DL

000342 Independence 104B/104A
Big Casino
104A 30, 34, 38
Oka Gold 104G new

SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE

STATEMENT OF MATERIAL FACTS (#117/90)
EFFECTIVE DATE: SEPTEMBER 25, 1990

ARMENEX RESOURCES CANADA INC., formerly Armenian Express Canada Inc., #500 - 1111 West Hastings Street, Vancouver, British Columbia V6E 2J3 (604) 681-1519
NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

#1600 - 595 Burrard Street, Vancouver, British Columbia V7X 1K9
ADDRESS OF REGISTERED AND RECORDS OFFICES OF ISSUER

Central Guaranty Trust Company
800 West Pender Street, Vancouver, British Columbia V6C 2V7
NAME AND ADDRESS OF REGISTRAR AND TRANSFER AGENT FOR ISSUER'S SECURITIES IN BRITISH COLUMBIA

OFFERING: 400,000 UNITS*, EACH UNIT CONSISTING OF ONE COMMON SHARE AND ONE SERIES "A" SHARE PURCHASE WARRANT

	Estimated Price to Public(1)	Estimated Agent's Commission	Estimated Net Proceeds to Issuer(2)
Per Unit	$0.40	$0.04	$0.36
Total	$160,000	$16,000	$144,000

(1) The actual price will be determined by the Issuer and the Agent in accordance with the rules of the Vancouver Stock Exchange, but in any event shall not be less than $0.40 per Unit.

(2) Before deduction of the costs of the Offering which are estimated at $30,000.

* The offering may be increased by up to 15% (or 60,000 units) to meet oversubscriptions (see "Plan of Distribution).

OFFERING: 400,000 FLOW-THROUGH UNITS*, EACH FLOW-THROUGH UNIT CONSISTING OF ONE FLOW-THROUGH COMMON SHARE AND ONE SERIES "A" SHARE PURCHASE WARRANT

	Estimated Price to Public(1)	Estimated Agent's Commission(2)	Estimated Net Proceeds to Issuer
Per Share	$0.40	NIL	$0.40
Total	$160,000	NIL	$160,000

(1) The actual price will be determined by the Issuer and the Agent in accordance with the rules of the Vancouver Stock Exchange, but in any event shall not be less than $0.40 per Flow-through Unit.

(2) The Issuer will pay, out of its working capital, a fee to the Agent equal to 10% of the gross proceeds of the sale of the Flow-through Units.

The offering may be increased by up to 15% (or 60,000 units) to meet oversubscriptions (see "Plan of Distribution").

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Oct. 1/90

The Agent has agreed to purchase (the "Guarantee") any of the Units and Flow-through Units offered hereby which have not been sold at the conclusion of the Offering. Any Units and Flow-through Units acquired by the Agent under the Guarantee will be distributed under this Statement of Material Facts through the facilities of the Vancouver Stock Exchange at the market price at the time of sale.

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.

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.

AGENT

L.O.M. WESTERN SECURITIES LTD.
2200 - 609 Granville Street
Vancouver, British Columbia
V7Y 1H2

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1. PLAN OF DISTRIBUTION

Offering

The Issuer, by its agent, L.O.M. Western Securities Ltd., (the "Agent"), hereby offers (the "Offering") through the facilities of the Vancouver Stock Exchange (the "Exchange"), the following:

(a) 400,000 units (the "Units"), each Unit consisting of one non-flow-through common share (the "Shares") and one Series "A" share purchase warrant (the "Series "A" Warrants").

(b) 400,000 units (the "Flow-through Units"), each Flow-through Unit consisting of one flow-through common share (the "Flow-through Shares") and one Series "A" Warrant.

The price of the Units and the Flow-through Units (the "Offering Price") will be determined by the Issuer and the Agent in accordance with the rules of the Exchange at a premium over the average trading price (the "Average Trading Price") of the Issuer's common shares as traded on, and as determined by, the Exchange, but in any event shall be not less than $0.40 per Unit and Flow-through Unit.

The Offering will take place on a day (the "Offering Day") not more than 30 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").

A purchaser of Units and/or Flow-through Units will be required to pay the commission rates as determined by the Agent or those which may be determined by other licensed broker-dealers, brokers or investments dealers who may participate in the Offering.

Appointment of Agent

The Issuer, by agreement (the "Agency Agreement") dated July 24, 1990 appointed L.O.M. Western Securities Ltd. as its agent to offer the Units and Flow-through Units. The Issuer will pay the Agent a fee (the "Agent's Fee") equal to 10% of the gross proceeds of the sale of the Units and of the Flow-through Units, the latter to be paid from the Issuer's working capital.

