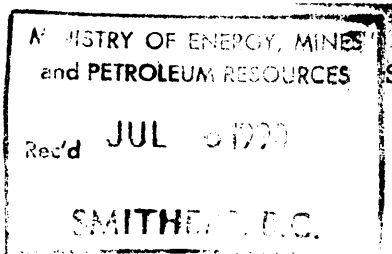


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Kinaskan Lake Property /  
Axe Claims New



SUPERINTENDENT OF BROKERS  
AND  
VANCOUVER STOCK EXCHANGE

Horn Property - 1046 089,  
035?  
Poker Claims - New  
Olatine Property - New

STATEMENT OF MATERIAL FACTS (#32-90)

EFFECTIVE DATE: JUNE 18, 1990

104B/104G

Iskut Area

DRYDEN RESOURCE CORPORATION, 800 - 900 West Hastings Street,  
Vancouver, British Columbia - Telephone: 669-6656

Name of Issuer, Address of Head Office and Telephone Number

O'NEILL & BENICE, 1200 - 1190 Hornby Street, Vancouver, British  
Columbia

Address of Registered and Records Offices of Issuer

CENTRAL GUARANTY TRUST COMPANY, 800 West Pender Street,  
Vancouver, British Columbia

Name and Address of Registrar and Transfer Agent for Issuer's  
Securities in British Columbia

OFFERING: 700,000 UNITS - each Unit consisting of one common  
share without par value and two Series "A" share  
purchase warrants.

Units	Estimated Price to Public(1)	Estimated Commission	Estimated Net Proceeds to be received by the Issuer(2)
Per Unit	\$ 0.75	\$ 0.05625	\$ 0.69375
Total	\$525,000.00	\$39,375.00	\$485,625.00

(1) The actual price to the public will be determined by the  
Exchange.

(2) Before deduction of the costs of the issue estimated to be  
\$15,000.

June 25/90

**ADDITIONAL OFFERING:** Any Units purchased by the Agents from the Offering pursuant to their guarantee, at the prevailing market price at the time of sale.

The Issuer is, under the rules of the Exchange, a "Venture Company".

The Securities offered hereunder are speculative in nature. Information concerning the risks involved may be obtained by reference to this document; further clarification, if required, may be sought from a broker.

**AGENTS:**

L.O.M. WESTERN SECURITIES LTD.  
STOCK EXCHANGE TOWER  
P.O. BOX 10337  
2200 - 609 GRANVILLE  
V7Y 1H2

*Neither the Superintendent of Brokers nor the Vancouver Stock Exchange has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.*

**DATED: JUNE 14, 1990**

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## 1. PLAN OF DISTRIBUTION

### Offering

The Issuer, by its Agents, hereby offers (the "Offering") to the public through the facilities of the Vancouver Stock Exchange (the "Exchange"), 700,000 units (the "Units"), each Unit consisting of one common share and two Series "A" share purchase warrants (the "Warrants"). The Offering will take place on a day (the "Offering Day") not more than 180 calendar days after the date (the "Effective Date") this Statement of Material Facts is accepted for filing by the Exchange and the Superintendent of Brokers for British Columbia (the "Superintendent").

The price of the Units (the "Offering Price") will be determined by the Issuer and the Agents in accordance with the Exchange's rules and policies, at a premium over the average trading price ("Average Trading Price") of the Issuer's common shares as traded on the Exchange and as determined by the Exchange.

The purchaser of any Units will be required to pay regular commission rates as specified in the rules and by-laws of the Exchange.

### Appointment of Agents

The Issuer, by an agreement dated as of April 30, 1990 (the "Agency Agreement"), appointed L.O.M. Western Securities Ltd. as its agents ("Agents") to offer the Units to the public.

The Issuer will pay the Agents a commission of 7.5% of the Offering Price of the Units.

The Agents have agreed to purchase any Units which remain unsubscribed at the conclusion of the Offering Day and, in consideration therefore, the Issuer has agreed to allot and issue to the Agents, immediately following the Offering Day, non-transferable share purchase warrants ("Agents' Warrants") entitling the Agents to purchase a total of 350,000 common shares of the Issuer. The Agents may exercise any of the Agents' Warrants within a period of one year after the Offering Day at a price per share equal to the price of a Unit.

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

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

### Share Purchase Warrants

The share purchase warrants will contain, among other things, anti-dilution provisions and provisions for appropriate adjustment in the class, number and price of shares issuable pursuant to any exercise thereof upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the shares of the Issuer, or the payment of stock dividends.

### Series "A" Share Purchase Warrants

The Series "A" share purchase warrants to be issued pursuant to the Offering will be transferable and in bearer form and subject to filing with the Exchange of evidence of satisfactory distribution shall be posted for trading on the Exchange. Two such warrants will entitle the holder to purchase one common share of the Issuer at any time up to the close of business for a period of one year following the Offering Day at a price per share equal to the price of a Unit.

