

**Preliminary Prospectus dated October 2, 1996**

*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. This Prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale, and therein only by persons permitted to sell such securities.*

**Initial Public Offering****BLUEBIRD MINERALS LTD.****\$500,000 (2,000,000 Common Shares)**

-----  
**Price: \$0.25 per Common Share**  
 -----

Bluebird Minerals Ltd. ("Bluebird" or the "Corporation") hereby offers for sale a maximum of 2,000,000 common shares (the "Common Shares") at a price of \$0.25 per Common Share. **There is currently no market through which the Common Shares may be sold.** The price per share was determined by negotiations between the Corporation and McDermid St. Lawrence Securities Ltd. (the "Agent").

	Number of Common Shares	Price to the Public	Agent's Fee(1)	Net Proceeds to the Corporation (2)
Per Common Share	1	\$0.25	\$0.025	\$0.225
Maximum Offering	2,000,000	\$500,000	\$50,000	\$450,000

**Notes:**

- (1) The Corporation will grant to the Agent, if the offering is completed, an option to purchase 200,000 Common Shares at a price of \$0.25 per share expiring 24 months after the date of the closing which option is qualified pursuant to this prospectus. In addition, the Agent will be reimbursed for its legal and certain other expenses incurred pursuant to this offering. See "Plan of Distribution".
- (2) Before deducting expenses of this issue estimated at \$40,000.

**The securities offered hereunder are highly speculative and subject to a number of risk factors related to the nature of the Corporation's business and its present stage of development. Accordingly, an investment in the Common Shares is suitable only for those investors who are willing to risk a loss of their entire investment. See "Risk Factors". The offering price of \$0.25 per Common Share exceeds the net tangible book value per share as at August 31, 1996 by \$0.15 per share, representing a dilution factor of 60% after giving effect to the offering. See "Dilution". Investors should consult with their professional advisors to assess an investment in the Common Shares.**

This is a preliminary prospectus relating to these securities, a copy of which has been filed with the Alberta Securities Commission but that has not yet become final for the purpose of a distribution. Information contained herein is subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time that the receipt is obtained from the Alberta Securities Commission for the final prospectus.

This offering is being made on a "best efforts" basis and is subject to the offering being fully subscribed within 90 days of the issuance of a receipt for the prospectus or such other time as may be authorized by the applicable regulatory authorities and agreed to by the Agent. The funds received from the sale of the Common Shares offered hereunder will be deposited with the Montreal Trust Company of Canada and will not be released until the aggregate gross proceeds of the offering have been deposited and the Agent has consented to such release. If the necessary subscriptions are not received, subscription monies will be returned to subscribers without interest or deduction. See "Plan of Distribution".

The Agent conditionally offers the Common Shares for sale on a best efforts basis subject to prior sale, if, as and when issued and delivered by the Corporation, in accordance with the conditions contained in the Agency Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of the Corporation by Field Atkinson Perraton, Calgary, Alberta and on behalf of the Agent by Burstall Ward, Calgary, Alberta. Subscriptions for Common Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. ~~Subscription funds will be received by the Agent, or any other investment dealer authorized by the Agent.~~ It is expected that definitive share certificates representing the Common Shares will be available for delivery at the closing of the offering.

**McDermid St. Lawrence Securities Ltd.**  
**2300, 707 - 8th Avenue S.W.**  
**Calgary, Alberta**  
**T2P 1H5**

## TABLE OF CONTENTS

	PAGE		PAGE
ABBREVIATIONS .....	4	EXECUTIVE COMPENSATION .....	20
PROSPECTUS SUMMARY .....	5	STOCK OPTIONS.....	21
THE CORPORATION.....	7	INDEBTEDNESS OF DIRECTORS AND OFFICERS.....	21
BUSINESS OF THE CORPORATION.....	7	PRINCIPAL HOLDERS OF SECURITIES.....	22
General.....	7	PRIOR SALES .....	22
Location and Access.....	7	ESCROWED SECURITIES .....	23
Ownership of Claims.....	8	PROMOTERS .....	23
Geological Report.....	8	INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS .	24
History of Previous Work.....	9	CONFLICTS OF INTEREST .....	24
Regional Geological Setting.....	10	DILUTION .....	24
Geology .....	12	DIVIDEND RECORD AND POLICY .....	24
Mineralization .....	12	PLAN OF DISTRIBUTION.....	25
Geophysics .....	13	RISK FACTORS.....	25
Geochemistry .....	13	AUDITORS, TRANSFER AGENT AND REGISTRAR.....	26
Recommendations .....	13	LEGAL PROCEEDINGS.....	27
Cost Estimate .....	14	MATERIAL CONTRACTS.....	27
USE OF PROCEEDS.....	15	PURCHASERS' STATUTORY RIGHTS .....	28
CAPITALIZATION.....	15	AUDITOR'S REPORT .....	29
MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATING RESULTS.....	17	FINANCIAL STATEMENTS .....	30
SHARE CAPITAL .....	17	CERTIFICATE .....	25
DIRECTORS AND OFFICERS .....	17		
MANAGEMENT AND DIRECTORS .....	19		

## ABBREVIATIONS

In this prospectus the following abbreviations and terms have the meanings indicated below:

"cm" means centimeter(s).

"g" means gram(s) per ton.

"g/t" means gram(s) per ton tonne.

"kg" means kilogram(s) or 2.208 lbs.

"km" means kilometer.

"lb" means pound(s) or 0.45359 kilograms.

"North 40 Property" means Bluebird's contiguous nine mineral claims located in the Province of British Columbia ~~as in existing text~~

"oz" means ounces. one troy ounce or 31.103 grams.

"oz/ton" means ounce(s) per ton.

"ppb" means parts per billion.

"ppm" means parts per million.

"Phase I Program" means the work necessary to expand geophysical surveys, soil geochemistry, geological mapping, prospecting, bedrock sampling, and some diamond drilling on the North 40 Property.

"Phase II Program" means more diamond drilling, if warranted, as a result of the completion of the Phase I program.

"ton(s) (long) means 2240 -means short ton or 2,000 pounds.

"ton(s) (short)" means 2000 pounds.

"tonnes" means 2205 pounds lbs. or 1.0 metric ton.

"VLF-EM" means very low frequency electromagnetic survey, using combined magnetometer equipment, to measure the magnetic and electric fields, in relation to the North 40 Property ~~as in existing text~~

## PROSPECTUS SUMMARY

*The information contained in this summary is qualified by and must be read in conjunction with the more detailed information appearing elsewhere in this prospectus.*

### THE CORPORATION

Bluebird Minerals Ltd. ("Bluebird" or the "Corporation") is the holder of mineral claims in the Province of British Columbia known as the "North 40 Property". The Corporation is actively involved in conducting mineral exploration activities in relation to the North 40 Property. It has undertaken a work program consisting of geological analysis, prospecting, bedrock sampling, soil geochemistry and a geophysical survey in anticipation of exploiting the North 40 Property. ~~The results of the work program to date supports further exploratory work to identify the potential of the North 40 Property as an economic prospect.~~

### THE OFFERING

**OFFERING:** A maximum of \$500,000 (2,000,000 Common Shares). In addition, the Agent will be granted an option to purchase 200,000 Common Shares at \$0.25 per Common Share, expiring 24 months from the closing of this offering.

**PRICE:** \$0.25 per Common Share

**CLOSING:** Closing is subject to subscriptions for the total offering being obtained and certain other conditions. See "Plan of Distribution".

**USE OF PROCEEDS:** The net proceeds of this offering will be used by the Corporation to finance the Phase I Program on the North 40 Property in the amount of approximately \$210,910. The balance of such proceeds will be used for to partially finance the Phase II Program, if warranted, or will be used as working capital to finance subsequent annual expenditures which will consist of investigating further mineral opportunities. See "Business of the Corporation". The following table summarizes the application of the estimated net proceeds of this offering (net of fees to be paid to the Agent); ~~and before deducting the expenses of this offering estimated at \$40,000~~:

	<u>Offering</u>
Net Proceeds to the Corporation from this Issue:	\$450,000
Expenses	\$ 40,000
Phase I Exploration:	\$210,910
Balance to fund working capital, and if recommended, <u>to partially finance</u> Phase II Exploration:	\$199,090

See "Use of Proceeds".

**Risk Factors:**

The Common Shares offered hereunder should be considered highly speculative due to the Corporation's limited operating history and the inherent risks associated with mineral property acquisition, exploration and development. There is no proven commercial body of ore on the North 40 Property and there is no certainty that expenditures made by the Corporation for exploration of the North 40 Property will result in discoveries of commercial quantities of ore. Future exploration and development of the North 40 Property will require additional financing which may not be available. An investment in the Common Shares is suitable only to those investors who are willing to risk a loss of their entire investment. See "Risk Factors".

## THE CORPORATION

The Corporation is the result of the amalgamation of Bluebird Resources Ltd. and 700639 Alberta Ltd. Bluebird Resources Ltd. was incorporated as 609523 Alberta Ltd. on May 3, 1994 in the Province of Alberta by registration issuance of its Articles of Incorporation pursuant to the Business Corporations Act (Alberta). On January 13, 1995 the Articles of Incorporation of 609523 Alberta Ltd. were amended to allow 609523 Alberta Ltd. to change its name to Bluebird Resources Ltd. On June 24, 1996, 700639 Alberta Ltd. was incorporated in the Province of Alberta by registration issuance of its Articles of Incorporation pursuant to the Business Corporations Act (Alberta). ~~On August 26, Effective as of August 31, 1996 Bluebird Resources Ltd. entered into an amalgamation agreement with 700639 Alberta Ltd. under which it was agreed that Bluebird Resources Ltd. and 700639 Alberta Ltd. would carry on business as Bluebird Minerals Ltd. and 65 shares of 700639 Alberta Ltd. would be exchanged for every one share of Bluebird Resources Ltd. held by certain shareholder of Bluebird Resources Ltd.~~ On October 16, 1996 Bluebird Minerals Ltd. was registered extra-provincially in the Province of British Columbia pursuant to the Company Act (British Columbia). The registered office of Bluebird is located at 4000, 400 - 3rd Avenue S.W., Calgary, Alberta, T2P 4H2, and its principal office is located at 724 - 36th Street N.W., Calgary, Alberta, T2N 3A6.

