

Engineer's Report

on the

"Jac - Tea - M.T.C. Claim Group"
Whitehorse Mining District, Yukon Terr.
(61°04' N, 135°02' W)

by

Ace R. Parker, P.Eng.
Consulting Engineer

Dated

February 17, 1967

PINE LAKE MINING CO. LTD. (N.P.L.)

NOTES TO FINANCIAL STATEMENTS

1. Under an agreement dated February 15, 1967, Rexony Mining Company Ltd. (N.P.L.) obtained an option to purchase certain mineral claims for a total consideration of (1) \$28,555 cash payable over two years, (2) transfer of 100,000 common shares of Pine Lake Mining Co. Ltd. (N.P.L.) held in escrow for Rexony Mining Company Ltd. (N.P.L.) and (3) carrying out an exploration work program on the properties to the value of \$20,000 over a two year period. This option is to be assigned to Pine Lake Mining Co. Ltd. (N.P.L.) who will assume the covenants to pay the option monies and do the exploration work.
2. Subsequent to January 31, 1967, the option in connection with which Pine Lake Mining Co. Ltd. (N.P.L.) made expenditures during the period under review of \$7,500 was allowed to lapse.

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Introduction

This report presents a brief review of the "Jac - Tea - M.T.C. Claim Group" situated twenty seven air miles north of Whitehorse, Yukon Territory and near the eastern shore of Lake Laberge in a promising geological area where very little scientific and systematic exploration has been performed to date.

Summary

Pine Lake Mining Co. Ltd. controls the "Jac - Tea - M.T.C. Claim Group" consisting of seventy (70) contiguous and granted mineral claims covering a section of glaciated and sparsely vegetated upland topography situated in the Yukon Territory twenty seven air miles north of Whitehorse, Yukon and near the eastern shore of Lake Laberge.

These claims cover a poorly exposed, unexplored, and undeveloped copper - zinc prospect consisting of several showings of chalcopyrite, sphalerite, and magnetite contained in alteration and replacement zones in Triassic sedimentary rocks, essentially massive limestones, and adjacent to a small plug of granitic rock which is not included on the Government geological map of the area.

Recent Government aeromagnetic geophysical surveys reveal a strong magnetic anomaly on the property completely removed from the known mineralized zones and under water of a small lake in an area concealed by overburden near the eastern periphery of a granitic plug which probably has contributed most of the mineralization to the property. This anomaly is strong, definite, and is approximately one mile in length. Due to the mineralogic associations in the area there is a reasonable possibility that the anomaly is caused by magnetite - rich mineral deposit.

Based on favorable geologic and economic conditions the property presents a promising exploration possibility in an area where very little scientific exploration has been performed to date.

A comprehensive and systematic surface exploration program consisting essentially of geologic mapping, geochemical surveys, ground geophysical surveys, and diamond drilling is recommended at this time as the first stage of exploration on the property. This program should be initiated during the early months of 1967 and is estimated to cost \$125,000.

Property - Ownership - Options

The "Jac - Tea - M.T.C. Group" consists of seventy (70) contiguous and granted mineral claims which have the following statistics:

<u>Claim Name</u>	<u>Grant No.</u>	<u>Expiry Date</u>	<u>Registered Owner</u>
Jac - 1 to 8 incl.	Y8032 to Y8039 incl.	27 May '67	Jack Smith Whitehorse, Yukon
B.Jac - 1 to 8 incl.	Y8423 to Y8430 incl.	9 June '67	Jack Smith Whitehorse, Yukon
Go Jac - 1 to 8 incl.	Y8431 to Y8438 incl.	9 June '67	Jack Smith Whitehorse, Yukon
R.A.G. - 1 to 2 incl.	Y11311 to Y11312 incl.	18 Nov. '67	R.A. Granger Whitehorse, Yukon
Tea - 1 to 8 incl.	Y11894 to Y11901 incl.	9 Feb. '68	Jeff Sheldon Teslin, Yukon
Tea - 9 to 16 incl.	Y11902 to Y11909 incl.	9 Feb. '68	Allison Jackson Teslin, Yukon
M.T.C. - 1 to 4 incl.	Y11996 to Y11999 incl.	10 Feb. '68	R.A. Hrkac 501 - 615 W.Pender Vancouver 2, B.C.
M.T.C. - 5 to 12 incl.	Y12104 to Y12111 incl.	23 Feb. '68	T.H. Anderson P.O. Box 1038 Whitehorse, Yukon
M.T.C. - 13 to 16 & 21 to 24 incl.	Y2112 to Y12115 incl. & Y12116 to Y12119 incl.	23 Feb. '68	Kenneth Jim General Delivery Whitehorse, Yukon
M.T.C. - 17 to 20 & 25 to 28 incl.	Y12120 to Y12123 incl. & Y12124 to Y12127 incl.	23 Feb. '68	Barry Peterson P.O. Box 2260 Whitehorse, Yukon

Although the claims heretofore described are believed to be under option to Pine Lake Mining Co. Ltd, no mining or milling plant exists on the property which may be regarded as a raw prospect at this time.