Agent's Warrants

In addition to the Agent's Fee, the Issuer will issue to the Agent share purchase warrants (the "Agent's Warrants") to acquire up to 400,000 common shares of the Issuer at the Offering Price for a period of 12 months as consideration for guaranteeing the sale, on the Offering Day, of the Units and Flow-through Units offered hereby. The Agent's Warrants will have the same terms as the Series "A" Warrants except they will be non-transferable.

Greenshoe Option

The Agent may overallot Units and Flow-through Units of the Issuer to cover oversubscriptions up to an amount being the lesser of the number oversubscribed or 15% of the Offering and, in such case, has an option for 60 days from the Offering Day to acquire Units and Flow-through Units from the Issuer at the Offering Price less commission to cover such overallotment (the "Greenshoe Option"), or alternatively, the Agent may cover the sale of the Units by making purchases of the Issuer's shares and Series "A" Warrants in the market through the facilities of the Exchange.

The Issuer has granted the Agent a right of first refusal with respect to any future equity financing it may require during the 12 month period following the Effective Date.

The Agent reserves the right to offer selling group participation in the normal course of the brokerage business to selling groups of other licensed 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 Agent under the Agency Agreement may be terminated prior to the opening of the market on the Offering Day, at the Agent's discretion, on the basis of its assessment of the state of the financial markets and may also be terminated at any time upon the occurrence of certain and stated events.

Series "A" Warrants

The Series "A" Warrants to be issued pursuant to the Offering will be transferable, in bearer form, subject to filing with the Exchange of evidence of satisfactory distribution and shall be posted for trading on the Exchange. One Series "A" Warrant will entitle the holder to purchase one common share of the Issuer at a minimum price of $0.40 per share at any time up to the close of business one (1) year following the Offering Day. The Series "A" Warrants will contain, among other things, anti-dilution 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 any payment of stock dividends.

Additional Offering

The Agent has agreed to purchase (the "Guarantee") any of the Units and Flow-through Units offered hereby which have not been sold at the conclusion of the Offering. Any Units and flow-through Units acquired by the Agent under the Guarantee will be distributed under this Statement of Material Facts through the facilities of the Vancouver Stock Exchange at the market price at the time of sale.

Directors, officers and other insiders of the Issuer may purchase securities from this Offering.

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 Agent does not beneficially own, directly or indirectly, any shares of the Issuer other than 25,000 common shares which it received in consideration of being instrumental in connection with the Issuer entering into the Galore Creek Property Agreement. For further particulars see heading "Galore Creek Property" under Item 3 below.

Details of Flow-through Offering

An investor who purchases Flow-through Units must execute and deliver to the Issuer a Power of Attorney, in the form which accompanies this Statement as Schedule "B", which authorizes a director or senior officer of the Issuer to execute and deliver to the Issuer, on behalf of the investor, a flow-through share participation agreement dated as of the Offering Day (the Flow-through Agreement"), in the form which accompanies and forms a part of this Statement as Schedule "A", in order for the investor to receive "flow-through" tax treatment for his subscription as described under Item 10 below under the heading "Canadian Exploration Expenses." **IF THE ISSUER DOES NOT RECEIVE A POWER OF ATTORNEY FROM AN INVESTOR ON OR BEFORE 28 DAYS FOLLOWING THE OFFERING DAY, THAT INVESTOR WILL NOT BE ENTITLED TO RECEIVE ANY "FLOW-THROUGH" TAX TREATMENT FOR HIS SUBSCRIPTION.**

The Issuer will issue the Flow-through Units to the investors in the denominations and in the names set forth in the Flow-through Agreements and Powers of Attorney to be provided in connection with the Offering.

The proceeds from the Offering allocated to the Flow-through Shares will constitute funds available for exploration and development work on the Issuer's Canadian resource properties or such properties on which it has or is earning an interest ("Exploration Funds"), assuming that the Offering proceeds are properly allocated. Until expended, the Issuer will hold the Exploration Funds in trust in an interest bearing account with a Canadian chartered bank separate from the Issuer's other funds. Any interest accruing to this account will be solely for the benefit of the Issuer and will be added to its working capital. The

Issuer will, pursuant to the terms of the Flow-through Agreement, use the Exploration Funds to incur, prior to February 28, 1991, expenditures ("Qualified Expenditures") which will qualify as Canadian exploration expense ("CEE") within the definition provided by subparagraph 66.1(6)(a)(iii) of the Income Tax Act (the "Act"). The Issuer will not utilize any of the Exploration Funds to incur management and administration related expenditures which constitute "Canadian Exploration and Development Overhead Expense" for the purposes of the Act. Accordingly, the Issuer will, pursuant to the provisions of the Flow-through Agreement and the Act, renounce to the investors CEE in the aggregate amount equal to the amount of Exploration Funds.

