

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. 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. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended or the securities laws of any state of the United States of America, and may not be offered or sold in the United States unless registered under applicable securities laws or unless an exemption from such registration is available.

INITIAL PUBLIC OFFERING

DATED: May 25, 2000
EFFECTIVE:

PROSPECTUS

PLANEX VENTURES LTD.
(a capital pool company)

1305 – 1090 West Georgia Street
Vancouver, B.C.
V6E 3V7

Telephone: (604) 685-9316
Facsimile: (604) 683-1585

Offering of
1,700,000 Common Shares at \$0.15 per Share

Planex Ventures Ltd., (the “Company”), hereby offers through its agent, Research Capital Corporation (the “Agent”), 1,700,000 common shares (the “Shares”) for sale to the public at a price of \$0.15 per share (the “Offering”). The purpose of this issue is to provide the Company with funds with which to identify and evaluate assets or businesses with a view to completing a Qualifying Transaction (as defined herein) acceptable to the Canadian Venture Exchange (the “Exchange”) and the majority of the minority shareholders of the Company. See “Use of Proceeds” and “Business of the Company”.

	Price to Public⁽¹⁾	Agent’s Commission⁽²⁾	Net Proceeds to the Company⁽³⁾
Per Share	\$0.15	\$0.015	\$0.135
Total Offering	\$255,000	\$25,500	\$229,500

- (1) The price of this Offering has been determined by negotiation between the Company and the Agent.
- (2) A commission equal to 10% of the gross proceeds of the Offering will be paid to the Agent. The Agent has been paid a corporate finance fee of \$7,500 plus GST and will be granted a non-transferable option (the “Agent’s Option”) to acquire 170,000 common shares at a price of \$0.15 per share, exercisable for a period ending 18 months from the date of listing of the Shares on the Exchange. See “Plan of Distribution”.
- (3) Before deduction of the costs of this Offering estimated to be \$20,000.

An investment in the Company’s securities should be considered highly speculative given the proposed nature of the Company’s business and the present stage of its development. The Company does not have business operations or assets other than cash, and has no written or oral agreements for the acquisition of assets or a business at this time. The proposed business of the Company involves a degree of risk and there is no assurance that the Company will identify assets or businesses which warrant acquisition or participation. Moreover, if a potential asset or business is identified and an acquisition or participation is warranted, additional funds may be required and there is no assurance that the Company will be able to obtain such financing. An acquisition financed by the issuance of treasury shares may result in dilution to subscribers hereunder and a change of control of the Company. For these reasons, an investment

herein is suitable only to those investors who are willing to rely solely on the management of the Company. See “Business of the Company” and “Risk Factors”.

INVESTMENTS IN SMALL BUSINESSES INVOLVE A HIGH DEGREE OF RISK AND INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS OFFERING UNLESS THEY CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT. REFER TO “RISK FACTORS”.

There is currently no market for the Company’s securities. An application has been made to conditionally list the securities being offered herein on the Exchange. Listing is subject to the Company fulfilling the listing requirements of the Exchange. The Exchange may suspend from trading or delist the common shares of the Company if the Company fails to complete a Qualifying Transaction (as defined herein) within 18 months following the date the Shares are listed on the Exchange.

This Offering is subject to the capital pool policy of the Exchange. Therefore, among other things, an individual subscriber may purchase directly or indirectly a maximum of 34,000 Shares, being 2% of the total number of Shares offered hereunder. Notwithstanding the foregoing, the maximum number of common shares which may be directly or indirectly purchased by any one subscriber, together with that subscriber’s associates and affiliates (as defined in Exchange policies), is 68,000 shares, being 4% of the total number of common shares offered hereunder.

This Offering is subject to a minimum subscription being received by the Company, being the sale of all of the Shares offered hereunder. See “Plan of Distribution”.

Upon the completion of the distribution of securities under this Prospectus, the promoters, insiders, and holders of escrow shares of the Company as a group, will hold, directly or indirectly, an aggregate of 1,684,000 common shares, representing approximately 49.76% of the then issued and outstanding common shares of the Company, assuming no exercise of the Agent’s Option or issued incentive stock options. The public will hold, directly or indirectly, an aggregate of 1,700,000 common shares, representing approximately 50.24% of the issued and outstanding shares of the Company, assuming no exercise of the Agent’s Option or issued and outstanding incentive stock options.

We, as agent, conditionally offer the Shares to the public if, as and when issued by the Company and accepted by us in accordance with the conditions contained in the agency agreement referred to under “Plan of Distribution”, subject to approval of certain legal matters on behalf of the Company by DuMoulin Black, Vancouver, British Columbia and on behalf of the Agent by Godinho, Sinclair, Vancouver, British Columbia.

RESEARCH CAPITAL CORPORATION
Suite 564, 1055 Dunsmuir Street
Vancouver, B.C.
V7X 1L4

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SUMMARY OF PROSPECTUS

The following is a summary of the principal features of this Offering. More detailed information is contained in the body of the Prospectus. Capitalized terms used in this summary will have the meaning provided on the cover page or elsewhere in this Prospectus.

The Company: Planex Ventures Ltd.

Business of the Company: The Company is a capital pool company pursuant to the policies of the Exchange. The principal business of the Company will be to identify and evaluate opportunities for the acquisition of an interest in assets or businesses and, once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder approval and acceptance for filing by the Exchange. Until the completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses in connection with potential Qualifying Transactions. The Company does not have business operations or assets other than cash, and has no written or oral agreements for the acquisition of an asset or business at this time. See "Business of the Company".

Management: *David A. Henstridge, Chief Executive Officer, President, Director and Promoter*

Graduated from Adelaide University, Australia, in 1971, with an Honours Degree in geology. Mr. Henstridge is a fellow of the Australian Institute of Mining and Metallurgy and a member of the Australian Institute of Geoscientists and the Geological Society of Australia. From 1971 to 1987, Mr. Henstridge held various positions with Central Pacific Minerals N.L. and managed numerous advanced exploration projects throughout Australia, Europe and the United States. Since 1987, Mr. Henstridge has worked for, and consulted to, several companies on advanced exploration and feasibility projects in Australia, Papua New Guinea, Fiji, China and North and South America. Mr. Henstridge has held the position of president and CEO of Peruvian Gold Limited since 1993, and is also a director of Argosy Minerals Inc. Mr. Henstridge has co-authored 15 geological publications.

Nick DeMare, Chief Financial Officer and Director

Holds a Bachelor of Commerce degree from the University of British Columbia and is a member in good standing of the Institute of Chartered Accountants of British Columbia. Since May, 1991, Mr. DeMare has been the President of Chase Management Ltd., a private company which provides a broad range of administrative, management and financial services to private and public companies engaged in mineral exploration and development, gold and silver production, oil and gas exploration and production and venture capital. Mr. DeMare indirectly owns 100% of Chase. Mr. DeMare currently serves as an officer and director of various public reporting companies.

Harvey Lim, Director

Holds a Bachelor of Commerce degree from the University of British Columbia and is a member in good standing of the Institute of Chartered Accountants of British Columbia. Mr. Lim was employed by Coopers & Lybrand (now PricewaterhouseCoopers LLC) from 1981 to 1988. From 1988 to 1991, Mr. Lim was employed as controller with Ingot Management Ltd. Since 1991, Mr. Lim has been employed by Chase Management Ltd. as controller. Mr. Lim currently serves as an officer and director of various public reporting companies.

Yale R. Simpson, Director

Holds a Bachelor of Applied Science (Geological Engineering) from the University of British Columbia and is a member of the Canadian and Australian Institutes of Mining and Metallurgy. Mr. Simpson was employed in Australia by Pennzoil of Australia Ltd. from 1970 to 1982 and Chevron Resources from 1982 to 1985, before taking senior management positions in Australmin Holdings Ltd. (1985 - 1987) and Black Swan Gold Mines (1987 - 1992). Since 1992, Mr. Simpson has been the president of Canaust Resources Consultants Ltd. in Canada. From 1993 to the present, he has been Chief Executive Officer and most recently Executive Chairman of Argosy Minerals Inc., a Canadian public resource company engaged in resource development in Australia, Europe and Africa.

