

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.

PROSPECTUS

EFFECTIVE DATE: DECEMBER 15, 1987

000651

EFFECTIVE DATE: JUNE 9, 1988 - AMENDMENT NO. 1

### GLIDER RESOURCES INC.

Suite 600 - 890 West Pender Street  
Vancouver, British Columbia V6C 1J9  
(the "Issuer")

#### PUBLIC OFFERING 500,000 COMMON SHARES

	Price to Public	Commission	Net Proceeds to be received-by-the Issuer*
.....	\$ 0.50	\$ .05	\$ 0.45
.....	\$250,000.00	\$ 25,000.00	\$225,000.00

\* 1 of the costs of the issue estimated to be \$20,000.00.

MARKET FOR THE SECURITIES OF THE ISSUER. THE PRICE OF THESE SECURITIES, WAS ESTABLISHED BY NEGOTIATION WITH THE AGENT.

THE STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED PURSUANT TO THIS LISTING IS SUBJECT TO THE ISSUER FULFILLING ALL OF THE LISTING REQUIREMENTS OF THE STOCK EXCHANGE ON OR BEFORE JUNE 13, 1988, INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL STATEMENTS.

THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED AS SPECULATION. ALL OF THE SECURITIES WHICH THE ISSUER HAS AN INTEREST ARE IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY AND ARE WITHOUT A KNOWN BODY OF COMMERCIAL ORE. NO SURVEY OF ANY PROPERTY OF THE ISSUER HAS BEEN MADE AND THEREFORE IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH THE PROPERTIES ARE SITUATE, THEIR EXISTANCE AND AREA COULD BE IN DOUBT. SEE ALSO THE HEADING "RISK FACTORS" ON PAGE 8.

NO PERSON IS AUTHORIZED BY THE ISSUER TO PROVIDE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE ISSUE AND SALE OF THE SECURITIES OFFERED BY THE ISSUER.

UPON COMPLETION OF THIS OFFERING, THIS ISSUE WILL REPRESENT 30.30% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 55.15% THAT WILL THEN BE OWNED BY THE PROMOTERS, DIRECTORS AND SENIOR OFFICERS OF THE ISSUER AND BY ASSOCIATES OF THE AGENT. REFER TO THE HEADING "PRINCIPAL HOLDERS OF SECURITIES" ON PAGE 13 HEREIN FOR DETAILS OF SHARES HELD BY DIRECTORS, PROMOTERS AND CONTROLLING PERSONS AND ASSOCIATES OF THE AGENT.

THE NET ASSET VALUE PER SHARE AFTER COMPLETION OF THE OFFERING WILL BE \$0.1824 REPRESENTING A DILUTION OF 63.52% ON A FULLY DILUTED BASIS, OR \$0.3333 REPRESENTING A DILUTION OF 33.4% EXCLUDING THE ESCROWED SHARES.

ONE OR MORE OF THE DIRECTORS OF THE ISSUER HAS AN INTEREST, DIRECT OR INDIRECT, IN OTHER NATURAL RESOURCE COMPANIES. REFER TO THE HEADING "RISK FACTORS" ON PAGE 8 FOR A COMMENT AS TO THE RESOLUTION OF POSSIBLE CONFLICTS OF INTEREST.

THIS PROSPECTUS ALSO QUALIFIES FOR SALE TO THE PUBLIC AT THE MARKET PRICE FOR THE SHARES AT THE TIME OF SALE ANY SHARES OF THE ISSUER WHICH THE AGENT MAY ACQUIRE PURSUANT TO THE AGENT'S WARRANTS. REFER TO THE HEADING "PLAN OF DISTRIBUTION" ON PAGE 2.

SHAREHOLDERS, PARTNERS, EMPLOYEES, AND/OR ASSOCIATES OF UNDERWRITERS, AS DEFINED IN THE SECURITIES ACT (BRITISH COLUMBIA), OWN DIRECTLY 20,000 SHARES IN THE CAPITAL OF THE ISSUER, ALL OF WHICH WERE PURCHASED WHILE THE ISSUER WAS A PRIVATE ISSUER AT \$.25 PER SHARE.

WE, AS AGENT, CONDITIONALLY OFFER THESE SECURITIES SUBJECT TO PRIOR SALE, IF, AS AND WHEN ISSUED BY THE ISSUER AND ACCEPTED BY US IN ACCORDANCE WITH THE CONDITIONS CONTAINED IN THE AGENCY AGREEMENT REFERRED TO UNDER THE HEADING "PLAN OF DISTRIBUTION" ON PAGE 2 OF THIS PROSPECTUS.

**YORKTON SECURITIES LTD.**  
609 Granville Street  
Vancouver, British Columbia V7Y 1G5

DATED: November 27, 1987

R.M.  
(T.F.)  
PROPERTY FILE  
050Y005 82E/3,4\$  
(Deacon Creek 930/16 NE)

TABLE OF CONTENTS

	<u>PAGE NO.</u>
DISTRIBUTION SPREAD	Front Page Cover
PROSPECTUS SUMMARY	1
PLAN OF DISTRIBUTION	2
NAME AND INCORPORATION	3
DESCRIPTION OF BUSINESS AND PROPERTY	4
RISK FACTORS	8
USE OF PROCEEDS	9
DESCRIPTION OF THE ISSUER'S SHARES	11
SHARE AND LOAN CAPITAL STRUCTURE	11
PRIOR SALES	11
SALES OTHERWISE THAN FOR CASH	12
DIRECTORS AND OFFICERS	12
EXECUTIVE COMPENSATION	13
OPTIONS TO PURCHASE SECURITIES	13
PRINCIPAL HOLDERS OF SECURITIES	13
ESCROWED SHARES	14
POOLED SHARES	14
DIVIDEND RECORD	14
PROMOTERS	15
PENDING LEGAL PROCEEDINGS	15
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	15

	<u>PAGE NO.</u>
MATERIAL CONTRACTS	15
OTHER MATERIAL FACTS	16
SOLICITORS	16
AUDITORS, TRANSFER AGENTS AND REGISTRARS	16
PURCHASER'S STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION	17
CERTIFICATE PAGE	

Accompanying this Prospectus is the following supplementary material:

1. Audited Financial Statements of the Issuer as at March 31, 1987;
2. Engineering Report prepared by Thomas H. Carpenter, B.Sc., F.G.A.C. and Gregory G. Crowe, M.Sc., P.Geol. dated March, 1987 respecting the Osoyoos Property.

PROSPECTUS SUMMARY

THE FOLLOWING INFORMATION IS A SUMMARY ONLY. REFERENCE SHOULD BE MADE TO THE DETAILED INFORMATION APPEARING ELSEWHERE IN THIS PROSPECTUS.

The Issuer:

Glider Resources Inc. (the "Issuer") was incorporated on March 18, 1986 to acquire, explore and develop natural resource properties.

The Offering:

Securities - 500,000 common shares without par value  
Price to public - \$0.50 per share.

Agent's Commission - \$0.05 per share. Additionally, the Agent will receive Warrants to purchase up to 125,000 common shares at a price of \$0.55 per share.

Net Proceeds to Treasury - \$0.45 per share/\$225,000.

Use of Proceeds - to pay \$10,000. as an option payment to Makus Resources Inc. upon commencement of work on the Osoyoos Property, to complete the program of work on the Osoyoos Property as recommended in the engineering report dated March, 1987 estimated at \$65,000. and to provide a reserve of \$80,000. for completion of the next phase of work on the Property, to pay the costs of this issue estimated at \$20,000. and to provide working capital of \$50,000.; see the heading "Use of Proceeds" on page 9.

Risk Factors - There are risk factors associated with the purchase of shares of the Issuer including the nature of exploration for minerals as a speculative venture, the lack of any known body of ore on the Issuer's mineral properties, and the fact that there is no established market for the shares of the Issuer; see the heading "Risk Factors" on page 8.

Properties:

The Issuer holds an option to earn 49% of the interest of Makus Resources Inc. in the Osoyoos Property consisting of nine recorded mineral claims located in the Osoyoos Mining Division of British Columbia. The Issuer owns the Deacon Creek Property, ten recorded mineral claims located in the Cariboo Mining Division, Province of British Columbia; see the heading "Description of Business and Property on page 4.

## PLAN OF DISTRIBUTION

### Offering

The Issuer by its Agent hereby offers (the "Offering") to the public through the facilities of the Vancouver Stock Exchange (the "Exchange") 500,000 common shares (the "Shares") of the Issuer at a price of \$.50 per share. The Offering will be made in accordance with the rules and policies of the Exchange and on a day (the "Offering Day") determined by the Agent and the Issuer, with the consent of the Exchange, within a period of 180 days from the date upon which the Shares of the Issuer are conditionally listed on the Exchange.

### Appointment of Agents

The Issuer, by an agreement (the "Agency Agreement") dated October 16, 1987 appointed Yorkton Securities Inc. as its agent (the "Agent") to offer the Shares through the facilities of the Exchange.

The Agent has agreed to purchase any Shares not sold at the conclusion of the Offering. In consideration therefor, the the Agent has been granted non-transferable share purchase warrants (the "Agent's Warrants") entitling them to purchase up to 125,000 common shares of the Issuer at any time up to the close of business 180 days from listing of the Issuer's shares on the Vancouver Stock Exchange (the "Exchange") or 12 months from the date of this Prospectus, whichever is earlier, at a price of \$0.55 per share.

The Agent's Warrants will contain, among other things, anti-dilution provisions and provision for appropriate adjustment of 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 or the payment of stock dividends.

The Agent will receive a commission of \$.05 per share.

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 upon the occurrence of certain stated events.

The Issuer has granted the Agent a right of first refusal to provide future equity financing to the Issuer for a period of twelve (12) months from the Effective Date.

Those persons holding an interest in excess of 5% of Yorkton Securities Inc. are Allen Barry Van Stone, Stewart David Vorberg, Frank Guistra, Donald Risling and Murray Black.

There are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or other person or company in connection with the Offering.

The Directors, Officers and other Insiders of the Issuer may purchase shares from this Offering.

The Vancouver Stock Exchange has conditionally listed the securities being offered pursuant to this Prospectus. Listing is subject to the Company fulfilling the listing requirements of the Vancouver Stock Exchange on or before June 13, 1988 including prescribed distribution and financial requirements.

#### Additional Offering

The Prospectus also qualifies for sale to the public at the market price prevailing at the time of the sale, any shares purchased by the Agent hereunder and any of the common shares which may be acquired on the exercise of the Agent's Warrants at any time up to 180 days from the listing of the Issuer's shares on the Exchange but not more than one year from the date of this Prospectus. The Issuer will not receive any proceeds from the sale of any such shares by the Agent, all of which proceeds will in such event accrue to the Agent.

#### NAME AND INCORPORATION

Glider Resources Inc. ("the Issuer") was incorporated on March 18, 1986 under the Company Act of the Province of British Columbia by the registration of its Memorandum and Articles.

The address of the head office of the Issuer is 600 - 890 West Pender Street, Vancouver, British Columbia.

The address of the records and registered offices of the Issuer is 2100 - 505 Burrard Street, Vancouver, British Columbia.

DESCRIPTION OF BUSINESS AND PROPERTY

Business

The Issuer is a natural resource company engaged in the acquisition, exploration and development of mining properties. The Issuer owns or has interests in the property described under the heading "Property" and intends to seek and acquire additional properties worthy of exploration and development.

Property

A. Osoyoos Property  
Osoyoos Mining Division  
Province of British Columbia

The Issuer holds an option to earn a 49% interest in the Osoyoos property (the "Property") which is a gold prospect consisting of the following recorded mineral claims and reverted Crown grants:

<u>Name of Claim</u>	<u>Number of Units or Area</u>	<u>Record No.</u>
Bertha Fr.	6.47 Ha	961
Blue Bell	20.90 Ha	962
Whistler	18.30 Ha	1010
Rolhne Fr.	6.92 Ha	2159
Molka	18.29 Ha	2160
Lakeview	12	2369
Kruger Mountain	12	2240
Goldhill	9	2241
Dividend #2	15	1335

The Property is located less than 3 kilometers from Osoyoos, British Columbia and adjoins the U.S.A.- Canada border. Access to the Property is by either of two roads, the first a gravel road located south of the Osoyoos Golf Course, the second being the Kilpoola Lake turnoff five kilometres northwest of Osoyoos along Highway 3. During the late spring and summer months access to most areas of the Property can be gained by dozens of secondary roads which are scattered throughout the Property.

The Issuer holds an option (the "Option") to acquire a 49% interest in the Property from Makus Resources Inc. ("Makus") of 600 - 890 West Pender Street, Vancouver, British Columbia. Makus is a company whose shares are traded publicly on the Exchange which operates at arm's length from the Issuer. In order to exercise the Option the Issuer must pay \$10,000 to Makus upon commencing work on the Property and expend \$490,000 on exploration and development of the Property as follows:

\$100,000. on or before December 31 in years 1987 and 1988;  
\$140,000. on or before December 31, 1989; and  
\$150,000. or or before December 31, 1989.

In the event that the Option is terminated prior to the Issuer earning the full 49% interest, the Issuer will be entitled to receive a 1% interest for every \$10,000 expended on exploration and development. Once the Issuer earns a 49% interest in the Property, the Issuer and Makus will explore the Property as a joint venture. The joint venture agreement will provide industry standard terms, including a formula for the dilution of the interest of non-participating parties.

Makus acquired the Property from Keith George by an agreement dated February 11, 1986. Makus is obligated to issue 25,000 shares to Mr. George upon completion of the first phase of a program of exploration on the Property and to pay 2% of the net smelter returns from commercial production from the Property.