It is the Issuer's intention to expend the Exploration Funds by February 28, 1991. Investors will be advised by the Issuer of the amount of the Exploration Funds expended on their behalf no later than March 31, 1991. At the same time, the Issuer will advise investors of their pro rata portion of the amount of Qualified Expenditures that are the subject of a renunciation. To the extent that the Issuer does not expend the exploration funds by February 28, 1991 or does not renounce an amount equal to the exploration funds so incurred by March 31, 1991, no tax deduction with respect thereto will be available to investors for the 1990 taxation year.

For further particulars see heading "Income Tax Consequences" under Item 10 below for particulars of income tax consequences relating to an investment in the Flow-through Units.

2. HOW THE NET PROCEEDS OF THE ISSUE ARE TO BE SPENT

Although it is not possible to determine the actual net proceeds from the Offering, if all the Units and Flow-through Units are sold at the estimated net price of $0.36 per unit the Issuer will receive net proceeds of $288,000. The principal purposes for which these proceeds will be used, in order of priority, are as follows:

(a)	Estimated cost of this issue, including legal, audit and printing costs (approximate):	$ 30,000
(b)	To pay the Issuer's proportionate share of the Phase I work programme on the Independence Property. (This program has been completed. Reference should be made to pages 8 to 10 herein for details of the work conducted and and the results thereof):	100,000
(c)	To pay the Issuer's costs of the recommended Phase I and Phase II work programme on the Galore Creek Property:	75,000

(d) Reserve for working capital	83,000
TOTAL:	$288,000

Any funds received by the Issuer upon the exercise of the Series "A" Warrants, the Agent's Warrants or the Greenshoe Option will be added to the Issuer's working capital, which as at July 31, 1990, amounted to approximately $35,000. Reference should be made to Item 10 "Particulars of Any Other Material Facts", and in particular to pages 24 and 25 for further information relevant to the Issuer's working capital position.

If the net proceeds of the Offering are greater than the estimated net proceeds because the actual price of the Offering exceeds the estimated price, the increase in net proceeds will, with the exception of any funds segregated for Canadian Exploration Expense, be added to the working capital of the Issuer. None of the proceeds of this Offering will be spent on additional acquisitions other than normal investigative expenses incurred in the ordinary course of business or on other work on the Issuer's properties, unless an acceptable engineering report is first filed with and accepted by the Exchange in accordance with its policies, other than acquisitions which are generally exempt by the Exchange.

3. MATERIAL NATURAL RESOURCES PROPERTIES

(1) 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 Date (in $)	Shares Issued To Date	Planned Expenditures from Funds Available upon Completion of the Offering
I	Independence Property, Skeena Mining Division, B.C.	NIL	50,000	$100,000

Galore Creek Property, Liard Mining Division, B.C.	$5,000	50,000	$ 75,000
II	-- NIL --		
III	-- NIL --		

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

(a) <u>Independence Property, Skeena Mining Division, B.C.</u>

By agreement dated May 22, 1990 and amended July 24, 1990 (the "Agreement") between the Issuer, Armeno Resources Inc. ("Armeno"), of #500 - 1111 West Hastings Street, Vancouver, British Columbia, a reporting issuer which is associated, and which has common insiders, with the Issuer, and Remington Creek Resources Inc. ("Remington") of #311 - 409 Granville Street, Vancouver, British Columbia, the Issuer acquired an option to earn a 30% undivided interest in and to 2 mineral claims (35 units) located in the Skeena Mining Division, British Columbia (the "Independence Property").

Pursuant to an agreement dated April 11, 1990 (the "Option Agreement") between Remington, as optionor, and Armeno, as optionee, Armeno has the right to earn an undivided 60% interest in the Independence Property by issuing a total of 50,000 of its common shares to Remington, which shares have been issued, and by expending not less than $200,000 on exploration and development work on the claims comprising the Independence Property. The 60% interest is to vest as follows:

(i) a 15% interest immediately upon Armeno expending at least $50,000 on or before May 22, 1991;

(ii) a further 15% interest immediately upon Armeno expending a cumulative total of at least $100,000 on or before May 22, 1992;

(iii) a further 15% interest immediately upon Armeno expending a cumulative total of at least $150,000 on or before May 22, 1993; and

(iv) a final 15% interest immediately upon Armeno expending a cumulative total of at least $200,000 on or before May 22, 1994.