### Agents' Warrants

The Agents' Warrants will have the same terms and conditions as the Series "A" Warrants except they will be non-transferable and only one Agents Warrant is required to purchase one share in the capital of the Issuer.

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 the Offering.

The directors, officers and other insiders of the Issuer may purchase Units from this Offering.

### Additional Offering

This Statement of Material Facts also qualifies the sale, through the facilities of the Exchange at the market price at the time of sale, of any Units acquired by the Agents pursuant to their guarantee. The Agents will receive the proceeds from the sale of such Units and none of these proceeds will accrue to the Issuer.

## 2. HOW THE NET PROCEEDS OF THE ISSUER ARE TO BE SPENT

The Issuer cannot estimate with certainty the price at which the Units will sell, but if all the Units are sold at a price of \$0.75 per Unit, the Issuer will receive gross proceeds of \$525,000 which, after deduction of commissions of \$39,375 will net the Issuer \$485,625.

The principal purposes for which the estimated net proceeds of \$485,625, together with the working capital as at March 31, 1990 of \$56,122 are required, and the estimated amount to be spent on each are:

1.	To pay the cost of this Statement of Material Facts	\$15,000.00
2.	For general corporate purposes	<u>\$526,747.00</u>
		<u>-\$541,747.00</u>

Any monies received from the exercise of the Warrants, Agents' Warrants described in Item 1 will be used for the general corporate purposes of the Issuer.

### 3. MATERIAL NATURAL RESOURCE PROPERTIES

#### Summary of Material Mining Properties

Group I Properties for which regulatory approval has been obtained under this Statement of Material Facts.

Group II Presently held properties which are currently producing or being explored, or upon which exploration is planned within the next year.

Group III Other presently held properties upon which the Issuer's acquisition and exploration costs to date exceed \$100,000.

Group	Property Name	Issuer's Acquisition and Exploration Costs to March 31, 1990	Shares Issued to Date	Planned Expenditure from Funds Available upon Completion of the Offering
I	Nil	Nil	Nil	Nil
II	Kinaskan Lake Property (Axe Claims)	\$80,167	100,000	Offering is for working capital only. An Exploration program is planned for 1990 using funds from the Golden Triangle Fund private placement. See "Property".
	Horn Property	Nil	Nil	Offering is for working capital only. An Exploration

program is planned for 1990 using funds from the Golden Triangle Fund private placement. See "Property".

Poker Claims Property	Nil	Nil	Offering is for working capital only. An Exploration program is planned for 1990 using funds from the Golden Triangle Fund private placement. See "Property".
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III	Olatine Property (Iskut River)	\$137,853	150,000	Nil
	Lucky Boy Claims	\$102,980	100,000	Nil

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### PROPERTY

#### Kinaskan Lake Property, (Axe Claims) Liard Mining Division, British Columbia

The Kinaskan Lake property consists of 23 located mineral claims situated in the Liard Mining Division, British Columbia covering an area of 11,500 hectares.

By an agreement made as of August 2, 1989 between the Issuer and Kevin Whelan of Victoria, British Columbia, the Issuer purchased a 100% interest in 32 located mineral claims covering an area of approximately 11,500 hectares. The consideration for the purchase was the payment of \$10,000 and the issuance of 100,000 shares. The Issuer has subsequently dropped nine of the claims.

The Issuer has carried out exploration work on those claims totalling \$62,500 consisting of prospecting, geological mapping and geochemical sampling. That exploration on the property and exploration carried out by others has identified two highly prospective target areas.

The first is a porphyry copper target that extends for up to 1,200 meters in an east-west direction. Previous sampling returned values of 0.1% to 0.2% copper with one value as high as 1.06% copper. The QC porphyry copper prospect of Teck Corporation is located to the north of the property and may represent another part of the same mineralized system.

The second is to the north of the Horn claim described below and consists of silver-lead-zinc mineralization (similar to the Horn silver prospect) which has been located over an area of 1,200 by 1,700 meters. Selected grab samples ran as high as 8.2% lead, 23% zinc and 3.7 ounces per ton of silver.

The Issuer intends to expend up to \$124,000 from the proceeds of the Golden Triangle Fund Offering to carry out a program of prospecting, geological mapping and geochemical sampling on the property. For details of the Golden Triangle Fund Offering see "Other Material Facts" under Item 9 of this Statement of Material Facts.

There is no surface or underground plant or equipment on the property. There are no known reserves of ore on the property. The proposed work program is an exploratory search for ore.

*Horn Property,  
Liard Mining Division, British Columbia*

The Horn property consists of one located mineral claim covering an area of 300 hectares. The claim is surrounded by the claims acquired by the Issuer from Kevin Whelan on the north, west and south and the claims acquired by Ascot Resources Ltd. ("Ascot") from Kevin Whelan on the north, east and south.

