

KERR ADDISON MINES LIMITED

SUITE 1600 - 44 KING STREET WEST

TORONTO 1, ONTARIO

TELEPHONE 362-7111

820307

MEMORANDUM

October 31, 1969

TO: Mr. J. H. Stovel

FROM: P. M. Kavanagh

Darkhawk Mines' Indian Reserve #13,
Highland Valley, B.C.

I am writing this brief summary to complete our file. Attached are various data.

The situation was introduced to me on October 22 by Doug Rowland of Bongard Leslie. In addition to having extensive talks with Darkhawk principals, Mike McCormick the underwriter, Don Ursaki the Indian agent, and Larry Page their lawyer, I visited the Reserve with Bill Sirola on the 24th and examined their drill core.

On October 27th, supported by Bill Sirola I recommended to the Executive Committee that Kerr acquire a 50% equity in Darkhawk by buying 1 million shares @ \$3.00 per share for the principal reason that Kerr, and indirectly Noranda, would thereby acquire a definite position in an undoubtedly major copper mining development.

The Committee declined the recommendation because the prime value of the Reserve is its location rather than an ability to have ore reserves of its own.

Paul M. Kavanagh

Paul M. Kavanagh
Vice-President - Exploration

PMK:lfr
Encls.

cc: W. M. Sirola

Points

- their snicker re. Brameda
- clause in prospectus re. Bethlehem agreement
- would want legal opinion re. Bethlehem agreement
- the total price of \$3,475,000 for 1 million shares is not excessive (50% of issued & 2 million shares).
- in N.M. 69-70 Handbook

Bethlehem says 200,000,000 tons over .45 or better
of est. indicated & possible tonnage
or props adj. Valley Copper.

- in N.M. 69-70 Handbook

Valley Copper 200,000,000 tons to 1500' depth
0.4% copper or better.

$$\begin{array}{r}
 240 \\
 \underline{800} \\
 192000 \\
 \underline{640} \\
 7680000 \\
 1152000 \\
 \hline
 122880000
 \end{array}$$

$$\begin{array}{r}
 150 \times 500 \times 500 \\
 \hline
 12
 \end{array}$$

$$\begin{array}{r}
 2 \\
 300,0000
 \end{array}$$

Bill's Log

DDH"4

- 0-475 ob.
- 475-501 Bethesda Q.D. chl. sericite alt'n - less than 0.2% Cu.
- 501-505 fault zone - heavy soft clay gouge
- 505-546 Bethesda Q.D. - numerous $\frac{1}{4}$ " gtz eyes - chl. ser. alt'n
- chalco & bornite 0.4% Cu.
- 546-556.5 major fault - heavy clay gouge - black slickensides
- 559 Bethesda Q.D. - well min'd with ~~chl~~ chalco & lesser bornite - 0.4%
- 573 major fault - heavy clay gouge
- 624 Bethesda Q.D. - showing fewer gtz eyes - possibly indicating transition zone to different rock type - 0.3%

475-501	- 26'	- .2	5.2	
- 505	- 4'	- .3	1.2	
- 559	- 54'	- .4	21.6	
- 573	- 14'	- .35	4.9	
- 624	- 51'	- .3	15.3	
	<u>149'</u>		<u>48.2</u>	= .32

$$\begin{array}{l} \#6 \quad (1215) \quad 392 - .18 \\ \#5 - (1173) \quad 753 - .36 \end{array}$$

$$\begin{array}{r} 71 \\ 272. \end{array}$$

$$4 - (2343) \quad 2060 - .57$$

$$1175.$$

$$7 - (1513) \quad 1283 - .58$$

$$746$$

$$9 - (1424) \quad 1142 - .47$$

$$538$$

$$13 - (631) \quad 326 - .06$$

$$.20$$

$$17 - (729) \quad 518 - .1$$

$$52$$

$$\begin{array}{l} \cancel{518} \\ 7 \overline{) 5474} = 800' \end{array}$$

$$\begin{array}{r} \cancel{280.3} \\ 2874 \end{array}$$

$$= .55\%$$

$$= .53\%$$

$$\#26 - (1300) \quad 926 - .36$$

$$12 - (1400) \quad 1073 - .39$$

$$19 - (1406) \quad 1154 - .36$$

$$\begin{array}{r} 3 \overline{) 3153} \\ 1000 \end{array}$$

$$= .37\%$$

$$\#15 - (1298) \quad 450 - .21$$

$$95$$

$$8 - (1163) \quad 738 - .21$$

$$155$$

$$10 - (969) \quad 631 - .39$$

$$246$$

$$14 - (972) \quad 591 - .36$$

$$213$$

$$\begin{array}{r} 2410 \\ \hline 600 \end{array}$$

$$709$$

$$= .30\%$$

$$2440' \text{ L x}$$

$$640' \text{ W}$$

$$800 \text{ T}$$

$$1600' \times 640 = 1025000$$

16 \rightarrow 0-744 σ_B

14 - 0-381 σ_B 381-972 .36%

10 - 0-338 σ_B 338-969 .39%

8 - 0-425 σ_B 425-1163 .21%

17. 0-210 σ_B 210-729 .1%

13. 0-311 σ_B 311-637 .06%

19. 0-252 σ_B 252-1406 .36%

9 0-282 σ_B 282-1424 .47%

27 0-261 σ_B

7 0-230 σ_B 230-1513 .58%

12. 0-327 σ_B 327-1400 .39%

4 0-280 σ_B 280-2343 .57%

26. 0-454 σ_B 454-1380 .36%

5 0-420 σ_B 420-1173 .36%

15 0-848 σ_B 848-1298 .21%

6. 0-823 σ_B 823-1215 .18%

Darkhawk

- Utsuki said that the \$3.50, \$4.00, & \$4.50 prices would be what we could pay & they would go 100% into the Treasury.
- Northgate & Kirschhorn are other 2 parties - Northgate rated high, Kirschhorn not.
- Northgate wants to take 1 million shs at once @ \$3.00
 - Murray Pickard was to see the core samples for assay last night
 - They want Utsuki & McCormick to meet with them Monday in Toronto or Ireland.
- should I phone Doug re. holding deal (it might work in Northgate's favor)
- they consider Northgate better swingers than we are, but they're very impressed with the speed & thoroughness of our examination.
- holes 1 & 2 never got through the younger rocks.
- possibility of financing Bethlehem.
- hole #1 - 1000'
hole #2 - 1084'
- Valley Copper could go down 1145' to get their 900,000,000 tons
- maybe there's no risk.

NOV 1 1969

921

attach to ~~previous~~ ~~update~~ ~~Oct 69~~

Darkhawk Minis Ltd. (N.P.L.)

3 million share company - presently has an interim listing on the Vancouver Stock Exchange.

1,500,000 shares issued

{ 1,250,000 shares escrowed and pooled (750,000 escrowed 500,000 pooled)
250,000 free in public (McCormick controls the vote of 125,000 of these shares)

700,000 held by Indian Band.

310,000 " " M^c McCormick

200,000 " " individual Indians in the band.

The Deal:

1) Kern would buy 500,000 of the issued shares @ \$3.00/share
(they would be contributed 350,000 by Indians 150,000 by M^c McCormick)

2) Kern would buy underwritten stock through Turner Securities

1) 200,000 shares	@ \$3.50	\$700,000
150,000 "	@ 4.00	600,000
150,000 "	@ 4.50	675,000

\$1,975,000

2) or 500,000 shares @ \$3.00 \$1,500,000

(the understanding would be that the underwritings would be handled by Turner Securities at no commission)

X-RAY ASSAY LABORATORIES

NOV - 3 1969

LIMITED

45 LESMILL ROAD

DON MILLS ONTARIO

445-5755

Certificate of Analysis

NO. 3856

TO. Kerr-Addison Mines Limited,
(Mr. E. Jacka)
44 King Street West, suite 1600,
Toronto, Ont.

RECEIVED October 30, 1969

INVOICE NO. 4960

SAMPLE(S) OF split core

SUBMITTED TO US SHOW RESULTS AS FOLLOWS:

Sample	%Cu	%MoS ₂	Au oz/ton	Ag oz/ton
002	0.14	Trace	Nil	Trace

*Darkhawk
Indian Reserve #13.
Highland Valley, B.C.*

J.H.S.
P.M.K. ✓
R.D.S.
B.C.B.
I.D.B.
G.M.H.
P.K.

J

X-RAY ASSAY LABORATORIES LIMITED

DATE October 31, 1969

CERTIFIED BY

E. J. B. S. S.

ASSAYERS - ANALYTICAL CHEMISTS - SPECTROGRAPHERS

Negative Points

1. The possible ability of Bethlehem, because of its right of first refusal, to block the deal.

Offsetting aspects:

a) if we did purchase the stock, and Bethlehem subsequently won an action, it would mean we would give back the stock but would have to be given back our purchase money.

b) just as Bethlehem did against Darkhawk, we could threaten to keep a legal action going against Bethlehem (to prove its first refusal didn't apply) for so long as to hold back the whole camp development for an extended period. Bethlehem realizing this, might drop its action, & in fact work with us.

2. There is litigation concerning whether the Indian Band or Bethlehem owns a part of Divide Lake (the Indians have taken a trespass action against Bethlehem). Even if the Indians don't have the lake portion (they think they have a good case however) - the land part of the reserve is still vital to the complete development of the camp - and their hole No. 4 is a land lock.

Darkhawk

Positive Points

1. The square mile reserve is vitally located in what will be one of the world's great mining developments. It would be needed for the complete development of that camp.
2. Their hole #4 proves that within the property there may be a ^{minable} part of the overall deposit of which Valley Copper & Bethlehem have a point.
3. Having a control position in Darkhawk could well enable us to make a deal with Bethlehem to help in its financing for its role in the overall development of the camp.
4. Being in Darkhawk, Kerr (and the Noranda Group as a whole) would inject itself into one of the world's major mine developments - and a copper one at that. It could give us (and Noranda) considerable leverage in any smelter development.
5. We could ~~be~~ have an overall favorable catalytic effect in bringing the three main entities in the camp together (i.e. Valley, Bethlehem, & Darkhawk)

The overall complete development of the camp is going to require the cooperation of all three parties.

DOLMAGE, CAMPBELL & ASSOCIATES
CONSULTING GEOLOGICAL & MINING ENGINEERS
808 BANK OF CANADA BUILDING
VANCOUVER 1, B.C.

Dark Hawk Mines Ltd.

PROGRESS REPORT NO. 1
Aug. 18-29th, 1969)

I.R. 13 DRILL PROGRAM

September 1st, 1969.

J.D. Gunn.

Resident Engineer.

I.R. 13.

DOLMAGE, CAMPBELL & ASSOCIATES

CONSULTING GEOLOGICAL & MINING ENGINEERS

808 BANK OF CANADA BUILDING

VANCOUVER 1, B.C.

- 1 -

SUMMARY

No. 1 hole, located at 2,200N and 1,400E, was advanced to 591ft. through overburden and is stopped temporarily due to mechanical problems. This hole may be at bedrock.

No. 2 hole, located at 1,600N and 200E, is approximately 600 feet east of Bethlehem Copper hole L10, was started on August 29th, 1969. It is expected that the overburden in this hole will be approximately 350 feet deep.

The results to date of the Bethlehem drilling program in the corridor to the west of Dark Hawk Mines was made available to Dolmage, Campbell and Associates. L10 was the best hole located closest to the west border of Dark Hawk Mines and showed 338 feet of overburden followed by 631 feet of 0.39% copper.

Three Dolmage & Campbell personnel were on the property during the last week in anticipation of three shift per day supervision of core handling.

Hole No. 1 has not been completed.

GENERAL

Drilling commenced on No. 1 hole on August 18th, 1969, and advanced to 591 feet by August 27th, 1969.

Progress has been slower than expected due to the following:

1. On August 24th, 1969, a drive chain broke and no spares were available.
2. On August 27th, it appeared that bedrock had been hit at 591 feet when no advance could be made with the tricone. The rollers from the tricone broke in the hole.
3. On August 28th, the rods broke while being pulled. The right size tap was not available on the property so work on this hole was discontinued while waiting for a tap to arrive.

(continued).

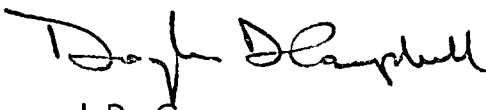
On August 28th, 1969, preparations were made to set up on Hole No. 2 located at 1600N and 200E. Drilling commenced on this hole on August 29th, 1969, while waiting for the tap to come in for No. 1 hole.

As shown on the enclosed sketch plan the depth of overburden at D.D.H. 1 appears to establish the trend of the bedrock canyon (preglacial) that projects across the lake in a SE direction. This hole will be taken to 800ft. and stopped if still in overburden. (It should be appreciated that ore in the Valley Copper deposit can be anything over 0.35% Cu at a 1:1 stripping ratio; therefore, if 800 feet of ore grade material lies below 800 ft. of overburden, and the grade is high enough it could be ore.)