Pursuant to the Agreement, the Issuer may earn one-half of the interest which Armeno earns pursuant to the Option Agreement by:

(i) paying Armeno the sum of $1,149.31 representing approximately 50% of Armeno's out-of-pocket expenditures respecting the April 11, 1990 agreement between Armeno and Remington;

(ii) issuing to Armeno 50,000 common shares, which shares have been issued; and

(iii) assuming one-half of all of Armeno's obligations arising under the April 11, 1990 agreement between Armeno and Remington.

Future development of the claims will be done on a joint venture basis with non-participating parties suffering dilution of their interests. A dilution of interest to 10% or less will result in conversion to a 2.5% net smelter return royalty if Remington or any one party converts. If more than one party converts (other than Remington), they will each be entitled to a 1.25% net smelter return royalty. The royalty interests may be purchased for $1,000,000 per 1% of royalty interest by the participating parties.

Reports dated May 15, 1990 and September 10, 1990 have been prepared for the Issuer by Wilson A. Gewargis, B.Sc., F.G.A.C., on the Independence Property. Copies of these reports may be inspected during normal business hours at the Issuer's registered and records office located at 1600 - 595 Burrard Street, Vancouver, British Columbia, during normal business hours from the Effective Day to 30 days after the completion of the Offering.

The Independence Property is located on the southeastern slope of Bear River Ridge, 16 kilometres north of Stewart, British Columbia, and consists of the following claims:

Claim Name	Record Number	No. of Units	Expiry Date
Big Casino	5382	15	June 2, 1992
Independence	5383	20	June 2, 1992

The Independence Property has had a history of intermittent development and superficial exploration work and is adjacent to the producing Premier Gold Project which includes the Silback Premier and Big Missouri properties. It is considered part of a large province of characteristics of epithermal deposits of precious metals and volcanogenic massive sulphide deposits that occur within andesitic volcanic and dyke rocks which are genetically related to Jurassic felsic volcanism (Hazelton assemblage).

In 1984, 1986 and 1988 a superficial examination, prospecting, geological mapping, and geophysical surveys were carried out to evaluate the property's gold and silver deposit potential.
As a result of the 1986 and 1988 exploration work on the property and the recent developments of the district, two target areas #1 and #2 have been outlined for further exploration:

(1) Target Area #1, consists of extensive replacement Veining Systems containing banded silica-jasper-barite with disseminated to massive sulphide mineralization including pyrite, galena, sphalerite, pyrrhotite, chalcopyrite and magnetite.

(2) Target Area #2, consisting of a stratigraphically controlled volcanogenic massive sulphide deposit related to volcanic exhalation and which has never been explored on the property.

Previous exploration results have led to the definition of a succession of mineralized showings spread over a distance of 400 metres. Several other veins exist on the property, mainly to the northeast and east of the main showing. There are at least four Vein Systems of potential economic mineralization.

Assay results from sampling of the mineralized veins by various operators on the property range up to 0.18 oz/ton gold and 28 oz/ton silver with significant values for lead, zinc and copper.

The 1986 soil geochemistry survey reflects mineralization associated with dyke-country rock contacts. The 1986 ground magnetic results reflect the trend of the quartz monzonite dyke and high magnetic anomalies in the area are attributed to an andesite dyke. The 1986 VLF-LEM survey failed to outline conductor zones.

Results of the 1986 and 1988 exploration programs confirmed the potential of the replacement Veining Systems (Target Area #1) which exist on the property, and also the potential for finding a stratigraphically controlled volcanogenic massive sulfide deposit (Target Area #2).

A three-stage exploration program has been recommended for the Independence Property.

Stage I, which has now been completed, involved reconnaissance and detailed geological mapping, prospecting, trenching, geophysical (Magnetometer and VLF-Electromagnetic) surveys and 764.13 m (2,507 ft.) of diamond drilling to test Target Areas #1 and #2 at an approximate cost of $200,000. The Issuer's proportionate share of this cost is approximately $100,000.