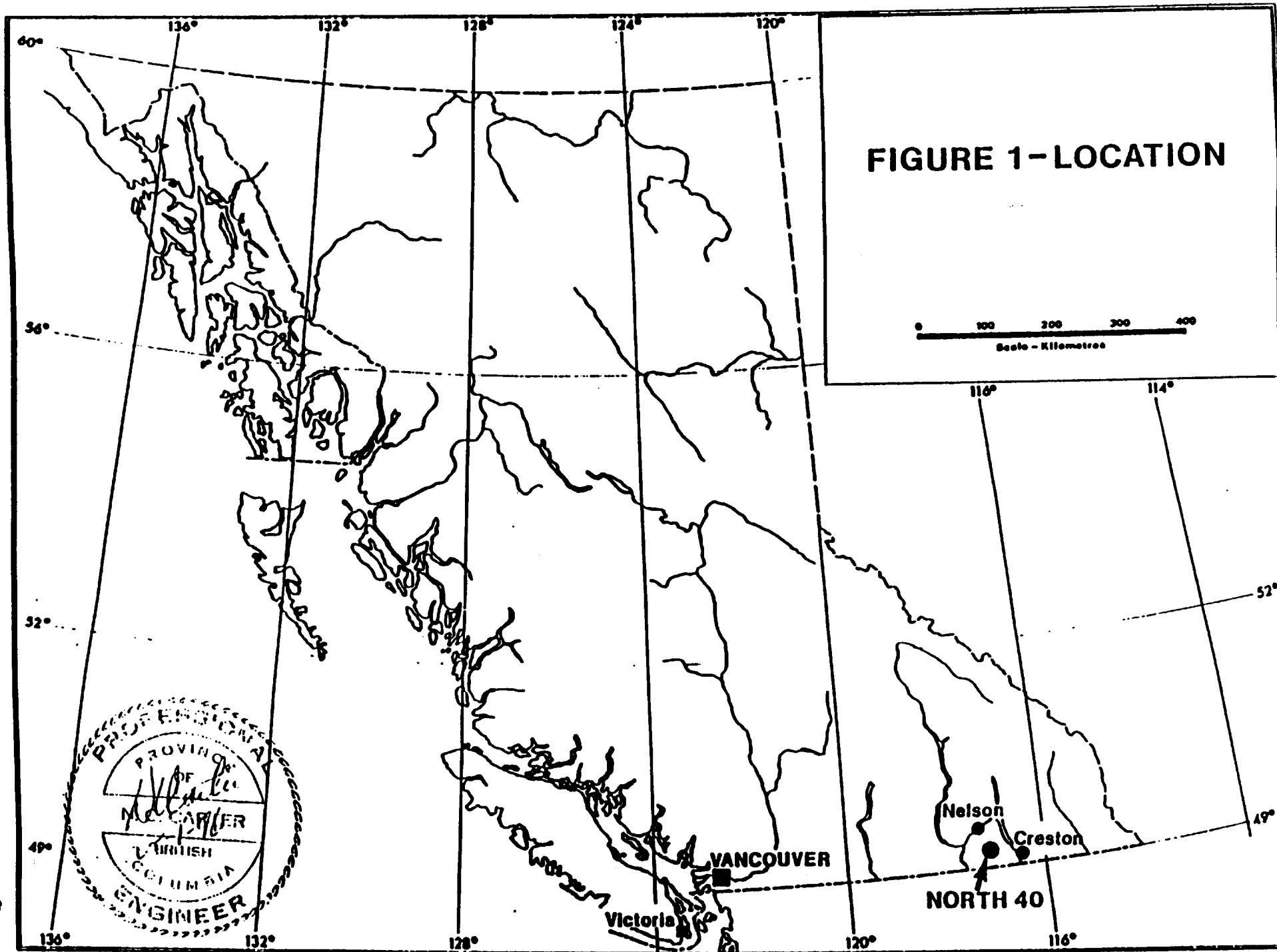
## BUSINESS OF THE CORPORATION

### General

Bluebird was organized as a mineral exploration company and has developed a focused strategy to acquire, explore for and exploit mineral resource properties. Since its organization, Bluebird has acquired the North 40 Property after conducting a work program in 1994 which consisted of prospecting, rock sampling, grid marking with soil sampling, and limited diamond drilling. The purpose of the work program was to determine the grade and extent of surface mineralization in the showings and determine if the results would warrant a larger exploration program. Bluebird, encouraged by the results, conducted a larger work program on the North 40 Property during 1995 which involved more intensive prospecting, bedrock sampling, soil geochemistry and geophysics. A geological report on the North 40 Property was commissioned to interpret and summarize the significance of the work conducted to date with conclusions and subsequent recommendations for additional work. The North 40 Property has been the subject of exploration since the early part of this century, and as the technology relating to exploration has been greatly enhanced, the potential of the North 40 Property can now be maximized and in addition, the existing infrastructure can be used. Bluebird plans to enhance the value of its assets and achieve accelerated growth through the use of modern mineral exploration techniques and the experience of its directors, staff and consultants. Bluebird will be conducting further work programs on the North 40 Property, as described below, and also intends to acquire other gold properties, based on the potential of the properties as assessed by Bluebird's expert exploration team. ~~Bluebird's management consists of individuals with diverse abilities, ranging from "hands-on" site project management experience to strategic business planning in relation to public companies. See "Directors and Officers".~~

### Location and Access

Bluebird's North 40 Property is situated forty kilometers southeast of Nelson and 30 kilometers west of Creston in southeastern British Columbia. See Figure 1. The terrain is relatively rugged, typical of the southern Selkirk Mountains. Elevations range from about 1500 meters above sea level along the lower reaches of Bluebird Creek in the southeastern property area to between 1800 and 2100 meters in the western claims.



**FIGURE 1-LOCATION**



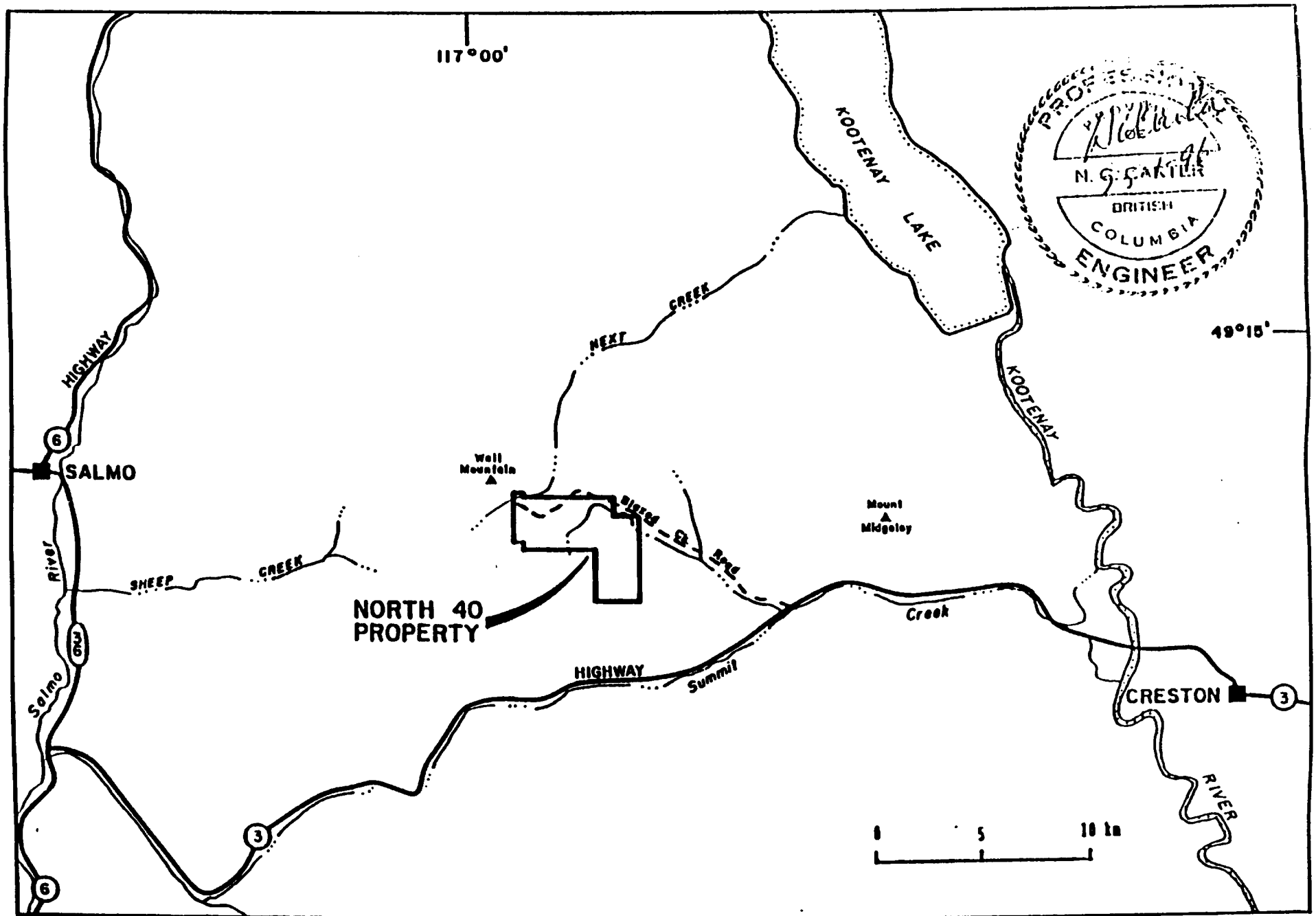


FIGURE 2 – NORTH 40 PROPERTY – LOCATION

Forest cover, with locally thick underbrush, extends over much of the claims area with the exception of some logged areas along Bluebird Creek and the topographically higher areas which feature typical alpine terrain.

Located near the North 40 Property is the Bayonne mine which produced 81,678 tonnes of gold ore, with an average recovered gold grade of 16.10 g/t, (0.466 02oz/ton) mainly between 1936 and 1942.

Mineral claims comprising the North 40 Property are located at the headwater of Blazed Creek and access is afforded by a 12 km secondary road extending up Blazed Creek from highway 3 some 23 km west of Creston. See Figure 2. Parts of the northern, western and eastern claims areas are accessible by way of a number of branch roads. Infrastructure is well developed in this historic mining area with transportation, supplies and personnel readily available. Also, Cominco's Trail smelter is located within trucking distance.

### Ownership of Claims

Bluebird holds title to nine contiguous mineral claims (80 mineral claim units), referred to as the North 40 Property herein. The North 40 Property consists of four 4-post and five 2-post mineral claims located in the Nelson Mining Division in the province of British Columbia. The details are as follows:

<u>Claim Name</u>	<u>Record Number</u>	<u>Units</u>	<u>Expiry Date</u>
North 40	324215	20	March 26, 1999
North 42	325570	20	May 25, 1999
South 40	333099	20	December 19, 1998
Blaze	340604	15	September 24, 1998
Ark 1	340605	1	September 26, 1999
Ark 2	340606	1	September 26, 1999
Ark 3	340607	1	September 26, 1999
Ark 4	340608	1	September 26, 1999
Ark 5	340609	1	September 26, 1999

The claims to the North 40 Property were originally acquired in the name of Mr. James E. Gilmour, a director and officer of the Corporation, and Mr. Donald L. Scarrow, who staked the claims and by virtue of an agreement dated June 20th, 1994 transferred title to the North 40 Property to Bluebird Resources Ltd. in consideration of the issuance of 1,147,500 Common Shares (valued at about \$10,000) to each of them. See "Directors and Officers", "Promoters" and "Material Contracts."

### Geological Report

Late in 1995, after having completed a program consisting of prospecting, bedrock sampling, soil geochemistry and a geophysical survey of the North 40 Property, Bluebird required an independent assessment of the geology of the North 40 Property, the results of past work done on the North 40 Property and on properties in the immediate area and the future development potential of the North 40 Property, as well as recommendations and cost estimates for appropriate additional exploration work. To this end, Bluebird commissioned an independent geological report on the North 40 Property, which was prepared by N. C. Carter, Ph.D., P. Eng., Consulting Geologist, dated January 25, 1996. (The "North 40 Report").