Also to the best of my knowledge and belief, no liens or encumbrances are registered against the property.

Location & Access

Claims of the "Jac - Tea - M.T.C. Group" are located 27 air miles north of Whitehorse, Yukon and one mile east of the eastern shore of Lake Laberge and approximately opposite Richthofen Island (61°04' N., 135°02' W.).

The Whitehorse - Mayo road traverses near the western shore of Lake Laberge seven air miles from the property.

Although boats on the Yukon River and Lake Laberge, small aircraft, and helicopters normally provide access to the property, it is possible that the property could be reached during winter months by crossing the ice covering Lake Laberge and thus allowing connection with the Whitehorse - Mayo road on the western side of the Lake approximately ten miles from the property.

Depending on the results of exploration and development, an all-weather road could be built along the eastern shore of Lake Laberge to connect with Whitehorse, Yukon which is served by scheduled aircraft and is 111 miles by railroad from ocean transportation at Skagway, Alaska.

History & Development

Argonauts first discovered mineralization in the area near the beginning of the 20th Century but due to the more appealing attraction of placer gold in the Klondike area, base metal prospects in general received little attention except a few high grade copper showings in the immediate Whitehorse area where rail services were readily available.

Increases in metal prices in conjunction with favourable marketing conditions in the "Pacific-Rim Area" have stimulated exploration and development in many areas of the Canadian Cordilleran Mountain System including the Yukon.

New Imperial Mines' announcement in 1966 of production plans in 1967 motivated prospectors to stake the initial claims of the group. Subsequent release of aeromagnetic maps guided the staking of additional claims which make up the claim group in anticipation of systematic exploration and development which is proposed at this time.

Physiography & General Geology

The "Jac - Tea - M.T.C. Group" covers a section of the Yukon Plateau Province and consists of relatively low- rounded hills which rise to an elevation of approximately 3600 feet in the claims area to form the western foothills of the Big Salmon Range.

The claim group includes a small lake and vegetation in most areas consists of varying amounts of small black spruce, and pine trees intermingled with an assortment of "buck" and alder brush.

Generally topography reflects the effects of continental glaciation and overburden covers most of the property, varying from 1 to 50 feet in thickness and remains perenially frozen in some areas where poorly drained.

The claim group contains primarily a section of Triassic sedimentary rocks including essentially steeply dipping massive beige, blue, and white crystalline limestones which strike in a north-northwesterly direction which are known regionally as the Lewes River and Laberge Series. The massive crystalline limestone of the Lewes River Series is several thousand feet in thickness in the claims area and hosts most of the known mineralization.

The Hutshi group of andesites and basalts probably underlies the eastern periphery of the claim group but unfortunately the exact nature and boundary position of these rocks is concealed by overburden.

All of the rocks in the Lewes River, Laberge, and Hutshi groups have been faulted, fractured and intruded by minor "plugs" of upper Mesozoic acidic and basic granitic rocks, whose contacts are generally concealed by overburden.

The intrusion of these granitic rocks was accompanied by the formation of mineral deposits.

Several porphyritic dykes are present in the area and cut both the sedimentary and intrusive rocks and are probably post-mineral in age.

Economic Geology

Known mineralization consists of at least three individual but related and poorly exposed showings of copper - iron - zinc mineralization which occurs primarily as disseminated sulfides in a highly sheared and silicified zone developed in massive crystalline limestone near and extending away from the contact with granitic intrusive rocks. A mineralized skarn zone has developed on the margin of the silicified zone and fracture-controlled replacement

deposits have developed beyond the skarn zone in favourable horizons in the limestone series. These zones are arranged adjacent to the northern flank of a granitic "plug" in an area of relatively shallow overburden. The area of known mineralization probably represents a very small portion of favorable structure that could be mineralized but unfortunately it is impossible to determine the magnitude or grade of any of the zones due to the concealing effect of overburden.

Outcrops indicate that the intruded limestones have been sheared and highly silicified along a relatively straight and tabular zone trending across the sedimentary structure, near the contact with a granitic "plug". This alteration zone exceeds 150 feet in width and is mineralized with disseminated chalcopyrite, pyrite, magnetite, and very minor amounts of gold, silver, and molybdenite. It may be traced along strike for a distance of 1,000 feet before it becomes entirely concealed by overburden and thus the true area of the zone is possibly several times larger than the area exposed by outcrops.

Assays of character samples from this zone vary considerably.

The following assays indicate the range of values associated

with the zone:

	<u>Gold</u>	<u>Silver</u>	<u>Copper</u>	<u>Molybdenite</u>	<u>Magnetic Iron</u>
1 -	Trace	0.06oz/ton	0.01%	0.004%	1.1%
2 -	0.12oz/ton	.74oz/ton	0.87%	0.01 %	0.7%

There is very little correlation in any of the samples between the magnetite and copper content of the zone which in general has an appearance similar with the alteration zones associated with some of the large disseminated mineral deposits commonly referred to as porphyry-type deposits. Nevertheless it is suspected due to the mineralization and physical form of the zone that it is not a simple pendent zone but represents a steeply-dipping shear zone that follows the periphery of the intrusive and was mineralized intermittently during late-stage granitic activity to produce a sheeted zone of mineralization.

