

Proposed Work Program

The Company proposes to follow the recommendations of D. R. MacQuarrie, geophysicist in his report dated December 15, 1981. His recommendations set out in two stages are for a detailed geological mapping of the claim and if the geology of the anomaly area proves favourable then to conduct I. P. and magnetometer surveys of the entire claim and 600 feet of diamond drilling for a total cost of \$55,000.00. The property is without a known body of commercial ore and the proposed programme is an exploratory search for ore.

History

A grid was established around 1972 comprised of lines cut at a bearing of 55 degrees on 800 foot centres with 100 foot station intervals. This work was reported in the report of G. White (1977) referred on page 10 of MacQuarrie's report. Mr. White's report does not state who did the 1972 report.

Previous Work By Company

In October, 1981 a total of 2.8 km. of Induced Polarization surveying was completed indicating the presence of a northerly to northwesterly striking zone of anomalous I.P. effects in the western part of the grid and a weak anomalous area coincident with the previously indicated copper geochem anomaly for a cost of \$6,332.00. In order to aid in the interpretation of the 1981 survey results the data from a 1977 I.P. survey was also compiled onto the map. Two areas of anomalous O.P. effects were delineated.

There has not been any underground exploration and development and there is no underground plant and equipment located on the claim. There is no surface equipment located on the claim.

Location and Access

The claims are located on the boundary between the Kamloops and Nicola Mining Divisions in the Highland Valley area of the Thompson Plateau in the south central B.C. Access to the claim is provided by travelling 14 km east of the town of Logan Lake via the Lac Le Jeune-Meadow Creek road and thence 4.5 km in a southerly direction along the Surrey Lake road preferably with a 4 wheel drive vehicle. Numerous other fishing lodge and logging roads provide good access to the claim area.

Mineralization

Mr. McQuarries's report indicates that the claim lies in a broad belt of Upper Triassic Nicola group volcanic rocks between the Guichon batholith to the west and the Nicola Batholith to the east. The Nicola group is made up of intermediate to basic volcanic flows and breccias with minor sedimentary subfacies. A 1976 report states "the property is underlain by a variety of Nicola volcanic rock types from moderately to intensely metamorphosed with occasional recrystallization. Rock types consisted of black amygdaloidal basalt, grey green fine grained andesites trending northerly and steeply dipping. The volcanics, chloritized to various degrees generally contain either calcite stringers or splashes of calcite on fractures and are locally epidotized."

b. CLINTON AND NORKAM CLAIMS

Pursuant to an agreement dated January 14, 1982 as amended August 15, 1983 the Company acquired from Charles Boitard of 2245 West 13th Avenue, Vancouver, B.C., a director of the Company the option to purchase the Clinton, Norkham and Mo claims consisting of 158 units as described below for a purchase price of \$10,500.00, (reimbursement of Mr. Boitard's staking and prospecting costs) \$7,500.00 of which has been paid and Mr. Boitard has agreed to defer payment of the final \$3,000.00 and a royalty to Mr. Boitard of 5% net profit royalty pursuant to an amending agreement dated February 14, 1984. Any further claims staked within a radius of 3 miles of any of the claims are governed by the terms of the said agreement. The Vito, Esther 1-3 and Brigade claims were acquired by location and added to the above three claims for a total of 189.

Claim	Record No.	Units	Expiry Date
Norkam 1-4	1174-1177	66	December 21, 1987
Clinton 1-3	1182-1184	12	January 13, 1988
Mo 1-4	1182-1184	80	February 4, 1985
Vito 1	1243	8	Sept. 20, 1988
Esther 1-3	1244-1246	3	Sept. 20, 1988
Brigade	1393	20	April 26, 1987

By an agreement dated July 1, 1982 as amended August 15, 1983 the Company granted Lakewood Mining Co. Ltd. (Lakewood), of 2245 West 13th Avenue, Vancouver, B.C. and Green Valley Mine Incorporated (Green Valley) of 2245 West 13th Avenue, Vancouver, B.C. the option to acquire a 66 2/3 % interest in the Clinton claims (Lakewood 33 1/3 % and Green Valley 33 1/3 %) for:

- i. \$1,000.00 each (paid) (to be paid on approval of the Regulatory authorities for B.C.)
- ii. performing \$16,000.00 of exploration work by August 30, 1982 which has been done.
- iii. Lakewood and Green Valley were each to pay to the Company \$1800.00 on December 31 in the years 1982 (paid) and 1983 (unpaid). Green Valley and Lakewood therefore owe the Company \$3,600.00.