The Stage I exploration program conducted from July 20 to August 5, 1990, involved the drilling of six diamond drill holes totalling 764.13 m (2,507 ft). Four drill holes 90-1, 90-2, 90-3 and 90-

5, returned significant silver, gold and copper values as outlined below:

Hole No.	Interval (Metres)	Length (Metres)	Gold oz/ton	Silver oz/ton	Copper %
90-1	45.1 - 49.4	4.3	0.0035	5.59	-
	*(48.0 - 48.7	0.7	0.001	15.20)	-
	88.1 - 89.3	1.2	0.001	0.34	-
90-2	57.8 - 64.5	6.7	0.006	7.78	-
	*(60.6 - 61.4	0.8	0.04	54.30)	-
90-3	93.9 - 95.0	1.1	0.007	1.19	-
90-4	returned no significant results				
90-5	71.9 - 73.3	1.4	0.006	1.61	1.77
	*(71.9 - 72.2	0.3	0.011	4.53	6.04)
	106.5 - 108.0	1.5	0.152	2.17	2.02
	*(106.9 - 107.7	0.8	0.237	0.75	0.32)
	*(107.7 - 108.0	0.7	0.068	2.33	2.72)
90-6	returned no significant results				

*( ) = narrower widths within preceding interval

Drilling was conducted over a strike length of 225.5 m (740 ft) along the main grid at wide spaced intervals, at three drill site locations.

Diamond drill holes, 90-1 to 90-4 were drilled at the north extension of the grid area above the main workings on Vein #1 and #2 in order to test the silver mineralization potential along the strike and to the depth. Drill holes 90-1, 90-2 and 90-3 intersected these veining structures and the best results from hole 90-1 returned (15.20 oz/ton silver) over 0.7 m (2.3 ft); hole 90-2 (0.04 oz/ton gold), (54.3 oz/ton silver) over 0.8 m (2.6 ft).

Diamond drill holes, 90-5 and 90-6 were drilled at the south extension of the grid below the main workings to test the potential of the gold mineralization in Veins #1 and #2 at depth. Hole 90-5 intersected Vein #1, with a massive sulphide section within the mineralized zone, and the best results form this hole returned (0.001 oz/ton gold), (4.53 oz/ton silver), and (6.04% copper) over 0.3 m (1 ft). The second intersection of (0.188 oz/ton gold), (2.72 oz/ton silver), (2.54% copper), (1.02% lead), and (4.48% zinc) over 1.1 m (3.5 ft).

The 1990 diamond drill program confirmed and accomplished its prime objective of tracing the silver/gold mineralization on the Vein #1 zone along the strike and to the depth. It also established the possibility of a massive sulphide mineralization occurrence at the south extension of the main grid and at depth as in hole 90-5 which indicates that a possible volcanogenic sulphide mineralization may exist in the southern portion of the Independence Property between Adits #1 and #5, which will enhance the Property's potential to host significant precious base metal mineralization.

Ore reserves are classified under the category of "possible reserves" for the Vein #1 zone, from the main workings (Adit #1) to the surface, and are estimated at 196,041 tons grading 7 to 10 oz/ton silver.

A Stage II program is proposed to further test and evaluate the massive sulphide mineralization potential below Adit #1 in an area between Adits #1 and 5, and to test the north and south extension of Vein #1 in the vicinity of hole 90-1. The estimated cost of the Stage II program is $200,000. The Issuer's proportionate share of these estimated Stage II costs are $100,000. The Issuer plans to conduct this work in the Spring of 1991 by which time the Issuer will have increased its working capital as a result of the exercise of the Series "A" Warrants, the Agent's Warrants or the Greenshoe Option, raised further funds or effected a transaction involving a disposition of a portion of its interest in the Independence Property.

Contingent upon successful results from Stage II, a Stage III drill program has been recommended to further evaluate prospective targets located during the Stage II program, and to further evaluate the Independence Property's underground workings. The estimated cost of the Stage III program is $300,000. The Issuer's proportionate share of these estimated Stage III costs are $150,000.

Estimated Stage I costs to date are:

Stage I:

Diamond Drilling:	
2,500 ft @ $21.60/ft (plus costs for mobilization/demobilization, supplies). . . .	$ 80,000
Drill Site Preparation and Trenching	15,000
Helicopter Support:	
50 hours @ $700/hr	35,000
Assaying for Au, Ag, Cu, Pb, Zn	
400 samples @ $50/sample.	12,000
Geological Contract	58,000
Total Stage I	$ 200,000

With respect to the Big Casino mineral claim, there exists a possible contravention of the Mineral Act in that Lot Nos. 75, 77, 86, 88 and 4530/31 appear to be staked over Crown-granted mineral claims. With respect to the Independence mineral claim, there exists a possible contravention of the Mineral Act in that Lot Nos. 4933/37 and 4972 appear to be staked over Crown-granted mineral claims.

