for exploration work. This company received \$60,000 (1990-\$48,000) for management fees, \$120,400 (1990-\$112,400) for consulting fees and \$72,000 (1990-\$72,000) for office space and services. The engineering company was also engaged by Placer to carry out exploration on the Elk, Dill/Bank and WH properties for which it received additional management and consulting fees from this company.

**CORPORATE  
INFORMATION**

**Officers**

John W. Stollery, President  
Kenneth G. Hanna, Secretary

**Directors**

Michael F. Dubensky  
Graham Farquharson  
Owen S. Hairsine  
Kenneth G. Hanna  
Albert F. Reeve  
John W. Stollery

**Shares Listed (FFD)**

Toronto Stock Exchange  
Vancouver Stock Exchange

**Capitalization**

Authorized: 10,000,000 common shares  
Issued: 5,143,181 common shares

**Registrar and Transfer Agent**

Montreal Trust Company of Canada  
510 Burrard Street  
Vancouver, B.C. V6C 3B9

**Geological Consultants**

Cordilleran Engineering Ltd.

**Legal Counsel**

Russell & DuMoulin

**Auditors**

Peat Marwick Thorne

The Annual General Meeting of the Shareholders of the Company will be held Monday, May 13, 1991, at 10:00 a.m. in the offices of Russell & DuMoulin, Suite 1500, 1075 West Georgia Street, Vancouver, British Columbia.