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Artiz Property

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MINISTRY OF ENERGY, MINES
and PETROLEUM RESOURCES

Rec'd JUL 15 1991

SMITHERS, B.C.

SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE

STATEMENT OF MATERIAL FACTS - (#51/91)

EFFECTIVE DATE: JUNE 11, 1991

~~New?~~
no satisfactory
Location
104G GEN

BERETTA RESOURCE CORP. (the "Issuer")
Suite 1100 - 900 West Hastings Street
Vancouver, B.C. V6C 1E6 (604) 682-6365

NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

900 - 777 Hornby Street, Vancouver, B.C. V6Z 1S4 (604) 669-5244
ADDRESS OF REGISTERED AND RECORDS OFFICE OF ISSUER

CENTRAL GUARANTY TRUST COMPANY
800 West Pender Street, Vancouver, B.C. V6C 2V7

NAME AND ADDRESS OF REGISTRAR AND TRANSFER AGENT FOR ISSUER'S SECURITIES IN BRITISH COLUMBIA

OFFERING: 800,000 Units *

Each Unit consists of one (1) Common Share and two (2) Series "A" Share Purchase Warrants, two (2) such Warrants entitling the holder thereof who exercises such warrants to purchase one (1) additional common share of the Issuer exercisable for a period of one year from the Offering Day at the Offering Price. See "Plan of Distribution" for further information.

* The Offering may be increased by up to 120,000 Units (15% of the Offering) to meet over-subscriptions (the "Greenshoe Option"). See "Plan of Distribution".

	Price to Public (estimated)	Commission	Net Proceeds to Issuer if all Units are Sold
Per Unit:	\$0.44(1)	\$0.0396(2)	\$0.4004
Total:	\$352,000	\$31,680	\$320,320(3)

- (1) The price of the Units will be a fixed price determined in accordance with the rules of the Vancouver Stock Exchange.
- (2) The commission was determined by negotiation between the Issuer and the Agents.
- (3) Before deduction of the costs of this Issue estimated to be \$20,000.

Additional Offering

The Agents have agreed to purchase (the "Guarantee") any of the Units offered hereby for which subscriptions have not been

July 2/91

received at the conclusion of the Offering, and in consideration of same the Agents will receive Agents' Warrants entitling them to purchase a total of 400,000 common shares of the Issuer (See "Plan of Distribution"). Any Units acquired by the Agents 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.

AGENT:

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

Group	Property Name	Issuer's Acquisition and Exploration Costs to Date (Cdn \$)	Shares Issued to Date	Planned Expenditure from Funds Available upon Completion of the Offering (Cdn \$)
I	N/A	N/A	N/A	N/A
II	Arctic 1 - 15 Upper More 1 - 2	\$75,000 (Exploration)	nil	\$50,000 (property payment) \$75,000 (exploration repayment) \$100,000 Phase I (exploration)
III	N/A	N/A	N/A	N/A

Group II

Arctic 1 - 15 and Upper More 1 - 2 Claims

Pursuant to an agreement dated August 28, 1990, as amended by a further agreement dated March 5, 1991 (collectively the "Agreement") between the Issuer and Skeena Resources Ltd. ("Skeena") of 800 - 900 West Hastings Street, Vancouver, B.C., an arm's length British Columbia reporting company with its shares posted and listed for trading on the Vancouver Stock Exchange, the Issuer acquired an option to purchase up to a 50% undivided beneficial interest in and to certain mineral claims located in the Liard Mining Division, Province of British Columbia, more particularly described as follows:

<u>Claim Name</u>	<u>No. of Units</u>	<u>Record No.</u>	<u>Date Recorded</u>	<u>Expiry Year</u>
Arctic 1	15	6419	Sept. 20, 1989	1992
Arctic 2	20	6420	Sept. 20, 1989	1992
Arctic 3	15	6421	Sept. 20, 1989	1992
Arctic 4	20	6422	Sept. 20, 1989	1992
Arctic 5	20	6415	Sept. 20, 1989	1992
Arctic 6	20	6416	Sept. 20, 1989	1992
Arctic 7	20	6417	Sept. 20, 1989	1992

<u>Claim Name</u>	<u>No. of Units</u>	<u>Record No.</u>	<u>Date Recorded</u>	<u>Expiry Year</u>
Arctic 8	20	6418	Sept. 20, 1989	1992
Arctic 9	18	6412	Sept. 18, 1989	1992
Arctic 10	8	6413	Sept. 20, 1989	1992
Arctic 11	10	6414	Sept. 20, 1989	1992
Arctic 12	20	6423	Sept. 20, 1989	1992
Arctic 13	20	6424	Sept. 20, 1989	1992
Arctic 14	20	6425	Sept. 20, 1989	1992
Arctic 15	20	6426	Sept. 20, 1989	1992
Upper More 1	12	7147	March 20, 1990	1993
Upper More 2	20	7148	March 20, 1990	1993

(the "Property").