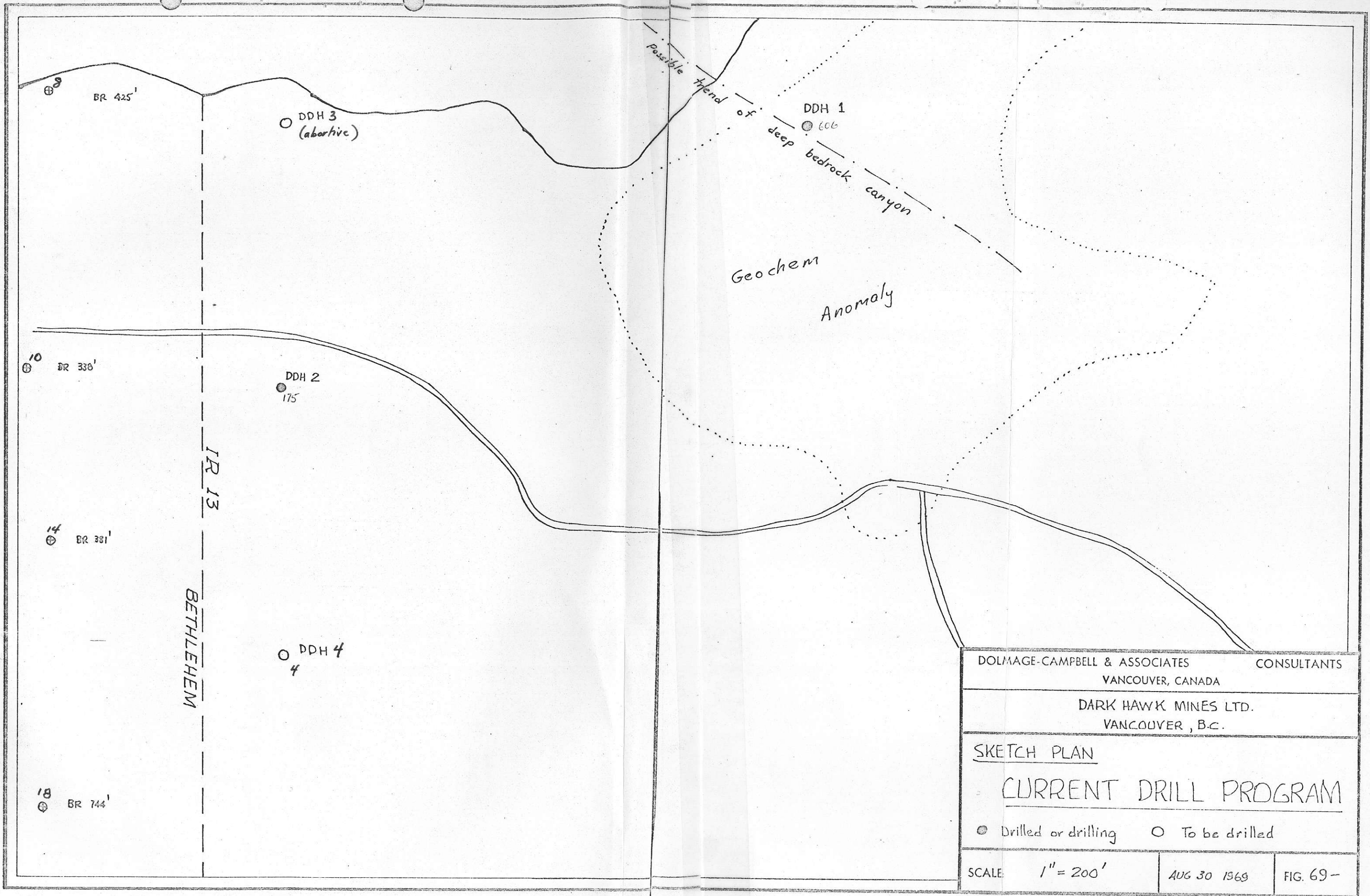
Hole 3, 4 etc. will be along the Bethlehem border and thence stepped eastward to the soil anomaly.

The core shock has not been completed. The door, windows, roof, core racks and bench have yet to be installed.

Respectfully submitted,
DOLMAGE, CAMPBELL & ASSOCIATES LTD.


per J.D. Gunn.

JDG/fw



DOLMAGE-CAMPBELL & ASSOCIATES CONSULTANTS
VANCOUVER, CANADA

DARK HAWK MINES LTD.
VANCOUVER, B.C.

SKETCH PLAN

CURRENT DRILL PROGRAM

DOLMAGE, CAMPBELL & ASSOCIATES
CONSULTING GEOLOGICAL & MINING ENGINEERS
808 BANK OF CANADA BUILDING
VANCOUVER 1, B.C.

Dark Hawk Mines Ltd.

PROGRESS REPORT NO. 2
Aug. 30-Sept. 7, 1969.

I.R. 13 DRILL PROGRAM

Sept. 9, 1969

J.D. Gunn

Resident Engineer

I.R. 13

DOLMAGE, CAMPBELL & ASSOCIATES
CONSULTING GEOLOGICAL & MINING ENGINEERS
808 BANK OF CANADA BUILDING
VANCOUVER 1, B.C.

- 1 -

GENERAL

Drilling progress was below expectations due to repairs to drill rig, dropping rods and casing down hole, broken rods and blocky ground, etc.

Two samples of core from No. 1 hole will be sent for a check assay when the core splitter arrives.

The core shack is progressing favourably and is now useable.

DRILLING

Hole No. 1 (22N, 14E)

Drilling advanced from 606 ft. to 664 ft. with the tricone. Overburden depth is 658 feet. Coring commenced at 664 ft. and advanced to 669 ft.

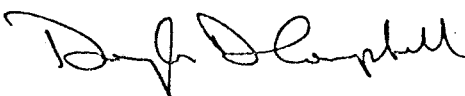
The bedrock in the hole is dark green, fine grained and is comprised of pyroxene, hornblende, feldspar and quartz veinlets. The core is characterized by many random slip planes that are coated with serpentine and occasionally fine grained pyrite. Some minor chalcopyrite may also be present on the slip planes but this could not be positively identified due to the very small particle size. An assay check will be done on representative sections of core.

This rock probably represents basalt andesite Tertiary volcanic flows that locally covered the (intrusive) bedrock in pre-glacial times. Drilling will proceed in an attempt to penetrate the volcanics to the more favourable Bethsaida granodiorite or the Bethlehem quartz diorite.

Hole No. 2 (16N, 2E)

This hole has progressed to 535 ft. in overburden. The hole has been cased and coring will commence shortly to determine if bedrock is present.

Respectfully submitted,


per J.D. Gunn, Resident Engineer

DOLMAGE, CAMPBELL & ASSOCIATES

CONSULTING GEOLOGICAL & MINING ENGINEERS

808 BANK OF CANADA BUILDING

VANCOUVER 1, B.C.

Dark Hawk Mines Ltd.

PROGRESS REPORT NO. 3

Sept. 8-Sept. 14, 1969

I.R. 13 DRILL PROGRAM

Sept. 15, 1969

J.D. Gunn

Resident Engineer

I.R. 13

DOLMAGE, CAMPBELL & ASSOCIATES
CONSULTING GEOLOGICAL & MINING ENGINEERS
808 BANK OF CANADA BUILDING
VANCOUVER 1, B.C.

- 1 -

GENERAL

Drilling progress was reduced this week when both drills were moved.

No. 1 hole was terminated at a depth of 1000 feet and this drill rig was moved to No. 2 hole. The truck-mounted rig that was set up over No. 2 hole is now drilling overburden on No. 3 hole.

DRILLING

Hole No. 1 (22N, 14E)

Drilling was terminated on Sept. 11, 1969 at a depth of 1000 feet. No copper mineralization was encountered.

The andesite flow capping was penetrated at approximately 931 feet. From 931 feet to 1000 feet the core was composed of fresh quartz diorite containing small spots of hematite. There were also occasional bands, 1-2 feet thick, of decomposed clayey rock. No copper mineralization was noted. An assay check will be done on one of the altered layers noted above.

Hole No. 2 (16N, 2E)

Due to the altered and decomposed nature of the bedrock the depth of overburden is not sharply defined but is probably about 525 feet.

Drilling advanced to 789 feet with the core composed of loosely consolidated grains of quartz, feldspar and altered mafics. The above rock appears weathered or decomposed and occurs in two forms; one is fine grained and light coloured while the other is coarser grained and darker in color. They occur in alternating bands several feet thick.

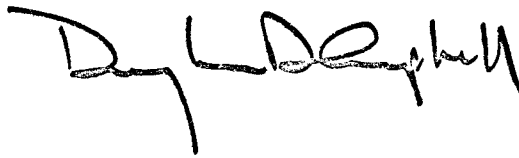
No copper mineralization has been noted but occasional assay checks will be made as mineralization may be difficult to see in this type of rock.

- 2 -

Hole No. 3 (22N, 2E)

Drilling commenced on Sept. 14, 1969 and advanced to 91 feet in overburden.

Respectfully submitted,
DOLMAGE-CAMPBELL & ASSOCIATES LTD.

A handwritten signature in dark ink, appearing to read "J.D. Gunn". The signature is stylized with a large, sweeping initial "J" and a long horizontal stroke.

Per: J.D. Gunn, Resident Engineer

DOLMAGE, CAMPBELL & ASSOCIATES
CONSULTING GEOLOGICAL & MINING ENGINEERS
808 BANK OF CANADA BUILDING
VANCOUVER 1, B.C.

Dark Hawk Mines Ltd.

PROGRESS REPORT NO. 4
Sept. 15-21, 1969.

I. R. 13 DRILL PROGRAM

Sept. 22, 1969.

J.D. Gunn

Resident Engineer

I.R. 13

DOLMAGE, CAMPBELL & ASSOCIATES

CONSULTING GEOLOGICAL & MINING ENGINEERS

808 BANK OF CANADA BUILDING

VANCOUVER 1, B.C.

- 1 -

GENERAL

Drilling progress on No. 2 Hole was normal except for difficulty encountered in a sand seam. This was alleviated by reducing the casing from N to B at 795 feet.

Drilling progress on No. 3 hole was excellent until the rods became stuck on Sept. 19, 1969. A jack will arrive from Vancouver on Sept. 22, 1969 to extract the rods from the hole.

Hole No. 4 has been spotted at 10N, 2E. Drilling will begin on this hole when the overburden on No. 3 hole has been penetrated.

DRILLING

Hole No. 2: (16N, 2E)

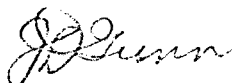
Drilling advanced from 795 feet to 1017 feet in shale, sandstone and lignite. No mineralization was noted.

Drilling will be allowed to advance to approximately 1100 feet in hopes of penetrating this layer of pre-glacial (Tertiary) sedimentary rocks which has evidently filled the valley basin in this part of the Highland Valley, covering the Guichon rocks.

Hole No. 3: (22N, 2E)

Drilling advanced from 91 feet to 593 feet in overburden.

Respectfully submitted,
DOLMAGE-CAMPBELL & ASSOCIATES LTD.



Per: J.D. Gunn, Resident Engineer

JDG/jc

DOLMAGE, CAMPBELL & ASSOCIATES

CONSULTING GEOLOGICAL & MINING ENGINEERS

808 BANK OF CANADA BUILDING
VANCOUVER 1, B.C.

Dark Hawk Mines Ltd.

PROGRESS REPORT NO. 5
September 22 - 28, 1969.

I.R. 13 DRILL PROGRAM
September 29th, 1969.

J.D. Gunn.

Resident Engineer.

I.R. 13

DOLMAGE, CAMPBELL & ASSOCIATES

CONSULTING GEOLOGICAL & MINING ENGINEERS

808 BANK OF CANADA BUILDING

VANCOUVER 1, B.C.

GENERAL

Hole No. 2 was terminated on September 23rd, 1969, at a depth of 1,084 feet when a sand seam was encountered and progress came to a standstill.

No progress has been made on No. 3 hole since the rods became stuck on September 19th, 1969, at a depth of 593 feet. If it becomes necessary to abandon this hole the location of Hole No. 5 will be 40N, Z6E.

DRILLING


HOLE No. 2: (16N, 2E)

Drilling advanced from 1,017 feet to 1,084 feet where the hole was terminated. No mineralization was encountered. The sedimentary rocks overlying the intrusives were not penetrated by this hole.

HOLE No. 3: (22N, 2E)

No advance. Three days were spent in waiting for a jack to arrive to extract the stuck rods. Efforts to date were unsuccessful.

Respectfully submitted,
DOLMAGE, CAMPBELL & ASSOCIATES LTD.


Per J.D. Gunn, R.Eng.

DOLMAGE, CAMPBELL & ASSOCIATES

CONSULTING GEOLOGICAL & MINING ENGINEERS

808 BANK OF CANADA BUILDING

VANCOUVER 1, B.C.

Dark Hawk Mines Ltd.

PROGRESS REPORT NO. 6
September 29-Oct. 5/68.

I.R. 13 DRILL PROGRAM

October 6th, 1969.

DOLMAGE, CAMPBELL & ASSOCIATES

CONSULTING GEOLOGICAL & MINING ENGINEERS

808 BANK OF CANADA BUILDING

VANCOUVER 1, B.C.