The North 40 Report was prepared based on information provided by Bluebird which consisted of various reports and maps detailing the results of exploratory programs conducted on the North 40 Property since 1994 to the date of the North 40 Report. A number of published and unpublished reports pertaining to the geological setting and mineral deposits of the immediate area

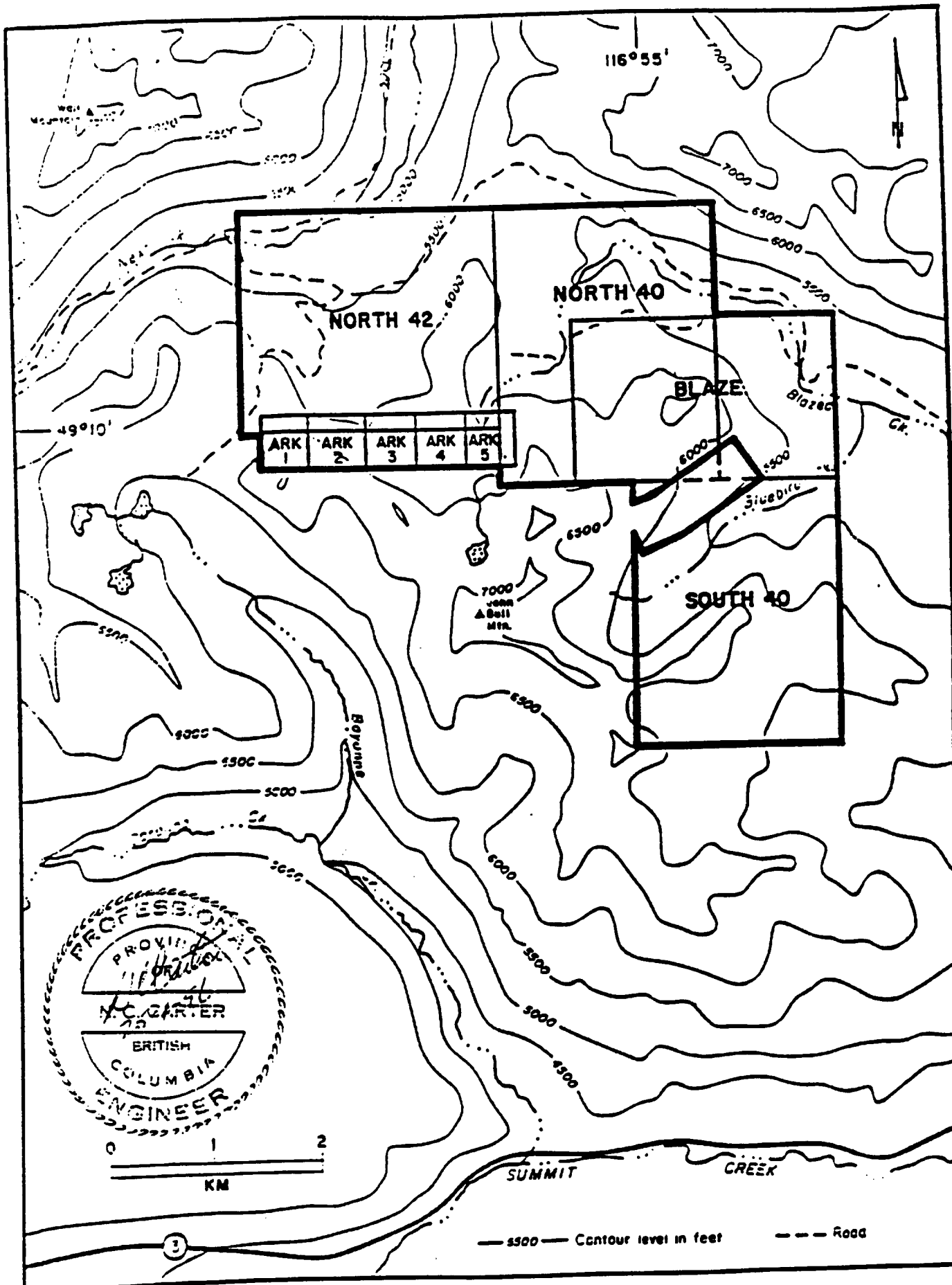


FIGURE 3 - NORTH 40 PROPERTY - MINERAL CLAIMS

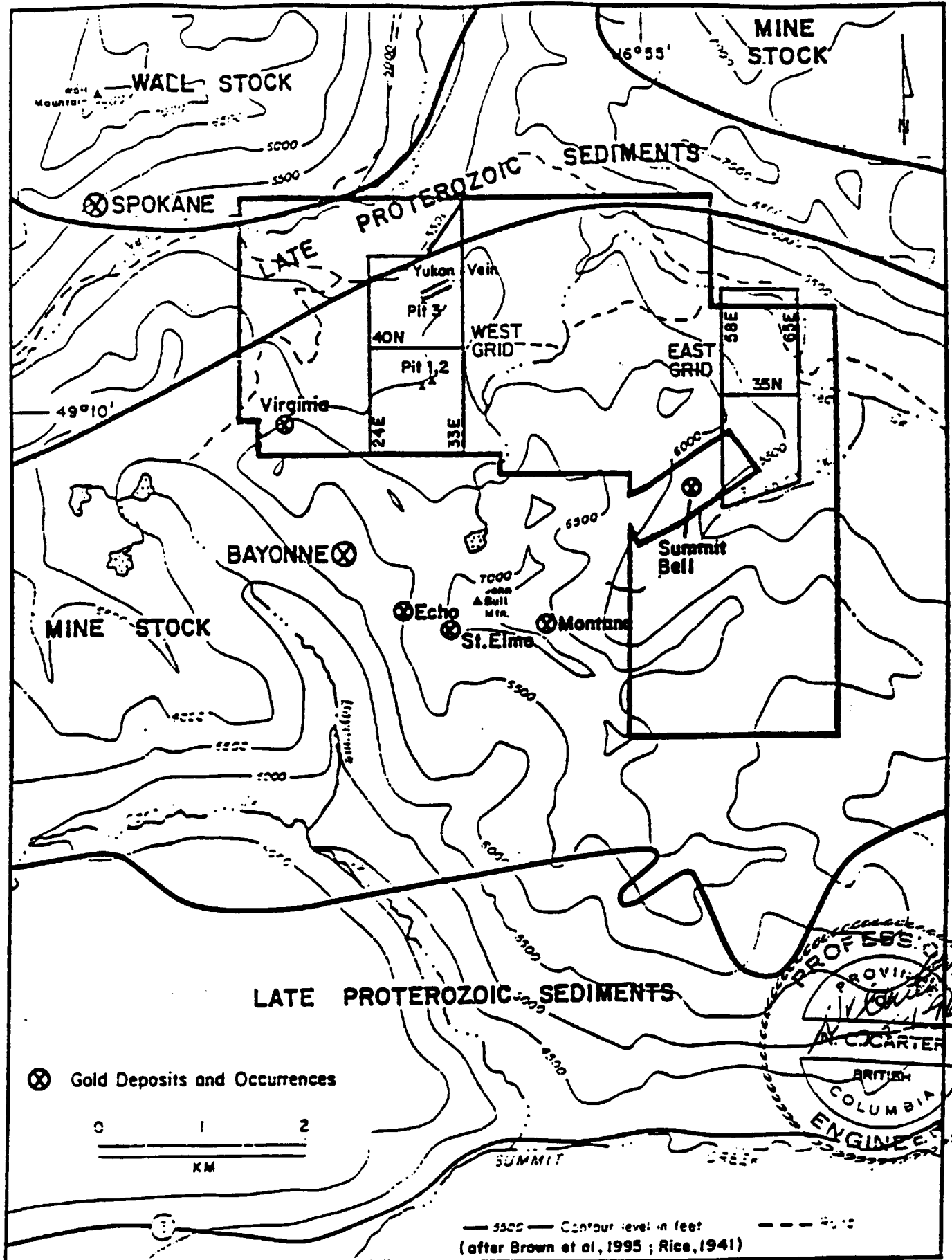


FIGURE 4 - NORTH 40 PROPERTY - GEOLOGICAL SETTING

were also used in the preparation of the North 40 Report. Mr. Carter did not conduct a site inspection.

### **History of Previous Work**

The following is a summary from the North 40 Report which relates to the history of previous work in the area of the North 40 Property. See Figure 4.

#### Beginning of the 1900's to the 1920's

Initial prospecting in the headwater areas of Blazed and Next Creeks were undertaken in the early part of this century. In 1901, mineral claims covering the Bayonne gold property were located and gold-bearing quartz veins on the Spokane, Virginia, Echo, Montana and Summit Bell properties were discovered. Some investigation of the Virginia vein was undertaken. Over the next 20 years, there was underground development on the Bayonne, Spokane and Summit Bell properties. During this period, some ore was shipped from the Spokane property to a nearby Canadian Pacific Railway siding.

#### 1930's to 1940's

Higher gold prices sparked renewed activity and a truck road along the route of the original trail was extended into the Bayonne property and a cyanide mill was constructed. Subsequent work on the Virginia vein included about 60 meters of drift adit and some limited production occurred in the late 1930's. Most of the production from the Bayonne property took place between 1936 and 1942. Ore shipments were made from the Spokane and Virginia properties during this period. Ninety percent of the production from this area was recorded between 1936 and 1942.

#### 1940's to 1950's

Post World War II activity included limited ore shipments from the Bayonne and Spokane properties between 1946 and 1956.

#### 1960's

Some investigation by way of diamond drilling was conducted in 1963 and 1964 in respect of the Bayonne deposits.

#### Recent Past - Others

Several junior companies have diamond drilled, and conducted various geological, geochemical and geophysical surveys and some ore shipments to the Cominco Trail smelter have been undertaken. Cima Resources Ltd. held 4 mineral claim units in the northeast quarter of the current North 42 Claim in 1983. See Figure 3. A stream sediment survey led to the discovery of the Yukon vein structure which was further explored by several hand trenches, bedrock sampling, geological mapping and the collection of 278 samples.

#### Recent Past - Bluebird

Bluebird discovered two gold-bearing vein structures which resulted in the mineral claims to the North 40 Property being located in 1994. 63 soil samples were collected around one of the vein structures and two diamond drill holes were completed. Some geological investigation and sampling was also carried out in the

area of an old adit believed at that time to be near the south boundary of the North 40 Property. Subsequent investigation demonstrated that the underground workings were in fact situated on the adjoining Summit Bell Crown granted claims.

In the fall of 1995, Bluebird conducted a comprehensive program on the North 40 Property which included prospecting, limited bedrock sampling, soil geochemistry and a geophysical survey.

### Summary of Past Production

Production from the area which includes the North 40 Property between 1915 and 1984 is summarized in the following table:

<b>Property</b>	<b>Tonnes Mined</b>	<b>Gold (g)</b>	<b>Silver (g)</b>	<b>Lead (kg)</b>	<b>Zinc (kg)</b>
Bayonne	81,678	1,311,295	3,743,671	42,754	23,349
Spokane	1,733	29,639	570,988	304,046	12,943
Virginia	19	373	591	--	--
Totals:	83,430 <sup>(1)</sup>	1,341,307 <sup>(2)</sup>	4,315,250 <sup>(3)</sup>	346,800 <sup>(4)</sup>	36,292 <sup>(5)</sup>

Note:

Imperial units :

- (1) 91,966 tons mined
- (2) 43,131 oz. gold
- (3) 138,732 oz. silver
- (4) 764,563 lb. lead
- (5) 80,010 lb. zinc

Most of this production occurred between 1936 and 1942, with methods of exploration and exploitation limited to simple, surface outcrop exploration techniques. ~~Current methods of exploration and exploitation allow for more modern exploration techniques utilizing surface geochemistry and subsurface geophysics and electromagnetic surveys.~~

### **Regional Geological Setting**

The region southwest of Kootenay Lake, including the Blazed Creek - Next Creek areas, is within the Kootenay Terrane, a short distance east of the Kootenay Arc. Layered rocks underlying this area include a thick succession of clastic and lesser carbonate sediments and some volcanics, all part of the Windermere Supergroup of late Proterozoic age. These are intruded by middle to late Jurassic granitic plutons and by the mid-Cretaceous Bayonne granitic batholith which extends west and east of the southern part of Kootenay Lake.

The Blazed Creek - Next Creek area is principally underlain by two granitic stocks, one of which, the Mine Stock, is in intrusive contact with the Bayonne batholith. Both the Mine Stock and the nearby Wall Stock are elongate bodies, approximately 12 by 8 km in plan, and are of mid - to late Jurassic age or similar to the nearby Nelson batholith. Both stocks consist of fine - to medium-grained, equigranular, light gray granodiorite. Amphibole is reportedly more abundant in the Mine Stock which also features numerous, narrow aplite and pegmatite dykes, particularly along its margins. Such dykes are apparently rare in the Wall Stock.

Structural trends within the Windermere Supergroup sediments, between the two stocks and immediately south of the Mine Stock, conform to the intrusive boundaries and are evidence of forceful emplacement.

Mining and mineral exploration in this region has been mainly directed to gold mineralization associated with fissure-filling quartz veins developed in both the Mine and Wall Stocks. Examples include the Bayonne, Spokane and Summit Bell properties. See Figure 4.

The Bayonne mine, in the central part of the Mine Stock, includes several gold-bearing quartz veins which occupy 1 to 5 meters wide, east-northwest striking, near vertical, shear zones in granodiorite. Quartz veining within the shear zones ranges in width from 5 cm to 3 meters and averages 0.5 meter. Granitic wallrocks within an interval of 0.6 and 1 meter marginal to the veins feature abundant talc-carbonate alteration.