Under the terms of the Agreement, in consideration for the option to purchase the Property, the Issuer agreed to pay an aggregate of \$50,000, issue 200,000 common shares in its capital stock to Skeena and incur cumulative expenditures on the Property of \$300,000, as follows:

- (a) to pay Skeena \$25,000 within five (5) business days following the Offering Day;
- (b) to issue to Skeena 50,000 common shares in the capital stock of the Issuer within five (5) business days following acceptance of the March 5, 1991 amendment to the Agreement by the Exchange;
- (c) to pay Skeena \$25,000 on or before the first anniversary date of the Agreement;
- (d) to issue to Skeena 50,000 common shares in the capital stock of the Issuer within 30 business days of the consulting engineer filing an engineering report reporting that \$75,000 in cumulative expenditures have been made and recommending further work on the Property, subject to such report being acceptable to the Exchange;
- (e) to issue to Skeena 50,000 common shares in the capital stock of the Issuer within 30 business days of the consulting engineer filing an engineering report reporting that \$175,000 in cumulative expenditures have been made and recommending further work on the Property, subject to such report being acceptable to the Exchange;
- (f) to issue to Skeena 50,000 common shares in the capital stock of the Issuer within 30 business days of the consulting engineer filing an engineering report reporting that \$300,000 in cumulative expenditures have been made and recommending further work on the Property, subject to such report being acceptable to the Exchange;
- (g) expend \$75,000 on the Property by June 30, 1991;

- (h) expend an additional \$100,000 on the Property by September 30, 1991; and
- (i) expend a further \$125,000 on the Property by December 31, 1992.

Skeena has expended \$75,000 on the Property on behalf of the Issuer and the Issuer has agreed to repay Skeena the \$75,000 out of the proceeds of this Offering.

Upon the Issuer expending cumulative expenditures of \$175,000 on the Property (including the \$75,000 to be repaid to Skeena out of the proceeds of this Offering) it will earn a 30% undivided interest in the Property and upon the Issuer expending cumulative expenditures of \$300,000 on the Property it will earn an undivided 50% interest in the Property.

Upon the Issuer earning an interest in the Property, the Issuer and Skeena will form a joint venture for the further exploration and development of the Property with Skeena as operator.

The Issuer is in receipt of an engineering report (the "Report") on the Property dated March 14, 1991, prepared by Ronald F. Nichols, B.Sc., P.Eng. of Keewatin Engineering Inc., a copy of which is attached hereto.

Location and Access

The Property is located in northwestern British Columbia, some 130 kilometers northwest of the town of Stewart. The southwest corner of the Property is situated at the confluence of two major branches of More Creek. The Property predominantly covers the eastern slopes of the More Creek Valley.

Access to the Property is via helicopter from the village of Bob Quinn, 23 km to the southwest, where Vancouver Island Helicopters Ltd. maintains a base. Bob Quinn is situated along the Stewart-Cassiar Highway and is serviced by regular scheduled flights from Smithers and Terrace, B.C.

History

Exploration on the area surrounding the Property dates back to the late 1800's when prospectors passed through the region on their way to the interior. In the 1950's and 1960's, the porphyry copper-molybdenum boom brought numerous mining companies to the area. During this time, the Galore Creek porphyry copper-gold deposit was discovered. An extensive discussion of past work conducted in the general area can be found in the Report.

Previous Exploration - Property

A review of the assessment files, Minfile and other published data indicate that two exploration programs have been carried out in the area presently covered by the Property. In 1970, Newmont Mining Corporation reportedly (Folk, 1981) conducted geological mapping, stream sediment sampling and diamond drilling. Two holes totalling 170 feet were drilled. The exact location of the drill holes is uncertain, however, several oil cans were discovered at Grizzly Creek during the 1990 reconnaissance program.

Within the same area, Teck Exploration Ltd. (Folk, 1981) conducted a program in 1980 that consisted of grid establishment, soil geochemistry and geological mapping. Low order copper, gold and molybdenum anomalies were identified along a zone 1,000 metres in length by 200 metres in width. Chip sampling yielded a weighted average of 0.3% copper and 0.41 grammes/tonne gold over 5.7 metres. This work was completed over what is now the Upper More 2 claim.

One showing is listed in BCDEMPR Minfile and is located within the same general area in which Newmont Mining Corporation and Teck Exploration completed work. This area was renamed the Grizzly Showing by Keewatin in 1990.