GENERAL

Drilling progress was poor due to a shortage of drillers, difficulty in removing casing from Hole No. 2 and stuck rods on No. 3 hole.

The drill crew will probably take one, and may be two, days off on Thanksgiving.

DRILLING


HOLE No. 3 (22N, 2E)

There are 110 feet of "H" rods remaining in this hole. When a few more lengths of rod are extracted an attempt will be made to tricone down the side of the remaining rods. There has been only one 3 man shift working on this hole during the week.

HOLE No. 4 (10N, 2E)

This hole was collared on October 3rd, 1969, and has advanced 90 feet in overburden. Three full shifts are present on this hole.

Respectfully submitted,
DOLMAGE, CAMPBELL & ASSOCIATES LTD.


per J.D. Gunn, Res. Eng.

DOLMAGE, CAMPBELL & ASSOCIATES
CONSULTING GEOLOGICAL & MINING ENGINEERS
808 BANK OF CANADA BUILDING
VANCOUVER 1, B.C.

Dark Hawk Mines Ltd.

PROGRESS REPORT NO. 7
October 6th-12th, 1969.

I.R. 13 DRILL PROGRAM

October 14th, 1969.

DOLMAGE, CAMPBELL & ASSOCIATES
CONSULTING GEOLOGICAL & MINING ENGINEERS
808 BANK OF CANADA BUILDING
VANCOUVER 1, B.C.

GENERAL

Drilling was suspended from October 11th-13th, 1969, for the holiday weekend.

No. 3 hole was abandoned on October 9th, 1969, when it became apparent that further efforts to salvage the hole were impractical.

No. 5 hole was located at 44N, 28E. Drilling will commence when the truck-mounted rig is moved from No. 3 hole.

DRILLING


HOLE No. 3 (22N, 2E)

This hole was abandoned on October 9th, 1969, when the rods became stuck at a depth of 593 feet in overburden on September 20th, 1969.

HOLE No. 4(10N, 2E)

Drilling advanced from 90 feet to 471 feet in overburden.

Respectfully submitted,
DOLMAGE, CAMPBELL & ASSOCIATES LTD.


per J.D. Gunn, Res. Engineer.

P R O S P E C T U S

DARKHAWK MINES LTD. (N.P.L.)

Head Office:

200,000 @ 3.50 700,000 323 - 409 Granville Street,
Vancouver, B.C.

150,000 @ 4.00 600,000

Registered Office:

150,000 @ 4.50 675,000 Suite 404, 510 West Hastings Street,
Vancouver 2, B.C.
\$ 3,475,000

Common Stock - Par Value 50¢
250,000 Underwritten Shares
Resale Maximum - \$1.60 Per Share.

Underwriter:

Turmac Securities Limited,
728 West Hastings Street,
Vancouver, B.C.

The Underwriter is purchasing shares from the Company at \$1.00 per share and may sell such shares at any price up to \$1.60 per share. Except to this extent the Company will not pay or allow any underwriting commission or discount in connection with the 250,000 unissued treasury shares being underwritten and offered hereby.

The Underwriter with respect to the shares of the Company purchased by it under the Underwriting will offer the same by itself through Brokers and Broker-Dealers acting as agents who may be paid commissions not exceeding 25% of the selling price of such shares. Resale maximum including commission - \$1.60 per share.

The shares will be sold to the public at the market price from time to time prevailing. No independent over-the-counter market is maintained in the Province of British Columbia or elsewhere.

THESE SECURITIES ARE SPECULATIVE AND SHOULD BE PURCHASED ONLY BY PERSONS AWARE OF THE RISKS INVOLVED.

Reference is made to the caption "Use of Proceeds" for particulars of the purpose of this issue which consists of the provision of funds for the carrying out of development work on the Company's property and the provision of working capital. The Company's property is without a known body of commercial ore and the proposed development programme is an exploratory search for ore which is an undertaking involving a significant risk of loss. Reference should also be made to the caption "Principal Holders of Shares" and the comparison of the percentage of securities being offered to the public for cash and those already issued by the Company to acquire its property.

Registrar & Transfer Agent:

The National Trust Co. Ltd.,
510 Burrard Street,
Vancouver, B.C.

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

NO SURVEY OF ANY OF THE PROPERTY HELD BY THE COMPANY HAS BEEN MADE AND THEREFORE IN ACCORDANCE WITH THE MINING LAWS OF THE PROVINCE OF BRITISH COLUMBIA THE AREA OF AND THE EXISTENCE OF ANY SUCH CLAIMS OR MINERAL PROPERTY COULD BE IN DOUBT.

DATED THE 7th DAY OF MAY, A.D. 1969.

I N D E X

- to -

PROSPECTUS

DARKHAWK MINES LTD. (N.P.L.)

<u>Item</u>	<u>Page</u>
Plan of Distribution	1
Description of Share Capital Structure	1 and 2
Capitalization	2
Escrow Shares	3
Prior Sales	3
Principal Holders of Shares	3 and 4
Dividend Record	4
Directors and Officers	4 and 5
Remuneration of Directors and Senior Officers	5
Interest of Management and Others in Material Transactions	5 and 6
Auditors	6
Promoters	6
Name and Incorporation of the Issuer	6
Description of Business and Property of Issuer	6 to 8
Use of Proceeds	8 and 9
Pending Legal Proceedings	9 and 10
Material Contracts	10
Preliminary Expenses	11
Other Material Facts	11
Purchaser's Statutory Rights of Rescission	11 and 12

PLAN OF DISTRIBUTION

The Company entered into an Agreement dated the 24th day of February, 1969 with Turmac Securities Limited, 728 West Hastings Street, Vancouver, B.C. whereby the said Underwriter acting on its own behalf agreed to purchase the following shares of the Company, namely:

<u>Number of Shares</u> <u>Underwritten</u>	<u>Price Per Share</u>	<u>Net Amount to be Re-</u> <u>ceived by the Company</u>
250,000 shares	\$1.00 Per Share	\$ 250,000.00

The purchase price is payable within 72 hours of the acceptance for filing by the British Columbia Securities Commission of this Company's Prospectus.

The Company is not aware of any assignments, sub-options or sub-underwriting agreements with respect to the aforementioned underwritten shares. To the knowledge of the Company the issued shares of Turmac Securities Limited are held as follows:

M. McCormick	22,850 shares	86.15%
J.D. Turcotte	756 shares	2.85%
A.D. Head	1,250 shares	4.71%
K.W. Thomas	1,666 shares	6.29%

The shares offered hereby will be sold to the public only through the facilities of persons and companies registered for trading in securities within the Province of British Columbia. The shares will be offered to the public at the market price from time to time prevailing within the price ceiling limit established by the British Columbia Securities Commission, namely, \$1.60 per share.

No independent market exists for such shares in the Province of British Columbia or elsewhere.

DESCRIPTION OF SHARE CAPITAL STRUCTURE

The authorized capital of the Company is \$1,500,000.00 divided into three million shares with a nominal or par value of 50¢. The share capital is divided into one class

of shares only. All shares issued by the Company rank equally as to dividends. There are no indentures or agreements or provisions in the Company's Articles of Association which limit the payment of dividends other than that dividends shall be paid only out of the profits or otherwise as provided by law. All shares issued by the Company rank equally as to voting power, one vote for each share. At all special or general meetings of the Company two shareholders personally present holding or representing by proxy not less than one-tenth of the issued capital constitute a quorum. The Articles of Association of the Company provide that at a meeting of shareholders a resolution shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least one member entitled to vote. On a show of hands every shareholder present in person shall have one vote. On a poll, every member shall have one vote for each share of which he is the holder. On a poll, votes may be given either personally or by proxy. In each case in the event of a tie the Chairman has a second or casting vote.

There are no conversion, special liquidation, pre-emptive or subscription rights. The presently outstanding share capital is not subject to any call or assessment and the shares offered hereby when issued and sold as described in this Prospectus will not be subject to any call or assessment.

CAPITALIZATION

<u>Designation of Security</u>	<u>Amount Authorized by Memorandum of Association</u>	<u>Amount outstanding as of October 31st 1968 (date of Balance Sheet contained in Prospectus)</u>	<u>Amount Outstanding as at February 15th, 1969</u>	<u>Amount outstanding after Underwriting</u>
Share Capital	3,000,000 shares	1,250,005 shares	1,250,005 shares	1,500,005 shares

ESCROW SHARES

Certificates representing 750,000 shares, being those shares referred to under the caption "Description of Business and Property of Issuer" are held in escrow by The National Trust Co. Ltd., Vancouver, B.C. subject to release only on the written consent of the British Columbia Securities Commission and subject further that the transfer, hypothecation, assignment or other alienation is only with the written consent of the said Commission and misrepresentation, cessation of production or abandonment of property may require surrender to the treasury of such number of shares as may be required by the said Commission.

In addition, 500,005 shares sold for cash and referred to under the caption "Prior Sales" are held under pooling or escrow restrictions, subject to release only on the written consent of the British Columbia Securities Commission.

<u>Capital</u>	<u>Number of Shares held in Escrow or deposited in a pool</u>	<u>Percentage of Class</u>
Share Capital	1,250,005 shares	100%

PRIOR SALES

During the twelve months prior to the date of this Prospectus the following shares were sold:

<u>Number of Shares</u>	<u>Price Per Share</u>	<u>Total Cash Received</u>
5 shares	50¢	\$ 2.50
250,000 shares	10¢	\$ 25,000.00
250,000 shares	15¢	\$ 37,500.00
Total Cash Received =		\$ 62,502.50
Commissions =		Nil

PRINCIPAL HOLDERS OF SHARES

The only persons or companies holding more than 10% of the outstanding shares of the Company are as follows:

Name and Address	Class of Security	Type of Ownership	Number of Shares Owned	Percentage of Class
Cook's Ferry Holdings Limited, 404 - 510 West Hastings St., Vancouver 2, B.C.	Share Capital	Direct	647,500	51.08%
Edinburgh Securities Limited, 728 West Hastings Street, Vancouver, British Columbia.	Share Capital	Direct	310,000*	24.8%

*Includes 135,000 escrow shares being a portion of the shares issued for property, the said shares having been transferred in consideration of the purchase by Edinburgh Securities Ltd. of 175,000 shares for cash in the initial financing of the Company. The sole beneficial shareholder of Edinburgh Securities Limited is Michael McCormick, a Director of Darkhawk Mines.

The following table shows the respective percentage holdings of the Directors and Senior Officers of the Company as a group.

<u>Designation of Class</u>	<u>Percentage of Class</u>
Share Capital	21.8%

DIVIDEND RECORD

No dividends have been paid to date by the Company.

DIRECTORS AND OFFICERS

<u>Name and Address</u>	<u>Principal Occupation for past five years</u>	<u>Position Held with Company</u>
Forrest Walkem, P.O. Box 68, Spences Bridge, B.C.	Service Station Operator and President of Sportsman Holdings Ltd.	President and Director
Donald Charles Lester Ursaki, 694 Danville Court, Coquitlam, B.C.	Chartered Accountant	Secretary-Treasurer and Director
Fred Draney, Spences Bridge, B.C.	Rancher	Director

<u>Name and Address</u>	<u>Principal Occupation for past five years</u>	<u>Position Held with Company</u>
Michael McCormick, Suite 2203, 1200 Alberni Street, Vancouver, B.C.	Securities Executive. Principal of Turmac Securities Limited	Director
William J. Worrall, 2490 Rosebery Avenue, West Vancouver, B.C.	Barrister and Solicitor Partner in firm of Shulman, Tupper, Worrall, Jonsson & Laxton	Director

REMUNERATION OF DIRECTORS
AND SENIOR OFFICERS

No Director or Senior Officer of the Company has received any remuneration in such capacity. A management salary of \$750.00 per month has been paid and is payable to D.C.L. Ursaki Management Ltd., commencing the 2nd of October, 1968. Mr. Donald C.L. Ursaki, a Director of the Company, is a principal of D.C.L. Ursaki Management Ltd.

INTEREST OF MANAGEMENT AND OTHERS
IN MATERIAL TRANSACTIONS

The interest of Donald Ursaki, a Director of the Company, as a principal of D.C.L. Ursaki Management Ltd. in the Management Contract dated the 2nd of October, 1968 has been disclosed under the heading of "Remuneration of Directors and Senior Officers".

Messrs. Walkem and Draney as members of the Cook's Ferry Indian Band are beneficial holders together with all other members of the Cook's Ferry Indian Band from time to time in the shares of Cook's Ferry Holdings Ltd. As disclosed under the heading "Description of Business and Property of Issuer" Cook's Ferry Holdings Ltd. is the

vendor of property to the Company and received the consideration therein set forth.

AUDITORS

The Auditors of the Company are Messrs. Collins and Collins, Chartered Accountants, of 1030 West Georgia Street, Vancouver, B.C.

PROMOTERS

Cook's Ferry Holdings Limited, a corporation formed for the sole benefit of the members of the Cook's Ferry Indian Band of Spences Bridge, British Columbia, may be considered the Promoter by reason of being the vendor of the Company's property and through their holdings of shares thus being in a position to cause a majority of the Board of Directors to be elected.