By an agreement made as of November 2, 1989 between Ascot and the Issuer, as optionees, and Tenajon Resources Corp. ("Tenajon") of Vancouver, British Columbia, as optionor, Ascot and the Issuer were granted the option to acquire an undivided 50% interest in the property. The option is exercisable by Ascot and the Issuer incurring exploration expenditures of \$250,000 on or before December 31, 1991 of which an aggregate of \$100,000.00 of exploration expenditures must be incurred by December 31, 1990 or the option will terminate. Following the exercise of the option a joint venture agreement will be entered into with Tenajon for the exploration of the property with Ascot and the Issuer as operator.

Previous exploration on the Horn claim has resulted in the discovery of an area of high grade silver-lead-zinc veining and stockwork type mineralization often found peripheral to porphyry systems. Several zones with significant silver mineralization have been sampled on surface with the best averaging 11.04 ounces per ton of silver over an area of 45 by 4.2 meters. Subsequent drilling intersected numerous narrow intervals of 0.5 to 1.5 meters with grades ranging from three to 10 ounces per ton of



silver.

The Issuer intends to expend \$30,000 out of the proceeds of the Golden Triangle Fund Offering to carry out a program of prospecting, geological mapping and geochemical sampling on the property. For details of the Golden Triangle Fund Offering see "Other Material Facts" under Item 9 of this Statement of Material Facts.

There is no surface or underground plant or equipment on the property. There are no known reserves of ore on the property. The proposed work program is an exploratory search for ore.

Tenajon is a reporting British Columbia company the shares of which trade on the Vancouver and Toronto Stock Exchanges. None of the insiders of the Issuer are insiders of Tenajon.

*Poker Claims,  
Liard Mining Division, British Columbia*

By a letter agreement dated March 26, 1990 with Cominco Ltd. ("Cominco") of 200 Granville Street, Vancouver, British Columbia, the Issuer was granted the option to acquire up to a 70% interest in seven located mineral claims situated in the Skeena Mining Division, British Columbia known as the Poker property covering 2,650 hectares. Pursuant to the agreement the Issuer must expend \$150,000 on the exploration of the property on or before December 31, 1990 and, at its option, may expend a further \$450,000 on or before December 31, 1992 to earn a 49% interest in the property. At that point Cominco can elect to a joint venture with Cominco holding a 51% interest and acting as the operator. If Cominco does not so elect, the Issuer has the option to spend a further \$400,000 (for a total of \$1 million) on exploration of the property to earn a 70% interest. At that point, Cominco shall have the option to enter into a joint venture agreement for the exploration of the property with the Issuer as the operator or forfeit its 30% interest and receive a 3% net smelter royalty. In 1989, Cominco carried out an exploration program which traced a boulder train upslope to the edge of a hanging glacier and located 36 quartz-sulphide boulders yielding an average grade of approximately 0.70 ounces per ton of gold with the highest being 7.36 ounces per ton. The Issuer proposes to carry out a \$150,000 exploration program in 1990 which will be funded out of the proceeds of the Golden Triangle Fund Offering and will include prospecting and geophysics on the glacier in an attempt to locate the source of the boulders to be followed by diamond drilling through the ice to test any targets located. For details of the Golden Triangle Fund Offering see "Other Material Facts" under Item 9 of this Statement of Material Facts.

There is no surface or underground plant or equipment on the property. There are no known reserves of ore on the property. The proposed work program is an exploratory search for ore.

Cominco is a reporting company the shares of which trade on the Vancouver, Toronto and Montreal Stock Exchanges. None of the insiders of the Issuer are insiders of Cominco.

#### Olatine Property (Iskut River)

The Issuer has an option to acquire for a 100% interest in 17 mineral claims covering 326 units of land situated in the Liard Mining Division, British Columbia subject to a 2% net smelter return royalty known as the Olatine Property. The Option is exercisable by the Issuer paying the Optionor \$50,000, issuing 200,000 shares of the Issuer and fulfilling three exploration work programs for each of 1988, 1989 and 1990. The Issuer has paid the \$50,000 and issued 150,000 shares to the Optionors. The Issuer has allowed 11 of the mineral claims to lapse and does not intend to file further assessment work for these 11 claims.