The veins are oxidized from surface to depths of about 140 meters and consist mainly of vuggy quartz with abundant limonite. Below this level, the quartz contains varying amounts of pyrite, galena, sphalerite and chalcopyrite.

Past mining included seven drift adits which developed several veins over strike lengths of between 300 and 750 meters and over a vertical range of 180 meters. Most mining was within the oxidized zone and average recovered grades from 81,678 tonnes mined were 16.1 g/t gold, 45.8 g/t silver, 0.05% lead and 0.03% zinc. (Imperial units - 0.466 oz/ton gold and 1.33 oz/ton silver).

Remaining proven and inferred reserves in 3 veins are reported as 125,000 tonnes grading 14 g/t gold.

The Spokane property, northwest of the Bayonne mine and near the southern margin of the Wall Stock (See Figure 4), has similar characteristics. Quartz veining is developed in a 0.15 to 1 meter wide, steeply south-dipping shear zone which trends easterly, paralleling the southern stock contact. Lenses of pyrite, galena, sphalerite and chalcopyrite occur within the quartz vein but, like the Bayonne, are intensely oxidized to depths exceeding 100 meters. Secondary lead, zinc and copper minerals are present in the oxidized zone. Narrow, north-trending lamprophyre dykes were noted cutting the quartz vein in the underground workings.

The vein structure was developed by five adit levels over a strike length of 200 meters and a vertical range of 100 meters. Average recovered grades from 1733 tonnes shipped since the early 1900's included 17.1 g/t gold, 329.5 g/t silver, 17.5% lead and 0.7% zinc. The average gold grade is higher than the Bayonne, probably reflecting selective mining while the higher silver, lead and zinc grades are indicative of smelter recoveries of these elements in contrast to the Bayonne, where most material mined was processed by a cyanide mill on site.

The Summit Bell prospect, 3.5 km east of the Bayonne and also within the Mine Stock (Figure 4), includes two parallel quartz veins exposed in several surface cuts and one drift adit over a strike length of 100 meters. Vein widths range from 0.20 to 0.60 meters and the two veins exposed in the drift adit may simply represent a 7 meter fault offset of one structure.

Vein mineralogy differs from the Bayonne and Spokane deposits in that pyrite is the dominant sulphide mineral with only minor galena and sphalerite. Oxidation of the vein(s) is not nearly as intense as noted at the other prospects, possibly due in part to the elevation of the Summit Bell workings (1750 meters) as opposed to those at the Bayonne and Spokane properties which are at elevations of between 1830 and 2000 meters above sea level. Hitchins in a report from 1987 noted that the Summit Bell vein resembled those exposed in the lower, less oxidized portions of the Bayonne veining systems.

Previous surface and underground sampling of the Summit Bell structure has yielded gold grades of between 4.8 and 24.7 g/t over sample intervals of 0.27 to 0.56 meters and 0.77 to 20.69 g/t over intervals of between 0.30 and 3 meters. Grab and/or selected samples have returned higher gold values, including 32.9 g/t, 33.9 g/t and 100.1 g/t.

## Geology

The North 40 Report indicates that it can be assumed that the geology of the North 40 Property is similar to the nearby Bayonne mine. The Bayonne mine property is mainly underlain by granitic rocks of the Mine Stock which has been described as consisting of fine to medium grained, light gray, equigranular granodiorite of uniform texture and composition. The Mine Stock is in contact with the Late Proterozoic, Windermere Supergroup sedimentary rocks in the northwestern property area (See Figure 4), these underlie the area between the Mine and Wall Stocks. The Bayonne mine, in the central part of the Mine Stock, includes several gold bearing quartz veins which occupy one to five meters wide, east-northeast striking, near vertical, shear zones in granodiorite. Quartz veining within the shear zones ranges in width from 5 cm to 3 meters and averages 0.5 meters. Granitic wall rocks within an interval of 0.6 and 1 meter marginal to the veins feature abundant talc-carbonate alteration. The veins are oxidized from surface to depths of about 140 meters and consist mainly of vuggy quartz with abundant limonite. Below this level, the quartz contains varying amounts of pyrite, galena, sphalerite and chalcopyrite.

## Mineralization

Several gold bearing quartz vein structures have been identified on the North 40 claim in the western property area. These include the Yukon vein, veins exposed in Pits 1, 2 and 3 and the Virginia (See Figure 4). The Yukon vein and the Pit 1-3 occurrences occupy northeast trending fissures in granodiorite, dip steeply south, and consist of vuggy and locally ribbon-textured quartz containing variable amounts of pyrite, galena, sphalerite and chalcopyrite. Wallrocks exhibit intense clay-sericite alteration over intervals of nearly a meter outward from the vein contacts; these zones usually feature abundant iron oxide and hematite as reported by Cukavac in 1995.

The Yukon vein as reported by Corvalen in 1983 is a northeast-striking, subvertical quartz-pyrite-galena fissure vein intermittently exposed by outcrops and 10 hand trenches over a strike length of 300 meters (See Figure 5). Exposed vein widths range from 5 cm to 0.40 meter. The weighted average grade of 17 bedrock samples collected by Corvalen in 1983 at intervals along the exposed strike length is 12.37 g/t gold (0.359 oz/ton) over an average sample width of 0.20 meter. Silver values are generally less than 15 g/t and better lead grades (up to 0.67%) are coincident with higher gold values. Wallrocks apparently do not contain significant gold contents.

Narrow, northeast trending quartz-pyrite-galena fissures are exposed in two hand trenches which are on trend with, and 200 meters southwest of, the Yukon vein as reported by Corvalen, in 1983. The weighted average of 5 samples collected over a restricted area is 5.08 g/t gold (0.148 oz/ton) over an average sample width of 0.17 meter.

The Pit 3 occurrence appears to be very close to the aforementioned locality (See Figure 5). Sampling of a narrow quartz vein exposed in a small trench by Cukavac in 1995 returned values of 1.37 g/t gold (0.04 oz/ton), 10.3 g/t silver and 0.31% lead over a 0.13 metre width. Prospecting along the northeast trend of this structure located a vein exposure some 200 meters northeast of Pit 3 (Ken Murray, personal communication) from which a grab sample yielded 13.33 g/t gold (0.387 oz/ton) and 22.8 g/t silver.

Pits 1 and 2 are situated 750 meters south of Pit 3. See Figures 4 and 5. Pit 1 exposes a fissure-filling, vuggy quartz vein, up to 0.70 meter wide, and striking east-northeast with a steep southerly dip. A chip sample across a width of 0.60 meter taken by Cukavac in 1995 returned 9.43 g/t gold (0.25 oz/ton), 75.6 g/t silver, 1.09% copper, 2.25% lead and 0.44% zinc. Gold values in altered wallrock marginal to the quartz veins ranged between 33 and 62 ppb. A short (14 meters) Winkie diamond drill hole, drilled below Pit 1, did not intersect the structure.



Pit 2, 30 meters southwest of Pit 1, exposes a 0.13 meter wide quart-sulphide vein from which one sample returned 3.09 g/t gold (0.09 oz/ton), 6.9 g/t silver and 1.17% lead by Cukavac in 1995. Again, gold values in wallrock were very low.

There has been some confusion in the past regarding the precise location of the Virginia prospect. A review of published and unpublished descriptions indicates it to be situated near the southwestern limits of the North 42 claim. See Figure 4.

An unpublished report by Sargent (1937) refers to two short adits driven along an east-southeast striking, steeply north-dipping, 0.30 to 1 meter wide fissure containing variable amounts of honey-combed, rusty quartz. Sheared granodiorite marginal to the structure exhibits abundant iron oxide. While Sargent reports only traces of gold within the structure, the Minister of Mines Annual Report for 1938 refers to 60 meters of drifting and production in that year of 18 tonnes. Total recorded production from the Virginia was 19 tonnes yielding recovered grades of 19.63 g/t gold (0.57 oz/ton) and 13.1 g/t silver.

### **Geophysics**

Bluebird used the services of Lloyd Geophysics to conduct a surface magnetometer and VLF-EM survey over 22 line km of the West Grid (See Figure 4) in October of 1995. This survey identified a subtle magnetic high in the central part of the grid which appears to be slightly offset by an east-northeast trending fault. There are a great number of VLF-EM conductors defined throughout the survey area, the majority of which trend in a northeasterly direction, conforming to the strike of known quartz veins, and may be indicative of both parallel structures and extensions to known veins. See Figure 5. Lloyd Geophysics provided a ranking of these conductors. Good VLF conductors are mainly north of the interpreted fault and several of these extend to the limits of the survey coverage.

### **Geochemistry**

Soil geochemical surveys were conducted over the West and East Grids in late 1995. A statistical analysis of the soil sample results by Bluebird showed anomalous lead values to be +200 ppm while gold values in excess of 10 ppb were considered to be significant. Principal results of the west grid are shown on Figure 6. Of particular interest is an elongate of (350 x 150 meters) area of +200 ppm lead (up to +600 ppm) in soils which includes a number of spot high gold values and which is coincident with and downslope from the Yukon vein and the parallel structure exposed in Pit 3. Other anomalous gold values occur in a cluster along the same structural trend to the southwest and are downslope from northeast trending VLF-EM conductors.

More restricted, partially defined areas with +200 ppm lead in soils occur along the eastern grid boundary. Anomalous gold values are locally coincident with these but appear to be more widespread northeast and southeast of Pit 1. The southwestern portion of the West Grid is characterized by three areas with +70 ppm lead in soil and one 25 ppb gold value. This area was not covered by the geophysical survey and the significance of these readings remains unknown. Soil samples from the East Grid were collected at 50 meter intervals along 100 meter spaced lines. Overall lead values in soils were found to be lower than in the West Grid areas, consequently, anomalous values are considered to be +40 ppm. Several anomalous areas were indicated including two on the adjacent Crown granted claims (See Figure 6) which appear to be on trend to the northeast of the Summit Bell vein structure. A spot gold high (770 and 995 ppb), 500 meters east, may be an indication of the continuation of the vein structure in this direction.

### **Recommendations**

~~Continued precious metal exploration for Bluebird in relation to the North 40 Property is strongly recommended in the North 40 Report.~~ The North 40 Property is situated between two past gold producers and includes several known vein structures which have yielded interesting gold values.