Dodd Pellant, Vice President, Technology

Holds a Bachelor of Science degree from the University of British Columbia. From 1966 to 1974, Mr. Pellant held the position of Systems Engineer of IBM Canada. From 1974 to 1987, Mr. Pellant became the president of ISS Information Services Ltd. and was responsible for sales and implementation of small custom programming tasks to large multi-million dollar software and hardware projects. From 1987 to 1998, Mr. Pellant was the owner and General Manager of MD Computer Care Specialists, a computer sales and service company. Since 1999, Mr. Pellant has held the position of Sales Manager for Network Technology Professionals (B.C.) Inc., a Novell Platinum Partner and Microsoft Solution Provider.

Robert G. Atkinson, Secretary

Holds a Bachelor of Commerce from the University of British Columbia. From 1971 to 1987, Mr. Atkinson held the position of Senior Vice President of Loewen Ondaatje McCutcheon (Vancouver, BC) and from 1987 to 1991, Mr. Atkinson became the President and CEO of Loewen Ondaatje McCutcheon (Toronto, ON). From 1991 to 1992, Mr. Atkinson held the position of Vice President and Director of Gordon Capital Corporation. Since 1992, Mr. Atkinson has been a director of Trimin Enterprises Ltd and in 1997, Mr. Atkinson also became the President and CEO of Bradstone Equity Partners, Inc. Mr. Atkinson currently serves as officer and/or director of various private and public reporting companies.

Mariana Bermudez, Assistant Secretary

Has been the Executive Assistant to the CEO of Peruvian Gold Limited, a public reporting company, since 1994. Ms. Bermudez attended Capilano College from 1992 to 1994 where she obtained an Administrative Assistant Certificate and has taken various courses related to the Securities Industry.

Offering:

The Company is offering to the public, through the Agent, 1,700,000 Shares at a price of \$0.15 per Share for gross proceeds of \$255,000. In addition, the Company has granted the Agent the Agent's Option to purchase 170,000 common shares at a price of \$0.15 per share.

The Company will pay the Agent a cash commission of \$0.015 per share sold under the Offering and a corporate finance fee. See "Plan of Distribution".

Use of Proceeds:

The Company expects to receive net proceeds of \$229,500 (excluding offering expenses) upon the completion of the Offering, which together with working capital of \$112,200 as of April 30, 2000, will be used to provide the Company with funds to, among other things, identify and evaluate potential acquisitions. The Company may not have sufficient funds to secure an acquisition once identified and additional funds may be required. See "Use of Proceeds", "Business of the Company – Method of Financing Acquisitions or Participation" and "Risk Factors".

Risk Factors:

An investment in the Shares of the Company is subject to a number of risks, including the following:

The Company does not have business operations or assets other than cash, and has no written or oral agreements for the acquisition of a business or asset at this time.

The Company does not have a history of earnings or the provision of return on investment and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

There is no assurance that the Company will be able to identify acquisitions which will be profitable. If the Company does identify any assets or businesses which it determines warrants an acquisition, the Company may not be able to finance the acquisition and additional funds may be required to meet such obligations.

An investment in the Shares of the Company should only be made by persons who are willing to rely solely on the management of the Company and who can afford the total loss of their investment.

The Exchange may refuse to accept a transaction as a Qualifying Transaction.

The Exchange may suspend from trading or delist the shares of the Company if the Company fails to complete a Qualifying Transaction within 18 months following the date the Shares are listed on the Exchange, or if

the Company does not have \$25,000 in cash at any time during its listing on the Exchange.

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company.

See “Business of the Company” and “Risk Factors”.

CORPORATE STRUCTURE

Name and Incorporation

The Company was incorporated by articles of incorporation under the *Company Act* (British Columbia) on January 11, 2000. The Company's authorized capital consists of 100,000,000 common shares without par value.

The business office of the Company is located at 1305 – 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7. Its registered and records offices are located at 10th Floor, 595 Howe Street, Vancouver, British Columbia, V6C 2T5.

Intercorporate Relationships

The Company does not have any subsidiaries or proposed subsidiaries.

BUSINESS OF THE COMPANY

Description and General Development

The Company is a capital pool company pursuant to the policies of the Exchange. The principal business of the Company will be to identify and evaluate opportunities for the acquisition of an interest in assets or businesses and, once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder approval and acceptance for filing by the Exchange. Until the completion of a Qualifying Transaction (defined below), the Company will not carry on any business other than the identification and evaluation of assets or businesses in connection with potential Qualifying Transactions. The Company does not have business operations or assets other than cash, and has no written or oral agreements for the acquisition of an asset or business at this time.

Criteria for Acquisitions

The Company proposes to identify acquisitions of interests in assets or businesses through discussions with various business associates and contacts of the Company's directors. Once a prospective acquisition target has been identified and evaluated, the Company will proceed to negotiate the terms upon which it may acquire an interest in the asset or business.

The Company does not currently have a specific type of business opportunity that it is likely to pursue. It will, accordingly, review prospective acquisition opportunities within the broadest range of businesses or industries.

All potential acquisitions will be screened initially by management of the Company to determine their economic viability. Approval of acquisitions will be made by the board of directors. The board of directors will examine proposed acquisitions having regard to sound business fundamentals, utilizing the expertise and experience of the directors.

Method of Financing Acquisitions or Participation

The Company proposes to use cash, bank financing, issuance of treasury shares, private or public financing, or some combination thereof to finance prospective acquisitions. If treasury shares are issued,

such issuance could result in a change of control of the Company and will result in further dilution to investors acquiring Shares pursuant to this Offering.

Requirements to be Met to Complete a Qualifying Transaction

A “Qualifying Transaction”, pursuant to the policies of the Exchange, is a transaction whereby a capital pool company:

- (a) issues or proposes to issue, in consideration for the acquisition of significant assets, common shares or securities convertible, exchangeable or exercisable into common shares which, if fully converted, exchanged or exercised would represent more than 25% of its common shares issued and outstanding immediately prior to the issuance;
- (b) enters into an arrangement, amalgamation, merger or reorganization with another company with significant assets, whereby the ratio of securities which are distributed to the shareholders of the capital pool company and the other company results in the shareholders of the other company acquiring control of the resulting company; or
- (c) otherwise acquires significant assets (other than cash),

but excludes a transaction which consists solely of the issuance for cash by the capital pool company of common shares or securities convertible, exchangeable or exercisable into common shares, representing more than 25% of the capital pool company’s common shares issued and outstanding immediately prior to the issuance.

Any Qualifying Transaction will be subject to approval by the majority of the minority shareholders of the Company, acceptance for filing by the Exchange, and sponsorship by an Exchange member firm that meets the criteria of applicable Exchange policies.

After the terms of a Qualifying Transaction have been settled and a comprehensive news release disclosing its terms have been disseminated, or as soon thereafter as circumstances permit, the Company will submit the terms of the Qualifying Transaction to a meeting of its shareholders for “majority of the minority” approval. The Qualifying Transaction must be approved by a vote at a properly constituted meeting of the shareholders of the Company by at least 50% plus one vote of the votes cast by shareholders voting at the meeting, other than the parties related to the Qualifying Transaction. Parties related to the Qualifying Transaction include:

- (a) the vendors of the asset being acquired and the promoters, officers, directors and other insiders of such parties;
- (b) an issuer, 20% or more of which the voting securities are beneficially owned, directly or indirectly, by one or more of the persons or companies referred to in paragraph (a) above, or over which one or more of the persons or companies referred to above has control or direction (or a combination of beneficial ownership and control or direction); and
- (c) an associate or affiliate of a person or company referred to in paragraph (a) above.