Prospecting on the Property began before the turn of the century and as a result several parts of the Property were Crown granted in the early 1900's. Dividend-Lakeview Consolidated Gold Mining Co. Ltd. reportedly shipped 1,057 tons averaging 0.44 oz./ton gold between 1912 and 1914. In 1933 Osoyoos Mines was formed to operate the Property and the Dividend deposit was then mined from 1936 until the mine closed in 1940. A number of operators have examined or worked portions of the Property during the period from 1940 to 1970. In 1981 Golden Dividend Resources Ltd. performed geological mapping with emphasis given to defining the major rock units and alteration assemblages. The majority of the old pits and trenches were mapped and sampled.

Makus carried out a work program on the Property in 1986 at a cost of \$69,000. Based upon anomalous results obtained from this work program, Makus carried out a further phase of exploration on the Property.

In 1987 Makus carried out further mapping and prospecting. A total of 84 rock samples were collected, of which one third contained anomalous gold values of over 100 ppb and seven of which assayed over 1,000 ppb. Makus conducted a geophysical survey over two main areas of the Property. Several isolated magnetometer highs and anomalies were observed. The VLF - EM survey observed weak but marked broad conductors trending northeasterly on the Property. Makus also collected a total of 324 soil samples from a depth of 10 to 20 centimeters. Several isolated anomalous gold and base metal values occurred on the property. To date, Makus has spent an approximate total of \$134,000 on exploration of the Property.



In their report dated March, 1987 Thomas H. Carpenter, B.Sc., F.G.A.C. and Gregory G. Crowe, M.Sc., P.Geol. concluded that five areas of interest had been identified each of which merited further exploration. In order to evaluate the gold bearing potential of the five targets, a program of exploration consisting of further mapping and prospecting and blasting and trenching at an estimated cost of \$65,000 has been recommended. Contingent upon successful results of this phase, a further exploration program of exploratory diamond drilling at an estimated cost of \$80,000 is recommended.

Of the proceeds of this issue, \$65,000 has been allocated to complete the next phase of the recommend work program (see the heading "Use of Proceeds") and \$80,000 has been allocated to provide a reserve for the costs of the next phase of work, should this phase be recommended.

There is no plant or equipment on the Property nor any known body of commerical ore. The proposed program is an exploratory search for ore.

B. Deacon Creek Property  
Cariboo Mining Division  
Province of British Columbia

The Issuer owns the following ten recorded mineral claims located in the Cariboo Mining Division, Province of British Columbia (the "Property"):

<u>NAME</u>	<u>RECORD NO.</u>	<u>EXPIRY DATE</u>	<u>AREA</u>
Deac #1	7592	22 April/88	20 units
Deac #2	7591	22 April/88	20 units
Deac #3	7589	22 April/88	20 units
Deac #4	7590	22 April/88	20 units
Deac #5	7588	22 April/88	12 units
Deac #6	7586	22 April/88	20 units
Deac #7	7585	22 April/88	20 units
Deac #8	7584	22 April/88	20 units
Deac #9	7587	22 April/88	15 units
Deac #10	7653	5 May/88	20 units

The Property is located approximately 15 km east of Quesnel, British Columbia. Access is via Highway 26 from Quesnel to numerous roads and tracks which traverse the Property.

In portions of April, May and June of 1986 the Issuer carried out an initial phase of exploration work on the Property consisting of establishing a grid over a portion of the Property and conducting geological, geochemical, VLF-EM and magnetometer surveys.

A survey grid consisting of a total of 16 km of baseline and 102.5 km of crossline was established. VLF-EM readings were taken at 25 metre intervals along the crosslines of the survey grid. Several quite strong northwesterly trending VLF conductors were located on the Property. The southeast corner of the grid was particularly interesting, with strong conductors emanating from the vicinity of the intrusive stock. These conductors are possibly associated with sulphide mineralization, as mineralized volcanics were observed on the stock.

A magnetometer survey was conducted on the survey grid with reading being taken at 25 metre intervals along the crosslines. The values of the magnetic field strength measured over the grid area varied in general from about 57,600 to about 58,200 gammas - a range of 600 gammas. The data show a pronounced regional gradient trending from a low in the southwest to a high in the northeast, with several strong local highs and lows in between. One of the strongest highs corresponds to a basalt outcrop. The geological interpretation of a fault in the southwest is supported somewhat by a fairly abrupt northwesterly trending 100 gamma change between about 1600 - 1700W.

A soil geochemical survey was conducted on the survey grid. A total of 1057 soil samples, 7 heavy mineral concentrates, and 19 rock samples were collected from the Property. Two rock samples and one stream sediment sample were collected outside of the Property. The heavy mineral concentrates were collected by screening and panning a 10 gallon sample down to a 1 kg sample which was further screened at the laboratory. A total of 310 of the soil samples, as well as the 7 heavy mineral concentrates and 21 rock samples were analyzed by Acme Analytical Laboratories Ltd.

The soil geochemistry located one area of weak to moderate gold anomalies in the southeastern portion of the grid. Of the samples collected in this area, 11 assayed greater than 20 ppb gold including 5 samples with values greater than 100 ppb gold. This area is underlain by the syenite stock in contact with volcanic and sedimentary rocks. Generally the anomalous values are erratic and there seems to be no obvious correlation with the pyrrhotite-rich alteration zone in the southeastern corner. However, two anomalous values follow the shear zone where quartz veining and strong potassium silicate alteration was observed. Other values are scattered along the contact of the intrusion.

Since only 310 soil samples were assayed out of 1057 collected on the property, no definite conclusions about soil geochemistry can be drawn. The anomalous values in the area

of the syenite stock in particular may be a part of a greater zone.

The Issuer spent a total of \$69,961. in performing this work on the Property.

The Issuer received an engineering report recommending further work on the Property, however, as the Property did not appear to merit the funding of further work through public subscription, the Issuer has elected to hold the Property in inventory and monitor exploration work in the area to determine whether future work is warranted.

The Issuer acquired the Property from Jeff Scheu and Tom Perovic of Vancouver, British Columbia for the total purchase price of \$20,000 cash.

There is no underground or surface plant or equipment on the Property. There is no known body of commercial ore on this Property.

#### RISK FACTORS

The shares offered by this Prospectus must be considered speculative, generally because of the nature of the Issuer's business. In particular:

1. There is no known body of ore on the Issuer's mineral properties. The purpose of the present offering is to raise funds to carry out further exploration with the objective of establishing ore of commercial tonnage and grade. 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 source of future funds presently available to the Issuer is through the sale of equity capital. The only alternative for the financing of further exploration would be 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 thereof, which is not presently contemplated.
2. There is no established market for the shares of the Issuer.
3. 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 acquisition of the interests described herein will result in discoveries of commercial quantities of ore.

4. The mining industry in general is intensely competitive and there is no assurance that even if commercial quantities of ore are discovered, a ready market will exist for the sale of same. Factors beyond the control of the Issuer may affect the marketability of any substances discovered.
5. The existence of title opinions should not be construed to suggest that the Issuer has good and marketable title to all of the properties described in this Prospectus. The Issuer follows usual industry practice in obtaining title opinions with respect to its properties. In the event that the Issuer is unable to obtain a title opinion with respect to any of its properties prior to the filing of this Prospectus, the Issuer undertakes not to spend any of the funds received from this offering in developing any of its properties unless and until satisfactory title has been obtained.
6. The Issuer's properties consisting of recorded mineral claims have not been surveyed, and therefore, the precise location of these properties may be in doubt.
7. Directors of the Issuer also serve as Directors of other companies involved in natural resource development. Accordingly, it may occur that mineral properties will be offered to both the Issuer and such other companies. Furthermore, those other companies may participate in the same properties as those in which the Issuer has an interest. As a result, there may be situations which involve a conflict of interests. In that event, the Directors would not be qualified to vote at meetings on resolutions which evoke any such conflict. The Directors will attempt to avoid dealing with other companies in situations where conflicts might arise and will at all times use their best efforts to act in the best interests of the Issuer.
8. The net asset value per share after completion of the Offering (but before exercise of the Agents' Warrants) will be \$0.1824 representing a dilution of 63.52 on a fully-diluted basis, or \$0.333 representing a dilution of 33.4% excluding the escrowed shares.
9. Upon completion of this offering, this issue will represent 30.30% of the shares then outstanding as compared to 55.15% that will then be owned by the promoters, directors and senior officers of the Issuer and by associates of the Agent.

USE OF PROCEEDS

The net proceeds to be derived by the Issuer from the Offering will be the sum of \$225,000. which will be spent in order of priority as follows:

1.	To pay for the costs of this issue estimated at	\$ 20,000.
2.	To complete the program of work on the Osoyoos Property as recommended in the engineering report dated March, 1987	\$ 65,000.
3.	Option payment to Makus on Osoyoos Property	\$ 10,000.
4.	To provide a reserve for the estimated costs of completing the next phase of work on the Osoyoos Property, contingent upon promising results from the previous program	\$ 80,000.
5.	To provide working capital	\$ 50,000.
	TOTAL	<u>\$225,000.</u> (1)

(1) As of the date hereof, the Issuer had a current cash position of \$4,600.27 and current liabilities of approximately \$10,000.

On exercise of the Agent's warrants, the net proceeds will be added to working capital.

No part of the proceeds will be used to invest, underwrite or trade in securities other than those that qualify as an investment in which trust funds may be invested under the laws of the jurisdiction in which the securities offered by this Prospectus may be lawfully sold. Should the Issuer intend to use the proceeds to acquire other than trustee type securities after the distribution of the securities offered by this Prospectus, approval by the members of the Issuer must first be obtained and notice of the intention must be filed with the regulatory securities bodies having jurisdiction over the sale of the securities offered by this Prospectus.

The Company will not commit itself to spend in excess of \$50,000. on the acquisition or exploration of any properties without obtaining the recommendation of a qualified engineer or geologist independent of the vendor of any such properties, and, where required, the approval of the Vancouver Stock Exchange.

The Company may, pursuant to the recommendations of a qualified engineer, abandon in whole or in part any of its properties of may make arrangements for the performance of all or any portion of such work by other persons or companies and may use any monies so diverted for the purpose of conducting work or examining other properties acquired by the Company. If this occurs during the primary distribution of the shares referred to in this Prospectus, an amendment to this Prospectus will be filed. If this should occur after the primary distribution, then the shareholders shall be notified.

DESCRIPTION OF THE ISSUER'S SHARES

The authorized share capital of the Issuer consists of 10,000,000 common shares without par value. As of the date of this Prospectus, 1,150,001 shares were issued and outstanding.

All common shares of the Issuer, both issued and unissued, rank equally as to dividends, voting powers and participation in assets. No shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights and no provisions for redemption, purchase for cancellation, surrender or sinking or purchase funds. Provisions as to the modifications, amendments or variations of such rights or such provisions are contained in the Company Act of the Province of British Columbia.

SHARE AND LOAN CAPITAL STRUCTURE

Designation of Security	Amount Authorized	Amount issued and outstanding as of March 31 1987 (date of Balance Sheet in the Prospectus)	Amount Out-standing as of the Effective Date set out on the front cover of this Prospectus	Amount Out-standing if all securities are sold
Common Shares	10,000,000	1,150,001	1,150,001	1,650,001 <sup>(1)</sup>

(1) 125,000 shares are subject to an option exercisable at a price of \$0.55 per share granted to the Issuer's Agent (see the heading "Plan of Distribution"). 95,000 shares are subject to options exercisable at a price of \$0.50 per share granted to certain directors of the Issuer and an employee (see the heading "Options to Purchase Securities").

As at March 31, 1987, the date of the Issuer's balance sheet included in this Prospectus, the Issuer's deficit was \$11,522.

PRIOR SALES

During the period from incorporation of the Issuer on March 18, 1986 to the date of this Prospectus, the Issuer sold the following shares for cash:

<u>Number of Shares</u>	<u>Price per Share</u>	<u>Commissions Paid</u>	<u>Net Cash Received</u>
400,001	\$0.25	Nil	\$100,000.
750,000	\$0.01	Nil	\$ 7,500.
		Total	<u>\$107,500.</u>

SALES OTHERWISE THAN FOR CASH

No securities are being offered under this Prospectus otherwise than for cash.

DIRECTORS AND OFFICERS

The names, addresses and principal business or occupations in which each of the Directors and Officers of the Issuer has been engaged during the immediately preceding five years are as follows:

<u>Names and Addresses</u>	<u>Positions Held</u>	<u>Principal Occupations for the Past Five Years</u>
Franjo (Frank) Vlastelic 769 South Rosser Ave. Burnaby, B.C.	President & Director	Self-employed Investor, Oxford Securities Ltd., June 1985 to present; Securities Salesman, C.M. Oliver & Co. Ltd., 1982 to 1985; Securities Salesman Rademaker, MacDougall, 1979 to 1982.
Andrew John Henry McGucken 1131 West Keith Road North Vancouver, B.C.	Director	Consultant Oxford Management Ltd., June 1985 to present; Corporate Syndication, C.M. Oliver & Co. Ltd., 1981 to 1985.
Boris Klarich 1381 Springer Ave. Burnaby, B.C.	Director	Consulting Engineer and principal, C.A. Boom Engineering (1985) Ltd., 1986 to present; Consulting Engineer, C.W.M.M. Ltd., 1984 to 1986; Self-Employed Consulting Engineer, 1982 to 1984; C.W.M.M. Ltd., 1981 to 1982.

Carole Madeline  
Walkinshaw-Lim  
5656 Ptarmigan Place  
North Vancouver, B.C.

Secretary

Financial & Business Management  
Consultant, 1982 to present;  
Secretary, various resource companies.

The Issuer's Audit Committee is comprised of the Issuer's Board of Directors.

#### EXECUTIVE COMPENSATION

The Issuer has two executive officers. None of the Directors, Officers or Employees of the Issuer has received any remuneration from the Issuer, except as follows.