The alteration zone is bounded on the north by a skarn zone which is essentially concealed by overburden but may be traced by outcrops for 100 feet or more along strike.

The skarn zone averages 20 feet in width where exposed and contains varying amounts of disseminated and massive hematite, chalcopyrite, pyrite, and trace amounts of magnetite all contained in a matrix of diopside, epidote and garnet skarn. Character samples of this material vary from 0.05% to 2.01% copper with minor amounts of gold and silver.

Several poorly-exposed replacement zones extend into the limestone series beyond the margin of the skarn. In these zones disseminated grains and clots of chalcopyrite, bornite, sphalerite, and pyrite have replaced favourable brecciated and or magnesium - rich zones in the Lewes River limestone series. The following assays indicate the range of values present in the various zones:

	<u>Gold</u>	<u>Silver</u>	<u>Copper</u>	<u>Zinc</u>
1-	0.12 oz/ton	0.74 oz/ton	4.02 %	-
2-	0.06 oz/ton	1.26 oz/ton	0.10 %	14.4 %

Many of the showings on the property and their mineralogical assemblages resemble the showings on the Whitehorse Copper Belt and are contained in the same host rock.

Exploration and Mining Considerations

Aeromagnetic maps issued by the Geological Survey of Canada during 1966 reveal a very promising magnetic anomaly partially underlying a lake on the claim group in an area otherwise concealed by overburden. The core-zone of this anomaly is over a half mile in length and is situated near the projected eastern periphery of the granitic intrusive which has probably contributed most of the mineralization to the property and the surrounding area.

Ground magnetic and electromagnetic geophysical instruments should provide rapid confirmation and location of the anomalous areas on the ground especially during winter months while working on the lake ice under-which the core of the airborne anomaly is located.

Other areas may be best explored by employing a combination of geophysical surveys in conjunction with geochemical analysis of soil samples where possible. This work could be conducted during the spring and summer months of 1967.

Open-pit mining methods with there subsequent low unit costs should be applicable in extracting any ore developed on the property. The magnitude of such an operation will depend on both the quantity and grade of ore developed.

Conclusions & Recommendations

The "Jac - Tea - M.T.C. Group" presents a very promising exploration possibility for copper and zinc ores in an area of the Yukon Territory where very little scientific exploration has been conducted to date.

Recently compiled geological and geophysical evidence in conjunction with favourable economic conditions justifies

detailed exploration of the property at this time.

There is a reasonable possibility that at least one of the airborne magnetic anomalies located on the property represent a sulfide mineral deposit of economic importance .

The exposed mineralized zones and the recently discovered aeromagnetic anomalies remain totally unexplored to date.

Consequently an extensive and systematic surface exploration program consisting primarily of geologic mapping, ground geophysical and geochemical surveys, trenching and diamond drilling is recommended as the first stage of work on the property. This work if conducted during 1967 is estimated to cost \$125,000 and is detailed as follows:

<u>Items</u>	<u>Costs</u>
1 - Additional Staking (24 mineral claims)--	\$2,400
2 - Geological Prospecting, Mapping and Sampling of the Claim Group	--- 6,000
3 - Line cutting and Picketing (70 miles- 400 foot line spacing with 100 foot station intervals.	----- 7,000
4 - Ground Geophysical Surveys	
-Magnetometer surveys - 70 line miles at \$80 per mile	----- 5,600
-Electromagnetometer surveys - 40 line miles at \$160 per mile	----- 6,400
5 - Geochemical Surveys	----- 4,000
6 - General Earthwork (Trenching, access trails and drill-site preparations)	---- 6,000
7 - Diamond Drilling (5,000 feet-B.Q.)	--- <u>45,000</u>
Carried forward	\$82,400
 13

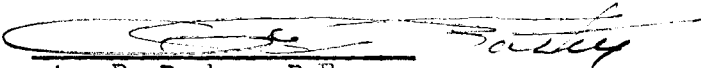
"Jac - Tea - M.T.C. Group" (13) Ace R. Parker

<u>Items</u>	<u>Costs</u>
Brought forward	\$82,400
8 - General Assaying -----	3,000
9 - Wages and Services -----	7,000
10- Engineering and Supervision -----	7,000
11- Transportation - Telephone - Telex -----	6,000
12- File Assessment Work -----	600
13- Administration, Logistics, & Head Office Expense -----	<u>10,000</u>
Subtotal	\$116,000
Contingencies -----	<u>10,000</u>
Total	\$125,000

After this program is completed a decision can be made regarding the amount of further exploratory work required to assess the potential of the property.

Whitehorse, Yukon Terr.
February 17, 1967

Respectfully submitted,



Ace R. Parker, P.Eng.

(SEAL)

THORNE, GUNN, HELLIWELL & CHRISTENSON
HELLIWELL, MACLACHLAN & Co.