THERE IS NO KNOWN BODY OF COMMERCIAL ORE ON THE PROPERTY AND THE PROPOSED PROGRAMME ON THE PROPERTY IS EXPLORATORY IN NATURE.

(b) Galore Creek Property, Liard Mining Division, B.C.

By agreement dated May 31, 1990 and amended July 24, 1990 (the "Agreement") between the Issuer and Consolidated Samarkand Resources Inc. ("Samarkand"), of #840 - 650 West Georgia Street, Vancouver, British Columbia, the Issuer entered into an option to acquire a 50% undivided interest in and to 3 mineral claims (48 units) located in the Liard Mining Division, British Columbia (the "Galore Creek Property").

Samarkand, in turn, holds an option to acquire a 100% interest in the Galore Creek Property from Cascade Investments ("Cascade") pursuant to an agreement dated March 23, 1990 which requires Samarkand to make cash payments totalling $60,000 and issue 200,000 shares to Cascade in order to fully exercise the option. Cascade has retained a 2.5% net smelter return royalty in the Galore Creek Property. Both Cascade and Samarkand are at arms length with the Issuer.

In connection with the Agreement, the Issuer entered into a letter agreement dated May 15, 1990 with the Agent, whereby the Issuer has issued 25,000 common shares to the Agent in consideration of its being instrumental in connection with the Issuer entering into the Agreement.

In order to fully exercise the option with Samarkand, the Issuer will be required to do the following:

(i) pay $5,000 cash on signing the Agreement, and issue 50,000 common shares, which shares have been issued;

(ii) pay $12,000 ten days from completion of the Offering but in any event not later than May 31, 1991;

(iii) complete a $75,000 exploration programme on the property on or before May 31, 1991;

(iv) issue 50,000 common shares on or before May 31, 1991;

(v) complete a $175,000 exploration programme on or before May 31, 1992;

(vi) pay $20,000 and issue 50,000 common shares on or before May 31, 1992;

(vii) complete a $250,000 work programme on or before May 31, 1993; and

(viii) pay $25,000 and issue 50,000 common shares on or before May 31, 1993.

To date, the Issuer has made the $5,000 payment and has issued the 50,000 common shares which are referred to in subparagraph (i) immediately above.

Samarkand will act as operator for the work programmes conducted pursuant to the Agreement. Upon Armenex earning its 50% interest, the Galore Creek Property will continue to be developed on a joint venture basis with Samarkand to continue as operator unless its interest is diluted below 50%. Non-participating joint venture parties will suffer dilution of their interest, with an interest diluted to 10% or less being converted to a 20% net profits interest.

A report dated May 16, 1990 has been prepared for the Issuer by J.M. Marr, M.Sc., F.G.A.C. and William R. Kushner, B.Sc., with respect to the Galore Creek Property, a copy of which may be inspected during normal business hours at the registered and records office located at 1600 - 595 Burrard Street, Vancouver, British Columbia, during normal business hours from the Effective Date to 30 days after the completion of the Offering.

The Galore Creek Property is located within the Coast Range Mountains of northwestern British Columbia within the Liard Mining Division and approximately 65 kilometers southwest of Telegraph Creek. The following claims, which straddle the Oksa Creek, were staked in 1987 following examination of a highly mineralized quartz vein on the property:

Claim Name	Record Number	No. of Units	Expiry Date
Oksa Gold 1	5407	12	October 15, 1990
Oksa Gold 2	5408	16	October 15, 1990
Oksa Gold 3	5409	20	October 15, 1990

The precious metals occurrences discovered throughout the Galore Creek Camp District recently, the extensive exploration program being conducted on the Trophy Property nearby, and the discovery in 1989 of the Eskay Creek Gold Camp located 40 kilometers to the southeast has sparked increased precious metal exploration in this area of northwestern British Columbia.

No known work on the ground now covered by the Oksa Gold 1-3 claims was recorded until 1981, when Teck Explorations Limited prospected the Oksa Creek drainage area. Their efforts uncovered a highly mineralized .6 meter wide quartz vein in the southern bank of Oksa Creek. Samples taken along the length of the vein returned assays from .001 to 0.42 oz/t gold and up to 2.12 oz/t silver. The vein was traced upslope for approximately 25 meters where it was covered by "overburden", (Chung, 1988). Also the occurrence of gossanous outcrops, the first key to potential base metal and precious metal mineralization throughout the entire area, were noted on the south flank of Oksa Mountain within the Oksa 2 claim.

No further work appeared to have been done in this area until October 1987, when, following the successful exploration program by Continental Gold Corporation on its Trophy claims (approximately 25 kilometers to the southeast), the Oksa Gold 1-3 claims were staked. A preliminary prospecting program which concentrated on the vein zone area returned assays of up to .639 oz/t gold.