The Company will provide its shareholders with an information circular containing full, true and plain disclosure in respect of all material facts relating to a proposed Qualifying Transaction. The information circular will be submitted to the Exchange prior to the distribution to the Company’s shareholders, and the disclosure in the information circular will be made in accordance with the applicable form of a

prospectus under the *Securities Act* (British Columbia) and in accordance with the requirements of the Exchange.

The Company will be required to file with the Exchange, among other things, a draft copy of the information circular it proposes to deliver to its shareholders relating to the Qualifying Transaction, copies of material contracts, engineering reports or valuation reports, and audited financial statements, unaudited financial statements and pro forma financial statements. As part of the review of the Qualifying Transaction, the Exchange will review the expenses, disclosure, trading history and other transactions undertaken by the Company during its listing to determine compliance with Exchange policies.

Acceptance for filing by the Exchange of a Qualifying Transaction also calls for sponsorship by a member of the Exchange that meets the criteria of applicable Exchange policies. The role of the sponsoring member firm is an integral part of the Qualifying Transaction process. Effectively, the sponsoring firm will review the Qualifying Transaction to determine the suitability of the Company's listing on the Exchange upon the completion of the Qualifying Transaction. The Exchange will halt trading if the Company has announced a Qualifying Transaction but has not yet secured a member firm to act as sponsor for the Qualifying Transaction or if the Company has not made its filing with the Exchange of applicable materials relating to the Qualifying Transaction within 60 days of the appointment of a sponsor.

Notwithstanding that a transaction may meet the definition of a Qualifying Transaction, the Exchange may not approve a Qualifying Transaction where the Company fails to meet the minimum listing requirements of the Exchange upon completion of the Qualifying Transaction or for any other reason at the sole discretion of the Exchange. In addition, the Exchange may suspend from trading or delist the securities of the Company. Where it has failed to complete a Qualifying Transaction within 18 months of its date of listing, all discount seed shares (shares issued at less than the Offering price) will be cancelled.

Administration

Over the 12 month period following the completion of this Offering, the estimated aggregate administration costs of the Company are expected to be an average of approximately \$1,250 per month, for a total of \$15,000. No significant variation in the monthly expenses is expected. The estimated annual aggregate administration costs may be broken down as follows:

	<u>Monthly</u>	<u>12 month period</u>
Accounting and Auditing fees	\$ 300	\$ 3,600
Legal fees	200	2,400
Office rent	200	2,400
Office supplies and equipment	200	2,400
Filings and filing fees	100	1,200
Transfer agent fees	<u>250</u>	<u>3,000</u>
Total:	<u>\$1,250</u>	<u>\$15,000</u>

USE OF PROCEEDS

The net proceeds to be received by the Company from the Offering will be \$229,500, and, together with working capital as at April 30, 2000 of approximately \$112,200, the Company will have available funds of \$341,700 to be used for the purposes listed below:

1.	Identifying, evaluating and making potential acquisitions	\$301,700
2.	Estimated general and administrative expenses	15,000
3.	Costs of this issue including legal, audit and printing costs but excluding listing fees	20,000
4.	Agent's expenses	<u>5,000</u>
	Total:	<u>\$341,700</u>

Until the completion of the Qualifying Transaction, the proceeds of the Offering will be used by the Company only to identify and evaluate assets or businesses, for expenses such as business valuations, engineering reports, financial statements and fees for legal and accounting advice relating to the identification and evaluation of assets or businesses and the obtaining of shareholder approval for the proposed Qualifying Transaction except that, subject to prior Exchange acceptance, up to an aggregate of \$100,000 may be used by the Company as a deposit for a proposed arm's length Qualifying Transaction. However, a maximum of \$25,000 of such deposit may be advanced as a non-refundable deposit, unsecured deposit or advance to preserve assets without prior Exchange approval. The balance of the \$100,000 deposit must be refundable and is to be held in trust pending completion of the Qualifying Transaction. In the event that the Company completes an approved Qualifying Transaction prior to spending the entire amount allocated to the identification and evaluation of assets or businesses, the Company may use the remaining funds to finance or partially finance the acquisition of or participation in such assets or businesses, or for other purposes.

Until the completion of the Qualifying Transaction, no more than 30% of the gross proceeds of the Offering and previously raised seed share capital will be used for purposes other than expenses permitted pursuant to paragraph 8.3 of Exchange Policy 2.4, excluding Exchange listing and regulatory filing fees, Agent's fees, costs and commissions, other costs of the Offering, including legal and audit expenses relating to the preparation and filing of the Prospectus and administrative and general expenses of the Company.

No remuneration, compensation, advances or finder's fees of any nature whatsoever will be paid, directly or indirectly, by the Company to a party related to the Company prior to completion of a Qualifying Transaction or for any services rendered or obligations incurred prior to completion of or in connection with a Qualifying Transaction. The Company may compensate a party related to the Company for reasonable out-of-pocket expenses and for general and administrative expenses such as office supplies, rent and utilities, incurred by such person on behalf of the Company. See "Payments to Insiders and Promoters".

The proceeds of this Offering, after deducting the costs of this issue, will be sufficient only to identify a limited number of opportunities. Additional funds may be required to finance an acquisition to which the Company may commit. See “Business of the Company – Method of Financing Acquisitions or Participating” and “Risk Factors”.

DIRECTORS, OFFICERS AND PROMOTERS

The following is a list of the current directors, officers and promoters of the Company, their municipalities of residence, their current positions with the Company, their principal occupations during the past five years and the number of shares of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised.

Name, Position, Municipality of Residence and Position	Principal Occupation for Past Five Years	Common Shares Held⁽²⁾	Percentage on Completion of Offering⁽³⁾
DAVID A. HENSTRIDGE North Vancouver, B. C. <i>Chief Executive Officer, President, Director and Promoter</i>	President, Peruvian Gold Limited.	386,000	11.41%
NICK DeMARE⁽¹⁾ Burnaby, B. C. <i>Chief Financial Officer and Director</i>	President, Chase Management Ltd.	346,000	10.22%
YALE R. SIMPSON⁽¹⁾ North Vancouver, B. C. <i>Director</i>	President, Canaust Resource Consultants Ltd.	200,000	5.91%
HARVEY LIM⁽¹⁾ Vancouver, B. C. <i>Director</i>	Controller, Chase Management Ltd.	80,000	2.36%
ROBERT G. ATKINSON West Vancouver, B. C. <i>Secretary</i>	Chairman, Bradstone Equity Partners, Inc. (investment holding company).	266,000	7.86%
DODD PELLANT Port Moody, B.C. <i>Vice President, Technology</i>	1987 to 1998, President, DPCCE Consulting Ltd. 1998 to 1999, Account Executive, A. B. Microtek Ltd. 1999 to present, Sales Manager, Network Technology Professionals.	133,000	3.93%
MARIANA BERMUDEZ North Vancouver, B. C. <i>Assistant Secretary</i>	Since 1994, Executive Assistant, Peruvian Gold Limited.	14,000	0.41%

(1) Member of the Company’s audit committee.

(2) These shares are subject to escrow restrictions. See “Share Capital – Performance Shares or Escrow Securities”. Also, does not include a total of 318,000 incentive stock options granted to the Company’s directors and officers. See “Payments to Insiders and Promoters – Options Granted”.

(3) Assuming no exercise of the Agent’s Option or the director or officer incentive stock options. See “Share Capital – Options and Other Rights to Purchase Shares”.

DAVID A. HENSTRIDGE (Age: 51)

David A. Henstridge graduated from Adelaide University, Australia, in 1971, with an Honours Degree in geology. Mr. Henstridge is a fellow of the Australian Institute of Mining and Metallurgy and a member of the Australian Institute of Geoscientists and the Geological Society of Australia. From 1971 to 1987, Mr. Henstridge held various positions with Central Pacific Minerals N.L. and managed numerous advanced exploration projects throughout Australia, Europe and the United States. Since 1987, Mr. Henstridge has worked for, and consulted to, several companies on advanced exploration and feasibility projects in Australia, Papua New Guinea, Fiji, China and North and South America. Mr. Henstridge has held the position of president and CEO of Peruvian Gold Limited since 1993, and is also a director of Argosy Minerals Inc. Mr. Henstridge has co-authored 15 geological publications.