CHARTERED ACCOUNTANTS

VANCOUVER PARTNERS

W. R. C. PATRICK	D. J. KELSEY
G. M. MILLER	J. M. MOYNES
W. G. MITCHELL	H. B. SMITH
G. SPARE	R. G. STEWART
K. S. GUNNING	D. G. USHER
J. G. HALPIN	B. FAHY
R. E. BURRELL	J. C. MCKINNEY
CONSULTANTS	
J. L. HELLIWELL	H. H. ADAIR

FIDELITY LIFE BUILDING
1112 WEST PENDER STREET
VANCOUVER 1, B.C.

TELEPHONE 685-3511

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Pine Lake Mining Co. Ltd. (N.P.L.) as at January 31, 1967 and the statement of exploration and development expenditure for the period from incorporation to January 31, 1967. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and statement of exploration and development expenditure present fairly the financial position of the company as at January 31, 1967 and the results of its operations for the period ended on that date, in accordance with generally accepted accounting principles.

Helliwell, MacLachlan Co.

VANCOUVER, B. C.

March 21, 1967

Chartered Accountants

U. It is not anticipated that any remuneration will be paid in the current fiscal year to any Director or Officer of the Company as such.


V. To the knowledge of the signatories to this Prospectus no person is by reason of beneficial ownership of securities or written agreement able to or entitled to elect or cause to be elected a majority of the Board of Directors of the Company. However, if the persons described in paragraph M (iii) hereof act in concert, they will be able to elect a majority of the Board of Directors. There is no agreement between such persons to so act in concert.

W. The Company has never declared or paid any dividends.

X. There are no other material facts which are not disclosed under any other provision of the "Securities Act, 1962" of British Columbia and amendments thereto.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of the securities referred to above as required by the "Securities Act" of the Province of British Columbia, and there is no further material information applicable other than in the financial statements or reports where required.

DATED at the City of Vancouver, in the Province of British Columbia, this 13th day of April 1967.


RAYMOND A. HRKAC by his
Attorney: William D.
McGuire


ALFRED G. BELLINGER


KENNETH G. SANDERS


WILLIAM D. MCGUIRE

PINE LAKE MINING CO. LTD. (N.P.L.)

P R O S P E C T U S

APRIL 1967

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 IS NOT AND UNDER NO CIRCUMSTANCES SHALL BE CONSTRUED AS A PUBLIC OFFERING OF SHARES FOR SALE IN THE UNITED STATES OF AMERICA OR IN THE TERRITORIES OR POSSESSIONS THEREOF.

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION.

A. The full name of the Company is Pine Lake Mining Co. Ltd. (N.P.L.) (hereinafter called the "Company") and the address of its head office is 501 - 615 West Pender Street, Vancouver, British Columbia.

B. The Company was incorporated on December 16th, 1965 as a public company under the "Companies Act" of British Columbia by Memorandum of Association.

C. There have been no amendments to the Memorandum of Association.

D. The full name, occupation and home address of each Director of the Company is as follows:

Raymond A. Hrkac	Suite 181 - 908 Clarke Drive
Geologist	Port Moody, B. C.

Alfred G. Bellinger	6605 Neal Avenue
Executive	Vancouver, B. C.

Kenneth G. Sanders 1924 Limerick Place
Geologist North Vancouver, B. C.

William D. McGuire 4480 Ross Crescent
Investment Dealer West Vancouver, B. C.

Rexony Mining Company Limited (N.P.L.) of Suite 1322, 510 West Hastings Street, Vancouver, British Columbia is the Promoter of the Company. Shareholders of Rexony Mining Company Limited (N.P.L.) holding more than 5% of the issued shares are disclosed in paragraph S hereof.

E. The auditors for the Company are Messrs. Helliwell, Maclachlan & Co., Chartered Accountants, 1112 West Pender Street, Vancouver, British Columbia.

F. The Registrar and Transfer Agent of the Company is Crown Trust Company of 455 Howe Street, Vancouver, British Columbia and the sole registry for shares of the Company is kept at its office.

G. The Company is authorized to issue 5,000,000 shares without nominal or par value with the maximum selling price of One Dollar (\$1.00) each. The number of shares issued as of this date is 1,050,005 all fully paid and non-assessable. All shares of the Company both issued and unissued are common shares of the same class.

H. At the date hereof there are no bonds or debentures outstanding or intended to be issued.

I. The Company has issued 650,000 shares for the properties hereinafter described which shares are held in escrow with Crown Trust Company, the Transfer Agent for the Company, pursuant to an Escrow Agreement providing inter alia that:

- (i) Except with the written consent of the British Columbia Securities Commission holders of escrow shares shall not sell,

assign or transfer the said shares; and

- (ii) in the event of the Company losing or not obtaining a good and marketable title to or abandoning or discontinuing development of any of the properties which was or formed part of the consideration for any of the said shares or in the event of the property not being as represented immediate notice thereof shall be given to the Superintendent and there shall be surrendered by way of gift to the Company for cancellation such number of the said shares as the Superintendent in his sole discretion deems fair and equitable or in such manner or proportion as the Superintendent may direct.