A regional aeromagnetic survey conducted by the Geological Survey of Canada in 1978 indicates the Galore Creek Property is situated near the flank of a major magnetic high.

Recent work has provided additional information on the claim area.

The central part of the claim area is underlain by a northwest trending sequence of basement Permian or older volcanics, composed of foliated chlorotic andesite flows and/or sills, crystal tuffs and lithic lapilli tuffs. It includes a wide band of limestone on its west side.

This sequence is intruded by an Eocene Granite, which underlies much of the western part of the claims. The extreme western edge of the claims is underlain by Middle Jurassic granodiorite, which is very common in the area.

Previous exploration on the Galore Creek Property concentrated on a highly mineralized quartz vein with a massive sulphide core located in the center of the Oksa Gold 3 claim. The vein has a true width of 1.5 meters and is hosted in a dark green hornblende porphyry unit. It strikes 015 degrees with a 60-65 degree easterly dip. The wall rock enveloping the vein is well altered to an aphanitic grey colour with finely disseminated pyrite. Vein sulphides include pyrite, chalcopyrite, sphalerite, galena and pyrrhotite, and are concentrated in a massive sulphide core 0.5 meters wide. The sulphides also occur as disseminations throughout the vein zone. Veining can be traced in float occurrences for 20 meters upslope at which point glacial debris covers the projected strike length.

Consecutive chip samples across the vein for a total width of 1.5 meters returned one 25 centimeter sample with 0.83% Cu, 0.06% Zn, 1.63 oz/t Ag and 0.052 oz/t Au. Two grab samples from boulders within the vicinity returned values of 0.639 oz/t Au and 0.573 oz/t Au. Outcrop exposures along the western portion of the Oksa Creek consist of diorite and granodiorite intrusives, while a sedimentary package occurs easterly along the creek. Contact between the two was not located, but it was observed that hornfels rock near the intrusive graded into fissile, slightly foliated rock eastward.

A 1989 work program on the Galore Creek Property consisted of silt sampling major drainages, rock sampling and prospecting. A total of 16 stream sediment samples and 5 rock samples were obtained. The most encouraging results were taken from a float of limonitic quartz containing pyrrhotite and chalcopyrite, which assayed 0.32 oz/t gold, .97 oz/t silver and .234% copper. The source of this float is best assumed to have originated from an extension of the Vein Zone located at an as-of-yet undiscovered location further upslope.

A two stage exploration program has been recommended on the property to continue work both on the vein and within areas known to have anomalies in the stream sediments. Stage I consists of cleaning and hand trenching the vein area to expose as much of the vein as possible. Areas upslope from the showing and across Oksa Creek will be prospected in some detail to look for extensions of the veins. Mapping, recce soil sampling and VLF are recommend to determine the trend of the vein. Estimated Stage I costs are $40,000. Contingent upon successful results from Stage I, a Stage II diamond drilling program has been recommended to further evaluate the economic potential of the property. Holes will be drilled in fan pattern from several set-ups to obtain the maximum number of intersections of the vein with an attempt to determine the plunge of the vein. Estimated Stage II costs are $35,000.

Stage I:

Hand trenching, sampling, vein trend, prospecting, regional prospecting and follow-up.

Mob/Demob.		$ 5,000
Personnel		
Supervising Geologist	(4 days @ $325/day) . .	1,250
Project Geologist	(8 days @ $250/day) . .	2,000
Prospectors	(10 days @ $225/day) . .	2,250
Helper/Sampler	(8 days @ $200/day) . .	1,600
Trenching	(10 days @ $500/day) . .	5,000
Meals/Accommodations		
50 days @ $125		6,250
Helicopter		
10 hrs. @ $700/hr.		7,000

Assays	2,000
Equipment/Suppliers.	2,850
Sub-total Stage I.	35,200
13.5% Management Fee	4,750
Total Stage I.	$40,000

Stage II:

Diamond Drilling:	
220 m @ $140/m	$ 30,800
Sub-total Stage II	30,800
13.5% Management Fee	4,200
Total Stage II	$ 35,000

THERE IS NO KNOWN BODY OF COMMERCIAL ORE ON THE PROPERTY AND THE PROPOSED PROGRAMME ON THE PROPERTY IS EXPLORATORY IN NATURE.