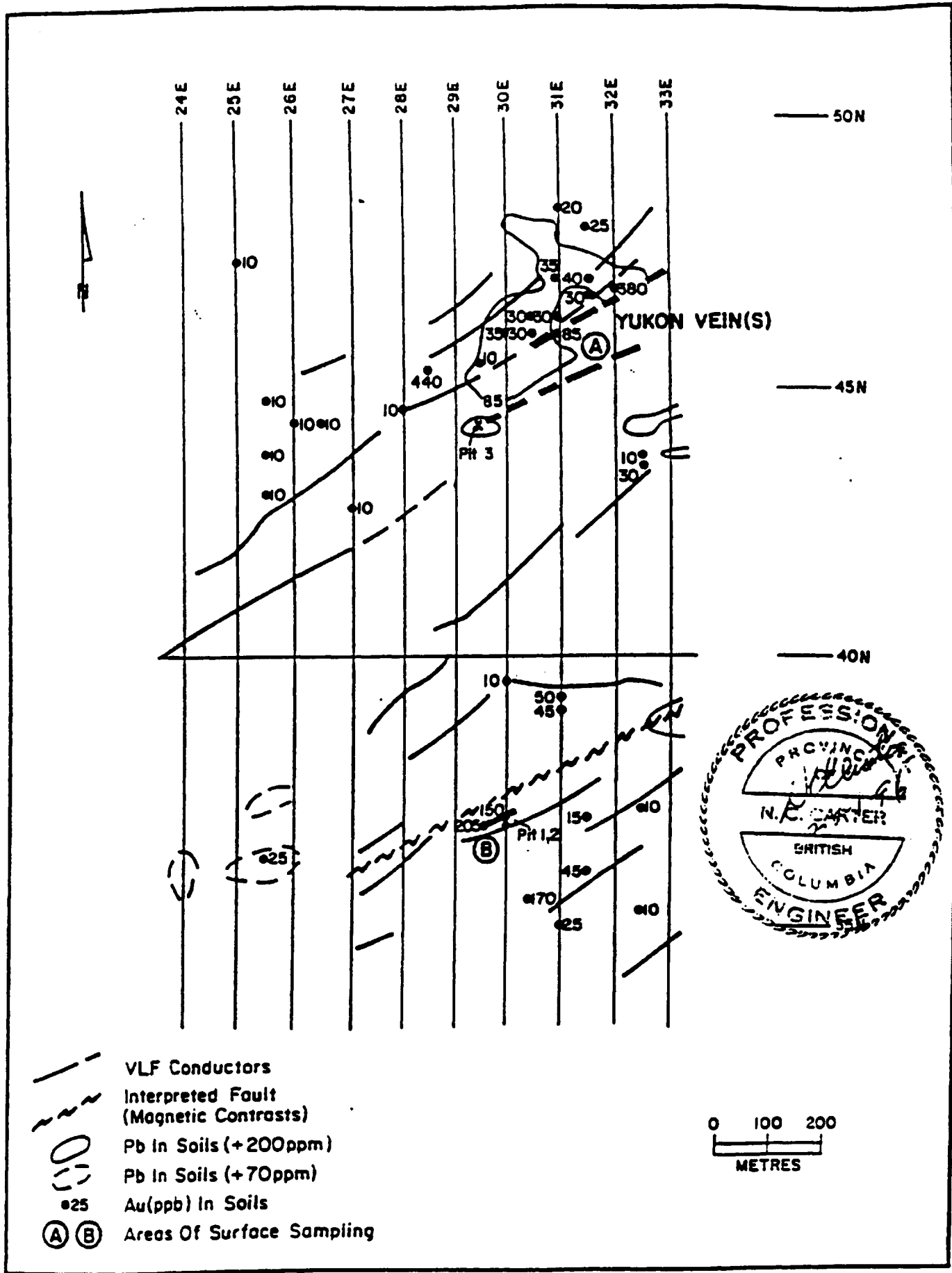


FIGURE 5 - NORTH 40 PROPERTY - WEST GRID AREA

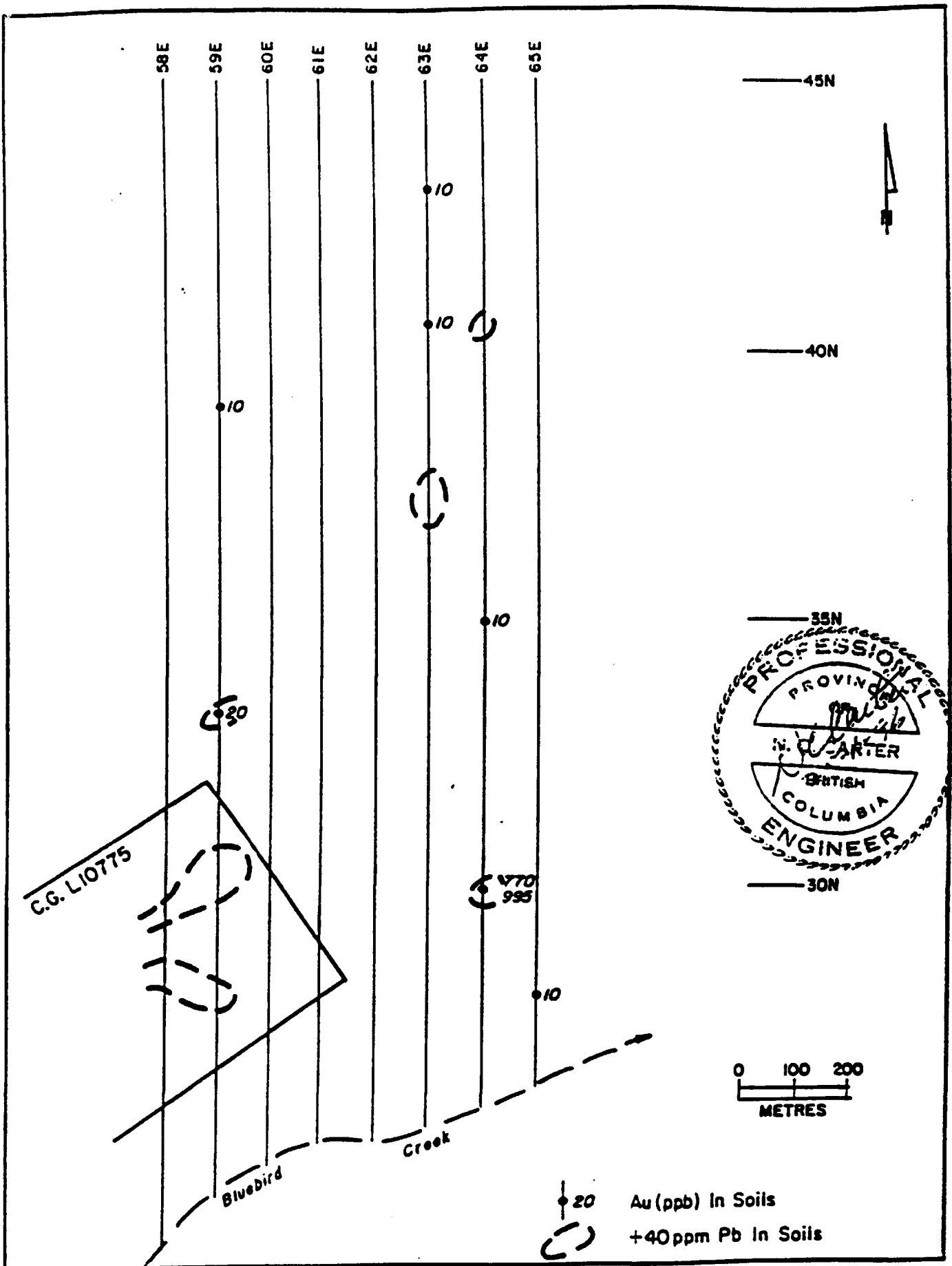


FIGURE 6 - NORTH 40 PROPERTY - EAST GRID AREA

Limited work to date, which includes only a small part of the property, suggests good potential for extensions to known structures and for the discovery of additional veins.

A two-phase exploratory program is recommended for the North 40 Property on the following basis:

(a) Preliminary - Phase I Program

The preparation of a 1:5000 scale topographic is considered necessary prior to the commencement of the first phase field work which should be initially directed to more detailed soil and bedrock sampling of the anomalous areas indicated by work to date on both the West and East Grids.

(b) Phase I Program

Expansion of the existing West Grid is recommended to include the area of the Virginia prospect to the west while extensions to the east will allow for better definition of VLF conductors and soil geochemical anomalies. 100 meter spaced lines should suffice initially, more detailed coverage would be dependent on results obtained from ensuing geophysical and geochemical surveys. Fill-in lines are required for more detailed geochemical sampling and possible geophysical surveys of the East Grid. Both property wide and detailed geological mapping should be integral components. Reconnaissance prospecting is recommended for both the eastern part of the North 40 claim and the South 40 Claim.

A limited drilling program is also recommended.

(c) Phase II Program

Additional diamond drilling, contingent on results obtained from the Phase I Program is also recommended.

### Cost Estimate

The recommended Phase I Program will require an estimated expenditure of \$210,910. The duration to complete the Phase I Program would be approximately six to eight weeks, subject to the accessibility of the North 40 Property which is dictated by prevailing weather conditions. The project components and costs are itemized as follows:

#### **Phase I Program**

Topographic map	\$7,500
Grid Construction - 60 km @ \$150/km	9,000
Soil Geochemistry - collection and analyses - 1,500 samples @ \$17/sample	25,500
Magnetometer, VLF-EM Survey - 60 line km @ \$400/km	24,000
Geological mapping, sampling	12,500
Prospecting, sampling	10,000
Helicopter (East Grid) - 3 hrs. @ <del>\$880</del> \$800 hr	2,400
Miscellaneous travel, accommodation	10,000
Diamond Drilling - 750 meters @ \$100/m (all-inclusive)	75,000
Supervision, reporting	7,500
Contingencies	<u>27,510</u>
Total, Phase I Program	\$210,910

The recommended Phase II Program will require an estimated expenditure of \$300,000. The duration to complete the Phase II Program would be approximately eight weeks, again, subject to the accessibility of the North 40 Property which is dictated by prevailing weather conditions. The feasibility of the Phase II Program will depend on the results of the Phase I Program. Assuming that the Phase II Program is feasible, the project components and costs are itemized as follows:

**Phase II Program**- (Contingent on results of Phase I Program)

Diamond Drilling - 2500 meters @ \$100/m (all-inclusive)	\$250,000
Miscellaneous travel	10,000
Supervision, reporting	10,000
Contingencies	<u>30,000</u>
Total, Phase II Program	\$300,000

This offering will not raise sufficient funds to complete the Phase II Program, if warranted.

**USE OF PROCEEDS**

The gross proceeds of this offering will be \$500,000. After deduction of the Agent's commission (\$50,000), the net proceeds are expected to be approximately \$450,000, before deducting the expenses of this issue, estimated to be approximately \$40,000. Such proceeds will be used by the Corporation to finance the Phase I Program on the North 40 Property in the approximate amount of \$210,910. The balance of such proceeds will enable the Corporation to conduct a portion of the Phase II Program, if advisable. The balance of the funds required to conduct the Phase II Program, if the Phase I Program results warrant the implementation of the Phase II Program, shall be raised by the Corporation in the form of debt or equity funding or both, ~~whichever it deems advisable~~ which may not be available to the Corporation. See "Risk Factors", "Business of the Corporation-Recommendations" and "Business of the Corporation-Costs." If the Phase II Program is not warranted, the balance of the funds from this offering will be used to provide working capital to the Corporation to be used for the acquisition, exploration and exploitation of other mineral properties.

**CAPITALIZATION**

The following table sets forth the capitalization of Bluebird as at August 31st, 1996 and both before and after giving effect to this offering:

Designation of Security	Amount Authorized	Outstanding	Outstanding	Outstanding
		as at <u>August 31st, 1996(1)</u>	as at <u>September 30, 1996(1)</u>	as at <u>August 31, 1996</u> <u>September 30, 1996</u> and after giving effect to the Offering(2)
		(audited)	(unaudited)	(unaudited)
Common Shares (1)	unlimited	\$226,126 (4,855,000 shs)	<u>\$226,126</u> <u>(4,855,000 shs)</u>	\$726,126 (6,855,000 shs)
Preferred Shares	unlimited	Nil	<u>Nil</u>	Nil

**NOTES:**

- (1) An additional 200,000 Common Shares are reserved for issuance at a price of \$0.25 per share upon exercise of the Agents' Option. See "Plan of Distribution" and "Stock Options".
- (2) This assumes that the offering is fully subscribed.
- (3) The amount of the retained earnings as at August 31, 1996 was nil.

*Next  
stuff should  
join on  
memo*

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATING RESULTS

The North 40 Property is in the exploration stage and the Corporation has not generated any revenue from mining operations or otherwise since incorporation. Based on the current status of work on the North 40 Property, the Corporation does not expect to generate any revenue from mining operations in the foreseeable future or at all.

To date Bluebird has raised funds by means of private placements of equity. See "Prior Sales". Expenditures on the North 40 Property amounted to approximately \$85,200 at May 31, 1996 all of which was funded by private placements. As at August 31, 1996, Bluebird had working capital of \$100,168. See "Financial Statements".

The successful completion of this offering will provide sufficient working capital to fund the Phase I Program as recommended by the North 40 Report. Additional amounts required to finance the Phase II Program, if warranted, will be raised through either future debt or equity financing, or a combination of both, as and when required, which financing may not be available to the Corporation.

## SHARE CAPITAL

Bluebird is authorized to issue an unlimited number of Common Shares of which 4,855,000 Common Shares are issued and outstanding as fully paid and non-assessable as of the date hereof.