J. (i) The Company has sold 400,005 shares for cash of which five were sold at \$1.00 per share and 400,000 at \$.25 per share net to the Treasury.

(ii) The total cash received from the sale of the shares is \$100,005.00.

(iii) A commission in the sum of \$.05 per share was paid on the sale of the said 400,000 shares.

(iv) No discount was allowed on the sale of the said shares.

K. There have been no securities, other than shares, sold for cash.

L. Rexony Mining Company Limited (N.P.L.), the Promoter of the Company is the Vendor referred to in paragraph M (ii) from whom the Company purchased the property described in paragraph M (i) and as such received the sum of \$25,000.00 cash and 650,000 fully paid and non-assessable shares which shares are held in escrow with Crown Trust Company.

- M. (i) (a) The Company owns free from any encumbrances, subject to Canada Mining Regulations, the following properties located six miles north of the Pine Point Townsite in the MacKenzie Mining District, Northwest Territories:

<u>Claim</u>	<u>Record No.</u>
BER 1 - 5 inclusive	N51701 - N51705
BER 15	N51715
BER 30 - 32	N51909 - N51911

- (b) The Company has an option to purchase the following properties situate twenty-seven air miles east of the eastern shore of Lake Laberge in the Whitehorse Mining District, Yukon Territories:

<u>Claim</u>	<u>Record No.</u>
RAG 1 - 2	Y11311 - Y11312
JAC 1 - 8	Y8032 - Y8039
B-JAC 1 - 8	Y8423 - Y8430
GO-JAC 1 - 8	Y8431 - Y8438
TEA 1 - 16	Y11894 - Y11909

- (c) The Company has an option to purchase the following properties situate twenty-seven air miles east of the eastern shore of Lake Laberge in the Whitehorse Mining District, Yukon Territories:

<u>Claim</u>	<u>Record No.</u>
MTC 1 - 4	Y11996 - Y11999
MTC 5 - 16	Y12104 - Y12115
MTC 17 - 20	Y12120 - Y12123
MTC 21 - 24	Y12116 - Y12119
MTC 25 - 28	Y12124 - Y12127

- (ii) (a) The Company acquired the properties described in sub-paragraph (i) (a) above from Rexony Mining Company Limited (N.P.L.) of Suite 1322, 510 West Hastings Street, Vancouver, British Columbia in consideration for the

sum of \$25,000.00 cash, which sum has been paid in full and the issuance to Rexony Mining Company Limited (N.P.L.) of 650,000 fully paid and non-assessable shares which shares are held in escrow with Crown Trust Company.

(b) Pursuant to an option agreement dated February 15th, 1967 between Ronald Granger and Rexony Mining Company Limited (N.P.L.), Rexony Mining Company Limited obtained an option to purchase the properties described in sub-paragraph (i) (b) hereof in consideration for:

- a. The sum of \$8,555.00 paid to Ronald Granger on execution of the agreement.
- b. The sum of \$10,000.00 to be paid to Ronald Granger and the transfer to Ronald Granger of 50,000 shares in the capital stock of Pine Lake Mining Co. Ltd. (N.P.L.) on or before February 15th, 1968.
- c. The sum of \$10,000.00 to be paid to Ronald Granger and the transfer to Ronald Granger of 50,000 shares in the capital stock of Pine Lake Mining Co. Ltd. (N.P.L.) on or before February 15th, 1969.

Pursuant to an Option Agreement made as of February 15th, 1967 between Rexony Mining Company Limited (N.P.L.) and the Company, the Company acquired an option to purchase the properties described in sub-paragraph (i) (b) and (c) above in consideration for:

- a. Payment by the Company to Rexony Mining Company Limited (N.P.L.) of its expenses in locating the claims described in sub-paragraph (i) (c)

and its exploration and development expenses in respect of the claims described in sub-paragraphs (i) (b) and (c), such sum not to exceed \$10,000.00.

- b. Payment by the Company to Rexony Mining Company Limited (N.P.L.) of the said sum of \$8,555.00 paid to Ronald Granger; and
- c. If the Company elects to continue its option it must pay to Ronald Granger the sum of \$10,000.00 on or before each of February 15th, 1968 and February 15th, 1969.

It is also a term of the Agreement that the Company must on or before February 15th, 1968 expend not less than \$10,000.00 on a programme of exploration and development of the properties described in sub-paragraphs (i) (b) and (c) and in order to maintain its option, expend the further sum of \$10,000.00 on such exploration on or before February 15th, 1969.

It is a further term of the Option Agreement that if the Company should elect to continue its option Rexony Mining Company Limited (N.P.L.) must transfer to Ronald Granger 50,000 of its remaining shares of the Company on or before each of February 15th, 1968 and February 15th, 1969.

- (iii) The following persons purchased from Rexony Mining Company Limited (N.P.L.), the Vendor of the property referred to in sub-paragraph (i) (a) hereof the number of shares in the capital stock of the Company set opposite their respective names and as such indirectly received an interest in the consideration received for such property greater in amount than 1/20th thereof.