NICK DeMARE (Age: 45)

Nick DeMare holds a Bachelor of Commerce degree from the University of British Columbia and is a member in good standing of the Institute of Chartered Accountants of British Columbia. Since May, 1991, Mr. DeMare has been the President of Chase Management Ltd., a private company which provides a broad range of administrative, management and financial services to private and public companies engaged in mineral exploration and development, gold and silver production, oil and gas exploration and production and venture capital. Mr. DeMare indirectly owns 100% of Chase. Mr. DeMare currently serves as an officer and director of various public reporting companies.

YALE R. SIMPSON (Age: 52)

Yale Simpson holds a Bachelor of Applied Science (Geological Engineering) from the University of British Columbia and is a member of the Canadian and Australian Institutes of Mining and Metallurgy. Mr. Simpson was employed in Australia by Pennzoil of Australia Ltd. from 1970 to 1982 and Chevron Resources from 1982 to 1985, before taking senior management positions in Australmin Holdings Ltd. (1985 - 1987) and Black Swan Gold Mines (1987 - 1992). Since 1992, Mr. Simpson has been the president of Canaust Resources Consultants Ltd. in Canada. From 1993 to the present, he has been Chief Executive Officer and most recently Executive Chairman of Argosy Minerals Inc., a Canadian public resource company engaged in resource development in Australia, Europe and Africa.

HARVEY LIM (Age: 41)

Harvey Lim holds a Bachelor of Commerce degree from the University of British Columbia and is a member in good standing of the Institute of Chartered Accountants of British Columbia. Mr. Lim was employed by Coopers & Lybrand (now PricewaterhouseCoopers LLC) from 1981 to 1988. From 1988 to 1991, Mr. Lim was employed as controller with Ingot Management Ltd. Since 1991, Mr. Lim has been employed by Chase Management Ltd. as controller. Mr. Lim currently serves as an officer and director of various public reporting companies.

ROBERT G. ATKINSON (Age: 59)

Robert G. Atkinson holds a Bachelor of Commerce from the University of British Columbia. From 1971 to 1987, Mr. Atkinson held the position of Senior Vice President of Loewen Ondaatje McCutcheon (Vancouver, BC) and from 1987 to 1991, Mr. Atkinson became the President and CEO of Loewen Ondaatje McCutcheon (Toronto, ON). From 1991 to 1992, Mr. Atkinson held the position of Vice President and Director of Gordon Capital Corporation. Since 1992, Mr. Atkinson has been a director of Trimin Enterprises Ltd and in 1997, Mr. Atkinson also became the President and CEO of Bradstone

Equity Partners, Inc. Mr. Atkinson currently serves as officer and/or director of various private and public reporting companies.

DODD PELLANT (Age: 56)

Dodd Pellant holds a Bachelor of Science degree from the University of British Columbia. From 1966 to 1974, Mr. Pellant held the position of Systems Engineer of IBM Canada. From 1974 to 1987, Mr. Pellant became the president of ISS Information Services Ltd. and was responsible for sales and implementation of small custom programming tasks to large multi-million dollar software and hardware projects. From 1987 to 1998, Mr. Pellant was the owner and General Manager of MD Computer Care Specialists, a computer sales and service company. Since 1999, Mr. Pellant has held the position of Sales Manager for Network Technology Professionals (B.C.) Inc., a Novel Platinum Partner and Microsoft Solution Provider.

MARIANA BERMUDEZ (Age: 25)

Mariana Bermudez has been the Executive Assistant to the CEO of Peruvian Gold Limited, a public reporting company, since 1994. Ms. Bermudez attended Capilano College from 1992 to 1994 where she obtained an Administrative Assistant Certificate and has taken various courses related to the Securities Industry.

Aggregate Ownership of Securities

Upon the completion of the Offering, the directors, officers, promoters and other members of management of the Company, as a group, will own, directly or indirectly, 1,425,000 common shares of the Company representing 44.12% of the shares then issued and outstanding (excluding shares issuable pursuant to the exercise of incentive stock options and the Agent's Option).

Other Reporting Companies

Within the past five years, the directors and officers of the Company have been directors, officers or promoters of the other reporting companies listed below.

Name	Name of Reporting Company	Position	Period
David A. Henstridge	Peruvian Gold Limited	President	February 1993 to present
	Argosy Mining Corp.	Director	October 1995 to present
	Argosy Minerals Inc.	Director	March 1999 to present
Nick DeMare	Gerle Gold Ltd.	Director	May 1989 to present
	Golden Peaks Resources Ltd.	Director	January 1992 to present
	Dial Thru International Inc.	Director	January 1991 to present
	International Mahogany Corp.	Director	August 1987 to September 1996
		V.P. Finance	December 1990 to September 1996
	Kookaburra Resources Ltd.	Director	June 1988 to present
	Peruvian Gold Limited	Director	February 1993 to present
	Stanford Energy Corporation	Director	October 1992 to March 1999
		V.P. Finance, Secretary	October 1992 to March 1999
Waddy Lake Resources Ltd.	Director	October 1995 to June 1996	

Name	Name of Reporting Company	Position	Period
	Andean American Resources Corp.	Secretary	December 1995 to present
		Director	May 1996 to November 1997
	Benz Energy Ltd.	Secretary	November 1997 to January 1998
	Hydromet Technologies Limited	Director	July 1996 to September 1999
	Full Riches Investments Ltd.	Director	May 1997 to January 1999
	Oro Belle Resources Corp.	Director	May 1994 to March 1996
	Trimark Oil & Gas Ltd.	Director	January 1996 to present
	IMA Exploration Inc.	Director	March 1996 to present
Harvey Lim	Hilton Petroleum Ltd.	Secretary	September 1995 to present
	Trimark Oil & Gas Ltd.	Secretary	December 1988 to present
	Peruvian Gold Limited	Secretary	October 1995 to present
	Primo Resources International Inc.	Director	February 1993 to March 1996
		Secretary	February 1993 to present
	Consolidated Epix Technologies Limited	Director	December 1997 to present
	Benz Energy Ltd.	Secretary	January 1990 to October 1997
	Andean American Resources Corp.	Director	December 1995 to December 1996
	International Mahogany Corp.	Secretary	December 1990 to December 1996
Yale R. Simpson	Argosy Mining Corp.	President	April 1993 to present
	Argosy Minerals Inc.	President and CEO	February 1993 to August 1996
		Director	February 1993 to present
		Chairman	April 1998 to present
Robert G. Atkinson	Trimin Enterprises Inc.	Director	March 1992 to March 2000
	Profco Resources Ltd.	Director	Oct. 1992 to Oct. 1998
	Brassie Golf Corp.	Director	July 1993 to November 1997
	Quest International Resource Corp.	Director	October 1994 to June 1995
	A & E Capital Funding Inc.	Chairman and CEO	October 1994 to present
	Stocker & Yale Inc.	Director	April 1994 to 1996
	Consolidated Ramrod Gold Corp.	Director	October 1994 to June 1995
	Global (GMPC) Holding Inc.	Director	January 1995 to present
	Jeda Petroleum Ltd.	President, Director and Chairman	November 1995 to February 2000
	True Exploration Corp.	Director	April 1996 to Sept. 1998
	Compusoft Canada Inc.	Director	April 1996 to Sept. 1998
	ClickHouse.com Online Inc.	President and Director	Oct. 1997 to Dec. 1999
	Spur Ventures Inc.	Chairman and Director	March 1996 to present
	Moiibus Resource Corp.	Director	January 1997 to May 1999
	Goldray Corporation	Director	March 1997 to March 1999
	Watersave Logic Corporation	Director	April 1997 to present
		President	February 1999 to present

Name	Name of Reporting Company	Position	Period
	Bradstone Equity Partners, Inc.	President and CEO	January 1997 to present
	Peruvian Gold Limited	Director	June 1998 to present
	Trimin Capital Corp.	Director	June 1998 to present
	Boundary Creek Resources Ltd.	CEO and Director	August 1999 to present
	Roseland Resources Ltd.	Director	February 2000 to present

Corporate Cease Trade Orders or Bankruptcies

No director, officer or promoter of the Company is, or has been within the past five years, a director, officer or promoter of any other company that, while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the company access to any statutory exemptions for a period of more than 30 consecutive days, or was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Penalties or Sanctions

No director, officer or promoter of the Company has, within the ten years prior to the date of the Prospectus, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion or management of a publicly traded issuer, or theft or fraud.