C.M. Walkinshaw Inc., a company controlled by the Secretary of the Issuer has received \$3,700. for administration, secretarial and bookkeeping services. The Issuer has agreed to pay the sum of \$750. per month to C.M. Walkinshaw Inc. for these services commencing on the Effective Date of this Prospectus.

#### OPTIONS TO PURCHASE SECURITIES

By Agreements dated March 22, 1987 options to purchase a total of 95,000 common shares in the capital of the Issuer at a price of \$0.50 per share exercisable during a two year period commencing on the Effective Date set out on the front cover of this Prospectus were granted as follows:

<u>Name</u>	<u>Nature of Option</u>	<u>Number of Shares</u>
Franjo (Frank) Vlastelic	Employee's	47,500
Boris Klarich	Director's	15,000
Andrew J.H. McGucken	Director's	32,500

#### PRINCIPAL HOLDERS OF SECURITIES

As of the date of this Prospectus, the following table sets forth the number of shares owned of record or beneficially, directly or indirectly, by each person who owns more than 10% of the Issuer's shares:

<u>Name and Address</u>	<u>Type of Ownership</u>	<u>Designation of Class</u>	<u>Number of Shares</u>	<u>Percentage of Shares Outstanding</u>
Andrew John Henry McGucken 1131 West Keith Road North Vancouver, B.C.	Direct & Beneficial	common	*375,000 80,000	39.57%



Franjo (Frank) Vlastelic 769 South Rosser Avenue Burnaby, B.C.	Direct & Beneficial common	*375,000 80,000	39.57%
---	-------------------------------	--------------------	--------

\*escrowed shares

The percentage of common shares held by all directors, promoters and senior officers is 79.13% of the total issued common shares of the Issuer. After completion of this offering, this percentage will be 55.15%.

#### ESCROWED SHARES

As of the date of this Prospectus 750,000 common shares are held in escrow by The Royal Trust Company of 505 Burrard Street, Vancouver, B.C. subject to the direction or determination of the Superintendent of Brokers (the "Superintendent") or, in the event that the Company is listed for trading on the Vancouver Stock Exchange (the "Exchange"), of the Exchange. These shares are "Principal Shares" as defined in the Superintendent's Local Policy 3-07 and were purchased at a price of \$0.01 per share. The escrow restrictions provide that the shares may not be traded in, dealt with in any manner whatsoever, or released, nor may the Issuer, its Transfer Agent or holder of the escrowed shares make any transfer or record any trading of shares without the consent of the Superintendent or the Exchange, as the case may be. However, the escrowed shares may be released at the discretion of the Superintendent or Exchange, as the case may be, in accordance with applicable policy in the event the Issuer becomes successful due in part to the efforts of the holders of the escrowed shares. Any shares not released from escrow after 10 years from the date of the Escrow Agreement will be subject to cancellation.

<u>Designation of Class</u>	<u>Number of Shares Held in Escrow</u>	<u>Percentage of Class</u>
Common Shares	750,000	65.21%

#### POOLED SHARES

None of the Issuer's shares are held in pool.

#### DIVIDEND RECORD

The Issuer has not, since incorporation on March 18, 1986, paid any dividends on any of its shares. The Issuer has no present intention of paying dividends, but the future dividend policy will be determined by the Board of Directors on

the basis of earnings, financial requirements and other relevant factors.

PROMOTERS

By virtue of the definition as set out in Section 1(1) of the Securities Act (British Columbia), the directors of the Issuer are the Promoters of the Issuer. The Promoters have acquired the following common shares in the capital of the Issuer for property.

The Promoters have acquired the following common shares in the capital of the Issuer for cash:

<u>Name</u>	<u>Number of Shares</u>	<u>Price per Share</u>
Andrew J.H. McGucken	80,000	\$0.25
	375,000	\$0.01
Franjo (Frank) Vlastelic	375,000	\$0.01
	80,000	\$0.25

The Issuer has granted options to certain promoters as disclosed herein under the heading "Options to Purchase Securities".

PENDING LEGAL PROCEEDINGS

The Issuer is not a party with respect to any legal proceedings.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Directors and Senior Officers of the Issuer have no interest in any material transactions in which the Issuer has participated or intends to participate at this time, except as disclosed herein under the heading "Description of Business and Property".

MATERIAL CONTRACTS

The Issuer is a party to the following material contracts:

<u>Date</u>	<u>Party Contracting with Issuer</u>	<u>Consideration</u>	<u>General Nature of Contract</u>
May 5, 1986	Jeff Scheu and Tom Perovic	\$20,000	Acquisition of Deacon Creek Property

May 15, 1986	C.M. Walkinshaw Inc.	\$5,500. plus \$750. per month following effective date of prospectus	Provision of administrative services
July 17, 1986	Royal Trust Company and certain share- holders of the Issuer	Acquisition of shares	Escrow Agreement- principal's shares
March 31, 1987	Makus Resources Inc.	\$1., to exercise option Issuer must expend \$10,000. to earn a 1% undivided interest	Issuer to earn a 49% interest in Osoyoos Property
March 22, 1987	Boris Klarich	Services as Director	Director's Stock Option
March 22, 1987	Andrew McGucken	Services as Director	Director's Stock Option
March 22, 1987	Frank Vlastelic	Services as Employee	Employee's Stock Option
Oct. 16, 1987	Yorkton Securities Inc.	Commission of \$0.05 per share plus Agent's Warrants	Agency Agreement for public offer- ing of Issuer's securities

Material contracts may be inspected at the offices of Douglas, Symes & Brissenden, 2100 One Bentall Centre, 505 Burrard Street, Vancouver, British Columbia, during normal business hours, during the period of primary distribution of the securities being offered under this Prospectus.

#### OTHER MATERIAL FACTS

There are no other material facts relating to the offering of securities under this Prospectus other than as disclosed herein.

#### SOLICITORS

The solicitors for the Issuer are Messrs. Douglas, Symes & Brissenden, 2100 One Bentall Centre, 505 Burrard Street, Vancouver, British Columbia.

#### AUDITORS, TRANSFER AGENTS AND REGISTRARS

The auditors for the Issuer are Benson, Gee & Company, Chartered Accountants, of 301 - 325 Howe Street, Vancouver, British Columbia.

The Registrar and Transfer Agent for the Issuer is The Royal Trust Company of 505 Burrard Street, Vancouver, British Columbia.

PURCHASER'S STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

The Securities Act provides a purchaser with a right to withdraw from an agreement to purchase securities within two business days after receipt or deemed receipt of a prospectus and further provides a purchaser with remedies for rescission or damages where the prospectus and any amendment contains a material misrepresentation or is not delivered to the purchaser prior to delivery of the written confirmation of sale or prior to midnight on the second business day after entering into the agreement, but such remedies must be exercised by the purchaser within the time limit prescribed. For further information concerning these rights and the time limits within which they must be exercised the purchaser should refer to Sections 66, 114, 118 and 124 of the Securities Act or consult a lawyer.

Reference is made to the said Act for the complete text of the provisions under which the foregoing rights are conferred.

44/GRI1492-1

GLIDER RESOURCES INC.

FINANCIAL STATEMENTS

MARCH 31, 1987

AUDITORS' REPORT

BALANCE SHEET

STATEMENT OF LOSS AND DEFICIT

STATEMENT OF DEFERRED  
EXPLORATION COSTS

STATEMENT OF CHANGES IN  
FINANCIAL POSITION

NOTES TO THE  
FINANCIAL STATEMENTS

# Gee & Company

CHARTERED ACCOUNTANTS

DONALD GEE, C.A.  
GILBERT WAN, C.A.

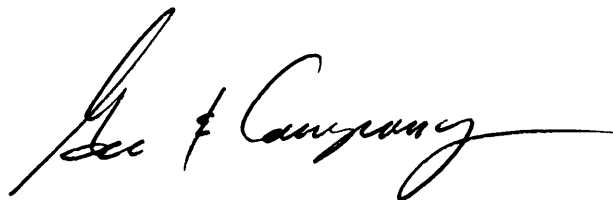
P.O. 11573, STE. 2280  
650 W. GEORGIA  
VANCOUVER, B.C.  
V6B 4N8  
TELEPHONE: (604) 687-6463

## AUDITORS' REPORT

To the Directors of  
Glider Resources Inc.

We have examined the balance sheet of Glider Resources Inc. as at March 31, 1987 and the statements of loss and deficit, deferred exploration costs and changes in financial position from the date of incorporation to March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Company as at March 31, 1987, and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.



Chartered Accountants  
Vancouver, B.C.

May 20, 1987

GLIDER RESOURCES INC.

BALANCE SHEET

MARCH 31, 1987

ASSETS

CURRENT	
Cash	\$ 5,816
RESOURCE PROPERTIES (Note 3)	20,001
DEFERRED EXPLORATION COSTS	70,161
	<u>          </u>
	\$ 95,978
	<u>          </u>

SHAREHOLDERS' EQUITY

SHARE CAPITAL (Note 4)	
Authorized	
10,000,000 common shares without par value	
Issued and fully paid	
1,150,001 common shares	\$107,500
DEFICIT	11,522
	<u>          </u>
	\$ 95,978
	<u>          </u>

APPROVED ON BEHALF OF THE DIRECTORS:

A. S. H. J. Guzman Director  
F. V. Stetler Director

The accompanying notes are an integral part of these financial statements.

GLIDER RESOURCES INC.  
STATEMENT OF LOSS AND DEFICIT  
FOR THE YEAR ENDED MARCH 31, 1987

REVENUE	
Interest	\$     40
	<u>          </u>
EXPENSES	
Accounting and legal	4,000
Administration	3,700
Bank charges and interest	60
License and fees	600
Office	202
Professional development	600
VSE fees	2,400
	<u>          </u>
	11,562
	<u>          </u>
NET LOSS AND DEFICIT, END OF YEAR	\$ 11,522
	<u>          </u>

The accompanying notes are an integral part of these financial statements.



GLIDER RESOURCES INC.

STATEMENT OF DEFERRED EXPLORATION COSTS

FOR THE YEAR ENDED MARCH 31, 1987

DEAC #1 - 10

Assays and sampling	\$ 12,336
Consulting	200
Filing fees	100
Geophysical surveys	32,250
Geological mapping, report	7,825
Line cutting	17,450
	<hr/>
BALANCE, END OF YEAR	\$ 70,161
	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.

GLIDER RESOURCES INC.  
STATEMENT OF CHANGES IN FINANCIAL POSITION  
FOR THE YEAR ENDED MARCH 31, 1987

OPERATIONS	
Net loss for the year	<u>\$(11,522)</u>
INVESTMENTS	
Acquisition of resource properties	(20,001)
Deferred exploration costs	<u>(70,161)</u>
Cash used in investments	<u>(90,162)</u>
FINANCING	
Issuance of share capital	<u>107,500</u>
CASH PROVIDED DURING THE YEAR AND CASH POSITION, END OF YEAR	<u>\$ 5,816</u>
CASH POSITION CONSISTS OF:	
Cash	<u>\$ 5,816</u>

The accompanying notes are an integral part of these financial statements.

GLIDER RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 1987

1. NATURE OF OPERATIONS:

The Company is in the process of exploring its resource properties and has not yet determined whether the resource properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for deferred exploration costs and for resource properties are dependent upon the discovery of economically recoverable reserves attributable to the Company's interest in the properties, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production.

2. SIGNIFICANT ACCOUNTING POLICIES:

a) Incorporation:

The Company was incorporated March 18, 1986, under the Laws of the Province of British Columbia and commenced operations shortly thereafter.

b) Resource Properties:

The amount shown for resource properties represents costs to date and does not necessarily reflect present or future values. If the properties are sold, allowed to lapse or are abandoned, accumulated costs will be written off. The Company is in the exploration and development stage with respect to its interest in the resource properties. On the basis of information to date, the properties do not yet have economically recoverable reserves.

c) Deferred Exploration Costs:

The Company capitalizes all exploration costs that result in the acquisition and retention of resource properties or an interest therein. The accumulated costs including applicable exploration expenses relative to non-productive properties that the Company abandons interest in are written off. Otherwise the exploration costs are amortized over the estimated useful life of the producing properties, based on a method relating recoverable reserves to production.

d) Administrative Expenses:

The Company expenses all administrative costs in the year of expenditure that are not specifically related to a property.

e) Values:

The amounts shown for resource properties and deferred exploration costs represent costs to date and do not necessarily reflect present or future values.

GLIDER RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 1987

3. RESOURCE PROPERTIES:

- a) By agreement dated May 5, 1986, the Company purchased the following mineral claims:

<u>Name of Claim</u>	<u>Number of Units</u>	<u>Record Number</u>	<u>Expiry Year</u>
Deac #1	20	7592	1988
Deac #2	20	7591	1988
Deac #3	20	7589	1988
Deac #4	20	7590	1988
Deac #5	12	7588	1988
Deac #6	20	7586	1988
Deac #7	20	7585	1988
Deac #8	20	7584	1988
Deac #9	15	7587	1988
Deac #10	20	7653	1988

The mineral claims are located in the Cariboo Mining Division, Province of British Columbia. Consideration for the claims was \$20,000.

- b) By agreement dated March 31, 1987, the Company acquired an option to purchase up to a 49% undivided interest in the following mineral claims:

<u>Name of Claim</u>	<u>Record Number</u>
Bertha Fr.	961
Blue Bell	962
Whistler	1010
Rolhne Fr.	2159
Molka	2160
Lakeview	2369
Kruger Mountain	2240
Gold Hill	2241
Dividend #2	1335

These mineral claims are located in the Osoyoos Mining Division, Province of British Columbia. Consideration for the option was \$1.