M. (iii)

ADDENDUM

Kenneth G. Sanders	1924 Limerick Place North Vancouver, B.C.	75,000
John A. Ryan	1835 Comox Street Vancouver, B. C.	75,000
William D. McGuire	1003, 675 West Hastings Street, Vancouver, B. C.	75,000
Rexony Mining Company Ltd.	501, 615 West Pender Street, Vancouver, B. C.	150,000

Messrs. Hrkac and Bellinger, Directors and Officers of the Company, purchased from Rexony Mining Company Ltd. (N.P.L.) the number of shares set opposite their respective names:

Raymond A. Hrkac	501, 615 West Pender Street, Vancouver, B. C.	10,000
Alfred G. Bellinger	6605 Neal Avenue Vancouver, B. C.	10,500

The Company is not aware of any other person or Company who received or is to receive from the Vendor of the properties to the Company an interest in the consideration received or to be received greater in amount of 1/20th thereof.

- (iv) (a) The means of access to the properties described in sub-paragraph (i) (a) above is by way of the Pine Point Highway from Hay River.
- (b) Details to the means of access to the properties described in sub-paragraphs (i) (b) and (c) the character, extent and condition of underground and surface work done and improvements made thereof and the known history of the properties is contained in the report of Ace R. Parker, dated February 17th, 1967, herein contained.
- (v) No underground exploration or development has been carried out on the property referred to in sub-paragraph (i) (a) and

(b) and there is no plant or equipment situate on such property at the date hereof.

- (vi) The surface exploration and development on the properties described in sub-paragraph (i) (a) above has consisted of approximately ten and one half miles of line cutting in preparation for an induced polarization survey.
 - (vii) There is no known history of the property referred to in sub-paragraph (i) (a) above.
 - (viii) No work has been done or improvements made on or to the property described in sub-paragraph (i) (a) under the present management of the Company except the said line cutting.
- N. (i) No securities of the Company are subject to an underwriting or option at the present time, nor is it contemplated that any underwriting or option will be entered into.
- (ii) The Company by this Prospectus offers to sell 250,000 of its shares as fully paid and non-assessable at the price of \$.65 per share, subject however, to payment at the discretion of the Directors of the Company of a commission in respect of some or all of the shares not exceeding \$.15 per share.

The Company reserves the right to accept applications for these shares in whole or part and to reject any application and withdraw this offer at any time without notice. Subject as aforesaid, the Company intends to allot and issue the said shares from time to time as applications are received whether or not the issue is or becomes fully subscribed.

O. The work proposed to be undertaken by the Company consists of the immediate implementation of the recommendations set forth in the report of Ace R. Parker dated February 17th, 1967, herein contained. The estimated cost of this programme is \$125,000.00.

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

P. The Company has been incorporated for more than one year.

Q. No substantial indebtedness is intended to be created or assumed by the Company that is not shown on the Balance Sheet herein contained.

R. The principal business or occupation in which each of the Directors of the Company has been engaged during the immediately preceding three years is as follows:

<u>Director</u>	<u>Business Occupation</u>	<u>Firm</u>
Raymond A. Hrkac	Geologist	Pine Lake Mining Co. Ltd. Bralorne Pioneer Mines Ltd.
Alfred G. Bellinger	Comptroller	Canadian Stevedor- ing Co. Ltd.
Kenneth G. Sanders	Consulting Geologist	Self Employed

William D. McGuire Investment McDermid, Miller &
 Dealer McDermid Ltd.
 Royal Securities
 Corporation Ltd.

S. Rexony Mining Company Ltd. (N.P.L.) has issued a total of Thirty-Nine Thousand Five Hundred (39,500) shares of its capital stock. Persons holding more than five per cent (5%) of the issued shares of Rexony Mining Company Ltd. (N.P.L.) and the interests of the Directors and Officers of the Company in Rexony Mining Company Ltd. (N.P.L.) are as follows:

Kenneth G. Sanders	1924 Limerick Place North Vancouver, B.C.	7,500
John A. Ryan	1835 Comox Street Vancouver, B.C.	7,500
William D. McGuire	4480 Ross Crescent West Vancouver, B.C.	4,000
Alfred G. Bellinger	6605 Neal Avenue Vancouver, B.C.	500

Messrs. Hrkac, Bellinger, Sanders and McGuire, the Directors and Officers of the Company, also acquired from Rexony Mining Company Limited (N.P.L.) the shares described in paragraph M (iii) hereof. No other Director or Officer of the Company has any interest in any property at any time acquired nor is any Director or Officer a member of any firm with an interest in any property acquired by the Company nor is it presently proposed that any Director or Officer will have an interest in any property either direct or indirect at any time proposed to be acquired by the Company.

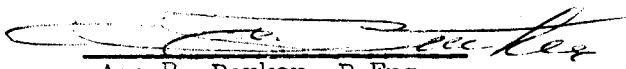
T. No remuneration has been paid to any Director or Officer of the Company since incorporation as such. Raymond A. Hrkac, Director and President of the Company, has been employed by the Company as a Geologist full time since April 1st, 1967 at a salary of \$800.00 per month.