Individual Bankruptcies

No director, officer or promoter of the Company is, or has, within the five years prior to the date of this Prospectus, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors and officers of the Company also holding positions as directors and/or officers of other companies. Some of the directors and officers have been and will continue to be engaged in the identification and evaluation of assets and businesses, with a view to potential acquisition of interests in businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies under the *Company Act* (British Columbia). See "Risk Factors".

INDEBTEDNESS OF DIRECTORS, OFFICERS AND PROMOTERS

No director, officer or promoter of the Company is or has been indebted to the Company at any time.

PAYMENTS TO INSIDERS AND PROMOTERS

Executive Compensation

No payments have been made, directly or indirectly, nor will they be made until the completion of the Qualifying Transaction, by the Company to the directors and officers of the Company or any parties related to them except for compensation for reasonable expenses for office supplies, office rent, related utilities, equipment leases and certain legal services and for reimbursement for reasonable out-of-pocket expenses incurred in pursuing the business of the Company. See “Use of Proceeds”.

Options Granted

Options to purchase 318,000 common shares of the Company have been granted, pursuant to incentive option agreements dated for reference February 21, 2000, to the Company’s directors and officers as set forth in the table below. Any shares issued upon exercise of the options prior to the Company entering into a Qualifying Transaction will be subject to escrow restrictions. See “Share Capital – Performance Shares or Escrow Securities”.

Name	Securities Under Options Granted (#)	Exercise or Base Price (\$/Security)	% of total Options Granted to Employees in Fiscal Year	Market Value of Securities Underlying Options on the Date of Grant (\$/Security) ⁽¹⁾	Expiration Date
David A. Henstridge	105,000	\$0.15	Nil	N/A	Five years after the listing of the Shares on the Exchange
Nick DeMare	93,000	\$0.15	Nil	N/A	Five years after the listing of the Shares on the Exchange
Yale Simpson	50,000	\$0.15	Nil	N/A	Five years after the listing of the Shares on the Exchange
Harvey Lim	30,000	\$0.15	Nil	N/A	Five years after the listing of the Shares on the Exchange
Mariana Bermudez	20,000	\$0.15	Nil	N/A	Five years after the listing of the Shares on the Exchange
Dodd Pellant	10,000	\$0.15	Nil	N/A	Five years after the listing of the Shares on the Exchange
Robert Atkinson	10,000	\$0.15	Nil	N/A	Five years after the listing of the Shares on the Exchange

- (1) As the Company’s shares were not listed on the Exchange at the date of grant, the market value of the securities underlying the options on the date of grant is not available.

Employment Contracts, Compensation of Directors and Related Party Transactions and Proposed Compensation

No remuneration, compensation, advances of finder's fees of any nature whatsoever will be paid, directly or indirectly, to any officer, director or other party related to the Company prior to completion of the Company's Qualifying Transaction or for services rendered or obligations incurred prior to or in connection with the completion of a Qualifying Transaction. See "Use of Proceeds". After the completion of its Qualifying transaction, the Company may pay remuneration to its directors and officers if the Company is able to do so. No remuneration is anticipated to be paid to directors in their capacity as directors in the foreseeable future.

RISK FACTORS

No Operating History

The Company does not have business operations or assets other than cash, and has no written or oral agreements for the acquisition of a business or asset at this time. There is no established market for the shares of the Company. This Offering should be considered highly speculative due to the proposed nature of the Company's business and the fact that the Company was only recently incorporated and has no substantial assets other than cash. The Company has neither a history of earnings nor has it paid dividends. It is unlikely to realize earnings or pay dividends in the immediate or foreseeable future.

No Proposed Business

There is no assurance that the Company will be able to identify acquisitions which will be profitable. As at the date of this Prospectus, the Company has not identified any potential business or assets for acquisition. Moreover, should the Company identify any assets or businesses and determine that an acquisition is warranted, the Company may not be able to finance the acquisition and additional funds may be required to meet such obligations. As a result of these factors, this Offering is suitable only to those investors who can afford to lose their entire investment and who are willing to rely solely on the management of the Company. See "Business of the Company – Method of Financing Acquisitions or Participation".

Requirement for Additional Financing

The net proceeds from this Offering will be sufficient to identify only a limited number of businesses or assets and, if so identified, the Company may not be able to finance the acquisition unless it obtains additional funds. There is no assurance that the Company will be able to secure financing or that such financing will be obtained on terms favourable to the Company. Failure to obtain adequate financing could result in significant delays in identifying a Qualifying Transaction and the Company may become at risk for delisting or cease trading.

Possible Trading Suspension or Delisting

The Exchange may suspend from trading or delist the shares of the Company if the Company fails to complete a Qualifying Transaction within 18 months following the date the shares are listed on the Exchange or the Company does not have at least \$25,000 in cash at any time during its listing on the Exchange. If the Company does not complete a Qualifying Transaction within three years from the date of listing, the Exchange will delist the Company. The Exchange will review the expenses, disclosure, trading history and other transaction undertaken by the Company during its listing to determine

compliance with Exchange policies. The Exchange may refuse to accept a transaction as a Qualifying Transaction if significant concerns arise from its review and where, among other things, the Company fails to meet the minimum listing requirements prescribed by the Exchange upon completion of the Qualifying Transaction, or the consideration proposed to be paid by the Company in connection with the transaction is objectionable to the Exchange.

Reliance on Management

The Company is relying solely on the past business success of its directors and officers to identify a Qualifying Transaction of merit.

Directors' and Officers' Involvement in Other Projects

The directors and officers of the Company will not be devoting all their time to the affairs of the Company, but will be devoting such time as required to effectively manage the Company. Some of the directors and officers of the Company are engaged and will continue to be engaged in the search for property or business prospects for themselves or on behalf of others, including other listed companies. Accordingly, conflicts of interest may arise from time to time. Any conflicts will be subject to the procedures and remedies under the *Company Act* (British Columbia).

Dilution

The net tangible book value per Share after completion of the Offering will be \$0.10 representing a dilution of 33.33% on a fully diluted basis assuming no exercise of the Agent's Option or incentive options. If the Company issues treasury shares to finance its acquisitions or participation, control of the Company may change and subscribers may suffer additional dilution of their investment.

As a result of these factors, this Offering is only suitable for those investors who are willing to rely on management of the Company and who can afford to lose their entire investment in the Company's shares.

SHARE CAPITAL

Existing and Proposed Share Capital

The authorized capital of the Company consists of 100,000,000 common shares without par value. As at the date hereof there are 1,684,000 common shares issued and outstanding. The common shares rank equally within their class as to dividends, voting rights, participating in assets and all other respects. The issued shares are not subject to call or assessment nor pre-emptive or conversion rights. There are no provisions attached to such shares for redemption, purchase for cancellation, surrender or sinking or purchase funds.

As at the date of this Prospectus, the Company has no outstanding loans or other debt obligations.

The following table represents the Company's share capital both before and after the issuance of the Shares issuable upon completion of the Offering.

	Number of Issued Shares	Price	Consideration
Prior sales of common shares	1,684,000 ⁽¹⁾	\$0.075	\$126,300
Issued as of the date of this Prospectus Offering	1,684,000 ⁽¹⁾	\$0.075	126,300
	<u>1,700,000</u>	\$0.15	<u>255,000</u>
Issued upon completion of Offering ⁽²⁾	<u>3,384,000</u>		<u>\$381,300</u>

(1) These shares are subject to escrow restrictions. See “Performance Shares or Escrow Securities”.