NAME AND INCORPORATION OF THE ISSUER

The full name of the Issuer is "Darkhawk Mines Ltd. (N.P.L.)". The Company was incorporated at the instigation of Cook's Ferry Holdings Ltd. and was incorporated under the "Companies Act" of the Province of British Columbia by Memorandum of Association, such incorporation being effected on the 2nd of October, 1968. The Company was incorporated as a private company and was converted to a public company on the 2nd day of May, 1969.

DESCRIPTION OF BUSINESS AND PROPERTY OF ISSUER

The Company was formed to engage in the acquisition, exploration and development and operation of mines, mineral lands and deposits and in particular to acquire property situate on Indian Reserves in the Highland Valley

area of the Province of British Columbia. Since its organization for business the Company has conducted prospecting and some preliminary exploration work on its properties hereinafter described.

By an Agreement dated the 10th of October, 1968, between the Company and Cook's Ferry Holdings Limited, the Company purchased those claims situate in the Kamloops Mining Division of the Province of British Columbia being a staking of Indian Reserve No. 13. The Vendor of the property was Cook's Ferry Holdings Limited and the consideration paid pursuant to the contract was \$15,000.00 together with the issuance and allotment of 750,000 shares of the capital of the Company issued as fully paid and non-assessable and subject to such escrow restrictions as may be imposed by the British Columbia Securities Commission. The 750,000 shares are those referred to under the caption "Escrow Shares".

The title which may be acquired to the mineral claims is pursuant to the provisions of the "Indian Reserves Mineral Resources Act" the usual title acquirable to mineral claims under the mining laws of the Province of British Columbia. None of the claims have been surveyed and accordingly the actual size, location and existence of all or some of the claims may be in doubt.

The property is located on the Ashcroft-Merritt road in the approximate centre of the Highland Valley in south-central British Columbia. It is approximately 1½ miles southwest of the Bethlehem Copper Corporation orebody and plant site and is bordered on the west, north and east by Bethlehem and on the south by Lornex Mining Corp. Ltd.

Indian Reserve No. 13 has not previously been staked. There is no surface or underground plant or equipment. There is no known history of the property, no work having been conducted by or on behalf of the Indian Band.

The Company under its present management has conducted a seismographic survey, has conducted 1.5 miles of roadwork, has conducted a geochemical soil survey of the property and has outlined three large and well defined copper anomalous areas.

For full particulars of the property and work conducted thereon, reference is made to the Report of Dolmage, Campbell & Associates dated the 20th of November, 1968, a copy of which Report (without geochemical survey results map) is annexed to and forms part of this Prospectus.

USE OF PROCEEDS

With funds received from the Underwriting and with funds presently on hand the Company proposes to carry out the recommendations of Dolmage, Campbell & Associates contained in the said Report of November 20th, 1968 which recommendations are as follows:

"RECOMMENDATIONS:

It is recommended that the Highland Valley property of Darkhawk Mines Ltd. (I.E. #13) be properly evaluated for the possible occurrence of major porphyry-type copper ore-bodies similar to those currently being drilled immediately west of the property by Bethlehem Copper Corp. Because of the possible deep overburden on the property the only practical means of exploration is by diamond drilling. In view of the current intersections of deep ore in Bethlehem drill holes immediately west of the Darkhawk property all drill holes recommended for this program are to a depth of 1000 feet. Of the 20 drill holes recommended, 14 are located on the geochemical anomalies and the remainder are to be located as the results of the first 14 holes become available.

Diamond Drilling (NQ, 10 holes);	
20,000 ft. @ \$11 per foot	\$ 220,000.00
Sampling, engineering, assaying,	
consulting	\$ 10,000.00
Camp, transportation, administration, etc.	\$ 30,000.00
Total Cost:	<u>\$ 260,000.00</u>

The Company may, on the advice of a qualified Engineer, abandon in whole or in part any of its property or may alter as work progresses the work programme recommended or may make arrangements for the performance of all or any portion of such work by other persons or companies and may use any monies so diverted for the purpose of conducting work or examining other properties acquired by the Company after the date of this Prospectus or conducting further work on properties held by the Company (if such event occurs during primary distribution of the shares referred to in this Prospectus an amendment to this Prospectus will be filed). The Company shall notify its shareholders if it abandons a substantial portion of any of the claims constituting a property herein referred to.

Funds will also be used to defray normal business and administrative expenses and legal and accounting services with respect to the Company's operations and the preparation of this Prospectus.

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 the securities offered by this Prospectus may be lawfully sold. Should the Company propose to use the proceeds to acquire non-trustee type securities after initial distribution of the securities offered by this Prospectus approval by the shareholders will be obtained and disclosure will be made to the regulatory securities body having jurisdiction over the sale of the securities offered by this Prospectus.

PENDING LEGAL PROCEEDINGS

To the knowledge of the signatories no legal proceedings are pending in which the Issuer is a party or

in which any of its property is subject.

By a contract with Bethlehem Copper Corporation Limited ("Bethlehem") the Company granted to Bethlehem a first right of refusal with respect to the mineral claims and surface rights of I.R. 13 in the event the Company does not develop the I.R. 13 property. Reciprocal rights-of-way were granted 500 feet on each side of common boundaries for roads, pipe lines, power lines and pit development. If pit development would involve removal of ore from the other parties property, no such ore can be removed without an agreement covering the removal being entered into. If either party wishes to abandon any mineral claim within one-half mile of common boundaries, such party must notify the other party 15 days from the proposed abandonment and the other party may elect at its own cost to maintain such claims in good standing. Bethlehem also agreed to the dismissal of its action for the recording of claims staked on their behalf over I.R. 13.

MATERIAL CONTRACTS

Other than the contracts referred to under the heading "Description of Business and Property of the Issuer" and "Interest of Management and Others in Material Transactions" no material contracts have been entered into by the Company.

PRELIMINARY EXPENSES

The financial statements of the Company as at the 31st of October, 1968 indicate that incorporation costs were \$1,341.34. Preliminary development and exploration expenses were incurred in the amount of \$7,994.97 and preliminary administrative expenses in the amount of \$1,252.37 were incurred.

It is estimated that no further sums will be required to be expended on any preliminary matters other than administrative expenses estimated at \$1,250.00 per month.

OTHER MATERIAL FACTS

There are no other material facts.

PURCHASER'S STATUTORY RIGHTS
OF RESCISSION

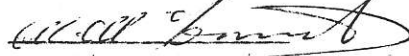
Section 61 and 62 of the "Securities Act", 1967 (British Columbia) provides in effect, that where a security is offered to the public in the course of primary distribution,

- (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 prospectus, together with financial statements and reports and summaries of reports relating to the securities as filed with the British Columbia Securities Commission, 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


To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of the "Securities Act", 1967, and the Regulations thereunder.

TUPMAC SECURITIES LIMITED,

Per:



Per:



DOLMAGE, CAMPBELL & ASSOCIATES

CONSULTING GEOLOGICAL & MINING ENGINEERS

808 BANK OF CANADA BUILDING

VANCOUVER 1, B.C.

- 1 -

INTRODUCTION

This report is based on a visit to the Dark Hawk Mines property by Dr. D. D. Campbell and on Government and private reports of the Highland Valley area. Further information has resulted from a soil sampling survey of the entire property completed during October, 1968.

LOCATION: (50°29'N, 120°59'E)

The Dark Hawk Mines Ltd. property is located on the Ashcroft-Merritt road in the approximate centre of the Highland Valley in south-central British Columbia. It is 1 1/2 miles southwest of the Bethlehem Copper Corp. orebody and plant site and is bordered on the west, north and east by Bethlehem and on the south by Lornex Mining Corporation Ltd.

A portion of Quiltanton (Divide) Lake covers the northwest corner of the property. A power line crosses the northeast corner of the property.

PROPERTY:

The Dark Hawk property consists of the one mile square Indian Reserve No. 13. The property and mineral rights are owned by Dark Hawk Mines Ltd.

HISTORY:

Copper mineralization has been known to exist in the Highland Valley area since the early 1900's. The first shipment from what is now the Bethlehem property came from the old Snowstorm mine. The shipment, made between 1915-16, amounted to about 136 tons grading better than 27% copper and 7.5 oz. silver. However, it was not until 1955 when the Bethlehem Copper Corporation Ltd. carried out a major trenching and sampling programme that the potential of the area was realized. First major production from the area was achieved in early 1963 by Bethlehem.

Exploration activity, spurred by the success of the Bethlehem operation and to a lesser degree by the Craigmont contact metamorphic deposit, has been intense during the 1960's in the Highland Valley. Prospecting, geological mapping, geophysics and geochemistry have been employed to locate favourably mineralized areas for more detailed exploration work. Follow-up exploration and property development work consists of percussion or diamond drilling of favourable areas often to considerable depths. Recently such drilling through deep overburden by Bethlehem Copper Corp. and by Valley Copper Mines Ltd. has indicated large tonnages of economic copper mineralization immediately west of Indian Reserve #13. These orebodies are presently being further explored and developed and in some instances feasibility studies are being prepared in anticipation of mining, concentrating and possibly smelting the copper ore.

The Dark Hawk property is centrally located with respect to the original Bethlehem orebodies and potential orebodies on Valley Copper - Bethlehem, Lomex, and Highmont properties. Numerous other prospects, some of which may prove economic, occur in the same general area.

DOLMAGE, CAMPBELL & ASSOCIATES

CONSULTING GEOLOGICAL & MINING ENGINEERS

808 BANK OF CANADA BUILDING

VANCOUVER 1, B.C.

- 3 -

SUMMARY AND RECOMMENDATIONS

Dark Hawk Mines Ltd. owns the mineral rights for Indian Reserve No. 13 located on the Ashcroft-Merritt road in the Highland Valley of south-central British Columbia.

The Highland Valley area has been the scene of intense exploration activity during the 1960's. The search for copper, spurred by the success of the Bethlehem Copper Corporation Ltd. operation, has resulted in the discovery of several large orebodies of the porphyry copper type. The Dark Hawk property is centrally located with respect to the most important of these deposits and is in a similar geological environment.

The known Highland Valley copper deposits lie within the Guichon Batholith where it has been intruded by granodiorite (Bathsaida), quartz-monzonite, several porphyries and a distinctly younger quartz-diorite (Bethlehem). Three sets of regional faults occur in the Guichon Batholith and most of the known major copper deposits occur where these faults intersect contacts between rocks of differing competency. It is inferred from regional geology and airborne magnetics that a north-south fault is approximately coincident with a contact between Bathsaida granodiorite and Bethlehem quartz diorite on the Dark Hawk property.

A geochemical soils survey has outlined three large and well-defined copper anomalous areas on the Dark Hawk property. These anomalies appear to lie over the approximate location of the north-south regional fault and the Bathsaida-Bethlehem contact.

The Dark Hawk Mines Ltd. property is very favourably situated with respect to regional geology and known copper deposits. It is, therefore, recommended that a programme of diamond drilling be carried out to investigate the geochemical anomalies and to assess the potential of the property. Such a programme is estimated to cost:

Diamond drilling	\$220,000.
Support costs	<u>40,000.</u>
<u>Total Cost:</u>	<u>\$260,000.</u>

GEOLOGICAL SETTING

REGIONAL GEOLOGY:

The Highland Valley copper deposits lie within the Cordillera copper geological province which extends from Mexico to Alaska, with local interruptions, and which is characterized by the association of the copper deposits with irregular batholiths of sub-granitic rocks which are distributed along the central ranges of the North American Cordillera. The sub granitic host rock in the Highland Valley is the Guichon batholith which has been dated both stratigraphically and absolutely as Early Jurassic. The dimensions of the batholith are 40 miles long in a north-south direction and 16 miles wide.

The rock comprising the bulk of the Guichon Batholith is a massive, medium to coarse grained quartz-diorite. Locally, however, this quartz-diorite has been intruded by granodiorite, quartz-monzonite, several porphyries and a distinctly younger quartz-diorite. The two most significant local intrusives are the Bethlehem (younger) quartz-diorite and the Bethsaida granodiorite. Most of the larger proven and potential copper deposits in the Highland Valley are associated with one or both of these rock types. Also associated with the younger rocks are several bodies of breccia which have served as host rocks for mineralization

Regional faulting appears to have considerable influence on the localization of copper and associated mineralization. Three major fault sets are recognized and each has apparently caused extensive fracturing of the intrusives. The fault sets strike north-south, northeast, and northwest.

There appears to be an area favourable for mineralization where the strong regional faults intersect the Bethlehem quartz-diorite-Bathsaida granodiorite contact. Several productive orebodies and potential copper orebodies occur in this setting near the Dark Hawk property.

The copper deposits of the Highland Valley area are of the "porphyry" type. They consist of extensive concentrations of copper minerals deposited along fracture planes and in breccias. These concentrations are located where such fracturing and brecciation has been most intense, i.e., where regional faulting has traversed contacts of rocks with different competency or where regional faults intersect.

The ore is comprised of chalcopyrite and bornite occurring both as fillings, with or without quartz, along fractures and as disseminations within the rock itself. Extensively fractured zones have been pervasively "soaked" with copper-bearing hydrothermal solutions.