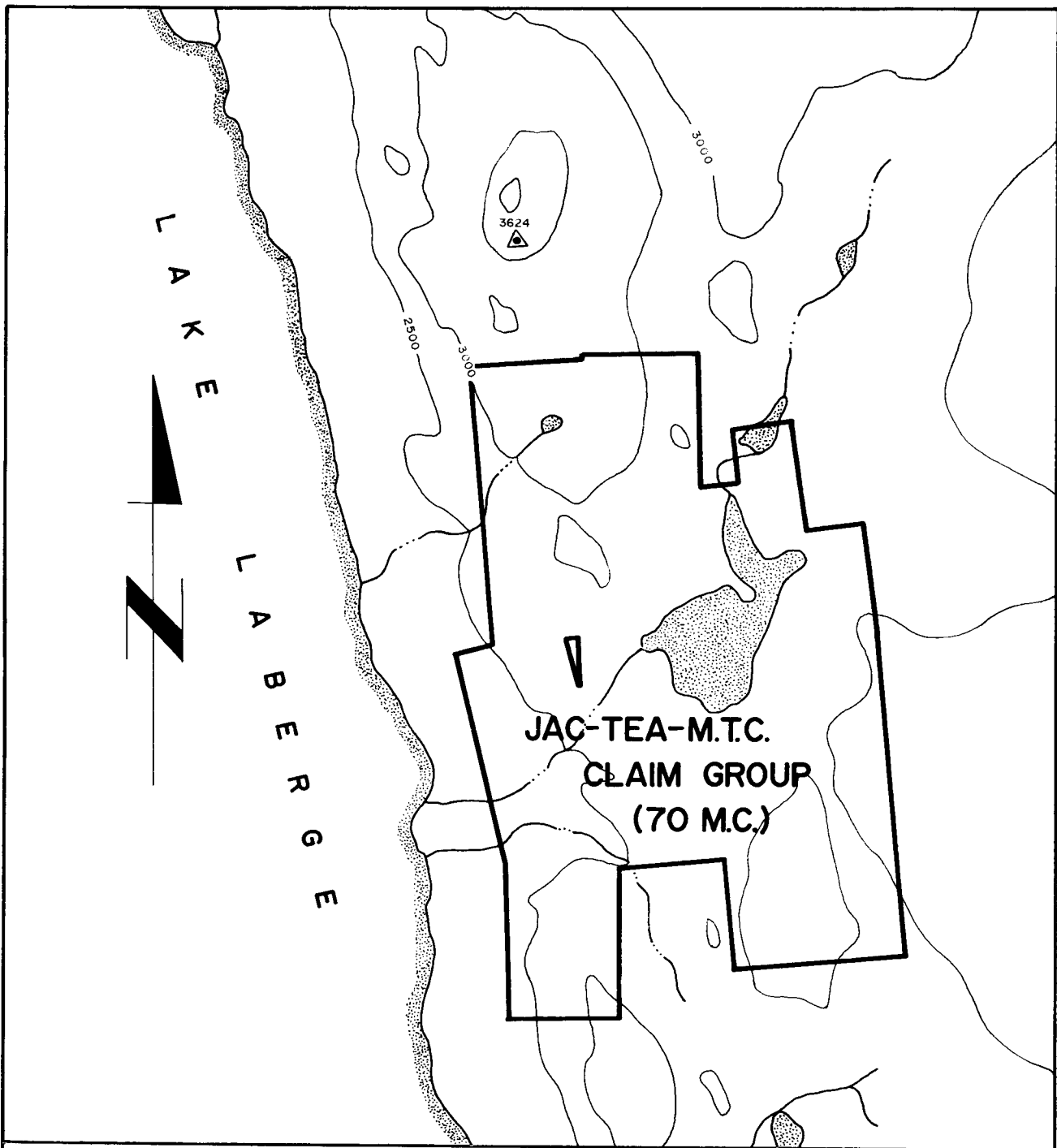
C E R T I F I C A T E

I, Ace R. Parker, of the City of Whitehorse, Yukon Territory do
certify that:

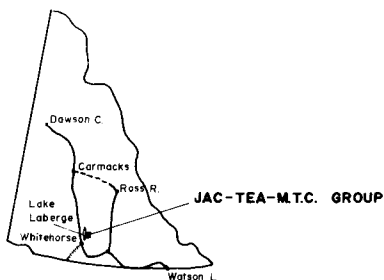
- 1 - I am a Consulting Engineer practicing under the name and style of ACE R. PARKER & ASSOCIATES, with office at 407 Main Street Whitehorse, Yukon Territory.
- 2 - I am a Bachelor of Science in Mining Engineering from the College of Earth Science and Mineral Industry, University of Alaska, College, Alaska - 1959.
- 3 - I am a member in good standing of the Association of Professional Engineers of the Yukon, the Association of Professional Engineers of British Columbia, and the Association of Professional Engineers of Alberta. I have been a member of the American Institute of Mining, Metallurgical, and Petroleum Engineers since 1954.
- 4 - I have formally practiced my profession for the past five years after working in the mineral industry since 1953.
- 5 - I have no direct or indirect interest in the property or securities relating to the "Jac - Tea - M.T.C. Group" described in the accompanying report.
- 6 - This Certificate is part of the attached Engineer's Report on the "Jac - Tea - M.T.C. Group" of mineral claims dated February 17, 1967. The attached property map shows the position of the claims group which with their respective claim posts have been located in compliance with the Yukon Quartz Mining Act.
- 7 - This report is based on a comprehensive personal study of documents, maps, and reports relating to the property described herein, including reports of the Geological Survey of Canada and in conjunction with a personal examination of the property, its respective claims and their posts on February 7th, 9th, and 10th, 1967.