In order to maintain the option, the Company must make the following payment and expend the following amounts on exploration and development of the claims:

GLIDER RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 1987

3. RESOURCE PROPERTIES: (Continued)

- i) \$10,000 to the optionor upon the Company commencing work on the claims, but, in any event, on or before December 31, 1987.
- ii) Incur exploration and development expenditures of:
  - \$100,000 on or before December 31, 1987
  - a further \$100,000 on or before December 31, 1988
  - a further \$140,000 on or before December 31, 1989
  - a further \$150,000 on or before December 31, 1990.

The Company will be deemed to have earned a 1% undivided interest in the claims, to a maximum of 49%, for every \$10,000 expended on exploration and development as outlined in (ii) above. All exploration work proposed to be conducted by the Company on the claims must be approved by the optionor in writing prior to commencement of such work.

Upon the Company earning the 49% interest or upon the termination of this option agreement, the Company and the optionor will enter into a joint venture agreement to conduct further exploration and development work on the claims.

In the event that the mineral claims are brought into commercial production, the Company must pay to the original holder of the mineral claims a net smelter return (NSR) of 2%.

4. SHARE CAPITAL:

Shares issued during the period are as follows:

	<u>Number of Shares</u>	<u>Amount</u>
For cash	1,150,001	\$107,500

750,000 common shares issued to directors at a value of \$0.01 per share are held in escrow subject to release upon the approval of regulatory authorities.

Stock Options:

Stock options have been granted as follows:

- Directors - 47,500 common shares at \$0.50 per share
- Employees - 47,500 common shares at \$0.50 per share

GLIDER RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 1987

4. SHARE CAPITAL: (Continued)

The above stock options expire two years from the date of receipt of the Company's prospectus by the Superintendent of Brokers for British Columbia.

5. RELATED PARTY TRANSACTION:

a) During the period, \$3,700 was paid as administrative services to a company controlled by an officer of the Company.

b) See Note 4.

6. LOSS PER SHARE:

At the current stage of development in the Company's operation, loss per share information is not considered meaningful.

**AZIMUTH GEOLOGICAL**

**GEOLOGICAL, GEOPHYSICAL**

**AND**

**GEOCHEMICAL REPORT**

**ON THE**

**KRUGER PROJECT**

**OF**

**GLIDER RESOURCES INC.**

**AND**

**MAKUS RESOURCES INC.**

**OSOYOOS MINING DIVISION**

**NTS 82 E/3, 82 E/4**

**Latitude 49°00'30"N, Longitude 119°29'30"W**

**by**

**Thomas H. Carpenter, B.Sc., F.G.A.C.**

**and**

**Gregory G. Crowe, M.Sc., P. Geol.**

**March 1987**

## TABLE OF CONTENTS

	Page
SUMMARY	1
INTRODUCTION	3
Location and Access	3
Physiography	5
Logistics	5
Property and Ownership	5
PREVIOUS WORK	6
REGIONAL GEOLOGY	7
PROPERTY GEOLOGY	8
SURVEY RESULTS	11
Mapping and Prospecting	11
Geophysical Survey	13
Procedure - Magnetometer	24
Results - Magnetometer	24
Procedure - VLF-EM	24
Results - VLF-EM	26
Geochemical Survey	31
Soil Sampling Program	31
Soil Sample Results	33
CONCLUSIONS	34
RECOMMENDATIONS	37
REFERENCES	40
CERTIFICATES	41



## LIST OF FIGURES

			Page
Figure 1	Location and Claim Map		4
Figure 2	Detailed Geology - Dividend #2 Grid	L 0+50N to L 6+00N 10+00W to 17+00W	9
Figure 3	Geology - Northwest Grid	L 16+00N to L 26+00N 25+00W to 40+00W	9
Figure 4	Magnetometer Survey - Dividend #2 Grid	L 0+50N to L 6+50N 10+00W to 17+00W	25
Figure 5	Magnetometer Survey - Northwest Grid	L 16+00N to L 26+00N 25+00W to 40+00W	25
Figure 6	VLF-EM Survey - Fraser Filter Dividend #2 Grid	L 0+50N to L 6+50N 10+00W to 17+00W	27
Figure 7	VLF-EM Survey - Fraser Filter Northwest Grid	L 17+00N to L 26+00N 25+00W to 40+00W	27
Figure 8	Geological Compilation Kruger Claims		28
Figure 9	Magnetometer Survey Compilation Kruger Claims		29
Figure 10	VLF-EM Survey Fraser Filter Compilation Kruger Claims		30
Figure 11	Gold Geochemistry		32
Figure 12	Compilation Map		36

## LIST OF TABLES

Table 1	Rock Sample Descriptions	14
Table 2	Estimated Costs for Continued Exploration	38

## SUMMARY

Glider Resources Inc. and Makus Resources Inc. hold in good standing four located mineral claims and five reverted crown grants (The Kruger Property) surrounding the Lakeview - Dividend copper - gold skarn deposit. The property is located immediately southwest of the town of Osoyoos, within the Osoyoos Mining Division. These skarns have yielded approximately 19,000 ounces of gold and ore from 91,000 tons of material.

Within the claim group sheared schists, greenstones and "quartzites", referred to as the Kruger schists, are intruded by medium to coarse grained Jurassic to Cretaceous granodiorites of the Osoyoos Batholith.

The current exploration program consisted of geological mapping, prospecting, soil sampling, rock sampling, magnetometer and VLF-EM surveys. This was designed to test geochemical, geophysical and geological features outlined by previous surveys (Di Spirito et al, 1986) and thought to have potential for hosting other, as yet undiscovered, skarn deposits. The northwestern portion of the claims, not covered by earlier surveys, was also evaluated on a reconnaissance basis.

An orientation magnetometer survey was completed over the Dividend Mine workings to determine the type of magnetic signature exhibited by this deposit.

Results of the present program indicate that VLF-EM and magnetometer surveys, combined with prospecting and mapping, are the best exploration techniques for evaluating the potential of this property. Soils proved to be of limited use, due to the poor development of the soil profile.

The most current exploration phase has outlined several areas warranting further exploration. Three of these have associated magnetic signatures and occur proximal to old workings and/or exposed skarn/vein type mineralization. Grab samples from one of these areas (line 15+00N between 22+50W and 23+75W) returned 39,700 ppb Au and 1,400 ppb Au from a sulphide bearing quartz vein and sheared volcanics and granodiorite respectively.

A large area in the northwestern portion of the property is underlain by silicified volcanics and "quartzites" spatially related to an intrusive - volcanic contact. This alteration zone is cut by sporadic quartz veins and local concentrations of hematite coated shears and fractures yielding values of up to 1,650 ppb Au and 100 to 160 ppb Au respectively.

Two phases of exploration are recommended. Phase 111 would evaluate the above mentioned targets by continued mapping and prospecting combined with detailed geophysical and geochemical surveys. Trenching would be conducted on the more favourable zones. The cost of this exploration phase is estimated at \$64,680.00. Contingent upon the successful results of Phase 111, an exploratory diamond drilling program estimated to cost \$79,970.00 is recommended.

## INTRODUCTION

At the request of Makus Resources Inc., Azimuth Geological carried out a geological investigation and conducted geophysical and geochemical surveys on the Kruger Project claims. The purpose of these surveys was to further investigate soil and rock geochemical and geophysical anomalies outlined in the 1986 program (Di Spirito et al, 1986). The current survey was completed by three geologists and two geological technicians between January 20th and February 12th, 1987.

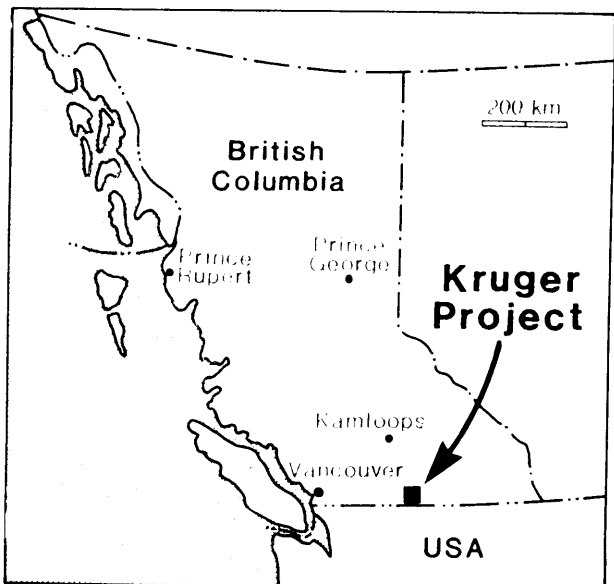
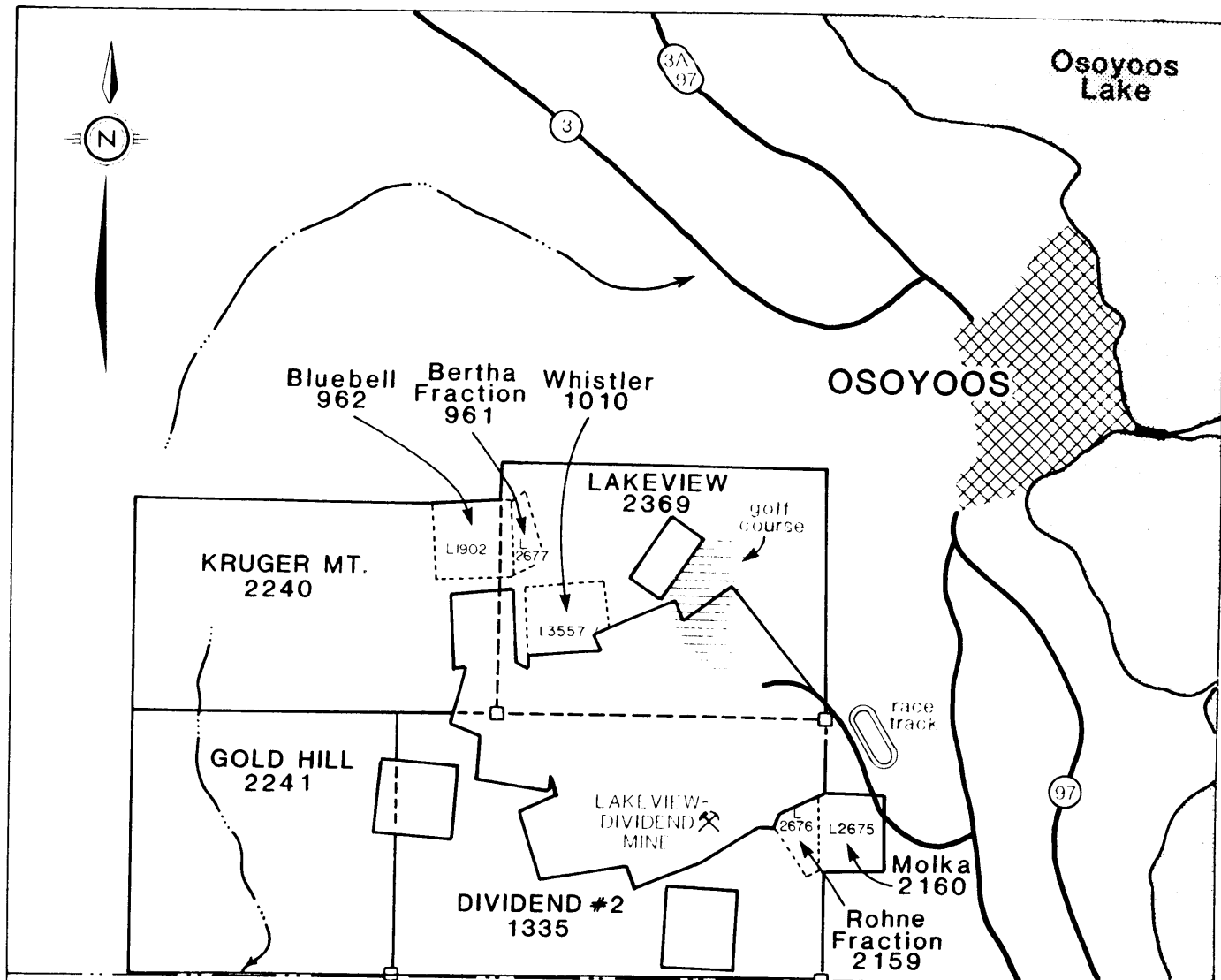
The following report is based on results of this program as well as previously collected technical data.

### Location and Access

The Kruger Claims are located approximately 2 km southwest of the town of Osoyoos in south central British Columbia (Figure 1). The southern boundary of the property is the U.S. - Canada border. The center of the claim group lies at latitude 49°00'30"N and longitude 119°29'30"W.

Access to the eastern boundary of the property is via gravel road, which exits the Osoyoos golf course road near the golf course entrance. Access to the northern boundary can be made via the Kilpoola Lake turnoff on Highway #3, five kilometers northwest of Osoyoos.

In Spring, summer and fall most areas of the property can be reached by numerous access roads. During the course of the present program access was gained via 4 wheel drive and snowmobile from the Osoyoos golf course road.



**Figure 1**

GLIDER RESOURCES INC.  
and  
MAKUS RESOURCES INC

**KRUGER PROJECT  
LOCATION MAP**  
Osoyoos Mining District  
N1S: 82 E/4E,3W

**AZIMUTH GEOLOGICAL**  
Vancouver, B.C.

Date: March 1987 Drawn by B.J. Moore

### **Physiography**

The Kruger Claims cover the west slope of the Okanagan Valley to the south and east of Mt. Kruger. From Mt. Kruger, the land slopes gently to the south and southwest. To the east and southeast the slopes are much steeper and host abundant outcrop. Sparse jack pine and spruce at higher elevations give way to sag brush on the lower slopes.

### **Logistics**

The Kruger Claims are well situated for development, being located immediately west of Osoyoos and south of Highway #3.