PROPERTY GEOLOGY:

Because of a complete lack of rock outcrop, the geology of the Dark Hawk property can only be inferred from geology of the surrounding area.

Regional geology combined with airborne magnetic information strongly suggests that the east contact of the Bathsaida granodiorite strikes approximately north-south across the western portion of the property. From surrounding geology it appears that Bethlehem quartz-diorite underlies the eastern three-quarters of the Dark Hawk ground. A north-south lineament, presumably the expression of one of the north-south regional faults, crosses the property near the inferred Bethlehem-Bathsaida contact.

Recent information from diamond drilling by Bethlehem Copper Corporation on ground immediately adjacent to the Dark Hawk Indian Reserve No. 13 indicates that overburden in the area averages 200 feet in depth.

GEOCHEMICAL SOILS SURVEY

A soil sampling survey of Indian Reserve No. 13 was completed during October, 1968. The entire accessible area of the property was sampled on a 200 ft. square grid oriented north-south by east-west. Although overburden is known to be deep, experience in similar areas indicates that results obtained are significant.

Assays of the soil samples range from less than 10 to over 900 ppm (parts per million) copper. Values below 60 ppm are considered to represent regional background and those over 100 ppm are considered to be anomalous.

Three large anomalous areas with very significantly high copper values have been outlined as shown on Fig. 2. These areas occur along a line striking slightly east of north and may represent or coincide with the inferred Bethlehem-Bathsaida intrusives contact and/or with a north-south regional fault. A few local anomalous values occur elsewhere on the property.

CONCLUSIONS & RECOMMENDATIONS

Dark Hawk Mines Ltd. property, consisting of Indian Reserve No. 13, is centrally and closely located with respect to producing known but undeveloped and potential copper orebodies of the porphyry type in the central Highland Valley of British Columbia. Localization of these deposits, as suggested by regional and local geology, is the result of fracturing and brecciation due to large faults traversing rocks of differing competency with most intense fracturing occurring near or along different rock-type contacts. A contact between Bathsaida granodiorite (apparently one of the most favourable host rocks for copper mineralization) and Bethlehem quartz-diorite is inferred from regional geology to occur in a north-south direction across the property. Furthermore, a north-south fault, expressed by a surface lineament, also crosses the property and is near to or coincident with the above mentioned contact.

A geochemical soil sampling survey has outlined several large and sharply defined anomalous areas on the property which appear to be coincident with the Bathsaida-Bethlehem intrusive contact and/or the north-south regional fault. It is appreciated that the overburden depths in some portions of the bottom-land of the Highland Valley are as much as 500 feet; however, the experience of the writers on engineering investigations in the montane pre-glacial valleys of the interior of British Columbia has indicated that the bedrock topography beneath the glacial overburden is extremely irregular and is generally marked by one deep, narrow canyon that is flanked by steeply rising walls and bedrock flats. Thus, in the case of the Dark Hawk property, drilling by other companies on the western and northwestern borders has revealed overburden depths of about 200 feet; immediately south of the property outcrops are fairly common, therefore the depth of overburden on Indian Reserve No. 13 is probably most irregular and up to 200 feet in depth in the areas of the anomalies.

The validity of the geochemical anomalies in such deep overburden would normally be suspect; however, on the Dark Hawk property the validity of the anomalies is strengthened by the following features:

1. The values of the anomalies are very high above background and grouped into sharply defined clusters.
2. The anomalies are aligned along a regional geological structure that is known to be a host for copper orebodies.
3. Reproducible soil copper anomalies have been obtained from major orebodies in B.C. and the U.S.A. that are buried to depths in excess of 100 feet.
4. The actual depth of overburden on the Dark Hawk property is not known and could be moderate in places.

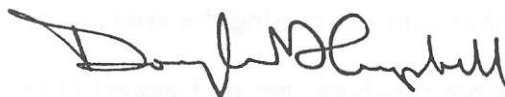
Obviously the Dark Hawk property is very favourably located both geologically and with respect to known copper mineralization and definitely warrants thorough and definitive exploration work.

RECOMMENDATIONS:

It is recommended that the Highland Valley property of Dark Hawk Mines Ltd. (I.R. #13), be properly evaluated for the possible occurrence of major porphyry-type copper orebodies similar to those currently being drilled immediately west of the property by Bethlehem Copper Corp. Because of the possible deep overburden on the property the only practical means of exploration is by diamond drilling. In view of the current intersections of deep ore in Bethlehem drill holes immediately west of the Dark Hawk property all drill holes recommended for this program are to a depth of 1000 feet. Of the 20 drill holes recommended, 14 are located on the geochemical anomalies (Fig. 2) and the remainder are to be located as the results of the first 14 holes become available.

Diamond drilling (NQ, 10 holes); 20,000 ft. @ \$11/ft.	\$220,000.
Sampling, engineering, assaying, consulting	10,000.
Camp, transportation, administration, etc.	<u>30,000.</u>
<u>Total Cost:</u>	<u>\$260,000.</u>

Respectfully submitted,



Douglas D. Campbell, P.Eng., Ph.D.



C.R. Saunders, P.Eng.

DOLMAGE, CAMPBELL & ASSOCIATES

CONSULTING GEOLOGICAL & MINING ENGINEERS

808 BANK OF CANADA BUILDING

VANCOUVER 1, B.C.

CERTIFICATE

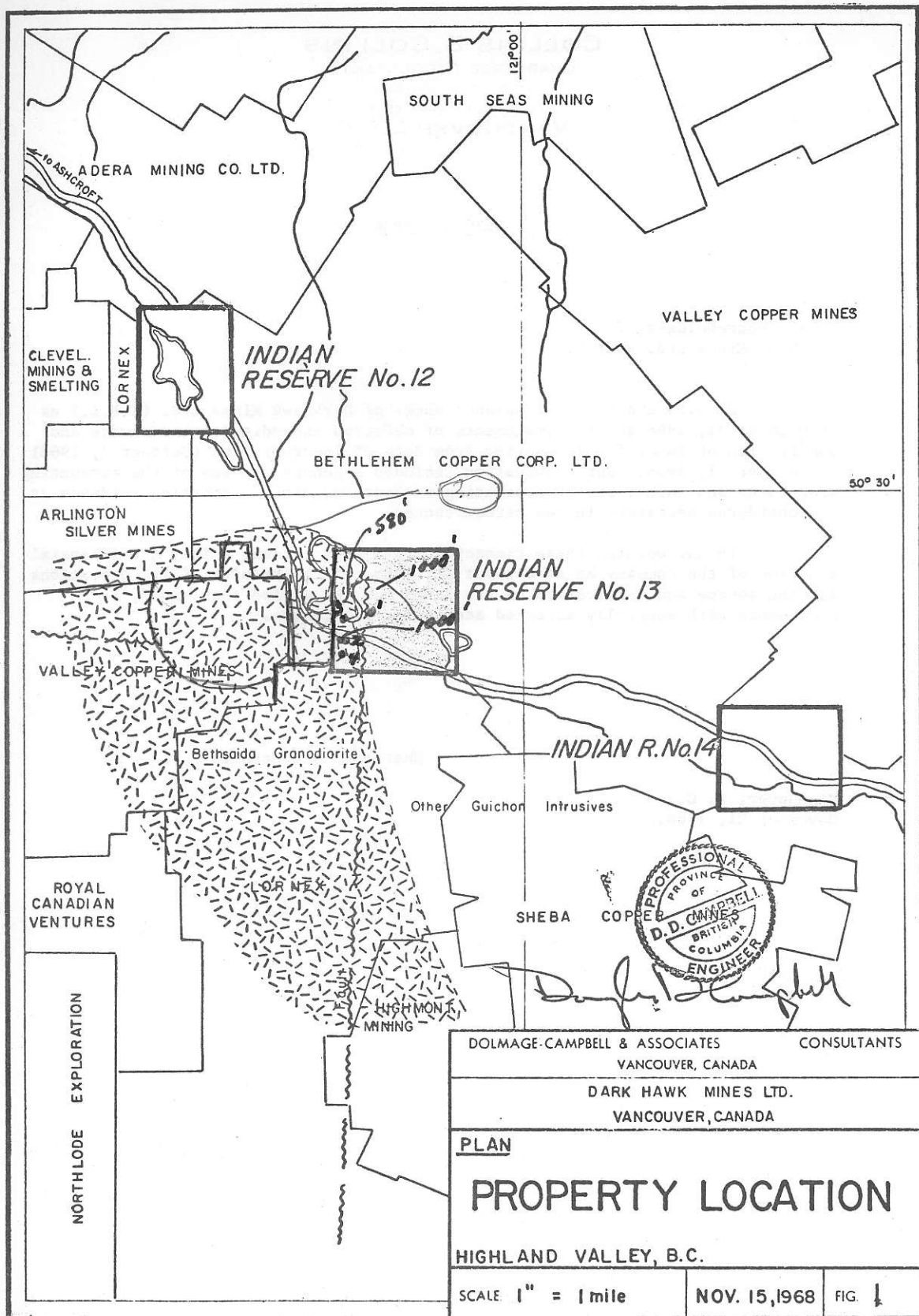
I, Douglas D. Campbell, with business and residential addresses in Vancouver, British Columbia, do hereby certify that:

1. I am a consulting geological engineer.
2. I am a graduate of the University of British Columbia, (B.A.Sc., Geological Engineering, 1946), and of the California Institute of Technology, (Ph.D., Economic Geology and Geophysics, 1955).
3. I am a registered Professional Engineer of the Province of British Columbia and the Yukon Territory.
4. From 1946 until 1957 I was engaged in mining and mineral exploration in Canada and the United States as geologist for a number of companies. I was chief geologist for Eldorado Mining and Refining Co. Ltd. when I retired in 1957 to begin private practice as a consulting geologist.
5. For the compilation of this report I have examined the property of Dark Hawk Mines Ltd., administered the soils survey and referred to all available government and private reports records and other data concerning the area.
6. I have not received, nor do I expect to receive, any interest, directly or indirectly, in the properties or securities of Dark Hawk Mines Ltd. or of any associated company.

Respectfully submitted,



Douglas D. Campbell, P.Eng., Ph.D.
Nov. 20, 1968



COLLINS & COLLINS
CHARTERED ACCOUNTANTS
1113 BURRARD BUILDING
1030 WEST GEORGIA STREET
VANCOUVER 5, B.C.

AUDITORS' REPORT

To The Shareholders of
Darkhawk Mines Ltd. (N.P.L.)

We have examined the balance sheet of Darkhawk Mines Ltd. (N.P.L.) as at October 31, 1968 and the statements of deferred expenditures and source and application of funds for the period from date of incorporation (October 2, 1968) to October 31, 1968. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at October 31, 1968 and the results of its operations and the source and application of its funds for the period then ended, in accordance with generally accepted accounting principles.

Collins & Collins

Chartered Accountants

Vancouver, B. C.,
November 21, 1968.

DARKHAWK MINES LTD. (N.P.L.)

- as at October 31, 1968.

BALANCE SHEET

ASSETS

Current:

Cash	\$38,669.92
Prepaid expenses	<u>465.59</u> \$ 39,135.51
Mineral Claims - at cost of \$15,000.00 cash together with 750,000 shares of 50¢ par value issued at 5¢ each	52,500.00
Furniture and Equipment - at cost	1,782.51
Deferred Expenditures - per statement	9,247.34
Incorporation Costs	<u>1,341.34</u>
	<u>\$104,006.70</u>

LIABILITIES

Current:

Accounts payable	\$ 4,004.20
------------------	-------------

SHAREHOLDERS' EQUITY

Share Capital:

Authorized -			
3,000,000 Shares, par value 50¢ each		<u>\$1,500,000.00</u>	
Issued -			
	<u>Par Value</u>	<u>Discount</u>	
500,005 Shares for cash	\$250,002.50	187,500.00	62,502.50
750,000 Shares for mineral claims	<u>375,000.00</u>	<u>337,500.00</u>	<u>37,500.00</u>
<u>1,250,005</u>	<u>\$625,002.50</u>	<u>\$525,000.00</u>	<u>100,002.50</u>
			<u>\$104,006.70</u>

On behalf of the Board:

William
Director

William
Director

DARKHAWK MINES LTD. (N.P.L.)

- from date of incorporation
(October 2, 1968)
to October 31, 1968.

STATEMENT OF DEFERRED EXPENDITURES

Development and Exploration:

Geologist reports	\$ 4,138.79	
Roadways and bridges	3,000.00	
Travel	568.88	
Permits	200.00	
Insurance	<u>87.30</u>	\$ 7,994.97

Administrative:

Management	750.00	
Legal	328.26	
Office and general	105.91	
Telephone	43.20	
Insurance	<u>25.00</u>	<u>1,252.37</u>
		\$ 9,247.34

DARKHAWK MINES LTD. (N.P.L.)