To December 31, 1983 the Company has contributed \$16,708.32 towards exploration and development costs. To December 31, 1983 Green Valley and Lakewood have incurred exploration and development costs of \$91,652.45 for a total amount spent on the property of \$108,361.27 of which the Company's share is \$36,120.47. The Company therefore owes Green Valley and Lakewood \$19,411.60 for work to date less the \$3,600.00 referred to above for a net figure owed of \$15,811.60 which will be paid from the proceeds of this offering.

The Company is to make its 33 1/3% contribution to the first \$25,000.00 of the above noted exploration costs incurred by Green Valley and Lakewood by May 18, 1984 failing which it shall lose 2% of its interest. The three companies signed an agreement dated January 26, 1984, acknowledging the first 1/3 had been paid. The payment to those two companies of \$15,811.60 will include the referenced 33 1/3% of the initial \$25,000.00

Thereafter the parties shall agree upon further exploration programs to be paid in accordance with their respective interest. If any party is in default in making contributions to the further programs it will lose 2% for every \$25,000.00 it fails to contribute down to an irreducible 7 1/2 % interest which interest shall be carried and non-assessable.

Lakewood Mining Co. Ltd. and Green Valley Mine Incorporated are British Columbia companies whose shares are listed for trading on the Vancouver Stock Exchange. Three of the Company's directors, Charles Boitard, Doreen Boitard and Osvaldo Contini are also directors of Lakewood Mining Co. Ltd. and Green Valley Mine Incorporated. Osvaldo Contini a Director of the Issuer is also a Director of Green Valley Mine Incorporated.

Location and Access

The Clinton claims are located in south-central British Columbia, 65 km northwest of Kamloops and 48 km north of Savona. The claims lie on the west side of Vidette Lake between elevations 2800 and 3500 feet. Topography on the plateau surface is gentle except where cut through the Vidette Lake-Deadman River valley. Valley slopes range from moderately steep to vertical along the edge of the plateau basalts. Access is by good gravel road to Vidette Lake (and thence by boat to the Clinton claims) or by new logging road constructed from the Mowich Lake-Brigade Lake access road.

History

According to the report of J.A. Mitchell (1973) references at the back of Donald G. Allan's report dated February 4, 1983 attached hereto gold occurrences were first discovered in the Vidette Lake area prior to 1931. Preliminary underground development during 1931 and 1932 was commenced by D.B. Sterrett and Associates. In 1933 the property was optioned to Vidette Lake Gold Mines Ltd. and developed by numerous shafts and adits on both sides of Vidette Lake. Most of the ore was produced from the Tenfor, Broken Ridge and Bluff veins. A lack of development capital forced the closing of the mine in 1940. Total production of 54,199 tons of ore yielded:

Gold	29,869 ounces
Silver	46,573 ounces
Copper	96,619 pounds
Lead	356 pounds

About 12,000 tons of undeveloped ore grading 0.61 oz/ton gold is estimated to remain in the underground workings (Sterrett, 1939, Mitchell, 1973).

Savona Gold Mines Ltd. and Hamilton Creek Mines Ltd. old workings are located approximately one kilometer northwest of the Vidette Lake Mine. These mines were worked in the early to middle 1930's. Development consisted of four adits and several hundred feet of drifts on the Sylvanite, Yarvi, Argentite and Jarvinin veins. There is no record of any production from these mines, though some high gold assays are reported in the literature. Cockfield (1935) speculated that these veins may on further work prove to be extensions of the Tenford vein from the Vidette Mine area.

Mineralization

In a report on the Clinton claims dated February 4, 1983 by Donald G. Allen, P. Eng. a copy of which is attached hereto, it is stated:

* Propylitic alteration is widespread. Epidote and chlorite occur as scattered clots and fracture coatings. Chlorite occurs locally as a pervasive alteration especially where the rock has been sheared or weakly foliated. Calcite is common to abundant as fracture coatings and as scattered veinlets. Locally the greenstone is silicified or bleached, especially where pyrite may be abundant.

Pyrite is widespread, occurring in variable amounts (up to 7% of the rock) in the andesite and quartz monzonite. It occurs both as dissemination and fracture fillings. Chalcopyrite and malachite occur in minor amounts as fracture coatings.

Quartz veins were noted in several areas of the grid. They are best developed on line 5W at 3+10N, where several irregular veins up to 20 centimeters wide occur over a width of 2 meters. They are steeply dipping, trend northwesterly and contain minor amounts of pyrite. This vein may correspond with the Stevenette vein described by Cockfield (1935) and by Mitchell, after Ashton). Elsewhere, the veins are narrow (0.1 - 5 cm) sparse and barren. Fractures are commonly coated with limonite, manganese oxides, calcite and gypsum."