Electric power would be easily attainable within several kilometers. Water however, is in short supply on the property and would have to be brought in for drilling and mining purposes.

Snow levels in the area are low to moderate. The lower slopes remain completely snow free for much of the year.

### **Property - Ownership**

The property is composed of 5 crown grants and 4 located mineral claims, the latter being comprised of 48 units. The claims are registered in the name of Makus Resources Inc. and are recorded on Map Sheets 82E/03 and 82E/04 in the Osoyoos Mining Division (Figure 1). Glider Resources Inc. has the right to earn a 49% interest in the property.

Titles are as follows:

<u>Claim</u>	<u>Lot #</u>	<u>Size/Units</u>	<u>Record #</u>	<u>Expiry</u>
Bertha Fr.	(L2677)	6.47 Ha	961	Jan. 18, 1988
Blue Bell	(L1#02)	20.90 Ha	962	Jan. 18, 1988
Whistler	(L3557)	18.30 Ha	1010	Mar. 3, 1988
Rohne Fr.	(L2676)	6.92 Ha	2159	Jan. 21, 1988
Molka	(L2675)	18.29 Ha	2160	Jan. 21, 1988
Lakeview		12	2369	Jan. 21, 1988
Kruger Mountain		12	2240	June 13, 1988
Gold Hill		9	2241	June 13, 1988
Dividend #2		15	1335	Feb. 27, 1988

#### PREVIOUS WORK

Previous work in the area was concentrated on and around the Dividend Property (L1589) discovered in the 1890's. This property, a skarn type Cu-Au deposit, was worked intermittently until 1914 and again during the 1930's. The mine has reportedly produced over 99,000 tons of ore averaging 0.19 oz Au/ton (Minfile). Pyrrhotite, chalcopyrite and magnetite comprise the principal mineralization.

Reported tonnages also include production from the Lakeview and Manx claims (L1899 and L3558) located west and northwest of the Dividend Mine. Since the 1940's a number of companies have conducted exploration programs over the Dividend Property. These programs consisted of diamond drilling, various geophysical programs including self potential, magnetometer, induced potential and electromagnetic surveys and geochemical programs (Gregotski, 1966; Haynes, 1984; Pegg, 1964; Rolston and Richmond, 1980; Tully, 1972 and 1980).

With the exception of the IP survey, a portion of which covered what is now part of the Kruger Claims (Gregotski, 1966), no detailed work was done outside the area of the crown grants. The numerous trenches and adits present on the Kruger Claims are probably a result of exploration during the 1890's/early 1900's or during the 1930's.

Geological, geophysical and geochemical surveys were carried out on the property during February and March, 1986 (Di Spirito et al, 1986). These surveys outlined several areas of anomalous geochemistry which, combined with geological and/or geophysical anomalies, resulted in target areas worthy of detailed follow-up.

The 1987 program by Azimuth Geological was designed to evaluate these anomalous areas and to expand the geological knowledge of the northwest portion of the claims not covered by the earlier programs.

### **REGIONAL GEOLOGY**

Both slopes of the Osoyoos Lake Valley are occupied by the Jurassic to Cretaceous Osoyoos Batholith of grandodiorite composition (Cockfield, 1935). This batholith is the most easterly component of the Okanagan Composite Batholith. While generally possessing a granular texture, the medium to coarse-grained grandodiorite is locally gneissic in texture.

East of the Osoyoos Batholith is a highly altered Paleozoic unit known as the Anarchist Group, the dominant lithologies of which include intensely folded sheared and metamorphosed quartzites, greenstones, phyllites and chlorite/mica schists with intercalated diabasic rocks and occasional altered limestone lenses.



Highly sheared schists, greenstones and quartzites, known as the Kruger Schists, crop out to the west of the Osoyoos Batholith. These have undergone varying degrees of alteration as a result of the intrusion of the Osoyoos Batholith.

The Kruger Schists are very similar in composition and appearance to the Anarchist series. The Kruger Schists however, are characterised by a lower proportion of phyllite, a higher degree of metamorphism and a general lack of limestone.

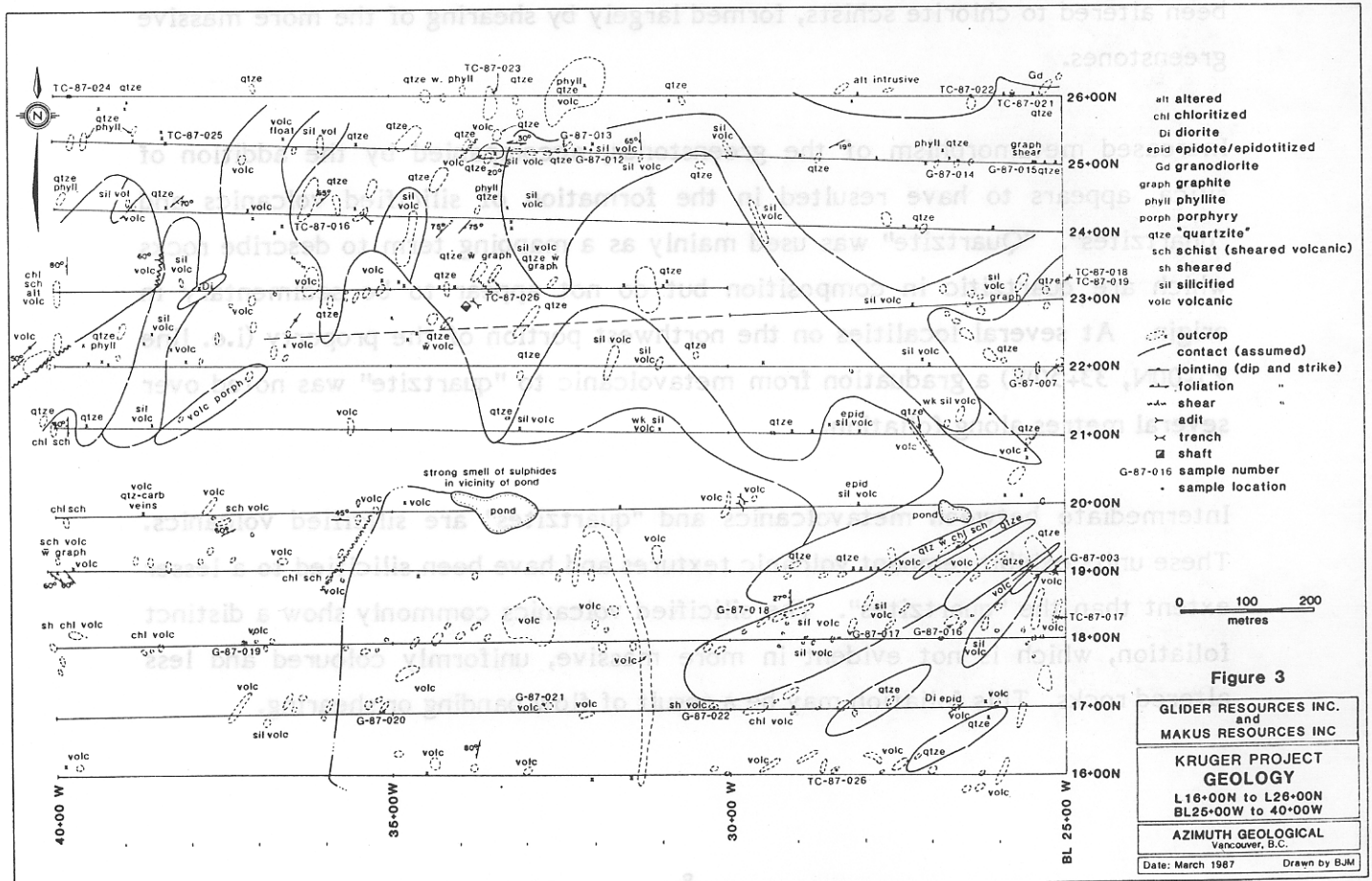
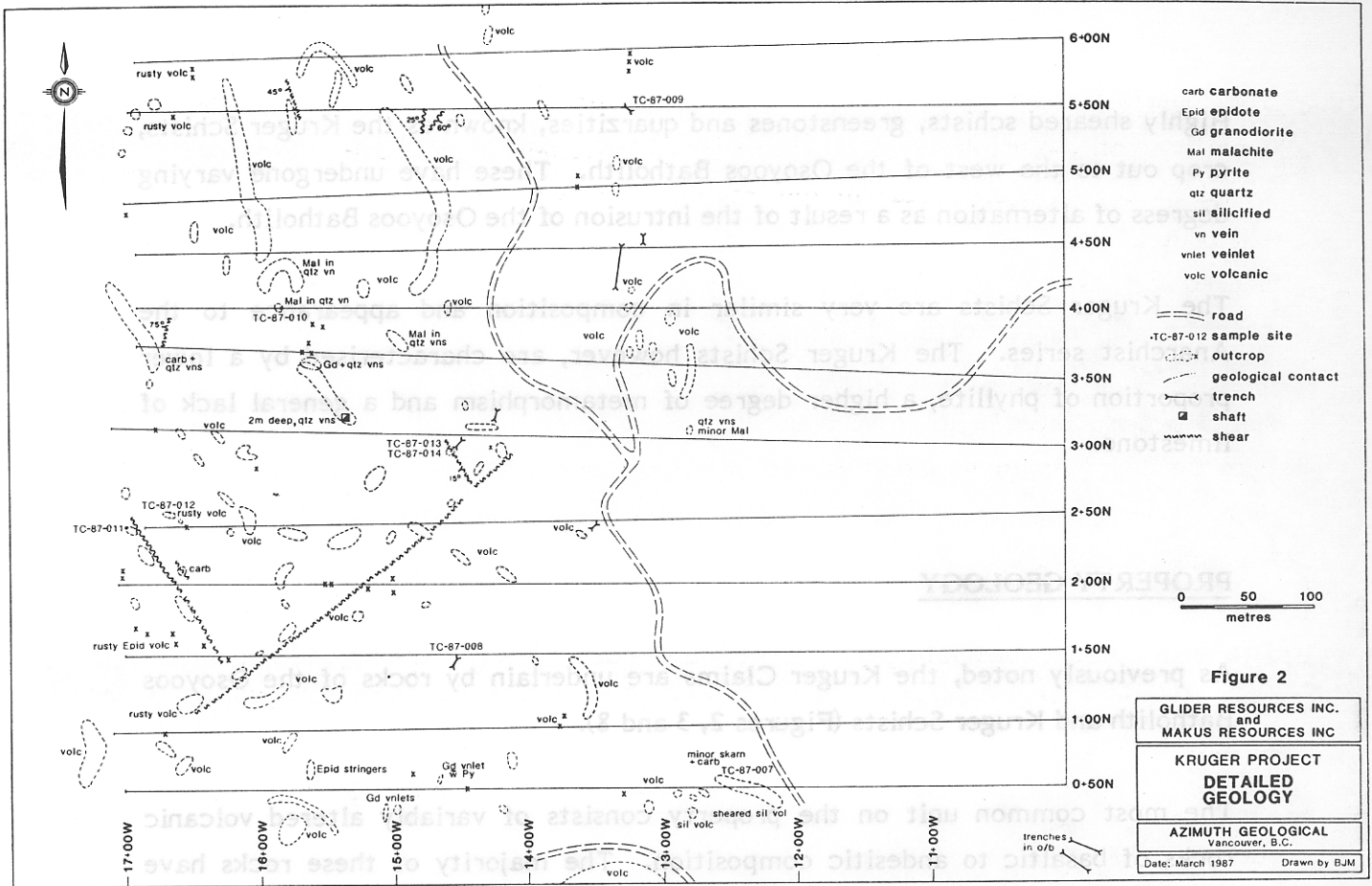
### PROPERTY GEOLOGY

As previously noted, the Kruger Claims are underlain by rocks of the Osoyoos Batholith and Kruger Schists (Figures 2, 3 and 8).

The most common unit on the property consists of variably altered volcanic rocks of basaltic to andesitic composition. The majority of these rocks have undergone greenschist facies regional metamorphism. Locally these units have been altered to chlorite schists, formed largely by shearing of the more massive greenstones.

Increased metamorphism of the greenstones, accompanied by the addition of silica, appears to have resulted in the formation of silicified volcanics and "quartzites". "Quartzite" was used mainly as a mapping term to describe rocks which are quartzitic in composition but do not appear to be sedimentary in origin. At several localities on the northwest portion of the property (i.e. line 25+00N, 33+50W) a gradation from metavolcanic to "quartzite" was noted over several metres along foliation.

Intermediate between metavolcanics and "quartzites" are silicified volcanics. These units exhibit remnant volcanic textures and have been silicified to a lesser extent than the "quartzites". The silicified volcanics commonly show a distinct foliation, which is not evident in more massive, uniformly coloured and less altered rocks. This foliation may be a result of flow banding or shearing.



The "quartzites" on the southwestern portion of the property are more extensive than those on the northwest and north central areas described above. The large aerial extent of "quartzites" in this region may suggest a sedimentary origin. The presence of phyllitic units and micaceous bands within the "quartzite" lend a bedded or banded appearance to the exposures. Despite this appearance however, it is most probable that all of the "quartzites" are a result of varying degrees of silicification. On the Kruger Mountain claim the "quartzite" is spatially associated with intrusive/volcanic contacts. In the southwest it is possible that intrusive underlies the silicified "quartzite" at a fairly shallow depth. Surface exposures of altered intrusive have been documented in this region (Figure 8).

The phyllites, associated largely with the "quartzites" in the southwest and found to a lesser extent elsewhere on the property, are composed of chlorite, muscovite and quartz. The quartz commonly occurs as small quartz eyes and "boundins" contained within the micaceous foliation. These phyllites are locally silicified.