- from date of incorporation
(October 2, 1968)
to October 31, 1968.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Source of Funds:

Sale of 5 shares @ 50¢	\$ 2.50	
Sale of 250,000 shares @ 10¢	25,000.00	
Sale of 250,000 shares @ 15¢	<u>37,500.00</u>	\$62,502.50

Application of Funds:

Payment for mineral claims	15,000.00	
Purchase of furniture and equipment	1,782.51	
Deferred expenditures	9,247.34	
Incorporation costs	<u>1,341.34</u>	<u>27,371.19</u>

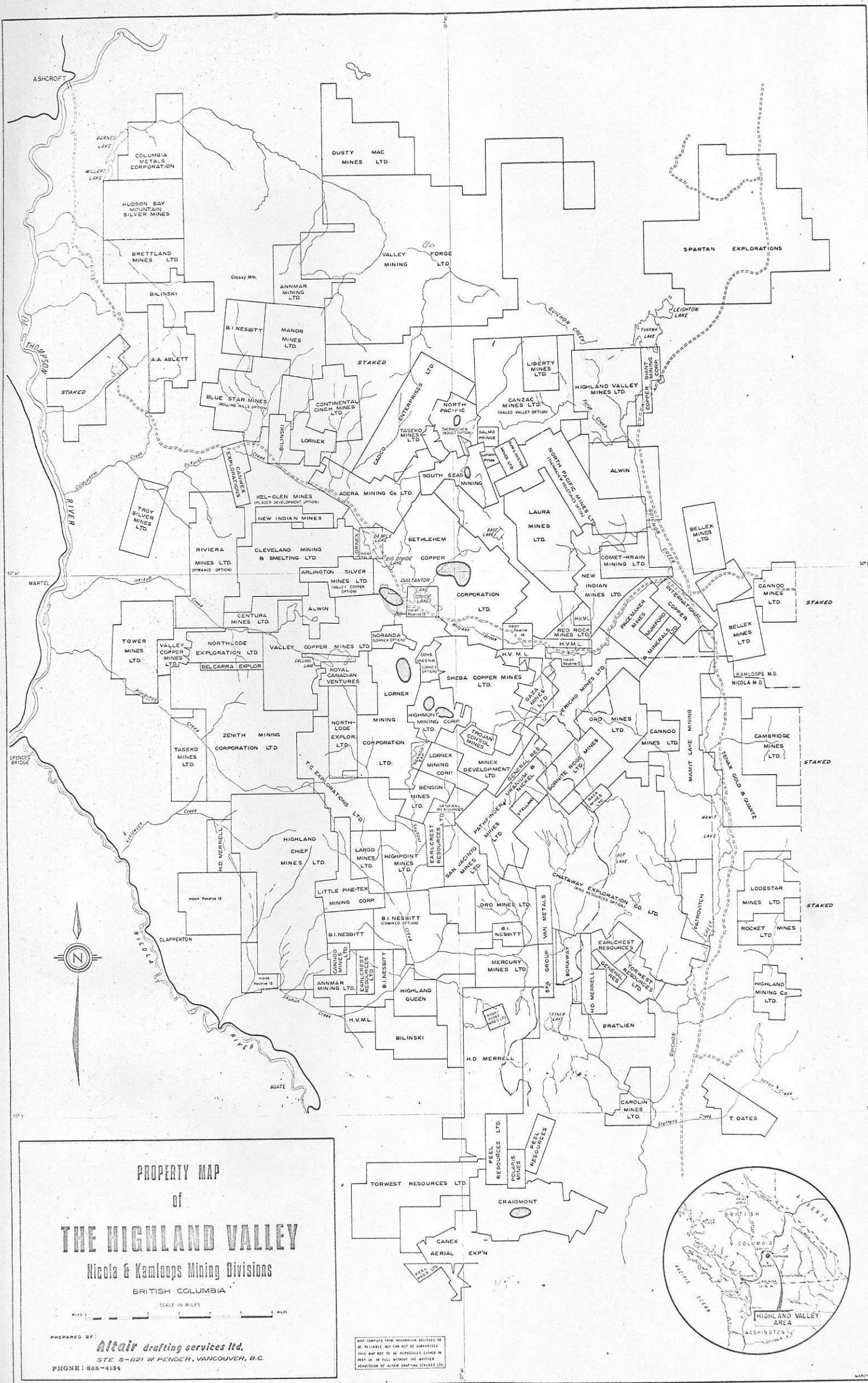
Working Capital, October 31, 1968 \$35,131.31

Current Assets \$39,135.51
Current Liabilities 4,004.20

Working Capital \$35,131.31

Please
in sert

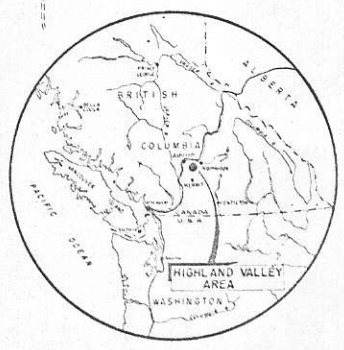
Map(s) # 001

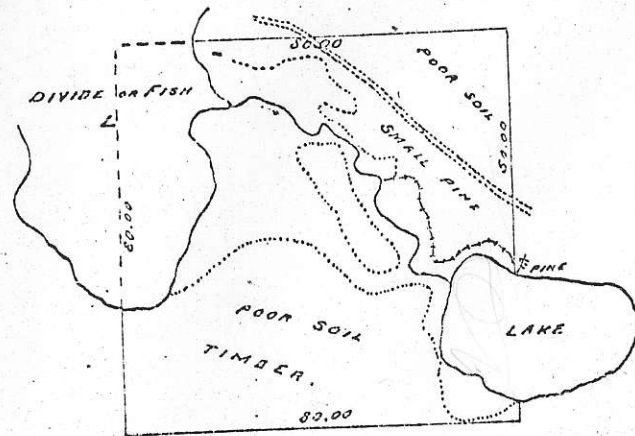


PROPERTY MAP
of
THE HIGHLAND VALLEY
Nicola & Kamloops Mining Divisions
BRITISH COLUMBIA

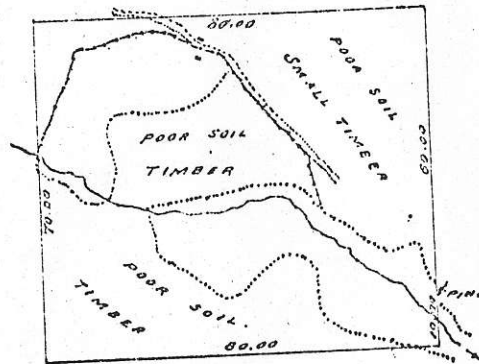
PREPARED BY:
Altair drafting services Ltd.
STE 5-521 W. PENDER, VANCOUVER, B.C.
PHONE: 688-4194

MAP COMPILED FROM INFORMATION BELIEVED TO
BE RELIABLE BUT CAN NOT BE GUARANTEED
THIS MAP NOT TO BE REPRODUCED EITHER IN
WHOLE OR IN PART WITHOUT THE WRITTEN
PERMISSION OF ALTAR DRAFTING SERVICES LTD.

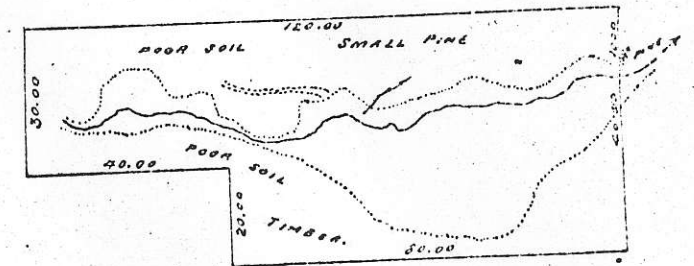




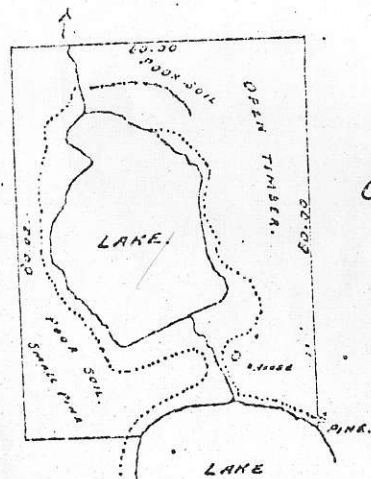
N°13
QUIL-LAN-TON.
520 ACRES



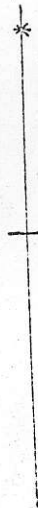
N°14
EN-QUOT-CO.
560 ACRES



N°15
SQUE-TAN-KIL-HATS.
520 ACRES.



N°12
CHILTH-NUX
365 ACRES.



HIGHLAND VALLEY.
COOKS FERRY INDIANS.
SCALE 1 INCH = 40 CHAINS.

ANALYSIS OF EVIDENCE—TABLE A—REFERENCE AND GENERAL

No.	OCCUPIED OR UNOCCUPIED	PAGE SCHEDULE	VISITATION AND INSPECTION	ACREAGE	PER CAP. ACREAGE	GENERAL CONDITION	COMMUNITY BUILDINGS	FACILITIES OF ACCESS	VALUE	SPECIAL
8) 8a)	Unoccupied	65	Nov. 3, 1913	80) 19 — 100) 10	Do	Fishing stations; non-cultivable, some pasturage.	None	Traversed by C. N. P. R.; also on wagon road; No. 8a is a small reserve back in the hills, reached by trail from the main road.	\$1,800.00	
9	Occupied	66	Do	80 4507 — 100	Do	Excellent farm land if sufficient water for its irrigation is available.	None	Traversed by C. P. R. main line; trains do not stop, however, except at Taketic, 4 miles E. of the reserve. Road from Taketic to the Chief's house. Access along the track to the reserve by a horse trail from Spence's Bridge.	\$155,985.00	
10	Do	66	Do	22	Do	Included in above.	Old Church (Ang.)	Joins No. 9 on the East; facilities identical, as above.	\$2,500.00	
11) 11a)	Occupied	66	Do	193) 176)	Do	Good farming area formerly cultivated with water from a spring. Indians are preparing to introduce additional irrigation and work more land.	None	On C. P. R. main line; also horse trail.	\$15,240.00	
12	Intermittently Occupied	66	Do	395*	Do	Swamp land around lake cultivable.	None	Horseback trail.	\$1,975.00	Good hunting. *Over 100 acres covered by lake.
13	Do	66	Do	555*	Do	Swamp hayland and pasturage.	Do	Horse trail; this reserve in the Highland Valley, is hemmed in between two lakes.	\$3,737.00	Wagon road badly needed to give access to reserves 12 to 15. *Over 75 acres covered by lake.
14	Do	66	Do	560	Do	Do	Do	Horse trail.	\$5,000.00	
15	Do	66	Do	520	Do	Do	Do	Do	\$6,400.00	
16	Occupied	66	Oct. 29, 1913	20134	141	Two-thirds 1st class land if water for its irrigation could be obtained; residue, rocky and non-arable.	2 churches (R. C.) one of these now used for Council House.	Wagon road to Savonas (12 miles) where contact with C. P. R. is obtained.	\$335,984.00	*Less deduction for C. N. P. R. right-of-way and probably public road.
17	Do	67	Oct. 20, 1913 Oct. 28, 1913	33131 less deductions for C. N. P. R. and for roads.	117%	A considerable proportion good land if water can be got for its utilization; balance sandy, but possessing special value through its close proximity to Kamloops.	Church, Council House, Industrial School, (maintained by Government)	Reserve is immediately opposite the City of Kamloops, a divisional point on the C. P. R. main line, reached by general traffic bridge from the reserve. Reserve is traversed by several excellent wagon roads and also by the C. P. R. main line.	\$958,580.00	Good hunting. *Deduct 225 ac. for C. N. P. R. right-of-way. Industrial School also occupies 310 ac. 165 ac. deducted for sundry roads. Reserve within the Railway Belt.
18	Unoccupied	67	Do	15	Do	Fishing station	None	Wagon road (20 miles) from Kamloops.	\$1,000.00	

Minutes of Decision

Cook's Ferry Indians.

No 12.

Chilthi sua, a reserve of three hundred, and sixty five (365) acres, situated on Pokhiche creek (a tributary of the Thompson river) about fifteen (15) miles from its mouth.

Commencing at a Pine tree, marked Indian Reserve, on the eastern shore of a small lake, and running North eighty (80) chains; thence West sixty (60) chains; thence South eighty (80) chains; thence East to the bank of the beforementioned Lake, and thence following its shore in an easterly direction to the place of commencement.

No 13

Quil lon ton, a reserve of five hundred, and twenty (520) acres, situated on the eastern shore of Divide Lake, Highland Valley, and about one mile Northeast of Reserve No 12.

Commencing at a Pine tree, marked Indian Reserve, on the shore of a small lake, and running North fifty (50) chains; thence West eighty (80) chains; thence South eighty (80) chains; thence East eighty (80) chains; thence North to the bank of the beforementioned Lake, and thence following its shore in a westerly, and northerly, direction to the place of commencement.

No 14

B.C. CROWN PETROLEUM SALE

Notice has been given that sealed tenders will be received up to 11:00 a.m., March 26, 1969, by the Minister of Mines and Petroleum Resources, Room 406, Douglas Building, Government St., Victoria, B.C., for obtaining petroleum and natural gas rights. A total of 105 rights will be offered for sale including 79 Petroleum and Natural Gas Leases, 17 Drilling Reservations, and 9 Petroleum and Natural Gas Permits. The results of the sale will be announced at 11:00 a.m., March 27,1969.