The holders of Common Shares are entitled to notice of, to attend at and to vote at all meetings of shareholders of Bluebird, on the basis of one vote for each share held. The holders of Common Shares are entitled to receive dividends if, as and when declared by the directors of Bluebird and to receive on a pro rata basis such assets of Bluebird as are distributable to the holders of the Common Shares on the liquidation, dissolution or winding-up of Bluebird.

~~The Corporation is also authorized to issue an unlimited number of preferred shares issuable in series, whose terms can be fixed by the board of directors, in their discretion.~~

The Corporation is also authorized to issue an unlimited number of preferred shares without nominal or par value, of which, as at the date hereof, none have been issued. The preferred shares may be issued in one or more series, and the directors are authorized to fix the number of shares in each series, and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. The preferred shares are entitled to a priority over the Common Shares with respect to the payment of dividends and the distribution of assets upon the liquidation, dissolution or winding-up of the Corporation.

## DIRECTORS AND OFFICERS

The name, municipality of residence of the directors and senior officers of Bluebird, the offices held by them and their principal occupations during the last five years are as follows:

<b><u>Name and Municipality of Residence</u></b>	<b><u>Position Held</u></b>	<b><u>Principal Occupation During Last Five Years</u></b>
Thomas H. Gorkoff Calgary, Alberta	President, Chief Executive and Financial Officer and a Director	President of T.H. Gorkoff Investments Ltd. a management and production consulting company from 1982 to present. Vice-President of production of Oilexco Inc., an Alberta Stock Exchange listed corporation, from 1993 to 1995. Vice-President, Production of Trilogy Resource Corporation from 1982 to 1992, a Toronto Stock Exchange listed corporation.
James E. Gilmour(1) Sardis, B.C.	Executive Vice-President, Chief Operating Officer and a Director	Executive Vice-President of Bluebird since October 1, 1996. President of Bluebird Resources Ltd. <u>since from 1994 to October 1, 1996.</u> Commissionaire with B.C. Corps Commissionaires from 1992 to present. Prospected for gold prior and during 1991, on his own behalf.
Kenneth E. Murray Nelson, British Columbia	Vice-President, Exploration and a Director	Director of <u>Canoro Resources Ltd., formerly Yellowjack Resources Ltd., a public company, since from 1988 to December, 1995.</u> Self-employed in the mineral exploration business from May, 1981 to present.
John R. Perraton, Q.C.(1) Calgary, Alberta	Director	Partner of Field Atkinson Perraton, <u>a private Canadian law firm barristers and solicitors,</u> for the previous five years.
Rodney D. Mitton(1) Calgary, Alberta	Director	A director of <u>Burin Equities Corporation, a junior capital pool company since April 4, 1996.</u> An <u>Associate at Burin Capital Corporation, a private company</u> since March 1, 1996. President and Chief Executive Officer of <u>Red Oak Resources Inc., a public company,</u> from September 1994 to October 1995. Chief Financial Officer of <u>Royal Trust Energy Corporation, a private company,</u> from September 1989 to June 1994.

J.C.



Note:

- (1) Member of the audit committee.

As at the date of this prospectus, the directors and senior officers of Bluebird as a group held, directly or indirectly ~~3,078,070~~ 2,508,000 Common Shares representing ~~63.4%~~ 51.7% of the outstanding Common Shares and upon completion of this offering they are anticipated to hold about 44.9% 36.6% of the outstanding Common Shares, assuming that they do not subscribe for Common Shares under the public offering.

There are potential conflicts of interest to which the directors and officers of Bluebird will be subject in connection with the operations of Bluebird. The directors and officers are or may in the future be engaged in the acquisition, exploration and development of mineral interests on their own behalf or on behalf of other corporations. See "Management and Directors of Bluebird" and "Conflicts of Interest".

## MANAGEMENT AND DIRECTORS OF BLUEBIRD

The details as to the background of each of the directors and officers for at least the last five years is as follows:

**Thomas H. Gorkoff**, of Calgary, Alberta is the President, Chief Executive and Financial Officer and a director of Bluebird. Mr. Gorkoff is a mechanical engineer with 33 years of engineering and management experience in resource development and has ~~significant~~ experience in publicly held corporations. After receiving his bachelor of science in mechanical engineering from the University of Saskatchewan in 1963, Mr. Gorkoff joined Hudson's Bay Oil and Gas Company Limited. In 1965 he joined Jefferson Lake Petro Chemicals of Canada Ltd., first as a production superintendent and project supervisor and later as a reservoir and evaluation engineer. In 1971 he joined Amax Petroleum of Canada Ltd. as a manager of the Canadian division.

In 1975, Mr. Gorkoff held the position of vice president with Geneva Resources Ltd. and was responsible for play selections and management in a number of drilling funds in Western Canada and in Oklahoma. From 1982 to 1992 he was Vice-President, Production of Trilogy Resource Corporation, a Toronto Stock Exchange listed corporation and was responsible for overall operations of the production department. Since September, 1982 Mr. Gorkoff has been President of T.H. Gorkoff Investments Ltd., a management and production consulting company in the oil and gas industry in Western Canada. During that time, Mr. Gorkoff assumed management, in a consulting capacity, of Triple "8" Energy Corporation, a publicly traded junior oil and gas company. Later he was appointed as Vice President/Production of Oilexco Inc., a junior oil and gas company traded on The Alberta Stock Exchange. Mr. Gorkoff has extensive experience in corporate management, natural resource production and economic evaluation.

Mr. Gorkoff intends to devote approximately 75% of his time to the business and affairs of Bluebird.

**James E. Gilmour**, of Sardis, British Columbia is the Executive Vice-President, ~~and~~ Chief Operating Officer and a director of Bluebird. Mr. Gilmour has 25 years of experience in all phases of drilling in the oil exploration industry. Mr. Gilmour joined Petro-Canada Resources in February, 1978 where he worked until 1984 as a senior drilling supervisor and was a member of the team conducting the drilling of the deepest off-shore well in North America. During the period from 1984 to 1987, Mr. Gilmour operated his own transportation company. From June, 1987 to July 1994 he was employed at Zutina Oil Company as a drilling supervisor. Mr. Gilmour was President of Bluebird Resources Ltd. from 1994 until October, 1 1996 and became Vice-President and Chief Operating Officer of the Corporation on October 1, 1996. Mr. Gilmour has been a

commissionaire with the B.C. Corps of Commissionaires from 1992 to present. Mr. Gilmour's background and main area of expertise are in petroleum natural resource exploration and in particular, drilling. Mr. Gilmour has extensive exploration experience in Canada.

Mr. Gilmour intends to devote approximately 45% of his time to the business and affairs of Bluebird.

**Rodney D. Mitton**, of Calgary, Alberta, is a director of Bluebird. Mr. Mitton has been a director of Burin Equities Corporation, currently a junior capital pool company, since April, 1996 and an associate of Burin Capital Corporation, a private company, since March 1996 and prior to that, he was President and Chief Executive Officer of Red Oak Resources Inc., a company listed on the Toronto Stock Exchange, until its amalgamation with two other companies in late 1995. For five years prior to that Mr. Mitton was Chief Financial Officer of Royal Trnst Energy Corporation, an a private oil and gas management company, with responsibility for managing over \$100 million in assets. In 1982, Mr. Mitton was part of a management group which formed Trilogy Resource Corporation, a company listed on the Toronto Stock Exchange.

Mr. Mitton is currently President of the Family Leisure Centre in Calgary, a volunteer position.

Mr. Mitton holds a Bachelor of Commerce (1970) from the University of Saskatchewan. He is a Member of the Alberta Institute of Chartered Accountants (admitted 1974). He is a member of the Financial Executives Institute and a past director of the Canadian Petroleum Tax Society.

**Kenneth E. Murray**, of Nelson, British Columbia is the Vice-President of Exploration and a director of Bluebird. Mr. Murray has been self employed from 1981 to present in the mineral exploration business, during which time he completed 151 projects for 41 mining companies and supervised 8 drill projects. These projects included claim staking, line cutting, soil sampling, trenching, heavy mineral sampling, surveying, expediting and construction. Mr. Murray has been involved in the mineral exploration industry since 1964 and has considerable experience in all aspects of the Canadian mineral exploration business. Mr. Murray is a member of the B.C./Yukon Chamber of Mines, Northwest Mining Association, the Prospectors and Developers Association and he is also the past president of the Chambers of Mines, Eastern British Columbia.

Mr. Murray intends to devote at least 60% of his time to the business and affairs of Bluebird.

**John R. Perraton, Q.C.**, of Calgary, Alberta, is a director of Bluebird. He has been a partner of Field Atkinson Perraton, a private Canadian law firm, for the previous five years.

## EXECUTIVE COMPENSATION

### Remuneration

During the period from incorporation to October 1, 1996, Bluebird had various executive officers who, in their capacities as officers, were not paid any salaries, fees or other cash compensation other than the reimbursement of Corporation related expenses. Since October 1, 1996, Bluebird has three (3) executive officers who also, were not paid any salaries, fees or other cash compensation other than the reimbursement of expenses related to the business of the Corporation. For disclosure regarding non-cash compensation of directors, see "Executive Compensation - Directors".

It is expected that during the 12 months following the date of this prospectus, Bluebird will continue to have three executive officers. Such executive officers will not receive any cash remuneration. The directors of Bluebird may, however, participate in Bluebird's share option plan, but no such shares have yet been allocated to the directors pursuant to the share option plan. See "Executive Compensation-Plans" and "Stock Options".

## Directors

~~To date, the directors of Bluebird received no remuneration in their capacities as such.~~

Except for the issuance of 1,405,000 Common Shares which were issued to directors at a price of \$.005 per share for a total consideration of \$7,025 as compensation of services, the directors have received no remuneration in their capacities as such.

## Plans

Bluebird has adopted a share option plan (the "Plan") pursuant to which options may be granted to officers, directors, and employees of Bluebird as well as their respective wholly owned companies. The option price, number of options and other terms of options granted under the Plan are determined at the discretion of the board of directors of Bluebird, subject to the rules of the stock exchange upon which the Common Shares are listed. The aggregate number of Common Shares subject to option may not exceed 10% of the Common Shares issued and outstanding from time to time on a non-diluted basis, no individual may be granted options to acquire greater than 5% of the issued and outstanding Common Shares, on a non-diluted basis, and options are non-assignable and do not have a term greater than five years. In the event of the termination of an optionee of his position as an employee, officer or director of the Corporation, the optionee must exercise his vested options within 90 days from the date of ceasing to be an officer, employee or director, as the case may be, of the Corporation. In the event of the death of an optionee, the legal representatives of the optionee are entitled to exercise the vested options within a period expiring not more than one year from the date of the death of such optionee. See "Stock Options".

## STOCK OPTIONS

In addition to the 10% of the issued and outstanding Common Shares reserved for issuance under Bluebird's Plan, of which none have been allotted, 200,000 Common Shares are reserved for issuance pursuant to the option to be granted to the Agent at a price of \$0.25 per share exercisable at any time until 24 months from the closing of this offering, see "Plan of Distribution".

## INDEBTEDNESS OF DIRECTORS AND OFFICERS

No officers or directors of Bluebird, nor any of their associates or affiliates, are or have been indebted to Bluebird since its formation.

## PRINCIPAL HOLDERS OF SECURITIES

To the knowledge of management of Bluebird, the number of shares of Bluebird owned of record or beneficially, either directly or indirectly, by shareholders who own, or exercise control or direction over, more than 10% of the issued and outstanding Common Shares as at the date of this prospectus, and after giving effect to the offering are as follows:

Name and Municipality of Residence	Nature of Ownership	Before Giving Effect to the Offering		After Giving Effect to the Offering (1)	
		Number of Common Shares	% of Shares Outstanding	Number of Common Shares	% of Shares Outstanding
James E. Gilmour, of Sardis, British Columbia	Of record and beneficially	1,150,000	23.7	1,150,000	16.8
Donald L. Scarrow, Arcola, Saskatchewan	Of record and beneficially	<u>1,050,000</u>	<u>21.6</u>	<u>1,050,000</u>	<u>15.3</u>
<u>Thomas H. Gorkoff, Calgary, Alberta</u>	<u>Of record and beneficially</u>	<u>827,000</u>	<u>17.0</u>	<u>827,000</u>	<u>12.1</u>
<u>Larry A. Key, Calgary, Alberta</u>	<u>Of record and beneficially</u>	<u>792,000</u>	<u>16.3</u>	<u>792,000</u>	<u>11.6</u>

Notes:

- (1) Assuming the principal holders do not purchase any Common Shares pursuant to this offering.