Graphite is common within the phyllites and quartzites.

Limestone was not discovered during mapping of the Kruger Claims, but it does outcrop at several localities on the Dividend Property (Figure 8).

Granodiorite of the Osoyoos Batholith is found on the northern portion of the claims. This rock is typically granodioritic in composition and texture. Locally the intrusive is highly epidotized and in proximity to it the metavolcanics may be difficult to recognize. At several localities the granodiorite has been intensely sheared to form a chlorite schist (15+00N, 21+80W) which is distinctly different from those formed as a result of shearing within the metavolcanics. Material similar to that noted at 15+00N, 21+80W is found in outcrop and float on the crown grants to the east.

Altered diorites appear locally within the metavolcanics, being most extensive southeast of the Dividend mine. These diorites are most probably coeval with the granodiorite but may in part be associated with the metavolcanics.

Structure within the Kruger Claims can be attributed largely to shearing. Few primary structures are evident within the volcanics.

The mineralization on the Dividend Property, as well as on the Kruger Claims, is controlled by structural trends. The Dividend Mine trends NW with an approximate 45° northeasterly dip. Crosscutting southwest trending shears also appear to be well mineralized, as is evidenced by the number of old adits developed along these shears throughout the claim group.

### **SURVEY RESULTS**

Prospecting, geological mapping, soil geochemical, rock sampling and geophysical (VLF-EM and Magnetometer) surveys were concentrated in two areas of the property. The northwest portion of the claims (hereafter referred to as the "Northwest Grid") was tested on a reconnaissance (1:5,000) basis for the potential continuation of Lakeview - Dividend skarn type mineralization along strike. The south central portion of the Dividend #2 claim (hereafter referred to as the "Dividend #2 Grid") was examined in more detail (1:2,500) in order to determine the source of soil geochemical and geophysical anomalies outlined in the 1986 (Di Spirito, et al, 1986) survey.

#### **Mapping and Prospecting**

Mapping on the Dividend #2 Grid revealed the area to be underlain almost exclusively by metavolcanics. Minor alternation is present locally. Prominent NW and NE trending shears are also evident. In the area of 15+50W on lines 3+50N to 4+50N malachite and chalcopyrite mineralization is found within narrow NW trending quartz veinlets. Gold values of 150 ppb and 200 ppb Au were returned from epidote and calcite rich volcanics in this area. Granodiorite is noted in outcrop at line 3+40N, 15+60W.

The area from line 16+00N to 26+00N west of the 25+00W baseline (Northwest Grid) was mapped at a scale of 1:5,000 (Figure 3). This portion of the claims was not covered in the 1986 program. Variably altered volcanics (chloritized and silicified) including "quartzites" occur in close proximity to granodiorite, which outcrops to the east. Numerous sulphide bearing quartz veins and hematite coated shears and fractures are present throughout this 'contact' area. Several samples taken of this material returned anomalous concentrations of gold. Sulphide bearing quartz veins yielded up to 1650 ppb Au (sample G-87-002) while the more extensive hematite coated and fractured siliceous volcanics and "quartzites" returned up to 120 and 160 ppb Au (G-87-016 and TC-87-040 respectively).

The presence of a strong sulphide smell in the vicinity of a pond on line 20+00N at 33+00W to 34+00W is also significant. Due north of this location and south of line 23+00N a shallow shaft has been sunk. This area is coincident with a 500 gamma magnetic high.

A small soil sample grid was established north of the 'sulphide pond'. Extensive outcrop precluded soil sampling to the south.

Prospecting was also concentrated in the areas of skarn alteration discovered in the 1986 program (Di Spirito et al, 1986). By far the area of most interest is along line 15+00N from 22+50W to 23+75 W. Here several adits have been driven in highly silicified rock cut by quartz and carbonate veining. The eastern most part of this zone appears to be highly sheared granodiorite. This horizon is somewhat of an anomaly in that it differs from other locally exposed skarns. The rocks in the area of the western most adit are pinkish, possibly a product of potassic alteration common in porphyry deposits. Grab samples of material from this area returned 1400 ppb Au (TC-87-034) from sheared volcanic and granodiorite and 39,700 ppb Au from dump material consisting of chalcopyrite bearing quartz veins cutting the potassic rich units.

No limestone was mapped on the Kruger Claims. Sufficient carbonate however, is present within all rocks tested to allow for the formation of skarns. This is documented by the amount of carbonate coated fractures and veinlets developed throughout the property.

The Molka Crown Grant, located along strike and southeast of the Lakeview and Dividend Mines, hosts numerous malachite bearing quartz veins and epidote rich skarns within chloritized volcanics. Several samples (TC-87-042; G-87-025, 026, 028) returned values in excess of 150 ppb Au and 2500 ppm Cu. A pyrite concentrate from a shear hosted quartz vein (G-87-029) yielded 1700 ppb Au.

To the northwest of the Lakeview and Dividend Mines (Blue Bell Crown Grant) quartz veins developed in sheared and silicified volcanics, "quartzites", skarn and altered intrusives have also returned significant concentrations of gold. The existence of northwest trending gold bearing structures on the Blue Bell, Lakeview, Dividend and Molka Crown Grants (Figures 8 and 12) illustrates the continuation of these zones over a considerable strike length (2.5 km).

A total of 84 rock samples were collected from the Kruger Claims and analyzed for trace element and Au content at Vangeochem Lab Ltd. by ICP and AA methods respectively. Of the 84 samples, one third contained anomalous Au values over 100 ppb. Seven of these samples contained over 1000 ppb Au.

Rock descriptions and selected analytical results are listed in Table 1. Sample locations are shown on Figure 8 and gold values of greater than 100 ppb are illustrated on Figure 12.

### Geophysical Survey

Geophysical surveys were carried out over two main areas of the property, the Northwest Grid and the Dividend #2 Grid. On the Dividend #2 Grid lines 0+00 to 6+50N from the 1986 survey were refurbished from 10+00W to 17+00W. Intermediate lines were established to further facilitate the completion of the Dividend #2 VLF-EM and magnetometer surveys. Approximately 9 line kilometers of VLF-EM and 11 line kilometers of magnetometer were completed over this area. The latter included an orientation survey over the Dividend Mine.

Fifteen line kilometers of grid were established from 25+00W to 40+00W on lines 17+00N to 26+00N (Northwest Grid). Line 16+00N was refurbished for mapping purposes. This area had not been covered by previous surveys.

**TABLE 1**  
**ROCK DESCRIPTIONS**

<u>SAMPLE</u>	<u>LOCATION</u>	<u>TYPE</u>	<u>WIDTH</u>	<u>DESCRIPTION</u>	<u>Cu ppm</u>	<u>Au ppb</u>	<u>Ag ppm</u>
TC-87-001	NW of adit at 11+75N, 10+15W	Grab	Outcrop	Pale brown weathering, garnet skarn.	29	-	0.1
TC-87-002	NW of adit	Grab	Trench in Outcrop	Lense of massive pyrite within E-W shear in volcanics.	11886	3100	28.5
TC-87-003	19+00N 24+75W	Chip Random	Outcrop	Oxidized shear zone in volcanics. Quartz veining and oxidized veinlets.	256	140	1.3
TC-87-004	23+75N 19+60W	Grab	Outcrop	Sheared volcanics with sulphides (py, cpy) and malachite (30 <sup>50</sup> / 60 <sup>0</sup> NE).	1956	-	1.7
TC-87-005	23+75N 19+60W	Grab	Outcrop	"Quartzite" material bounding sample 004.	178	55	0.2
TC-87-006	23+15N 20+00W	Grab	Shaft Dump	3 m deep shaft in "quartzite". E-W shear with malachite. Garnet skarn.	5663	100	3.5
TC-87-007	0+50N 12+25W	Grab	Outcrop	Silicified volcanics. Pyrite on fractures. Rusty weathering. Minor epidotization.	121	20	0.8
TC-87-008	2+00N 14+55W	Grab	Trench	Rusty weathering volcanics. Minor epidotization. Sheared at 250 <sup>0</sup> / 60 <sup>0</sup> N dip.	128	15	0.1
TC-87-009	5+50N 13+25W	Grab	Trench	Trench at intersection of NW and 035 <sup>0</sup> trending shears. Malachite on fractures. Chlorite and epidote alternation. 3 cm qtz. vein with malachite follows NW trending shear.	841	560	0.6

<u>SAMPLE</u>	<u>LOCATION</u>	<u>TYPE</u>	<u>WIDTH</u>	<u>DESCRIPTION</u>	<u>Cu ppm</u>	<u>Au ppb</u>	<u>Ag ppm</u>
TC-87-010	4+00N 15+87W	Grab	Outcrop	Cpy and malachite in qtz. vein in volcanics 4-5 cm thick. Trends 305°/30-45° SE dip.	5956	95	1.7
TC-87-011	2+50N 17+00W	Grab	Outcrop	Highly hematized volcanics. Locally intensely epidotized. No sulphides evident.	128	20	0.1
TC-87-012	2+50N 16+60W	Grab	Outcrop	Similar o/c to TC-87-011. Sample of NW trending 0.6 m thick epidote zone with pyrite stringers.	39	220	0.1
TC-87-013	3+00N 14+50W	Grab	Trench	Hematized quartz with epidote and occasional 1 cm blebs of pyrite.	35	10	0.1
TC-87-014	3+00N 14+50W	Grab	Trench	Brownish carbonate fragments in greenish (epidotized?) matrix. Sheared volcanics in trench.	24	150	0.1
TC-87-015	4+00N 33+25W	Grab	Outcrop	Heavily hematized rock. Possible shear zone or altered mafic dyke.	22	15	0.3
TC-87-016	24+00N 36+15W	Grab	Outcrop	Hematized siliceous rock. Possible silicified volcanics. Minor disseminated pyrite.	85	-	0.2
TC-87-017	18+40N 25+30W	Grab	Cut Outcrop	"Silicified volcanic" (?), Hematized, sheared, thin (0.5 cm) calcite lenses, minor disseminated pyrite.	81	10	0.1
TC-87-018	23+20N 24+95W	Grab	Adit Outcrop	Quartz vein, 50 cm, limonite filled vugs, graphitic blebs.	12	-	0.3
TC-87-019	23+20N 24+95W	Grab	Adit Outcrop	"Silicified Volcanic" (?), numerous thin quartz veins, minor rust weathering.	36	20	0.6



<u>SAMPLE</u>	<u>LOCATION</u>	<u>TYPE</u>	<u>WIDTH</u>	<u>DESCRIPTION</u>	<u>Cu</u> <u>ppm</u>	<u>Au</u> <u>ppb</u>	<u>Ag</u> <u>ppm</u>
TC-87-020	24+00N 20+00W	Grab	Shaft Dump	Mafic rock from shaft. Mafic vein (?) at contact between "quartzite" and volcanics, 5-10% pyrite.	708	-	1.1
TC-87-021	26+00N 25+75W	Grab	Outcrop	Volcanic. Slightly chloritized and silicified. Blebs and stringers of pyrite.	63	-	0.8
TC-87-022	26+00N 26+35W	Grab	Outcrop	Altered intrusive. Carbonate rich. Fine grained greenish rock. 1-2% pyrite.	142	40	0.1
TC-87-023	26+00N 33+40W	Grab	Outcrop	Quartzite with 1% pyrite cubes and hematized fractures. Locally graphitic.	14	20	0.5
TC-87-024	26+00N 39+75W	Grab	Outcrop	Phyllite quartzite with remnant volcanic texture. Slightly brecciated. Carbonate veining. Hematitic fractures.	11	-	1
TC-87-025	25+00N 38+37W	Grab	Outcrop	Graphitic shear bounding quartzite Broken hematized sheared material with graphite on fractures. Trends 040°/75° E.	68	-	0.6
TC-87-026	23+10N 33+35W	Grab	Outcrop	Quartzite with hematized shear zone. Trends 332°/30° S. Shaft and trench to SSW appear to be cutting same structure.	30	-	0.5
TC-87-027	16+00N 28+40W	Grab	Outcrop	Sheared volcanics. Hematite and possible graphite on shears. Dark brown weathering.	91	-	0.1

<u>SAMPLE</u>	<u>LOCATION</u>	<u>TYPE</u>	<u>WIDTH</u>	<u>DESCRIPTION</u>	<u>Cu ppm</u>	<u>Au ppb</u>	<u>Ag ppm</u>
TC-87-028	19+00N 21+50W	Grab	Outcrop	Rusty weathering sheared volcanics. Calcareous. Trends 040°/80° N.	8	-	0.1
TC-87-029	23+10N 20+80W	Grab	Outcrop	Rusty weathering altered volcanic below intrusive contact.	28	-	0.1
TC-87-030	21+85N 21+80W	Grab	Outcrop	Rusty siliceous volcanic. Cut by 1-2 mm quartz veinlets. Hematized fractures 1-2% pyrite.	51	40	0.1
TC-87-031	21+40N 21+85W	Grab	Outcrop	Rusty "quartzite". Sericite (?) evident on fresh surface. Hematized fractures.	40	-	0.2
TC-87-032	14+95N 22+80W	Grab	Outcrop	Quartz vein (?) cutting sheared chloritic volcanics. Malachite on fractures. Minor disseminated sulphides.	1720	-	1.7
TC-87-033	15+08N 22+50W	Grab Chip	Outcrop	Sheared chloritized and epidotized volcanics and possible altered granodiorite. Adit. Limonite after pyrite in quartz pods.	42	20	0.5
TC-87-034	15+12N 22+45W	Grab Chip	Outcrop	Adit. Sheared volcanics and granodiorite (?). Adit 305°/10 m in length.	68	1400	48
TC-87-035	15+75N 22+00W	Grab	Outcrop	East dipping silicified zone. Cut by quartz veins. Blebs and disseminations of pyrite. Malachite on fractures.	145	-	0.8
TC-87-036	15+65N 22+25W	Grab	Dump Adit	Epidotized, sericitized and carbonate rich granodiorite cut by quartz veinlets to 5 cm. Pyrite and limonite.	25	40	0.2