FOR THE RECORD

Western Exploration Company Limited has reported that Yorkshire Securities Limited have exercised the April 30,1969, option covering 150,000 shares at 70¢ per share. There are no further options outstanding

Riviera Mines Ltd. has reported that Hemsworth, Turton & Co., Ltd. and Continental Securities Corporation Ltd. have exercised their option to purchase 100,000 shares of the company at 65¢ per share due May 13,1969. One option for 100,000 shares at 75¢ per share due August 11,1969, remains outstanding.

Embassy Petroleums Limited has reported that Continental Securities Corporation Ltd., acting on behalf of a client, have exercised the March 21,1969, option covering 200,000 shares at \$1.35 per share. One option for 200,000 shares at \$1.60 per share due June 19,1969, remains outstanding.

Continental Cinch Mines Ltd. has reported that Continental Securities Ltd., acting on behalf of a client, have exercised their option covering 100,000 shares at \$1.00 per share due July 19,1969, which is the balance of their option to purchase 200,000 shares at \$1.00 per share due July 19,1969. There are no further options outstanding.

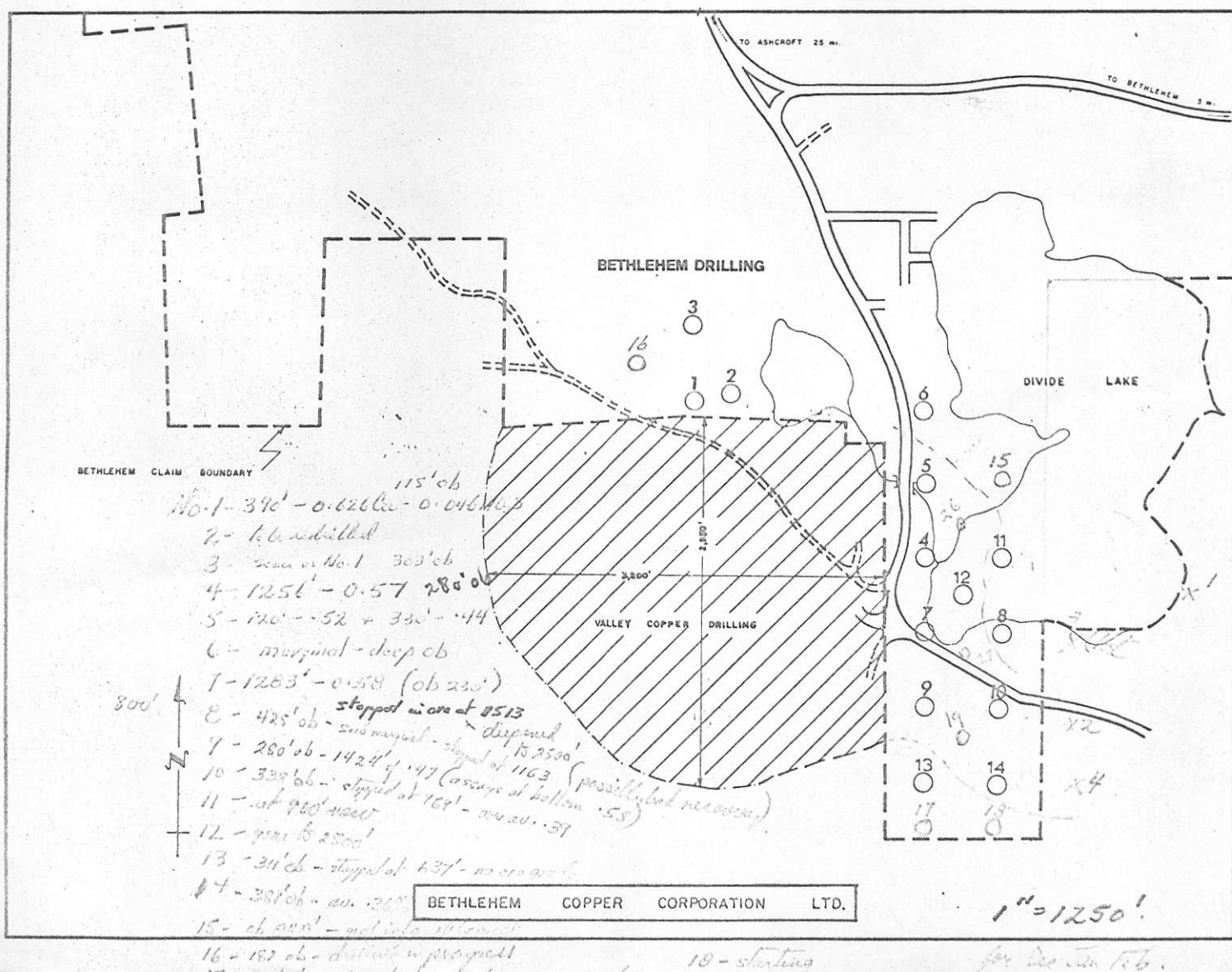
Duke Mining Ltd. has received B.C. Securities Act registration covering the sale of 125,000 shares at \$1.00 per share by a prospectus dated February 10,1969.

Canol Mines Ltd. has reported that work is expected to resume in about three weeks on the company's property at about Mile 98 on the Ross River-Canol Road, Yukon. The \$277,000 program recommended by Dr.D.D.Campbell is to trace a number of known mineralized faults by trenching, sampling, mapping and 8,000 feet of diamond drilling. Work last year on the No.2 vein indicated a width of 17 feet with a gross value of \$54 per ton but the company does not give any length or depth to the No.2 vein.

Work is also planned for the Wollaston Lake property in which the company has a one-third interest.

BETHLEHEM COPPER CORPORATION LTD.

THE MAP BELOW SHOULD BE READ IN CONJUNCTION WITH THE STORY IN GCNL NO.30Feb.12,1969.



536 HOWE STREET
SUITE 203
VANCOUVER 1, B.C.
MU. 3-7265

George Cross News Letter

"Reliable Reporting"

NO.238(1969)
OCTOBER 30, 1969

WESTERN CANADIAN INVESTMENTS

PACIFIC CONTINUOUS STEEL LIMITED

SITE SELECTED IN FRASER DELTA - Proceeds of public financing by Pacific Continuous Steel FOR PLANT PLANNED IN 2 STAGES Limited will be allocated to the early stages of creating a new basic steel manufacturing facility in British Columbia.

The planned new industry will utilize a new technique developed by W.L.Sherwood, metallurgical engineer, who has taken the initiative in forming the company and providing the

Corporate Structure

Inc.: B.C. 23Dec66, public 10Sept69.

H.O.: 601-850 W.Hastings, Vancouver

Reg. Off.: 16th Floor-1177 W.Hastings

T.A. & Reg.: Montreal Trust Co.

Auditors: Peat, Marwick, Mitchell & Co.

Auth. Cap.: 3,000,000 shs., no par.

Shares Issued:

For \$166,636 cash

*516,499

*Incl. escrowed BCSC

307,252

Financial Position: Audit, 15Jun69, when issued shs. were as above, curr. assets \$56,089; investment in Consteel Explorations Ltd., a mining company subsidiary, \$10,000; land, at cost \$400,000; Patent license, \$1; deferred charges \$89,676; total assets \$555,766.

Curr. Liab. \$91,130; agt. for sale after incl. \$90,000 current portion in curr. liab.

\$300,000; capital stock \$164,636, after deducting \$2,000 subscriptions receivable.

Public Share Offering: by prospectus 12Sept69, the company offers 400,000 shs. at \$4 p/s, subj. to commission of 28¢ p/s to net \$1,488,000.

Directors: W.L.Sherwood, metallurgical engineer, pres.; C.Dean Dricos, regional sales manager Quadra Steel Limited; G.L.Morfitt, C.A.; J.H. Sismey, gen.supt., Pacific Pipe & Flume Ltd.

Secretary: L.A.Biddlecombe.

Promoters: W.L.Sherwood and W.L.Sherwood & Co. Ltd.

initial funds. He says the advantage of its adoption is a substantial potential saving in capital and operating cost. He points out that present conventional steelmaking processes make steel in batches and, in line with trends in other industries, a continuous process is considered advantageous, particularly in view of its adaptability to automatic operation and control.

The process includes an integrated process for steelmaking directly from iron ores or concentrates and a non-integrated process for steelmaking directly from a metallic charge of scrap or sponge iron. It is conducted in rotary furnace equipment of special design and includes a number of principal features common to established commercial processes such as the open-hearth, electric-arc and Kaldo processes. However, the overall combination of process and equipment elements still required proving out by actual operating experience, says Mr. Sherwood.

Before going to the public for funds, the company developed a study for a major integrated steel plant with the emphasis on flat-rolled products including plate, sheet, strip and skelp for pipemaking. Steelmaking from iron ore concentrates obtained from ore deposits in B.C. was included as part of this evaluation. Because of the very large initial capital expenditure, these proposals were postponed in favor of the smaller billet plant (Stage I) and bar mill (Stage II). The outline of the project follows:

In the view of the company, the economic feasibility of both Stage I and Stage II operations has been confirmed. The company proposes initially to construct a continuous steelmaking furnace employing the Sherwood Process and continuous casting machine for the production of steel billets which are to be exported for rerolling by other steel mills lacking melting capacity, or having deficiency in melting capacity in relation to rolling capacity. The by-products are to be sold to foundries as stock for remelting purposes. This will be Stage I.

The proposed Stage II of production will be the construction of a steel rolling mill to convert the billets into concrete reinforcing steel and miscellaneous small bars for marketing mainly in British Columbia primarily to the construction industry.

The company has acquired, by agreement for sale, approximately 67.4 acres in the Municipality of Delta on the south shore of the main channel of the Fraser River. This site provides water depths of approximately 25 feet immediately offshore and is underlain by deep beds of sand and silt, providing firm foundation conditions not usually requiring pilings for buildings and equipment. The site is adjacent to a chemical plant operated by Dow Chemical of Canada Ltd. British Columbia Hydro & Power Authority proposes to construct a natural gas liquefaction and storage facility on property downstream.

The property is serviced by the Great Northern and Canadian National Railways, the latter operating a rail barge loading wharf adjoining land. The Canadian National Railway has assured the company that, subject to a mutually acceptable rental rate being agreed upon and subject to approval by Canadian National Railway Management, 2.5 acres of water frontage adjoining the company property will be available to the company on lease and that the company will have first refusal on an additional 15 acres of adjoining property. The additional leased property will increase the shoreline from 1,250 feet to 1,720 feet and the total acreage available for current use and expansion from 67.4 acres to 84.9 acres.

NO.238(OCTOBER 30,1969) Owned, published and copyrighted by GEORGE CROSS NEWS LETTER LTD.

OCT 30 1969

COPYRIGHT
ALL REPRODUCTION
RIGHT RESERVED
PUBLISHED DAILY
SUBSCRIPTION RATE
\$140.00 PER YEAR

NO.238(1969)
OCTOBER 30, 1969

J.H.S. ✓
P.M.K. ✓
R.D.S.
B.C.B.
I.D.B.
G.M.H.
P.K.

(CONTINUED FROM PAGE ONE)

PACIFIC CONTINUOUS STEEL LIMITED

By licence agreement dated the 15Oct68, the company acquired from W.L. Sherwood & Company Ltd. a licence until 30Apr85 for rights to the non-integrated process for iron and steelmaking and the integrated process for iron and steelmaking. The rights are exclusive within B.C. and Alberta and non-exclusive in all other provinces. The agreement provides that the licence is royalty free for the first single specific plant unit which is put into production by the company. Subsequently, 75¢ per ton of fused iron or steel produced is to be paid for the integrated process and 35¢ for the non-integrated process.

The company owns 500,000 issued shares representing 99.17% of the issued shs. in Consteel Explorations Ltd., which has been set up to prospect and develop prospects for iron ore. It has 28 claims 12 miles NW of Princeton in an area known to contain low-grade iron mineralization. The company does not contemplate any direct investments in this exploration company and none of the proceeds of the current share offering is to be appropriated for this purpose.

Attached to the prospectus are the following: Projections by Hedlin Menzies and Associates of net earnings and cash flow, covering the first 10 years of operation.

Cost of sales figures with exception of the cost of scrap steel, are based on capital and operating cost data supplied to Menzies by Pacific Continuous Steel Limited and contained in reports by W.L. Sherwood and Company Ltd., Swan Wooster Engineering Co. Ltd. and D.C. Moulson, P.Eng.

Cost of scrap based on an analysis of the scrap iron and steel marked carried out by Hedlin Menzies.

Recommendation by I.H. Warren, Ph.D., associate professor of metallurgy who makes the proviso that the project be based on venture capital basis with full recognizance of the areas of uncertainty he outlines in his letter of 14Apr69.

FOR THE RECORD

Prudential Mines Ltd. annual meeting will be held at 10:00 a.m., 31Oct69, at Hotel Georgia, Vancouver. The following are proposed to be nominated as directors at the meeting: Earl A.Glick, Norman Glick, Miriam Kershen, David Glick, and Carl. R.Jonsson.