(2) Prior to the exercise of the Agent’s Option or incentive options.

Options and Other Rights to Purchase Shares

As at the date of this Prospectus, the Company had issued the following options, warrants or other rights to purchase its securities.

Incentive Options

The Company has issued options, pursuant to stock option agreements dated for reference February 21, 2000 to purchase up to 318,000 common shares at an exercise price of \$0.15 per share, exercisable for a period of five years commencing upon the listing of the Shares on the Exchange. These options have been issued to the Company’s directors and officers. Refer to “Payments to Insiders and Promoters – Options Granted”.

Any shares issued upon exercise of the options prior to the Company entering into the Qualifying Transaction will be subject to escrow until the issuance of a notice by the Exchange approving the Qualifying Transaction. All of the incentive options are non-transferable and terminate the earlier of the expiry date or the 90th day following the day on which the optionee ceases to be either a director or officer of the Company.

Agent’s Option

The Company has agreed to grant the Agent the Agent’s Option entitling the Agent to purchase up to 170,000 common shares of the Company, at any time up to the close of business 18 months from the day the Company’s common shares are listed for trading on the Exchange, at a price of \$0.15 per share. See “Plan of Distribution”. Up to 50% of the total number of shares issuable pursuant to the exercise of the Agent’s Option may be sold by the Agent prior to the completion by the Company of the Qualifying Transaction. The balance may only be sold following the Company’s completion of a Qualifying Transaction which has been accepted for filing by the Exchange.

There are no assurances that the options, warrants or other rights described above will be exercised in whole or in part.

Fully Diluted Share Capital

Shares Issued or Allotted	Number of Shares	Percentage of Total
Issued as of the date of this Prospectus	1,684,000	43.5%
Total Offering	1,700,000	43.9%
Securities reserved for future issuance as of the date of this Prospectus ⁽¹⁾	<u>488,000</u> ⁽¹⁾	<u>12.6%</u>
Total:	<u>3,872,000</u>	<u>100%</u>

- (1) 318,000 common shares may be issued upon the exercise of incentive stock options granted to directors and officers of the Company and up to 170,000 common shares may be issued upon exercise of the Agent's Option. See "Options and Other Rights to Purchase Shares".

Principal Holders of Voting Securities

To the knowledge of the directors and senior officers of the Company, as of the date hereof, the only persons who beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the issued shares of the Company are as follows:

Name and Municipality of Residence	Number of Securities ^①	Percentage of Shares Prior to Offering	Percentage of Shares After Offering ^②
David A. Henstridge North Vancouver, B.C.	386,000	22.92%	11.41%
Nick DeMare Burnaby, B.C.	346,000	20.54%	10.22%
Robert G. Atkinson West Vancouver, B.C.	266,000	15.80%	7.86%
Yale Simpson North Vancouver, B.C.	200,000	11.88%	5.91%
Java Black Pty Ltd. ^③ South Perth, Western Australia	200,000	11.88%	5.91%

- ① These securities are subject to escrow trading restrictions pursuant to the policies of the Exchange. See "Performance Shares or Escrow Securities".
- ② Before giving effect to the exercise of the Agent's Option or the exercise of incentive stock options granted to directors and officers.
- ③ [Java Black Pty Ltd. is a private Australian company, the shares of which are owned by Peter Hugh Lloyd and Julie Marie Lloyd].

Performance Shares or Escrow Securities

In accordance with the policies of the Exchange, all common shares of the Company issued prior to the Offering at a price less than the price of the Shares offered pursuant to this Prospectus are subject to

escrow restrictions (the “Discount Seed Shares”). In addition, any common shares of the Company beneficially owned, directly or indirectly, at the time of the Offering, acquired pursuant to the Offering, or acquired from the Company after the completion of the Offering but prior to completion of the Qualifying Transaction by parties related to the Company are also required to be held in escrow under an escrow agreement in accordance with the policies of the Exchange. Parties related to the Company include:

- (a) the promoters, officers, directors and other insiders of the Company;
- (b) an issuer, 20% or more of which the voting securities are beneficially owned, directly or indirectly, by one or more of the persons or companies referred to in paragraph (a) above, or over which one or more of the persons or companies referred to above has control or director (or a combination of beneficial ownership and control or director); and
- (c) an associate or affiliate of a person or company referred to in paragraph (a) above.

Any common shares of the Company acquired by related parties pursuant to the exercise of incentive stock options will also be subject to escrow restrictions until the completion by the Company of the Qualifying Transaction. In addition, all common shares of the Company acquired by a control person of the Company in the secondary market prior to the completion of the Qualifying Transaction will be subject to escrow restrictions. A control person is a person who holds a sufficient number of the voting rights attached to the outstanding voting securities of the Company to affect materially the control of the Company, or each person in a combination of persons, acting in concert by virtue of an agreement, arrangement, commitment, or understanding, which holds in total a sufficient number of the voting rights attached to all outstanding voting securities of the Company to affect materially the control of the Company.

Shares subject to escrow will be released pro rata to the shareholders as follows depending on which tier classification the Exchange designates the Company subsequent to completion of the Qualifying Transaction:

Tier 1	Tier 2
10% following issuance of the Final Exchange Notice ①	25% following issuance of Final Exchange Notice ①
15% 6 months following the initial release	25% 6 months following Final Exchange Notice
15% 12 months following the initial release	25% 12 months following Final Exchange Notice
15% 18 months following the initial release	25% 18 months following Final Exchange Notice
15% 24 months following the initial release	
15% 30 months following the initial release	
15% 36 months following the initial release	

① Final Exchange Notice means the Exchange Notice (or Bulletin) issued following closing of the Qualifying Transaction and the submission of all post-meeting documentation which evidences the Exchange’s final acceptance of the Qualifying Transaction.

The escrow shares are subject to the direction and determination of the Exchange. Specifically, escrowed shares may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the consent of the Exchange.

If the Company fails to complete a Qualifying Transaction within 18 months following the date of listing of the Company and the Exchange issues a notice that the Company may be suspended from trading or will be de-listed, the Exchange shall forthwith notify the Company's escrow agent.

If the Company's shares are de-listed:

- (a) Montreal Trust Company of Canada (the "Escrow Agent") shall deliver a notice to the Company, and shall include with the notice any certificates possessed by the Escrow Agent which evidence the Discount Seed Shares; and
- (b) the Company and the Escrow Agent shall take such action as is necessary to cancel the Discount Seed Shares.

All securities issued by the Company in conjunction or contemporaneously with or in completion of the Qualifying Transaction, or which are acquired by a private placement or any other manner by a control person of the Company (determined after giving effect to the issuance) or by any related party to the Company, will be subject to escrow restrictions as prescribed by the policies of the Exchange. Additionally, at its discretion, the Exchange may impose escrow restrictions on all or any portion of the securities issued to parties related to the Company or parties related to the Qualifying Transaction in conjunction or contemporaneously with or in contemplation of the Qualifying Transaction.

The following are particulars of the escrow shares of the Company as of the date of this Prospectus and subsequent to completion of the Offering.

Designation of Class	Number of Shares held in Escrow	Percentage of Shares Before the Offering	Percentage of Shares After the Offering^⓪
Common Shares	1,684,000	100%	49.76%

^⓪ Prior to the exercise of the Agent's Option and incentive stock options.

In accordance with the policies of the Exchange, all common shares of the Company issued prior to the Offering at a price less than the price of the Shares offered hereunder are subject to escrow restrictions. The following common shares of the Company were issued at a price of \$0.075 per share to the directors and officers of the Company and other "seed" shareholders.