<u>SAMPLE</u>	<u>LOCATION</u>	<u>TYPE</u>	<u>WIDTH</u>	<u>DESCRIPTION</u>	<u>Cu ppm</u>	<u>Au ppb</u>	<u>Ag ppm</u>
TC-87-037	14+90N 23+40W	Grab	Dump Trench	Quartz vein with chalcopyrite and malachite. Veining and chalcopyrite also occur in highly silicified pink rock.	5037	39700	36.5
TC-87-038	14+87N 23+70W	Grab Chip	Outcrop Adit	Chip from quartz veins and country rock at mouth of adit. Minor sulphides.	166	-	3.2
TC-87-039	13+50N 25+10W	Grab	Outcrop	Graphitic shear with limonite below quartz vein.	71	100	1.2
TC-87-040	9+40N 20+00W	Grab	Outcrop	Rusty rock. Schistose in appearance. Silicified volcanics.	83	160	1.3
TC-87-041	9+20N 19+50W	Grab	Outcrop Trench	Quartz vein (0.5 m) in sheared volcanics. Shear at 240°/60° S. Hematized.	52	40	0.3
TC-87-042	10+00N 0+75W	Grab	Outcrop	Quartz vein in volcanics. Hematized. Malachite along fractures and vein selvages. Trends 082°/80° N. 7-25 cm in width.	2547	650	7.1
JC-01	15+00N 28+08W	Grab	Outcrop	Quartz vein material from N dipping (30°) E-W trending vein. (0.6 m thick).	41	40	0.1
JC-02	15+00N 28+08N	Grab	Dump	Quartz vein with disseminated pyrite.	30	-	0.1
JC-03	1+85N 38+70W	Grab	Outcrop	Dark greenish grey schist. Altered volcanic? Graphitic.	8	35	0.3
G-87-001	23+50N 20+00W	Grab	Shaft Dump	Garnet, epidote skarn, malachite and chalcopyrite.	12450	240	2.9

<u>SAMPLE</u>	<u>LOCATION</u>	<u>TYPE</u>	<u>WIDTH</u>	<u>DESCRIPTION</u>	<u>Cu ppm</u>	<u>Au ppb</u>	<u>Ag ppm</u>
G-87-002	23+50N 20+00W	Grab	Shaft Dump	"Silicified volcanic"(?), 15% pyrite.	28091	1650	20.2
G-87-003	19+00N 25+25W	Grab	Outcrop	"Silicified volcanic", limonite coated fractures, minor quartz veining.	456	35	0.6
G-87-004	19+15N 24+90W	Grab	Outcrop	"Silicified volcanic", 1-3% fine grained disseminated pyrite and pyrite blebs.	135	-	0.2
G-87-005	19+15N 24+90W	Grab	Outcrop	Feldspar porphyry dyke, 2-4% disseminated pyrite, cuts "silicified volcanic", calcite rich veinlets.	48	-	0.4
G-87-006	19+00N 24+90W	Grab	Outcrop	Carbonate (ankerite?) rich rock, 5-7% disseminated pyrite and limonite.	25	100	0.1
G-87-007	22+00N 25+00W	Grab	Outcrop	Meta-volcanic, thin laminated chlorite and epidote rich, quartz and calcite veinlets.	14	55	0.6
G-87-008	23+00N 24+65W	Grab	Outcrop	"Meta-Tuff", siliceous lenses and discontinuous bands within laminated chlorite rich groundmass. Disseminations and patches of fine grained pyrite.	48	-	0.8
G-87-009	23+20N 24+75W	Grab	Outcrop	Silicified "Meta-Tuff", bleached, laminated, limonite along banding and as boxwork.	36	45	0.4

<u>SAMPLE</u>	<u>LOCATION</u>	<u>TYPE</u>	<u>WIDTH</u>	<u>DESCRIPTION</u>	<u>Cu ppm</u>	<u>Au ppb</u>	<u>Ag ppm</u>
G-87-010	25+60N 25+00W	Grab	Outcrop	Altered intrusive (clay and chlorite) and "silicified volcanic", abundant limonite along randomly oriented fractures.	133	140	0.1
G-87-011	25+90N 25+20W	Grab	Outcrop	"Silicified volcanic", banded, cut by altered diorite dyke (clay, epidote chlorite), both cut by crystalline quartz veining with limonite filled vugs.	80	20	0.1
G-87-012	25+05N 32+00W	Grab	Outcrop	"Silicified volcanic" limonite patches and fracture fillings, minor boxwork.	25	20	0.4
G-87-013	25+00N 32+40W	Grab	Outcrop	Meta-volcanic, sheared, chlorite and quartz rich, minor silicification, abundant limonite along fractures and in boxwork, minor pyrite?	71	35	0.4
G-87-014	25+00N 26+50W	Grab	Outcrop	Meta-volcanic, sheared, minor graphite, cut by diorite dyke, very rusty weathering.	53	95	1.2
G-87-015	25+00N 0+42W	Grab	Outcrop	Phyllite, graphitic, abundant limonite as fracture fillings and boxwork.	23	-	0.4
G-87-016	18+20N 26+75W	Grab	Outcrop	Meta-volcanic, chloritized, minor shearing, calcite veins and lenses, limonite rich patches.	31	120	0.6
G-87-017	18+05N 28+25W	Grab	Outcrop	"Silicified volcanic", chlorite foliation, calcite and quartz veining, limonite.	25	20	0.1

<u>SAMPLE</u>	<u>LOCATION</u>	<u>TYPE</u>	<u>WIDTH</u>	<u>DESCRIPTION</u>	<u>Cu ppm</u>	<u>Au ppb</u>	<u>Ag ppm</u>
G-87-018	18+50N 29+25W	Grab	Outcrop	"Silicified volcanic", foliated, limonite coated fractures.	23	-	0.1
G-87-019	18+00N 37+25W	Grab	Outcrop	Meta-volcanic, weakly silicified, chlorite rich, chlorite and calcite veinlets, minor disseminated pyrite.	83	-	1.8
G-87-020	17+00N 35+25W	Chip	0.5 m	Meta-volcanic, sheared, chlorite rich, fracture filling pyrite.	34	-	2.2
G-87-021	17+00N 32+85W	Grab	Float	"Silicified volcanic", banded, limonite filled fractures and boxwork.	22	-	0.5
G-87-022	17+00N 30+35W	Discontin- uous Chip	1.0 m	Chlorite, quartz, sericite schist, sheared meta-volcanic, 1-2% disseminated pyrite.	42	-	0.1
G-87-023	8+25N 38+75W	Grab	Float	"Silicified volcanic", quartz veining, limonite and chlorite rich bands, limonite veinlets, pyrite in vugs.	8	115	2.2
G-87-024	5+50N 39+30W	Grab	Outcrop	"Silicified volcanic" abundant limonite coated fractures.	24	-	0.2
G-87-025	8+75N 1+80W	Chip	Open Cut 0.7 m	Meta-volcanic, chloritized, epidote, quartz veining, limonite and malachite staining, minor pyrite in quartz veining.	5024	160	4.4
G-87-026	8+75N 1+80W	Grab	Open Cut Dump	Mixed altered volcanics with epidote, chlorite and malachite and quartz veining with malachite and azurite.	6854	460	16.1

<u>SAMPLE</u>	<u>LOCATION</u>	<u>TYPE</u>	<u>WIDTH</u>	<u>DESCRIPTION</u>	<u>Cu ppm</u>	<u>Au ppb</u>	<u>Ag ppm</u>
G-87-027	8+70N 1+25W	Grab	Cut Outcrop	Intrusive, extensively altered to epidote, cuts meta-volcanics, minor garnet, quartz veining and malachite.	202	-	0.8
G-87-028	8+70N 1+25W	Discontin- Chip	Cut 1.5 m	Quartz veining cutting altered intrusive and meta-volcanics, abundant epidote, minor malachite, pyrite rich lenses to 10 cm.	4141	260	3.9
G-87-029	8+70N 1+25W	Grab	Cut 10 cm	Pyrite concentrate.	8903	1700	12.8
G-87-030	9+00N 1+75W N.W. end of open cut.	Discontin- uous Chip	Open Cut 1.5 m	Altered intrusive, clay, chlorite and epidote, malachite.	5253	-	2.2
G-87-031	8+00N 1+00W	Grab	Open Cut	Meta-volcanic, epidote, chlorite garnet, cut by numerous calcite veinlets, rusty weathering.	113	-	0.1
G-87-032	11+80N 9+75W	Grab	Adit Dump	Skarn with epidote, garnet, calcite, magnetite, chalcopryrite, malachite.	688	240	0.6
G-87-033	23+15N 20+35W	Grab	Cut	Silicified meta-volcanic, 5% disseminated pyrite.	324	750	0.8
G-87-034	23+15N 20+35W	Grab	Cut	Garnet bearing skarn.	61	-	0.1
G-87-035	23+15N 20+35W	Grab	Cut	Epidote rich skarn, 1-2% pyrite, epidote locally follows banding in silicified volcanic.	44	-	0.6

<u>SAMPLE</u>	<u>LOCATION</u>	<u>TYPE</u>	<u>WIDTH</u>	<u>DESCRIPTION</u>	<u>Cu ppm</u>	<u>Au ppb</u>	<u>Ag ppm</u>
G-87-036	22+50N 20+40W	Grab	Outcrop	"Silicified volcanic", limonite as fracture coatings, sparse fine grained disseminated pyrite.	44	950	1.7
G-87-037	Lakeview Dividend 12+75N 6+75W	Grab	Dump	Chloritized meta-volcanic, disseminations and veinlets of pyrite and quartz.	12049	1400	7.1
G-87-038	Lakeview Dividend 12+75N, 6+75W	Grab	Dump	Massive pyrrhotite, minor chalcopyrite.	2066	100	0.1
G-87-039	Lakeview Dividend 12+75N 6+75W	Grab	Dump	Massive to semi-massive pyrite in chloritized meta-volcanic, minor quartz.	8631	1400	10.3



In total approximately 27 km of magnetometer and VLF-EM were run over the Kruger Claims during the course of the 1987 program.

#### Procedure - Magnetometer

A Geometrics Model G-816 portable proton magnetometer was utilized to survey established lines. Readings were obtained at 25 metre intervals on the Northwest Grid and at 12.5 metre intervals on the Dividend #2 Grid. Results were corrected for diurnal variations via the closed loop method. Contoured values appear on Figures 4, 5, and 9.