## PRIOR SALES

The Corporation was formed as a result of the amalgamation of 700639 Alberta Ltd. and Bluebird Resources Ltd. Certain shareholders of Bluebird Resources Ltd. exchanged each of their shares in Bluebird Resources Ltd. for .65 of a share of 700639 Alberta Ltd. on August 27, 1996. On August 31, 1996, pursuant to the amalgamation of Bluebird Resources Ltd. and 700639 Alberta Ltd., the Corporation issued one share for each outstanding share of Bluebird Resources Ltd. and 700639 Alberta Ltd. Other than the Common Shares issued pursuant to the amalgamation the only sale of securities within the 12 months immediately prior to the date of this prospectus was a sale on June 24, 1996, August 27, 1996, whereby 700639 Alberta Ltd. issued irrevocable rights (the "Rights") whereby the holder was required to exercise the Rights at a price of \$.05 per share on or before October 15, 1996. Rights to acquire a total of 2,000,000 shares, were issued being 400,000 to each of Messrs. Gilmour, Murray Mitton, Gorkoff, Scarrow and Key. at a purchase price of \$.05 per share. Each shareholder of 700639 Alberta Ltd. and Bluebird Resources Ltd., pursuant to the amalgamation, exchanged their shares in the respective companies on a one-for-one basis for shares of the Corporation. Pursuant to the amalgamation, the Corporation assumed the obligation to issue securities pursuant to the Rights.

*such that*

*October 15, 1996*  
As a result of the amalgamation and the subsequent payment of the exercise price for the Rights between ~~September 4~~, 1996 and October 15, 1996, the Corporation issued a total of 2,000,000 Common Shares, 1,500,000 to Mr. Gorkoff, 400,000 to each of Messrs. Mitton, Key and Gilmour and 300,000 to Mr. Scarrow.

## ESCROWED SECURITIES

Pursuant to an escrow agreement (the "Escrow Agreement") dated •, 1996 between Montreal Trust Company of Canada ("Montreal Trust") as trustee, Bluebird and James E. Gilmour, Thomas H. Gorkoff, Kenneth E. Murray, Donald L. Scarrow, Larry A. Key and Rodney D. Mitton (collectively the "Security Holders"), the Security Holders have deposited 4,350,000 Common Shares (the "Escrowed Shares") with Montreal Trust to be held in escrow pursuant to the terms of the Escrow Agreement and Policy 4.2 of the Alberta Securities Commission. The Escrowed Shares may be released in the following circumstances:

- (a) the Executive Director of the Alberta Securities Commission (the "Director") will consider the release of 15% of the Escrowed Shares upon evidence of satisfactory completion of the offering contemplated by this prospectus;
- (b) the Director will consider a release of 25% of the Escrowed Shares if the Corporation satisfies the Director that it has completed Phase I of the work program disclosed in this prospectus; and
- (c) with respect to the remaining 60% of the Escrowed Shares, 15% will be automatically released on a pro rata basis by Montreal Trust at the end of each of the second, third, fourth and fifth year from the date of this prospectus.

## PROMOTERS

Messrs. Gilmour, Key, and Gorkoff may be considered to be the "promoters" of Bluebird, as defined by the Securities Act (Alberta), in that they took the initiative in founding and organizing Bluebird. None of the promoters have received any consideration from the Corporation for so acting other than as described in this prospectus. Mr. Gilmour pursuant to an Agreement between 609523 Alberta Ltd. (subsequently Bluebird Resources Ltd.), James E. Gilmour and Donald L. Scarrow dated June 20, 1994 was granted 1,147,500 common shares in 609523 Alberta Ltd. in consideration of the transfer by him to 609523 Alberta Ltd. of his interest in the North 40 mineral claim. These 1,147,500 shares of 609523 Alberta Ltd., which became 750,000 common shares in 700639 Alberta Ltd. pursuant to a rollover agreement between certain shareholders of 609523 Alberta Ltd., including James E. Gilmour and 700639 Alberta Ltd., and which, pursuant to the amalgamation, between Bluebird Resources Ltd. and 700639 Alberta Ltd., became 750,000 Common Shares in the Corporation, represent about ~~23.6%~~ 15.4% of the outstanding Common Shares of the Corporation. See "the Corporation", "Capitalization" and "Business of the Corporation - Ownership of Claims and "Principal Holders of Securities."

## INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except for the transfer of the North 40 Property claim by Messrs. Scarrow and Gilmour to the Corporation, there are no material interests, direct or indirect, of the directors, senior officers, any shareholder who beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the outstanding Common Shares, or any known associate or affiliate of such persons, in any transaction within the last three years or in any proposed transaction which has materially affected or would materially affect Bluebird. See "Promoters" and "Business of the Corporation - Ownership of Claims."

## CONFLICTS OF INTEREST

There are potential conflicts of interest to which the directors and officers of the Corporation may be subject in connection with the operations of the Corporation. Some of the directors and officers are engaged and will continue to be engaged, directly or indirectly, in the search for properties or businesses, and prospects and situations may arise where some of the directors and officers will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies under the *Business Corporations Act* (Alberta).

## DILUTION

The price of the Common Shares offered hereunder of \$0.25 exceeds the net tangible book value per Common Share as at August 31st, 1996 by \$0.15 which represents a dilution factor of 60%, after giving effect to the offering, as set out in the following table:

	Offering
Issue price	\$0.25
Net tangible book value before this offering	\$226,126
Increase in net tangible book value attributable to this offering	\$450,000
Net tangible book value after giving effect to this offering	\$676,126
Dilution per share to subscribers	\$0.15
Percentage of dilution in relation to the offering price	60%

## DIVIDEND RECORD AND POLICY

No dividends have been paid by Bluebird on its Common Shares to date. The future payment of dividends will be dependent upon the earnings and financial requirements of Bluebird to fund future growth, the financial condition of Bluebird, and such other factors the board of directors of Bluebird may consider appropriate in the circumstances. It is not anticipated that any dividends will be paid on the Common Shares in the foreseeable future.

## PLAN OF DISTRIBUTION

Pursuant to an agreement (the "Agency Agreement") dated •, 1996, among Bluebird, Montreal Trust Company of Canada and the Agent, Bluebird has appointed the Agent to offer for sale to the public on a "best efforts" basis the Common Shares offered herein, subject to the terms and conditions of the Agency Agreement. The Corporation has agreed to pay a commission of 10% of the gross proceeds of the Common Shares sold in consideration for the services rendered by the Agent under the Agency Agreement and to reimburse the Agent for its expenses set at \$5,000 plus legal fees incurred pursuant to this offering. Bluebird has also agreed to grant to the Agent a non-transferable option to purchase 200,000 Common Shares being equal to 10% of the total number of Common Shares issued pursuant to this offering at a price of \$0.25 per share expiring twenty-four (24) months after the closing of this offering. The Agent's option is qualified for distribution pursuant to this prospectus. The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events.

Under the terms of the Agency Agreement, the Agent has agreed to use its best efforts to secure subscriptions for the Common Shares offered hereunder on behalf of the Corporation and, if the Agent deems it appropriate, to make syndication or other selling arrangements with other investment dealers at no additional cost to the Corporation.

The Agent hereby conditionally offers, as agent, on behalf of the Corporation 2,000,000 Common Shares on a "best efforts" basis, subject to prior sale if, as and when issued. The offering of the Common Shares is conditional upon, among other things, receipt of subscriptions for a total of 2,000,000 Common Shares. Funds will be received by Montreal Trust as custodian until closing, and if the total subscription is not received on or before 90 days following the issuance of the receipt for a final prospectus or such longer period as the Corporation and the Agent may agree, and as may be permitted by applicable regulatory authorities, all subscription funds will be returned to subscribers promptly without interest or deduction.

## RISK FACTORS

The Common Shares offered hereunder should be considered highly speculative due to Bluebird's limited operating history and the inherent risks associated with mining exploration and development. The outcome of these matters cannot be predicted at this time. Accordingly, this offering is suitable only for those persons who are willing to risk a loss of their entire investment.

Since Bluebird has a limited past history of operations, the price at which the Common Shares are offered hereby has been determined by negotiation between Bluebird and the Agent and bears no relationship to earnings, book value or other criteria of value, and any real value attributable to the Common Shares is dependent upon the discovery of commercially mineable minerals, of which there is no assurance.

The North 40 Property contains no known body of commercial ore and any exploration programs thereon are exploratory searches for commercial ore.

Mineral exploration and development involves significant risks and few properties which are explored are ultimately developed into producing mines. There is no assurance that commercial quantities of minerals will be discovered on the North 40 Property nor is there any guarantee that Bluebird's exploration programs thereon will yield positive results. Whether a mineral deposit once discovered will be commercially viable also depends on a number of factors some of which include the particular attributes of the deposit, such as size, grade and proximity of infrastructure, as well as metal prices, which are highly cyclical. Most of the above factors are beyond the control of Bluebird.

Future development of the North 40 Property will require additional financing which may or may not be available, or, if available, may not be available on terms favorable to Bluebird. Bluebird must compete with a number of companies that have greater technical or financial resources. Bluebird may also terminate its exploration of the North 40 Property if it considers it prudent to do so, resulting in Bluebird earning no revenue and forfeiting any funds expended or committed to date.

Bluebird has neither a history of nor earnings from operations, nor has it paid dividends and it is unlikely to pay dividends or enjoy earnings, in the foreseeable future. Bluebird has no producing properties and no cash flow or earnings and its ultimate success will depend on its ability to generate cash flow from a producing property.

Mining operations are subject to government regulation. Operations may be affected in varying degrees by government regulation such as restrictions on production, price controls, tax increases, expropriation of property, environmental and pollution controls or changes in conditions under which minerals may be marketed. An excess supply of certain minerals may exist from time to time due to lack of markets and restrictions on exports. The marketability of metals such as gold will be affected by numerous factors beyond the control of the Corporation. These factors include market fluctuations and government regulations relating to prices, taxes, royalties, allowable production and importing and exporting minerals. The effect of these factors cannot be accurately determined.

Hazards such as unusual or unexpected formations or other geological conditions are involved in exploring for and developing mineral deposits. Bluebird may become subject to liability for pollution, or other hazards which cannot be insured against or against which Bluebird may elect not to insure because of high premium costs or other reasons. The payment of such liabilities could result in a loss of Bluebird's assets.

No current title ~~option or request~~ opinion or report has been obtained regarding the North 40 Property. The North 40 Property may be subject to prior unregistered agreements, interests or native land claims and title may be effected by undetected defects.

The cost of developing the North 40 Property may be higher than currently envisaged, due to unforeseen circumstances.

Some of the directors and officers of Bluebird will only devote part of their time to the affairs of Bluebird. As the directors of Bluebird are also directors and shareholders of other resource companies, situations may arise in which there may be potential conflicts of interest. See "Conflicts of Interest". ~~For example, Bluebird and such other companies may be in competition for mineral prospect and/or financing opportunities. The directors will not vote on any matters where they have a conflict of interest. Any decision made by any director of Bluebird in respect of a situation where there is such a conflict of interest will be made in accordance with his duty to act honestly, in good faith and in the best interests of Bluebird.~~

The offering price of \$0.25 per Common Share exceeds the net tangible book value per share as of August 31, 1996, after giving effect to the issue by \$0.15 per share, representing a dilution factor of 60%. See "Dilution".

## **AUDITORS, TRANSFER AGENT AND REGISTRAR**

The auditors of Bluebird are Ramsay, Dalton & Co., Suite 1100, 800 - 6th Avenue S.W., Calgary, Alberta, T2P 3G3.