Work Done by Company

Soil sampling has been carried out with anomalous copper values (greater than 200 ppm with peaks in the 300 to 1730 ppm range) and gold values (greater than 50 ppb with peaks in the 140 to 600 ppb range) found over an area of 700 meters long by 150 meters wide.

Follow up trenching was hampered by local steep topography and deep rubbly talus. Where bedrock was reached, samples were taken either as grab samples or as semi-continuous chip samples over lengths of up to 15 meters. Samples were analyzed for copper and gold by atomic absorption methods by Rossbacher Laboratories.

Results of rock sampling indicate that the volcanic rocks also contain high anomalous copper and gold values. Copper values in the rock range up to 620 ppm and gold values up to 480 ppb and in general appear to have an over all lower average content than in soils. Trace element distribution in soil therefore may be complicated by downslope movement and glacial transport. The highest gold value (2VA 146, 480 ppb Au) found in rubbly talus near L3W 75N, may have had a source near the western part of the grid area.

Of the \$108,361.27 paid to date \$98,400.00 was for the carrying out of all of the first stage of the Allen report except for 1,000 feet of diamond drilling which will cost \$30,000.00. It is estimated that the cost of the report on stage 1 will be \$6,000.00. The Company's share of the above is \$12,000.00.

c. HAMILTON CLAIMS

Pursuant to an agreement dated July 29, 1983 between the Company, Green Valley and Lakewood (the Purchasers) and Reginald Marriott of 809 - 2016 Fullerton Ave., North Vancouver, B.C. the Purchasers acquired the Hamilton mineral claims, records no. 1475, Clinton Mining Division, B.C. Each of the Purchasers are to issue 40,000 treasury shares to Mr. Marriott in 2 allotments of 20,000 shares each, subject to the filing of the Engineering Report satisfactory to the Superintendent of Brokers for B.C. or if listed on the Vancouver Stock Exchange subject to the approval of the Exchange. The Company has no plans to proceed with developing the property at this time. There are no engineering reports on the property at this time. When the weather improves the Company will arrange an examination of the property and the writing of a report by a qualified engineer. The Company is unaware of any previous work carried out on the property. The property is without a known body of commercial ore and a long future programme will be an exploratory search for ore.

d. OIL AND GAS INTEREST

The Company through its wholly owned subsidiary, Cosmic, has the interests cited below in oil and gas leases acquired at a total cost including delay rentals of \$142,391.00.

a. Cosmic, through its leasing agent, Norman Jessen & Associates, Inc. leased directly from the landowners, 15,006.09 acres of oil and gas leases in North Dakota. The Company holds 100% of the working interest in the leases which are subject to a 12.5% royalty to the landowner. The Company therefore has a 87.5% net revenue interest. The leases were acquired between March, 1980 and August 1981 and have a 5 year term after which they will lapse unless oil or gas is being produced. The annual delay rentals are U.S. \$1.00 per acre per year and have been paid to March 31, 1984. The annual delay rentals required to further keep the leases in good standing until March 1985 and until August 1986 are U.S. \$12,538.22 per annum or Cdn. \$15,296.62 at conversion rate of 1.22.

The acreage is wildcat and no engineering reports have been prepared. The Company has not decided whether to assign the leases or drill the lands. No drilling is contemplated at this time. In the event a drilling program is developed the Company may depending on the program have to raise further funds to participate in the drilling. The proceeds of this offering will only be used to pay the annual delay rentals.

Prior to Cosmic becoming a subsidiary of the Issuer it had previously sold 2,467.87 acres of oil and gas leases to third parties for \$64,267.00 and retained an overriding royalty. The leases have subsequently lapsed.

4. SHARE OFFERING AND PLAN OF DISTRIBUTION

The Company by its Agent hereby offers (the "Offering") to the public 500,000 shares (the "Shares"), at the purchase price of \$.40 per share. The Offering will be made within a period of 180 days after the date of issuance (the "Effective Date") of a receipt for this Prospectus by the Superintendent of Brokers for British Columbia ("Superintendent"). The offering price of the Shares shall be \$.40 per Shares.

The Company by an agreement dated February 16, 1984, appointed the following as its agent ("Agent") to offer the Shares to the public as follows:

<u>Name of Agent</u>	<u>Participation</u>
*West Coast Securities Ltd.	500,000

The Agent will receive a commission of \$.10 per share.

The Agent reserves the right to offer selling group participation, in the normal course of the brokerage business to selling groups of other licenced broker-dealers, brokers and investment dealers, who may or may not be offered part of the discounts or bonuses derived from this Offering.

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

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