By a letter agreement dated June 30, 1987 as amended August 26, 1987, the Issuer granted Springer Resources Ltd. ("Springer") an option to acquire a 50% interest in the Olatine Property (the "Springer Option") exercisable at any time prior to July 1, 1990 by Springer notifying the Issuer in writing and reimbursing the Issuer for 50% of the costs incurred by the Issuer on the Olatine Property less the sum of \$50,000 paid by Springer to the Issuer in consideration of the Springer Option. Springer advised the Issuer in writing that it was exercising the Springer Option, however, Springer has not provided the Issuer with the amount of reimbursement required to exercise the Springer Option. The Issuer is waiting until the expiry date of the Springer Option to see whether Springer will attempt to exercise the Springer Option. Springer is a reporting British Columbia Company the shares of which trade on the Vancouver Stock Exchange. None of the insiders of the Issuer are insiders of Springer.

In 1989, the Issuer carried out a limited exploration program on the Property consisting of rock, soil and silt sampling, prospecting and geological mapping. The 1989 exploration program failed to locate any economically significant mineralization. As the Property is located in extremely rugged terrain with extensive glacier and intrusive cover, only a small percentage of the Property appears to be a potential interest. The Issuer does not propose to conduct exploration work on the Olatine Property for at least the balance of the calendar year 1990. There are no known reserves of ore on the Property.

#### Lucky Boy Claims

The Issuer has acquired by option a 60% interest in four crown granted mineral claims and one two post mineral claim totalling 18 units located in the Greenwood Mining Division, British Columbia, known as the "Lucky Boy Claims." The Issuer is in the process of registering its interest in the Lucky Boy Claims.

Prior to March 1989, \$102,980.00 of exploration expenditures were incurred on the Lucky Boy Claims under previous management. The Issuer does not intend to incur any exploration expenditures on the Lucky Boy Claims for at least the balance of calendar year 1990.

### Summary of Oil & Gas Properties

#### Spitzee Project Alberta

The Issuer has a 6% working interest in several oil and gas wells in located in the Province of Alberta. In 1989, the Issuer spent \$6,218.00 of development expenditures on these properties. These properties have been written down to an estimated present value of \$50,000.00 as at December 31, 1989. Management of the Issuer estimates that on average, current revenues from these properties have been less than \$1,000.00 per month and recent month-end accounts have left the Issuer in a small loss position with respect to these properties. The Issuer does not intend to incur any further development costs on these properties for at least the balance of calendar year 1990.

#### 4. PARTICULARS OF NON-RESOURCE ASSETS

The Issuer is not engaged nor does it propose to engage, in whole or in part, in a business other than the exploration and development of natural resource properties.

#### 5. CORPORATE INFORMATION

The Issuer was incorporated on February 4, 1981 under the name "Spirit Petroleum Corporation" under the Company Act (British Columbia) by the registration of its Memorandum and Articles. On December 8, 1987 the Issuer consolidated its common shares on a three into one share basis and changed its name from "Spirit Petroleum Corporation" to its present name.

The authorized capital of the Issuer consists of 10,000,000 shares without par value of which 5,587,156 shares are issued and outstanding as at the date of this Statement of Material Facts.

The common shares rank equally within their class as to dividends, voting rights, participation in assets and in all other respects. The issued common shares are not subject to calls or assessments 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.

All shares of the Issuer issued to date and those issued pursuant to this Statement of Material Facts are and shall be fully paid and non-assessable.

Since March 31, 1990, the date of the latest financial statements included with this Statement of Material Facts, no common shares without par value have been issued.

**6. DIRECTORS, OFFICERS, PROMOTERS AND PERSONS HOLDING MORE THAN 10% OF THE ISSUED VOTING SHARES**

The following information about each director, officer and promoter of the Issuer is as at March 30, 1990:

<u>Name, Municipality of Residence and Position</u>	<u>Principal Occupation for Previous Five Years</u>	<u>Number of Voting Shares Beneficially Held</u>
JOHN A. TOFFAN(4) West Vancouver, B.C. President & Director	Chairman of the Board of Stikine Resources Ltd.; President & director of Hyder Gold Inc. & Ascot Resources Ltd.; director of Golden Band Resources Inc., Stow Resources Ltd. & Golden Iskurt Resources Inc.; formerly registered representative with Jones, Gable & Co. Ltd.	753,125 shares 200,000 warrants(1) 98,000 options(2)
RONALD K. NETOLITZKY(4) Victoria, B.C. Director	Professional geologist; President & director of Golden Band Resources Inc. & Prolific Resources Ltd.; director of Hyder Gold Inc., Manchester Resources Ltd., Stikine Resources Ltd., Ascot Resources Ltd., American Ore Ltd., Solomon Resources Ltd., Loki Gold Corporation & Stow Resources Ltd., Leeward Capital Corp.; Trillion Resources Limited & Kenton Natural Resources Corporation	753,125 shares 200,000 warrants(1) 98,000 options(2)
ROBERT J. MCGOWAN(4) North Vancouver, B.C. Director	Self-employed prospector; President and director of Dragoon Resources Ltd.; President and director of Auckland Explorations Ltd.; Director of Greenstone Resources Ltd.	165,469 shares