During the year ended 30Apr69, income(interest received)was \$1,123, expenses were \$6,228, and net loss \$5,105. As at 30Apr69, current assets were \$2,639, and current liabilities \$300, leaving working capital of \$2,339. Marketable securities at cost were \$49,463 (market value \$230,240). Of authorized capital of 5,000,000 no par common shares, 1,148,765 shares were issued.

WESTMONT CAPITAL RESOURCES LIMITED

ACQUISITION COMPLETED - Westmont Capital Resources Limited has reported completion of acquisition of all the outstanding shares of Krause Bros. Construction Ltd. and Brite Construction Ltd. of Vancouver.

Robert L.Ward, president of Westmont, said that,through the acquisitions,the company has received a 50% interest in five more house-building firms. Krause and Brite own five completed apartment blocks and three more are under construction.

Since the acquisition, the house-building subsidiaries have sold 25 homes and 20 more are complete and ready for sale through Kline Bros. Realty Ltd.,Westmont's real estate arm.

Kline Bros. was Westmont's first acquisition made in January this year. Subsequently, the company purchased Employee Enterprises Ltd., Kent Chemicals Ltd., Fraser Medical Supplies Ltd., and a half interest in Ted Schibild Construction.

Westmont's first quarter of operation as a public company showed before-tax earnings totalled \$72,000.

The second quarter will be better Mr. Ward said. Net earnings for the month of September exceed those of the first three months combined.

Mr. Ward states that S.H.Lennard & Co. Ltd. was unable to complete the sale of Westmont's first public issue of stock of 200,000 shares at \$3.00.

The company is currently conducting negotiations in other brokerage areas and look for results soon in connection with this sale.

ACKLANDS LIMITED9 MOS. TO AUG. 31:

	<u>1969</u>	<u>1968</u>	
Sales	\$96,275,199	\$75,921,420	Acklands Limited has reported sales increase of 26.8% in the nine months.
Operating Profit	1,811,412	1,556,704	Profit arising from the company's
Extraordinary Profit	32,040	353,870	normal trading operations has also inc-
Income Taxes	180,000	150,000	reased to \$1,811,412 from the 1968 figure
Net Profit	\$ 1,663,452	\$ 1,760,574	of \$1,556,704, or by 16.5%.
Preference Dividends	233,003	73,849	Non-recurring gains for 1969 were
Available to Common	1,430,449	1,686,725	\$32,040 from the sale of real estate
Shares Issued	1,571,549	1,230,954	properties made redundant through the
Convertible Shares Issued	897,720	1,237,265	company's policy of closing or merging
Earnings Per Combined			operations which do not meet the standards
Common & Preference	58¢	68¢	of profitability.

Directors expect that the last quarter of the current fiscal year ending November 30, will show a further advance in revenue and earnings, the report states.

ALLIED ROXANA MINERALS LTD.EMBASSY PETROLEUMS LTD.

JOINT DRILL PROGRAM OUTLINED - Allied Roxana Minerals Ltd. and Embassy Petroleum Ltd. have announced their participation in a six well program in widely separated areas of Alberta and Saskatchewan. The program will be operated by Allied.

The companies will drill a test in the Marengo field of southwest Saskatchewan on Lsd. 6-35-28-27 W3. The well will be drilled to a depth of approximately 3,500 feet in the Birdbear formation on a 5,600 acre block owned by the two companies.

Embassy will drill a development extension well in the Aberfeldy field in the Lloydminster area of Saskatchewan on Lsd 5-9-49-26 W3. If successful, the well will be completed in the Sparky Sandstone formation at a depth of approximately 1,900 feet. Dormark Oils Ltd., a wholly-owned subsidiary of Embassy, will also drill two wells in the same general area. The company has twelve producing wells in the Lloydminster field at this time.

Allied and Embassy will jointly drill a Basal Cretaceous test in the Provost field of Southern Alberta. The well, Allied Embassy Provost 11-22-35-7 W4, is a step out from two producing Viking gas wells owned by the companies. The new test is located on a 7,040 acre block of land recently purchased from Tenneco Oil Company.

Allied has a minority working interest in a Keg River test well to be drilled by Banner Petroleum Ltd. on Lsd. 6-28-115-6 W6 in the Virgo field of Alberta. The well to be drilled is approximately two miles east of the Keg River producer on Lsd. 15-30-115-6 W6.

Drilling rigs are now moving to locations on the Allied and Embassy drill sites.

The Tawawe Lake No. 1 exploratory well in the Copper River Basin of Alaska was spudded on Oct. 28, 1969, and drilling of the surface hole is underway. Allied and Embassy own jointly a 23 1/3% interest in the Alaska well, and a 17 1/2% interest in approximately 35,000 acres.

PACIFIC WESTERN AIRLINES

WINTER CHARTER - Pacific Western Airlines Ltd. has reported that it has been chosen for CONTRACT RECEIVED the second season as the carrier for over \$800,000 in Winter Inclusive Tour Charters. Jet-A-Way Tours of Calgary and Canadian Air Tours of Vancouver and Winnipeg awarded their contracts to Pacific Western, who will use the 153 seat Boeing 707 fan-jets. The two travel companies' contracts for flights to Hawaii and Puerto Vallarta, Mexico involve over 31 trips between December 19, 1969 and April, 1970.

According to the executives of both tour companies, last years low package prices that included jet transportation, taxi transfers, hotel accommodation, as well as local side tours, account for a marked increase in interest in 1969/70 winter holiday travel to the two popular sun and fun spots in Hawaii and Mexico.

The 1969/70 Inclusive Tour contracts show a substantial increase over last year and now represent the largest winter season Inclusive Tour Charter contracts yet flown by a Canadian air carrier.

CENTRAL-DEL RIO OILS LIMITED

OFFICER AND DIRECTOR - The appointment of Ian D. Sinclair and J.M. Taylor as directors of CHANGES REPORTED Central-Del Rio Oils Limited have been announced. With these appointments, the boards of both companies now comprise G.J. van den Berg, J.F. Hardy, M.C. McKinnon, H.M. Pickard, D.L. Redman, J.C. Ross, Ian D. Sinclair, F.V. Stone and J.M. Taylor.

Neil McQueen, founder of Central-Del Rio Oils Limited and a senior executive of the company for over 20 years, was appointed chairman emeritus of Central-Del Rio Oils Limited following his resignation due to ill health as chairman.

R.C. Carlile, who became a director of Central-Del Rio Oils Limited shortly after the company's inception in 1947, has also resigned.

To facilitate the planned integration of the two operations, the following executive appointments were also announced for both companies: J.F. Hardy, chairman; J.M. Taylor, president and chief executive officer; Ian D. Sinclair, vice-president of the company. M.C. McKinnon continues in his capacity as executive vice-president of Central-Del Rio Oils Limited as well as assuming the same position with Canadian Pacific Oil and Gas Limited.

Central-Del Rio Oils Limited recently acquired all the outstanding shares of Canadian Pacific Oil and Gas Limited. Canadian Pacific Investments Limited now holds approximately 89% of the outstanding shares of Central-Del Rio Oils Limited.

FOR THE RECORD

Consolidated Manitoba Mines Limited will issue one right per share to holders of record 24Oct. 69. Holders will be entitled to buy one additional share with three rights plus 25¢. Shares were traded ex-Rights at the opening 22Oct69. Rights will trade for cash at the opening 20Nov69, and expire at the close 24Nov69.

Petejam Securities Limited of Toronto, Ontario, has agreed to purchase sufficient unsubscribed shares reserved for issue pursuant to the rights offering at 25¢ per share, to net the company at least \$75,000. In consideration, Petejam has been granted an option to buy within 30 days from expiry of the Rights all unsubscribed shares reserved for the rights offering and within three months from expiry of the Rights to buy an additional 200,000 shs. at 25¢ per share.

Proceeds of the rights offer will be used: \$25,000 for a recommended drill program, \$24,000 to make up deficiency of working capital, \$7,000 for property option payments due within six months, and any surplus maybe used to acquire further properties. At 26Sep69, 3,026,275 shs. were issued of 5,000,000 shs. authorized. The president, Peter O. Headley of New York holds all 500,000 escrowed shares and owns Petejam Securities.

CONSOLIDATED VIGOR MINES LTD.
(Formerly Canford Explorations Limited)

GOLD RECOVERY AT LIGHTNING CREEK - Consolidated Vigor Mines will be entitled to receive 50% TO PROCEED BY HAMMER DRILL METHOD of all gold recovered under an agreement with Camjet Placer Production Explorations Ltd. Announced by J.A.

Willey, Vigor president, the planned operation will use what he calls "the revolutionary reverse recovery drill method" and will initially be centred on the lower extension of the Sanderson workings at the Lightning Creek leases of Vigor midway between Quesnel and Barkerville, B.C. Vigor, he states, is obliged to provide only existing camp facilities for use of the drilling crew at the property. Camjet will pay all production costs and W.Howard Myers, P.Eng., consulting geologist, will supervise operations.

The drill equipment includes a double wall pipe driven down under air or water pressure by a Diesel-operated pile driver. Gravel encountered is rapidly transported to surface through the inside pipe by compressed air and drilling fluid. Discharged material is then run through a sluice for recovery of gold.

In a preliminary report dated 20Aug69, Mr. Myers estimates that, on the basis of 12 holes drilled to bedrock each month, value of gold recovered could be around \$90,600 per month, of which Vigor's share would be \$45,300.

Using the Becker Hammer Drill supplied by Becker Drilling (Alberta)Ltd., a subsidiary of Union Carbide Canada Ltd., the consultant conducted a test in 1968 which showed good gold recovery was feasible from bedrock gravels as deep as 165 feet below surface. In the new program, it is initially planned to produce from an upper layer of sand around 80 feet which was shown by churn drilling to have average gold values of \$4.95 per cubic yard. Tests of bedrock gravels around 160-164 feet indicated average gold values of \$95.50 per yard.

Consolidated Vigor's leases in the Coppermine district of the Northwest Territories are being held in good standing pending anticipated developments in the area.

Vigor's Rice Lake claims in Manitoba have been secured in good standing for another two years.

Mr. Willey says that, under a rights offer made last June, \$36,750 was subscribed by the expiration date and that the offer has been extended.

The original offer covered the right to subscribe at 30¢ p/s on the basis of one share for every 7 held. This offer was open for 14 days from 26June69 after which until 25Aug69 directors were eligible to subscribe for any shares not then subscribed up to a total of 547,612 shs. The subsequent offer covered 285,000 shs. at the same price with a similar provision for directors to take up any unsubscribed balance.

PACE INDUSTRIES LIMITED

FURTHER FOOD DISTRIBUTION - Pace Industries Ltd. of Vancouver has purchased its third United FIRM ACQUIRED IN U.S.A. States subsidiary, United Cascade Food Distributors Ltd. of Tacoma.

No purchase price was disclosed for acquisition of the new company which predicts annual sales of over \$4 million. The company distributes some 1200 food items to more than 800 institutional customers in Washington--restaurants, hotels, hospitals, rest homes, schools and industry.

United Cascade was formed in August after Nalley's Ltd. of Tacoma abandoned its institutional food distribution business. Two Nalley executives, Curt Shelly and Ed Peterson, kept the Nalley institutional distribution arm virtually intact and formed United Cascade with backing from Pace Industries.

Pace also owns National Oven Products Ltd. and Spudnut Industries Inc., both with head offices in Auburn, Washington. The company's Canadian subsidiaries include Oly Food Services Ltd. and West Coast Vending Ltd. of Vancouver and Calgary Vending Ltd. of Calgary.

PINE LAKE MINING CO. LTD.

DRILL PROGRAM TO PROCEED WITH NEW FUNDS - Pine Lake Mining Co. Ltd. president Ray Hrkac reports a second diamond drill has been sent to the Owl Creek copper-molybdenum prospect near Pemberton, B.C. and a 7-hole drill program will be started shortly to complete this Fall. GCNL 223, 8Oct69 reported results of the first hole on C-zone. The other hole drilled, C-2, was put down parallel to and 200 feet on section from C-1 and intersected a total of 382 feet of mineralization as follows: from 100 to 275 feet in depth, 175 feet of 0.30% copper; from 360 to 410 feet, 50 feet of 0.34% copper and from 550 to 707 feet, 157 feet of 0.50% copper and 0.034% molybdenite. Mr. Hrkac says overburden is light, from 8 feet to 40 feet being penetrated in the first two holes, and because there are no topographic restrictions for open pit mining on the C zone, he considers the values in the two holes are of economic grade. GCNL 235 noted Pine Lake shares are now transferred from interim to full listing on VSE and GCNL 236 noted 100,000 shares have been underwritten at \$1.00 per share with options on 100,000 at \$1.00 due 26Dec69 and on 100,000 at \$1.50 due 24Feb70.

FOR THE RECORD

Wosk's Ltd. has received B.C. Securities Act registration covering the purchase of 250,000 shares; 150,000 shares at \$7.00 and 100,000 shares at \$6.65 per share. The issue is underwritten by S.H.Lennard & Co. Ltd.