Montreal Trust Company of Canada, at its principal office at 600, 530 - 8th Avenue S.W., Calgary, Alberta, T2P 3S8, is the transfer agent and registrar for the Common Shares.



## LEGAL PROCEEDINGS

The Corporation is not involved in, nor is it aware of, any present or pending legal proceedings involving it as a party. To the Corporation's knowledge, the North 40 Property is not subject to any legal proceedings.

## MATERIAL CONTRACTS

Copies of the following material contracts entered into by the Corporation and other documents as set out below, have been filed with the Alberta Securities Commission and are available for inspection at their offices and the offices of the Corporation in Calgary, Alberta, during normal business hours and for the period of distribution and thirty days thereafter.

- (1) The Geological Report dated January 5, 1996 by N.C. Carter, as described under "Business of the Corporation";
- (2) the Geophysical Assessment Report dated October, 1995 by Lloyd Geophysics Inc., as described under "Business of the Corporation";
- (3) Agreement between 609523 Alberta Ltd., James E. Gilmour and Donald L. Scarrow dated June 20, 1994, as described under "Business of the Corporation-Ownership of Claims" and "Promoters;"
- (4) Amalgamation Agreement, as described under "The Corporation";
- (5) Escrow Agreement as described under "Escrowed Securities";
- (6) the Agency Agreement dated •, among the Corporation, ~~and~~ McDermid St. Lawrence Securities Ltd. and Montreal Trust Company of Canada, as described under "Plan of Distribution"; and
- (7) the Transfer Agency and Registrarship between the Corporation and Montreal Trust Company of Canada, See "Auditors, Transfer Agent and Registrar".

## PURCHASERS' STATUTORY RIGHTS

Sections 106, 168 and 175 of the Securities Act (Alberta) (the "Act") provide, in effect, that when a security is offered in the course of a distribution:

- (1) a purchaser will not be bound by a contract for the purchase of such security if written notice of his intention not to be bound is received by the dealer from whom the purchaser purchased the security not later than midnight on the second business day after the latest Prospectus and any amendment to the Prospectus offering such security is received by the purchaser; and
- (2) if a Prospectus together with any amendment to the Prospectus contains a misrepresentation, a purchaser who purchases a security offered thereby during the period of distribution shall be deemed to have relied on such misrepresentation and, subject to the limitations set forth in the Act,
  - (a) has a right of action for damages against,
    - (i) the issuer or a selling security holder on whose behalf the distribution is made,
    - (ii) each underwriter required to sign the certificate required by Section 91 of the Act,
    - (iii) every director of the issuer at the time the Prospectus or amendment was filed,
    - (iv) every person or company whose consent has been filed pursuant to a requirement of the regulations under the Act but only with respect to the reports, opinions or statements made by them, and,
    - (v) every other person or company who signed the Prospectus of the amendment,

but no action to enforce the right can be commenced by a purchaser later than the earlier of 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action or one year after the date of the transaction that gave rise to the cause of action; or

- (b) where the purchaser purchased the security from a person or company referred to in (i) or (ii) above or from another underwriter of the securities, he may elect to exercise a right of rescission against such person, company or underwriter, in which case, he shall have no right of action for damages against such person, company or underwriter, but no action to enforce this right can be commenced by a purchaser more than 180 days after the date of the transaction that gave rise to the cause of action.

Reference is made to the aforesaid Act for the complete text of the provisions under which the foregoing rights are conferred and the foregoing summary is subject to the express provisions thereof.

## AUDITORS' REPORT

To the ~~Shareholders~~ Directors of Bluebird Minerals Ltd.

We have audited the balance sheet of Bluebird Minerals Ltd. as at August 31, 1996 and the ~~statements of loss and deficit and changes in financial position for the period from the date of incorporation, to , 1996.~~ of cash flow for the period then ended. These financial statements are the responsibility of the ~~company's~~ corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly in all material respects, the financial position of the ~~Company~~ corporation as at August 31, 1996 and the results of its operations and the changes in its financial position for the period then ended in accordance with generally accepted accounting principles.

Calgary, Alberta  
September 12, 1996  
(Except for note 7 which is dated October , 1996)

Chartered Accountants

BLUEBIRD MINERALS LTD.

BALANCE SHEET

AUGUST 31,  
1996

ASSETS - Note 1

CURRENT ASSETS

Cash	\$ 168
<u>Rights to acquire shares receivable - Note 4(d)</u>	<u>100,000</u>
	\$100,168

EQUIPMENT - Note 2

143

DEFERRED EXPLORATION COSTS - Note 5

135,741

\$236,052

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

<u>Accounts payable and accrued liabilities</u>	4,046
<u>Due to shareholders - Note 3</u>	<u>5,880</u>
	9,926

SHAREHOLDERS' EQUITY

<u>Share capital - Notes 4 and 7</u>	<u>226,126</u>
	<u>\$236,052</u>

Approved by the Directors

\_\_\_\_\_, Director

\_\_\_\_\_, Director

**BLUEBIRD MINERALS LTD.**  
**STATEMENT OF CASH FLOW**

Period from  
June 1, 1996  
to  
August 31, 1996

**OPERATIONS**

Item not involving cash: \$ 48  
Depreciation

**FINANCING**

Increase in non-cash working capital 4,889

**INVESTING**

Deferred exploration costs (4,937)

Increase in cash --

CASH, beginning of period 168

CASH, end of period \$ 168

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 1996

### NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Bluebird Minerals Ltd. ("Bluebird") was formed through an amalgamation of Bluebird Resources Ltd. ("BRL") and 700639 Alberta Ltd. ("700639") on August 31, 1996 under the Alberta Business Corporations Act. BRL had a May 31 year end. Bluebird is continuing the exploration activities commenced by BRL. Bluebird is engaged in the exploration and development of mining properties.

#### (a) Deferred exploration costs and continuity of operations

At present, all activities of Bluebird are in the exploratory stage. All expenditures are being deferred until the respective properties are determined to be capable of sustained commercial production or there has been an impairment in value.

The ultimate recovery of the deferred exploration costs and the satisfaction of future commitments is dependent on Bluebird's ability to continue to raise sufficient capital in order to further develop and determine the commercial viability of the properties.

Bluebird has incurred exploration costs under certain share subscription agreement whereby the income tax benefits of such costs are renounced to the shareholders. Shares issued under such agreements are carried at a value based on actual monies received while the related property acquired is carried at cost. \$85,000 of the deferred exploration costs have no tax basis.

#### (b) Equipment

Mining equipment, office equipment and the vehicle are recorded at cost. Depreciation is recorded using the straight line method based on estimated useful lives of 2 years. Depreciation is included with deferred exploration costs until the mine sustains commercial production.

### NOTE 2 - EQUIPMENT

	<u>August 31, 1996</u>		
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
<u>Mining equipment</u>	\$3,034	\$3,034	\$ --
<u>Vehicle</u>	1,102	1,102	--
<u>Office equipment</u>	382	239	143
	<u>\$4,518</u>	<u>\$4,375</u>	<u>\$143</u>

### NOTE 3 - DUE TO SHAREHOLDERS

The amounts due to shareholders are due on demand and have no fixed terms of repayment.

BLUEBIRD MINERALS LTD.

NOTES TO FINANCIAL STATEMENTS CONT.

AUGUST 31, 1996

NOTE 4 - SHARE CAPITAL

Authorized:

Unlimited number of common shares

Unlimited number of preferred shares, issuable in series

Issued:

	<u>Common Shares</u>	
	<u>Number of Shares</u>	<u>Amount</u>
<u>For services and mineral claims (a)</u>	<u>\$ 3,700,000</u>	<u>\$ 27,025</u>
<u>For cash at \$0.25 per share</u>	<u>60,000</u>	<u>15,000</u>
<u>Pursuant to flow through share agreement for cash at \$0.25 per share (b)</u>	<u>340,000</u>	<u>85,000</u>
<u>Less: share issue costs</u>	<u>--</u>	<u>(899)</u>
<u>Reduction in the number of Bluebird Resources Ltd.'s shares outstanding as a condition of the amalgamation(c)</u>	<u>(1,245,000)</u>	<u>--</u>
<u>Balance, August 31, 1996</u>	<u>\$2,855,000</u>	<u>\$126,126</u>
<u>Shares to be issued (d)</u>	<u>\$2,000,000</u>	<u>\$100,000</u>
	<u>\$4,855,000</u>	<u>\$226,126</u>

BRL  
(a) Two directors of the company received 2,295,000 shares as consideration for the mineral claims that Bluebird is presently exploring. In addition, 1,405,000 shares were issued to directors as consideration for services rendered. These transactions were completed at management's estimate of fair market value which was 2,295,000 shares issued at \$0.0087 per share and 1,405,000 at \$0.005 per share.

(b) The company completed a private placement agreement to issue 340,000 flow-through shares for proceeds of \$85,000. Under the terms of the private placement agreement, the tax deductions earned on the related exploration are renounced to the purchasers of the flow-through shares (Note 1 (a)).

(c) As a condition of the amalgamation, the founding shareholders' exchange rate was \$.65 shares of 700639 for every share of BRL.

(d) Five shareholders of BRL contracted for the right to purchase 200,000 Class "A" common shares from treasury of 700639 for \$0.5 per share.

BLUEBIRD RESOURCES LTD.

NOTES TO FINANCIAL STATEMENTS CONT.

AUGUST 31, 1996

NOTE 5 - DEFERRED EXPLORATION COSTS

The company is exploring two mining claims located at Nelson, British Columbia.

Deferred exploration costs consist of:

	<u>August 31, 1996</u>
<u>Mineral claims</u>	<u>\$ 20,000</u>
<u>Services rendered by directors</u>	<u>30,851</u>
<u>Outside consulting and other services</u>	<u>63,396</u>
<u>Camp and travel costs</u>	<u>17,119</u>
<u>Depreciation of equipment</u>	<u>4,375</u>
	<u>\$135,741</u>

NOTE 6 - INCOME TAXES

At August 31, 1996, Bluebird had available the following approximate future deductions for tax purposes:

<u>Canadian exploration expense</u>	<u>\$ 45,000</u>
<u>Undepreciated capital cost</u>	<u>\$ 4,500</u>

NOTE 7 - SUBSEQUENT EVENTS

- (a) The receivable described in Note 4(d) were collected subsequent to August 31, 1996 and the common shares were issued.
- (b) Bluebird by way of a prospectus has entered into an agency agreement dated \_\_\_\_\_, 1996 with McDermid St. Lawrence Securities Ltd. (McDermid) and Montreal Trust Company of Canada to offer for sale to the public on a best effort basis 2,000,000 common shares at a price of \$0.25 per share. Pursuant to the agency agreement McDermid will receive a commission of \$50,000 if the total offering is sold and will also be granted an option to purchase 200,000 common shares at \$0.25 per share if the total offering is sold. The options granted to McDermid will expire 24 months following the date of closing. Other expenses of the issue are estimated at \$40,000.



## **CERTIFICATE OF THE CORPORATION**

Dated October , 1996

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 8 of the Securities Act (Alberta) and the respective regulations and rules thereunder.

**THOMAS H. GORKOFF**  
President and Chief Executive  
and Financial Officer

**JAMES E. GILMOUR**  
Executive Vice-President,  
Chief Operating Officer

### **ON BEHALF OF THE BOARD OF DIRECTORS**

**RODNEY D. MITTON**  
Director

**JOHN R. PERRATON, Q.C.**  
Director

### **CERTIFICATE OF THE PROMOTERS**

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 8 of the Securities Act (Alberta) and the respective regulations and rules thereunder .

**JAMES E. GILMOUR**

**THOMAS H. GORKOFF**

**LARRY A. KEY**

## CERTIFICATE OF THE AGENT

Dated: October       , 1996

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 8 of the Securities Act (Alberta) and the regulations and rules thereunder .

**McDERMID ST. LAWRENCE SECURITIES LTD.**

Per: \_\_\_\_\_  
          L. VICTOR TABOIKA

The following includes the name of every person having an interest either directly or indirectly, to the extent of not less than 5% in the capital of McDermid St. Lawrence Securities Ltd.: K.N. Auhe