1990 Exploration Program Summary

From May to October, Keewatin Engineering Inc. carried out an exploration program on the Property. This program was commissioned by Skeena Resources Ltd. and involved reconnaissance geological mapping, prospecting and soil/silt/rock geochemistry. This work led to the discovery of several showings or gossans which were subjected to a limited amount of detailed mapping, soil geochemistry and rock chip sampling. The Report provides detailed results of the 1990 exploration program.

Property Geology and Mineralization

The Arctic property and surrounding area has been subjected to reconnaissance geological mapping carried out by J. Souther (1971) for the Geological Survey of Canada. Reconnaissance mapping conducted during Keewatin's 1990 exploration program is generally consistent with J. Souther's (1971) map, however, several geologic contacts were redefined.

Mineralization is widespread on the Property and is found in all rock units with the exception of the Permian phyllites and shales.

Along the upper northwest tributary of Grizzly Creek, porphyry-style copper mineralization is traceable for a length of 300 metres, over a width of about 25 metres. It is hosted by carbonate-chlorite-sericite altered andesitic volcanic flows and

tuffs which are moderately to intensely fractured and locally hornfelsed. Mineralization consists of 2-5% disseminated chalcopyrite with 1-3% disseminated and fracture fill pyrite. Throughout the showing area there are stringers of massive chalcopyrite up to 5 cm wide and pods and lenses up to 50 cm wide. Only trace amounts of galena and sphalerite were noted. The mineralization appears to be fracture controlled and is best developed proximal to the many feldspar porphyry and felsite dykes which cut the volcanics.

Elsewhere on the Property, the volcanic unit commonly contains up to 2-3% disseminated and fracture fill pyrite.

Mineralization in the sediments is restricted to narrow quartz and/or carbonate veins. Quartz veining is commonly associated with felsite dykes that cut sequences of sandstones and siltstones. North of the junction of More Creek and Grizzly Creek, several carbonate lenses up to 0.75 metres wide within interbedded greywackes and conglomerates were observed to host 1-2% galena and trace amounts of chalcopyrite and sphalerite.

The felsites and rhyolitic flows contain up to 3-5% disseminated pyrite and weather to a characteristic deep red colour. Narrow chalcedonic quartz veins within this unit, at the Downstream Showing, host massive pyrite stringers up to 5 cm in width. Just off the east central property boundary, at the Bis Showing, the felsite contains up to 3-5% disseminated pyrite and trace arsenopyrite. In places, intense leaching of the felsite has completely oxidized the sulphides.

The granodiorites in the northeast corner of the Property locally contain up to 15% disseminated pyrrhotite. This occurrence (Ice Showing) is traceable for 500 m in length and undetermined width along the hornfelsed contact with the sediments. On the stream immediately northwest of Grizzly Creek, up to 7% disseminated pyrrhotite was noted in gossanous bluffs of hornblende granodiorite. On the west-central Arctic 7 claim, at the KC Showing, several massive chalcopyrite veins up to 12 cm wide are hosted by dioritic phase of leucocratic granodiorite. The veining is vertical and is exposed within a small creek bed over a width of 4 metres.

Conclusions and Recommendations

The Property exhibits good potential for hosting precious + base metal deposits similar to those known from elsewhere in the Stewart-Sulphurets-Iskut areas.

A two-phase exploration program is proposed to further evaluate the potential of the Property. Initiation of the second phase is contingent upon receipt of favourable results from the initial phase. The proposed Phase I program comprises two components. One component would consist of prospecting and geochemical sampling of areas not explored in 1990 and follow-up of

prospective features such as soil geochemical anomalies and gossans. Most of the areas that have been recommended for follow-up work are at higher elevations and are snow covered until early July. For this reason, an exploration program should not be instigated before late June. The estimated cost of the Phase I program is \$100,000.

Phase II is contingent upon the results of Phase I and will consist of a four hole (500 m) contingent drill program to test any prospective targets delineated during Phase I. The estimated cost of Phase II is \$125,000.

RISK FACTORS

The Units offered hereby are considered speculative, generally because of the nature of the Issuer's business. In particular, a prospective investor should carefully consider the following factors:

1. There is no known body of ore on the Issuer's mineral property. The objective of carrying out exploration is to establish an economic body of ore. If the Issuer's exploration programs are successful, additional funds will be required for the development of an economic ore body and to place it in commercial production. The only sources of future funds presently available to the Issuer are the sale of equity capital, or the offering by the Issuer of an interest in its property to be earned by another party or parties carrying out further exploration or development of the property.
2. Exploration for minerals is a speculative venture necessarily involving some substantial risk. There is no certainty that the expenditures to be made by the Issuer in the exploration of the interests described herein will result in discoveries of commercial quantities of ore.
3. Resource exploration and development is a speculative business and involves a high degree of risk. The marketability of natural resources which may be acquired or discovered by the Issuer will be affected by numerous factors beyond the control of the Issuer. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Issuer's not receiving an adequate return on invested capital.