Whitehorse, Yukon
February 17, 1967


Ace R. Parker, P.Eng.

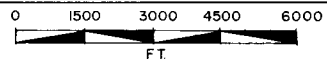


**KEY MAP
(YUKON)**



**PROPERTY LOCATION MAP
JAC-TEA-M.T.C. CLAIM GROUP**

ACE R. PARKER & ASSOCIATES
Mineral Industry Consultants & Contractors



DATE	17 FEB. 1967
DRAWN	<i>Benny Peterson.</i>
SCALE	As Shown
DWG No.	I

SEAL

A handwritten mark or signature, possibly a stylized 'T' or similar character.

PINE LAKE MINING CO. LTD. (N.P.L.)

BALANCE SHEET AT JANUARY 31, 1967

A s s e t s

CURRENT ASSETS

Cash	\$ 50,286.60
Accounts receivable	5.00

	50,291.60

INVESTMENTS, at cost (market value \$1,014.00)	995.00
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MINING PROPERTIES, at cost represented by \$25,000.00 cash paid and the issue price of 650,000 shares issued therefor	90,000.00
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DEFERRED CHARGES

Incorporation expenses	\$ 2,056.99	
Exploration and development expenditures (Exhibit "B")	34,901.06	
	-----	36,958.05

		\$178,244.65

L i a b i l i t i e s

ACCOUNTS PAYABLE	\$ 13,239.65
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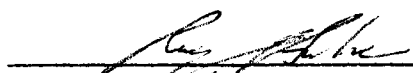
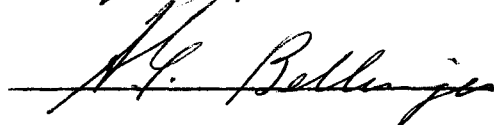
S h a r e h o l d e r s ' e q u i t y

SHARE CAPITAL

Authorized 5,000,000 common shares of no par value
Issued

	<u>Shares</u>		
For mining properties	650,000	\$ 65,000	
For cash	400,005	100,005	
	-----	-----	
	1,050,005		165,005.00
	-----		-----
			\$178,244.65

APPROVED ON BEHALF OF THE BOARD

	_____ Director
	_____ Director

PINE LAKE MINING CO. LTD. (N.P.L.)

STATEMENT OF EXPLORATION AND DEVELOPMENT EXPENDITURE

FOR THE PERIOD FROM DATE OF INCORPORATION ON DECEMBER 16, 1965 TO JANUARY 31, 1967

Line cutting	\$ 6,171.00
Induced polarization survey	11,551.78
Tractor rental	935.48
Consultants' fees	315.00
Share of expenditure on mining properties under option (Note 2)	7,500.00
Field administration and miscellaneous development	4,105.09
Administration and general	5,729.79

	36,308.14
Less interest received	1,407.08

Net expenditure (Exhibit "A")	\$34,901.06

PINE LAKE MINING COMPANY LIMITED (N.P.L.)

PRELIMINARY REPORT

Progress of Exploration Program on the Yukon Property 27 miles north of Whitehorse from time of option to present.

- MARCH 1967 - A ground magnetometer survey under the direction of A.Parker, P.Eng., of Whitehorse, Y.T., located and confirmed the presence of a magnetic anomaly first indicated on the maps of the Government Airborne Magnetic Survey.
- APRIL 1967 - An airborne magnetic survey of a detailed nature was conducted over the entire claim area by Seigal Associates.
- A 27.7 mile tote road was completed to the property from existing roads near Whitehorse. Under the Yukon Tote Road Assistance Program \$2,250. has been set aside for this work.
 - Bulldozer work for the preparation of drill sites at the magnetic anomaly and access roads to the surface copper showings.
- MAY 1967 - A Diamond Drill Program was initiated on the magnetic anomaly using AQNL equipment. To date three holes have been completed to depths of 500, 472, and 405 feet respectively. A fourth hole is presently being drilled.

FUTURE EXPLORATION WORK TO AUGUST 1967.

1. Additional drilling in the vicinity of the magnetic anomaly.
2. Stripping and trenching of surface copper showings by D-8 Cat with Rippers.
3. Geological mapping.
4. Possible geophysical and geochemical surveys.
5. Diamond drilling of surface showings.

Estimated cost of the above Exploration Program from March to August excluding costs of acquiring property is approximately \$70,000.00.

June, 1967.