Name	Number of Escrowed Shares
David A. Henstridge	386,000
Nick DeMare	346,000
Yale Simpson	200,000
Java Black Pty Ltd.	200,000
Robert Atkinson	266,000
Dodd Pellant	133,000

Name	Number of Escrowed Shares
Harvey Lim	80,000
Robert O. Plenge	45,000
Mariana Bermudez	14,000
Joseph Abbinante	14,000

The above-noted shares are held in escrow pursuant to an escrow agreement dated for reference February 21, 2000 with Montreal Trust Company of Canada, of 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

DIVIDEND RECORD AND POLICY

The Company has not paid any dividends since incorporation and it has no plans to pay dividends. The directors of the Company will determine if and when dividends should be declared and paid in the future based on the Company's financial position at the relevant time. All of the common shares of the Company are entitled to an equal share in any dividends declared and paid.

PLAN OF DISTRIBUTION

The Offering

The Company, through the Agent, hereby offers to the public in the Provinces of British Columbia and Alberta through the facilities of the Exchange up to 1,700,000 Shares at a price of \$0.15 per share.

The Offering will be made in accordance with the rules and policies of the Exchange on a day (the "Offering Day") determined by the Agent and the Company, with the consent of the Exchange, within a period 90 days from the date a final receipt for this Prospectus is issued by the British Columbia and Alberta Securities Commissions (the "Effective Date").

The Company will receive the net proceeds from the Offering within 10 business days of the Offering Day. Until all of the Shares offered by this Prospectus are sold, all subscription monies will be deposited with and held in trust by the Agent. If all of the Shares are not sold within the prescribed offering period, then all subscription proceeds held by the Agent will be returned to subscribers in full without deduction or interest.

In accordance with the rules and policies of the Exchange, the Agent is required to give full client preference of 100% of the Offering for purchase by retail clients. Clients of the Agent will have preference, to the extent there is demand, for 100% of the Offering. The Agent may allocate the Offering among its clients with such preference as it may determine in its sole discretion. If client demand is less than 100% of the Offering, the difference between the total Offering and client demand may be allocated to members of the Exchange, including the Agent, and their partners, directors, officers, registered representatives and employees. An individual subscriber may purchase directly or indirectly a maximum of 34,000 shares, being 2% of the total number of Shares being offered hereunder. Notwithstanding the foregoing, the maximum number of common shares which may be directly or indirectly purchased by any one subscriber, together with that subscriber's associates and affiliates (as defined in Exchange policies), is 68,000 shares, being 4% of the total number of common shares offered hereunder.

Other than payments to be made to the Agent as disclosed in this section, there are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder, or any other person or company in connection with this Offering. The directors, officers and other insiders of the Company may purchase Shares from this Offering, provided, however, that any Shares so purchased will be subject to the same escrow restrictions described under “Share Capital – Performance Shares or Escrow Securities”.

Appointment of Agent

By an agreement (the “Agency Agreement”) dated for reference February 28, 2000, the Company appointed the Agent as its agent for the Offering. Under the terms of the Agency Agreement, the Company has agreed to pay to the Agent a commission of \$0.015 per Share sold pursuant to the Offering, payable in cash, and a corporate finance fee of \$7,500 plus applicable taxes (paid and is non-refundable). The price of the Shares and the commission payable to the Agent was established through negotiations between the Company and the Agent.

The Company has also granted to the Agent the Agent’s Option described below.

The Agent reserves the right to offer selling group participation, in the normal course of the brokerage business to selling groups of other licensed dealers, brokers and investment dealers, who may or may not be offered part of the commissions or options to be received by the Agent pursuant to the Agency Agreement.

The obligations of the Agent under the Agency Agreement may be terminated at any time before the closing of the Offering and the listing of the Shares on the Exchange at the Agent’s discretion on the basis of the assessment of the state of the financial markets and may also be terminated at any time on the occurrence of certain stated events.

The Company has granted the Agent a right of first refusal to provide future equity financing to the Company and to serve as the Company’s sponsor for its Qualifying Transaction for a period of 18 months from the listing of the Company’s common shares on the Exchange.

Agent’s Option

Pursuant to the Agency Agreement, the Company has granted the Agent an option to purchase up to 170,000 common shares of the Company, at a price of \$0.15 per share, for a period of 18 months from the day the Company’s common shares are listed for trading on the Exchange. In accordance with the policies of the Exchange, up to 50% of the shares issuable to the Agent upon the exercise of the Agent’s Option may be sold by the Agent prior to the completion of the Qualifying Transaction. The balance may only be sold by the Agent once the Company has completed the Qualifying Transaction.

The Agent’s Option will contain, among other things, anti-dilution provisions and provisions for the appropriate adjustment in the class, number and price of the common shares issuable pursuant to any exercise thereof upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the common shares of the Company, the payment of stock dividends or the amalgamation of the Company.

DESCRIPTION OF SECURITIES OFFERED

The Offering consists of 1,700,000 common shares. This Prospectus, therefore, is qualifying 1,700,000 common shares for distribution. This Prospectus also qualifies the issuance of the Agent's Option to the Agent.

SPONSORSHIP AND FISCAL AGENCY AGREEMENTS

The Company has not entered into any sponsorship or fiscal agency agreements and has no plans to enter into any such agreements in the near future. However, the Agent has agreed to act as the Company's sponsor in connection with its application for listing on the Exchange. The Company will be required to obtain sponsorship by an Exchange member firm at the time the Company enters into a Qualifying Transaction. See "Business of the Company – Requirements to be Met to Complete a Qualifying Transaction".

INVESTOR RELATIONS AGREEMENTS

The Company has not entered into any written or oral agreement or understanding with any person to provide any promotional or investor relations services for the Company or its securities, or to engage in activities for the purposes of stabilizing the market, either now or in the future.

RELATIONSHIP BETWEEN COMPANY OR SELLING SECURITY HOLDER AND AGENT

The Company is not a related or connected party, as those terms are defined in the *Securities Act* (British Columbia), of the Agent.

RELATIONSHIP BETWEEN COMPANY AND PROFESSIONAL PERSONS

There is no beneficial interest, direct or indirect, in any securities or property of the Company, or of an associate or affiliate of the Company, held by a professional person as referred to in section 106(2) of the *Securities Rules* (British Columbia), a responsible solicitor or any partner of a responsible solicitor's firm.

LEGAL PROCEEDINGS

There are no actual or pending material legal proceedings to which the Company is or is likely to be a party or of which any of its subsidiaries or properties are or are likely to be the subject.

AUDITORS

The auditors of the Company are Dyke & Howard, Chartered Accountants, of 500 – 1441 Creekside Drive, Vancouver, British Columbia, V6J 4S7.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent of the common shares of the Company is Montreal Trust Company of Canada, of 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

MATERIAL CONTRACTS

The following are the material contracts of the Company that are outstanding as at the date of this Prospectus:

- (a) Escrow Agreement dated for reference February 21, 2000 among the Company, Montreal Trust Company of Canada and certain shareholders of the Company. See “Share Capital – Performance Shares or Escrow Securities”.
- (b) Stock Option Agreements dated for reference February 21, 2000 between the Company and certain directors and officers of the Company. See “Payments to Insiders and Promoters – Options Granted”.
- (c) Agency Agreement dated February 28, 2000, as amended February 28, 2000, between the Company and the Agent. See “Plan of Distribution”.

The material contracts described above may be inspected at the offices of DuMoulin Black at 10th Floor, 595 Howe Street, Vancouver, British Columbia, V6C 2T5, during normal business hours during the period of the distribution of the shares being distributed hereunder.

OTHER MATERIAL FACTS

There are no other material facts relating to the securities proposed to be offered and not disclosed elsewhere in this Prospectus.

PURCHASERS' STATUTORY RIGHTS (BRITISH COLUMBIA)

The *Securities Act* (British Columbia) (the “BC Act”) provides purchasers with the right to withdraw from an agreement to purchase securities within two business days after receipt or deemed receipt of a prospectus and any amendment. The BC Act further provides a purchaser with remedies for rescission or damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed therein. The purchaser should refer to sections 83, 131, 135 and 140 of the BC Act for the particulars of these rights or consult with a legal adviser.