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

N/A

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

N/A

RISK FACTORS

The risk factors associated with the Issuer's undertaking and this Offering are as follows:

(a) **The Units and Flow-through Units offered pursuant hereto should be considered a highly speculative investment and investors should carefully consider the risk factors in making an investment in the Issuer prior to deciding whether or not to invest in the Units and Flow-through Units.**

(b) The Issuer has no earnings or dividend record and since it intends to employ available funds for exploration and development, it does not intend to pay any dividends in the foreseeable future.

(c) Mineral exploration and development involves significant risks and few properties which are explored are ultimately developed into producing mines. The properties in which the Issuer has an interest are without a known body of commercial ore. Substantial expenditures may be required to establish ore reserves, develop metallurgical processes, extract metals and to construct mining and processing facilities. No assurance can be given that commercial quantities of ore will be discovered, or if found, will be present in sufficient quantities to enable the Issuer to recover the costs incurred in its discovery.

(d) If the Issuer proceeds to production on a particular property, commercial viability will depend upon a number of factors, some of which include the particular attributes of the deposit, such as size and grade, the proximity to infrastructure, the impact of mine development on the environment, environmental regulations imposed by government, and metal prices which are highly cyclical. In addition, profitability of a particular mining venture is affected by the market for the minerals involved which involves an assessment of many factors including changing production costs, shifts in public and private supply and demand, changes in rates of general inflation, changes in foreign exchange rates, variation in the producer inventory policy, purchases or sales by Government utilities, changes in international investment patterns and monetary systems, economic growth rates and political developments.

(e) No survey has been made of the properties in which the Issuer has an interest and therefore, in accordance with the mining laws of the Province of British Columbia, their existence and area could be in doubt and could be the subject of competing claims.

(f) As with most projects of this nature in Canada, aboriginal rights may be claimed on Crown properties with respect to which mining rights have been conferred.

(g) The Issuer must compete with a number of other corporations that have greater resources and investors must rely upon the ability, expertise, judgement and good faith of the Issuer's management.

(h) The Issuer holds options to acquire certain interests in the properties described herein and accordingly must raise sufficient funds in order to exercise the options and meet the ongoing expenditure obligations under the option agreements. In addition, these option interests are subject to underlying agreements with third parties which must be kept in good standing in order for the Issuer to exercise its options.

(i) The Issuer has sought professional counsel to provide an opinion (see "Income Tax Consequences") that the Flow-through Shares will qualify within the provisions of the Income Tax Act (Canada) to allow investors of Flow-through Shares to receive CEE. However, the Issuer has not sought an Advance

Income Tax Ruling from Revenue Canada, Taxation and the risk exists that the deductibility of the CEE may be contested.

(j) With respect to the Independence Property, Skeena Mining Division, B.C. there exist possible contraventions of the Mineral Act in that Lot Nos. 75, 77, 86, 88 and 4530/31 of the Big Casino mineral claim appear to be staked over Crown-granted mineral claims and Lot Nos. 4933/37 and 4972 of the Independence mineral claim appear to be staked over Crown-granted mineral claims.

4. PARTICULARS OF NON-RESOURCE ASSETS

The Issuer has no interest in any non-resource assets.

5. CORPORATE INFORMATION

The Issuer was incorporated by Memorandum and Articles under the British Columbia Company Act on May 27, 1980 under the name Mountain Fertilizer Products Ltd. Subsequently it changed its name to Armenian Express Canada Inc. on October 5, 1987, and to Armenex Resources Canada Inc. on July 4, 1990.

By way of special resolution dated November 27, 1989 and made effective July 4, 1990, the authorized capital of the Issuer was:

(a) altered by consolidating all of the 20,000,000 common shares without par value, of which 8,248,047 were issued, into 4,000,000 common shares without par value, of which 1,649,609 common shares are issued, every 5 such common shares before consolidation being consolidated into 1 common share; and

(b) increased from 4,000,000 common shares without par value to 20,000,000 common shares without par value.

All references to the Issuer's shares herein are to post-consolidated amounts.

The authorized capital of the Issuer consists of 25,000,000 shares without par value divided into 20,000,000 common shares without par value, of which 2,927,056 are, as at the Effective Date hereof, issued as fully paid and non-assessable shares, and 5,000,000 preferred shares without par value, none of which have, as at the date hereof, been issued.

The Issuer has not issued any common or preferred shares since June 30, 1990, the date of the latest financial statements included herewith, except that 927,447 common shares were issued in settlement of debt totalling $695,584.72 at a deemed issuance price of $0.75 per share, as more particularly described in Item 10 herein entitled "Particulars of Any Other Material Facts", and 125,000 common shares were issued with respect to the Issuer's acquisition