PURCHASERS' STATUTORY RIGHTS (ALBERTA)

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

- (a) 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
- (b) 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 Alberta Act,

- (i) has a right of action for damages against:
- (A) the issuer or a selling security holder on whose behalf the distribution is made,
 - (B) each underwriter required to sign the certificate required by section 91 of the Alberta Act,
 - (C) every director of the Company at the time the prospectus or amendment was filed,
 - (D) every person or company whose consent has been filed pursuant to a requirement of the regulations under the Alberta Act, but only with respect to reports, opinions or statements made by them, and
 - (E) every other person or company who signed the prospectus or the amendment,

but no action to enforce the right can be commenced by a purchaser more 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

- (ii) where the purchaser purchased the security from a person or company referred to in (A) or (B) 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 Alberta Act for the complete text of the provision under which the foregoing rights are conferred and the foregoing summary is subject to the express provision thereof.

PLANEX VENTURES LTD.

FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 11, 2000
(Date of Incorporation) TO JANUARY 31, 2000

DYKE & HOWARD

CHARTERED ACCOUNTANTS

L.R. Bisaro Ltd.
T.C. Hamar Ltd.
M.E. Louie Ltd.

D.W. Louie Ltd.
M.O. Nakanishi Ltd.
R.B. Macfarlane Ltd.

AUDITORS' REPORT

To the Board of Directors of
Planex Ventures Ltd.

We have audited the balance sheet of Planex Ventures Ltd. as at January 31, 2000 and the statements of loss and deficit and cash flow for the period from incorporation on January 11, 2000 to January 31, 2000. These financial statements are the responsibility of the Company'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 as at January 31, 2000 and the results of its operations and its cash flow for the period from incorporation on January 11, 2000 to January 31, 2000 in accordance with generally accepted accounting principles.

“Dyke & Howard”

Vancouver, B.C.
February 6, 2000,
except as to Notes 3 and 5 which are as of February 28, 2000

Chartered Accountants

PLANEX VENTURES LTD.

**BALANCE SHEET
AS AT JANUARY 31, 2000**

\$

A S S E T S

CURRENT ASSETS

Cash and cash equivalents	118,255
Amounts receivable	<u>566</u>
	118,821

DEFERRED SHARE ISSUE COSTS (Note 3)	<u>7,500</u>
	<u><u>126,321</u></u>

L I A B I L I T I E S

CURRENT LIABILITIES

Accounts payable and accrued liabilities	<u>1,091</u>
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S H A R E H O L D E R S ' E Q U I T Y

SHARE CAPITAL (Note 3)	126,300
RETAINED EARNINGS (DEFICIT)	<u>(1,070)</u>
	<u>125,230</u>
	<u><u>126,321</u></u>

APPROVED BY THE DIRECTORS

"David A. Henstridge" Director

"Harvey Lim" Director,

PLANEX VENTURES LTD.
STATEMENT OF LOSS AND DEFICIT
FOR THE PERIOD FROM JANUARY 11, 2000
(Date of Incorporation) TO JANUARY 31, 2000

	\$
EXPENSES	
Filing fees	445
Miscellaneous	125
Professional fees	<u>500</u>
NET INCOME (LOSS) FOR THE PERIOD	(1,070)
RETAINED EARNINGS (DEFICIT) - BEGINNING OF PERIOD	<u>-</u>
RETAINED EARNINGS (DEFICIT) - END OF PERIOD	<u><u>(1,070)</u></u>

PLANEX VENTURES LTD.
STATEMENT OF CASH FLOW
FOR THE PERIOD FROM JANUARY 11, 2000
(Date of Incorporation) TO JANUARY 31, 2000

	\$
CASH PROVIDED FROM (USED FOR)	
OPERATING ACTIVITIES	
Net income (loss) for the period	(1,070)
Increase in amounts receivable	(566)
Increase in accounts payable and accrued liabilities	1,091
	<u>(545)</u>
FINANCING ACTIVITIES	
Issuance of common shares	126,300
Deferred share issue costs	(7,500)
	<u>118,800</u>
INCREASE IN CASH DURING THE PERIOD	118,255
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	<u>-</u>
CASH AND CASH EQUIVALENTS - END OF PERIOD	<u><u>118,255</u></u>
 CASH AND EQUIVALENTS IS COMPRISED OF:	
Cash	28,555
Short-term deposits	<u>90,000</u>
	<u><u>118,255</u></u>

PLANEX VENTURES LTD.
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 11, 2000
(Date of Incorporation) TO JANUARY 31, 2000

1. OPERATIONS

The Company was incorporated under the Company Act of British Columbia on January 11, 2000 and is in the process of listing its common shares on the Canadian Venture Exchange as a junior capital pool company. Once listed the Company proposes to identify and evaluate potential business acquisitions and to negotiate acquisition or participation agreements subject to regulatory and shareholder approval.

2. ACCOUNTING POLICIES

Basis of Presentation

These financial statements have been prepared in accordance with generally accepted accounting principles which necessarily involves the use of estimates. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policy summarized below.

Cash Equivalents

Cash includes cash and short-term deposits maturing within 90 days of the original date of acquisition.

Deferred Share Issue Costs

Cost incurred relating to the Company's planned initial public offering have been recorded as deferred share issue costs. On completion of the offering these costs will be offset against share capital.

Financial Instruments

The Company's financial instruments consist of cash, amounts receivable and accounts payable and accrued liabilities. The fair market value of the Company's financial instruments approximate their carrying amounts due to their short term to maturity.

3. SHARE CAPITAL

	\$
Authorized	
100,000,000 common shares without par value	
Issued	
1,684,000 common shares for cash	<u>126,300</u>

PLANEX VENTURES LTD.
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 11, 2000
(Date of Incorporation) TO JANUARY 31, 2000

3. SHARE CAPITAL (continued)

Under the requirements of the Canadian Venture Exchange, the 1,684,000 issued common shares will be held in escrow and may not be released from escrow and traded without the written consent of the regulatory authorities.

On January 12, 2000, as amended on February 28, 2000, the Company entered into an agreement relating to a public offering of 1,700,000 common shares at \$0.15 per share. Pursuant to the terms of the agency agreement, the agent will receive a commission of 10% of the gross proceeds of the public offering and will be granted a non-transferable option to purchase up to 170,000 common shares of the Company at \$0.15 per share during the first 18 months following listing of the Company's shares on the Canadian Venture Exchange.

The agent has also agreed to act as the Company's sponsor for listing on the Canadian Venture Exchange. In connection with this agreement, the Company has paid the agent a corporate finance fee of \$7,500 which has been recorded as deferred share issue costs as of January 31, 2000.

The Company has also agreed to file a prospectus with the regulatory authorities relating to the offer for sale of the above offering to the public.

4. UNCERTAINTY DUE TO YEAR 2000 ISSUE

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1999 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the Company, including those related to customers, suppliers, or other third parties, have been fully resolved.

5. SUBSEQUENT EVENTS

Subsequent to January 31, 2000, the Company granted stock options to the officers and directors of the Company to purchase 318,000 common shares of the Company at \$0.15 per share, expiring five years from the date of listing of the Company's shares on the Canadian Venture Exchange.

See also Note 3.

CERTIFICATE OF THE COMPANY

DATE: May 25 , 2000

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part 9 of the *Securities Act* (British Columbia) and the rules thereunder and by Part 8 of the *Securities Act* (Alberta) and the regulations under it.

“David A. Henstridge”

David A. Henstridge
Chief Executive Officer

“Nick DeMare”

Nick DeMare
Chief Financial Officer

“David A. Henstridge”

David A. Henstridge
Promoter

ON BEHALF OF THE BOARD OF DIRECTORS

“Harvey Lim”

Harvey Lim
Director

“Yale Simpson”

Yale Simpson
Director

CERTIFICATE OF THE AGENT

Date: May 25 , 2000

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 9 of the *Securities Act* (British Columbia) and the rules thereunder and by Part 8 of the *Securities Act* (Alberta) and the regulations under it.

RESEARCH CAPITAL CORPORATION

“Michael G. Thomson”

Michael G. Thomson

Vice-President, Corporate Finance