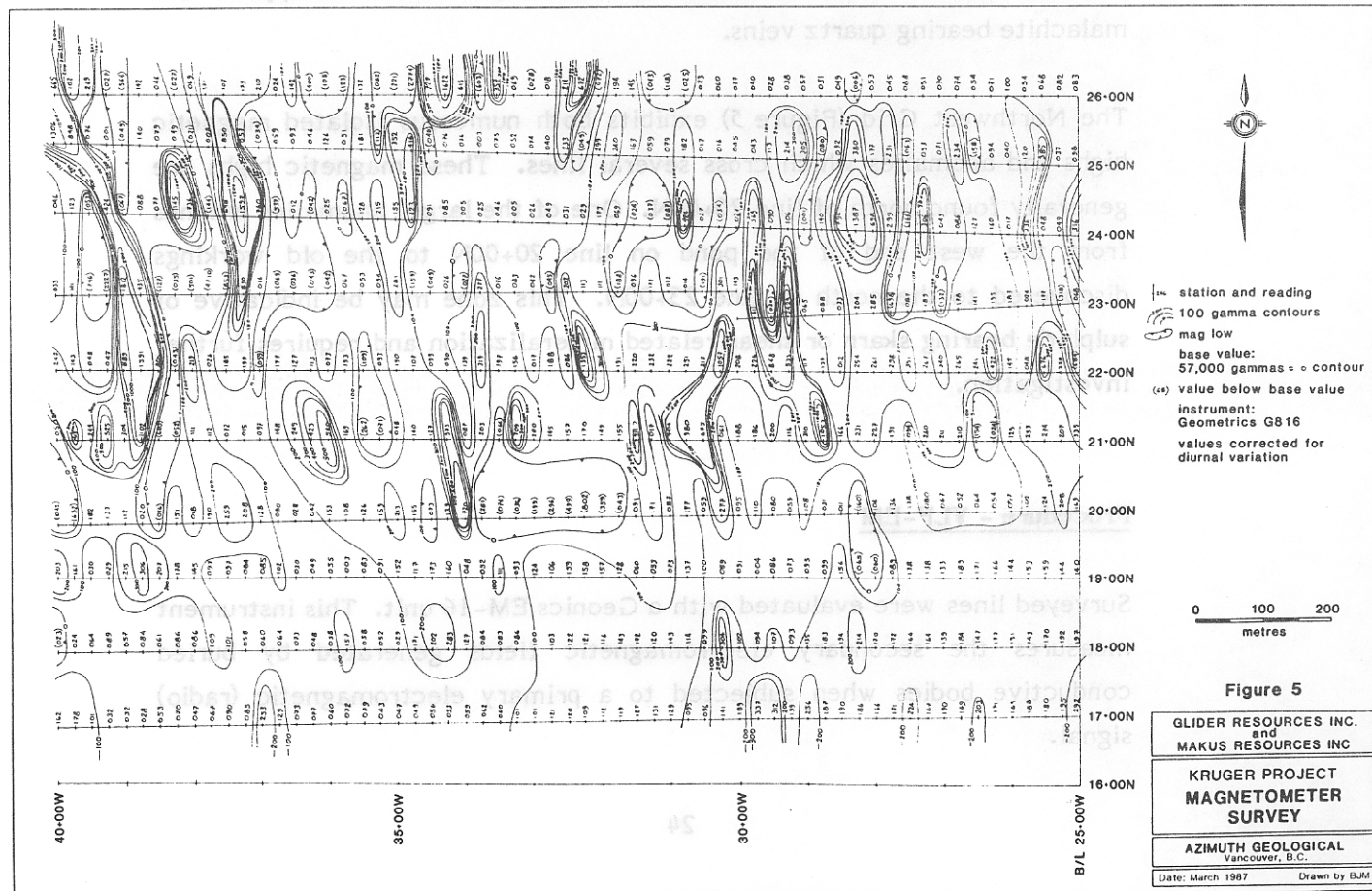
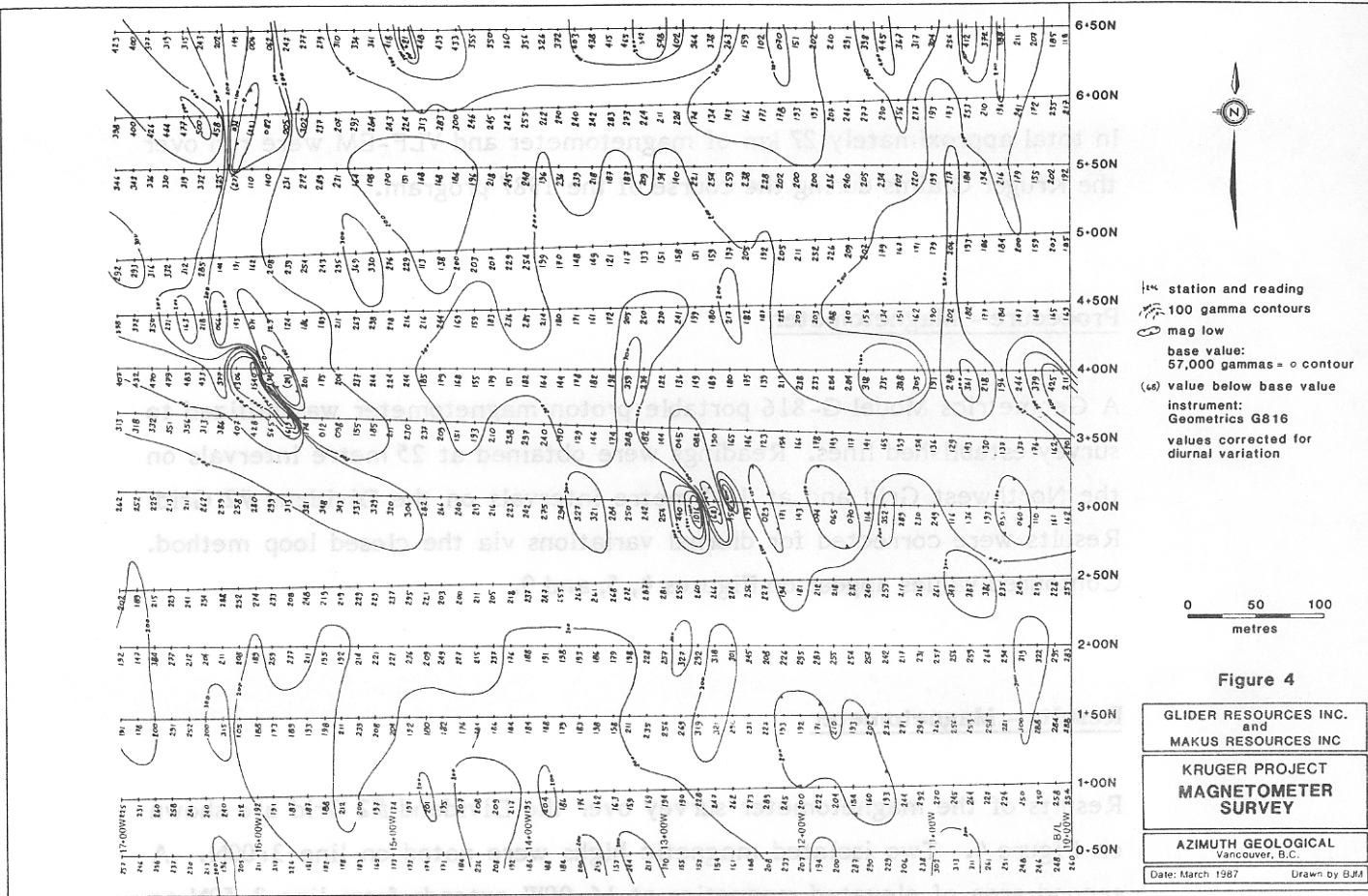
#### Results - Magnetometer

Results of the magnetometer survey over the Dividend #2 Grid are shown on Figure 4. Two isolated magnetic highs were noted on line 3+00N. A second area of elevated magnetics at 16+00W extends from line 3+50N to 4+00N. Both of these anomalies are coincident with chalcopyrite and malachite bearing quartz veins.

The Northwest Grid (Figure 5) exhibits both numerous isolated magnetic highs and anomalies which cross several lines. These magnetic highs are generally found north of line 20+00N. One of the larger anomalies extends from the west end of the pond on line 20+00N to the old workings discovered to the north on line 23+00N. This zone may be indicative of sulphide bearing skarn or shear related mineralization and requires further investigation.

#### Procedure - VLF-EM

Surveyed lines were evaluated with a Geonics EM-16 unit. This instrument measures the secondary electromagnetic fields generated by buried conductive bodies when subjected to a primary electromagnetic (radio) signal.



Ideally, suspected conductors should be oriented towards the station for optimum results. Due to the lack of a transmitter at the proper orientation, the Seattle transmitter was utilized. The orientation of the Seattle transmitter with respect to the property is approximately 220°.

All data was reduced by Fraser Filtering and then contoured as illustrated on Figures 6, 7, and 10.

Readings were obtained at 25 meter interval areas on the Northwest Grid and 12.5 meter intervals in the Dividend #2 Grid area.

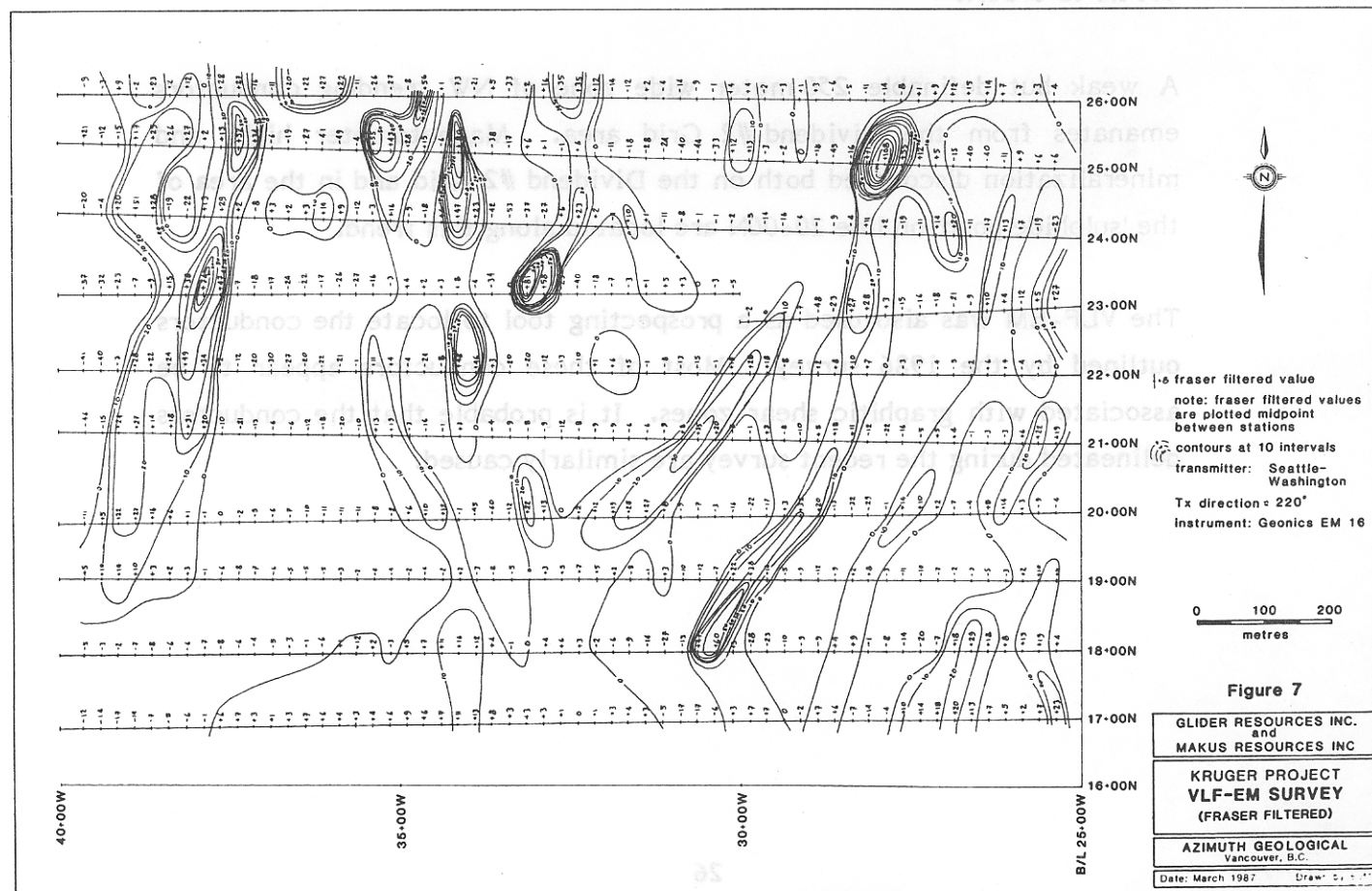
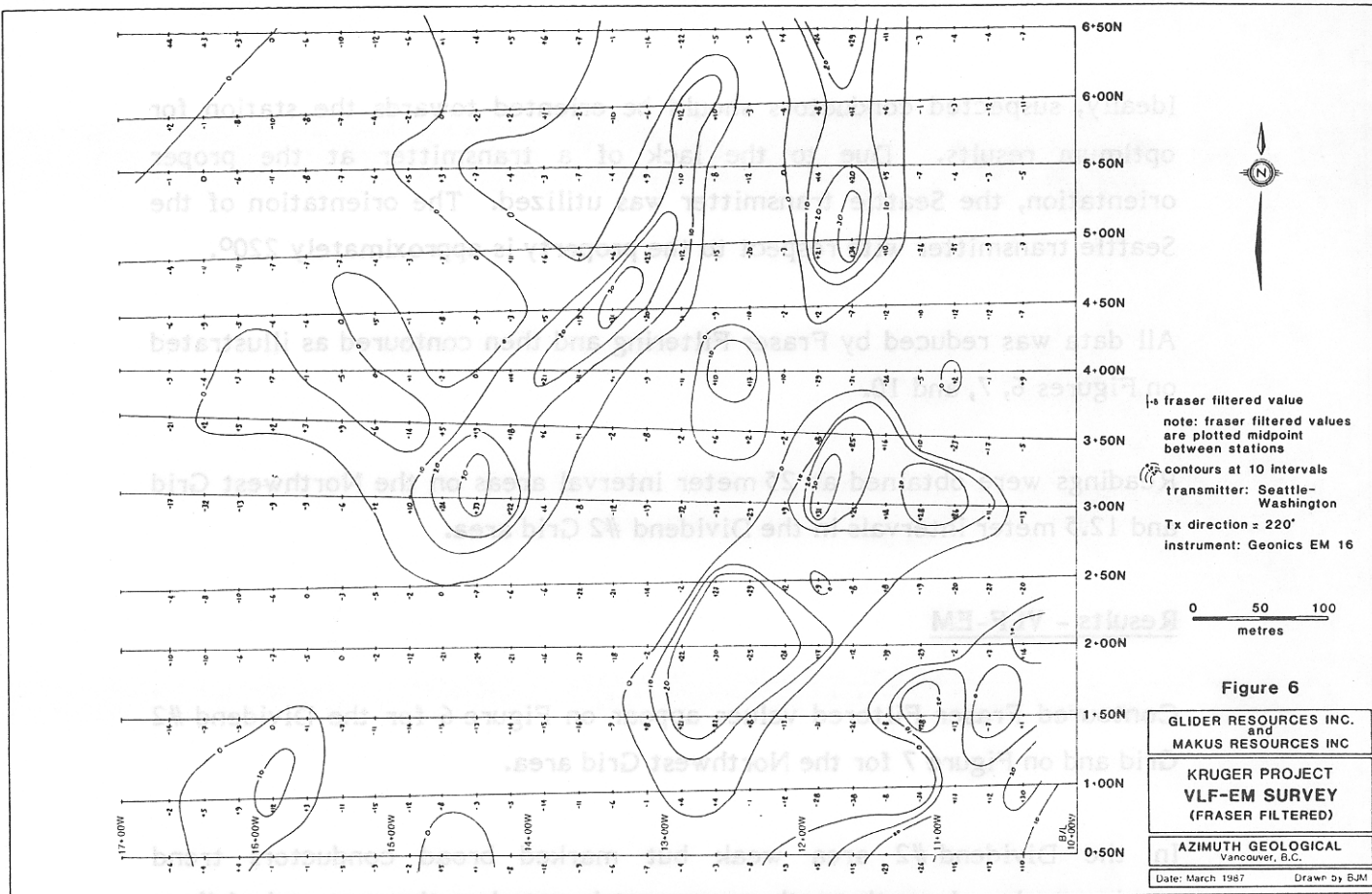
### Results - VLF-EM

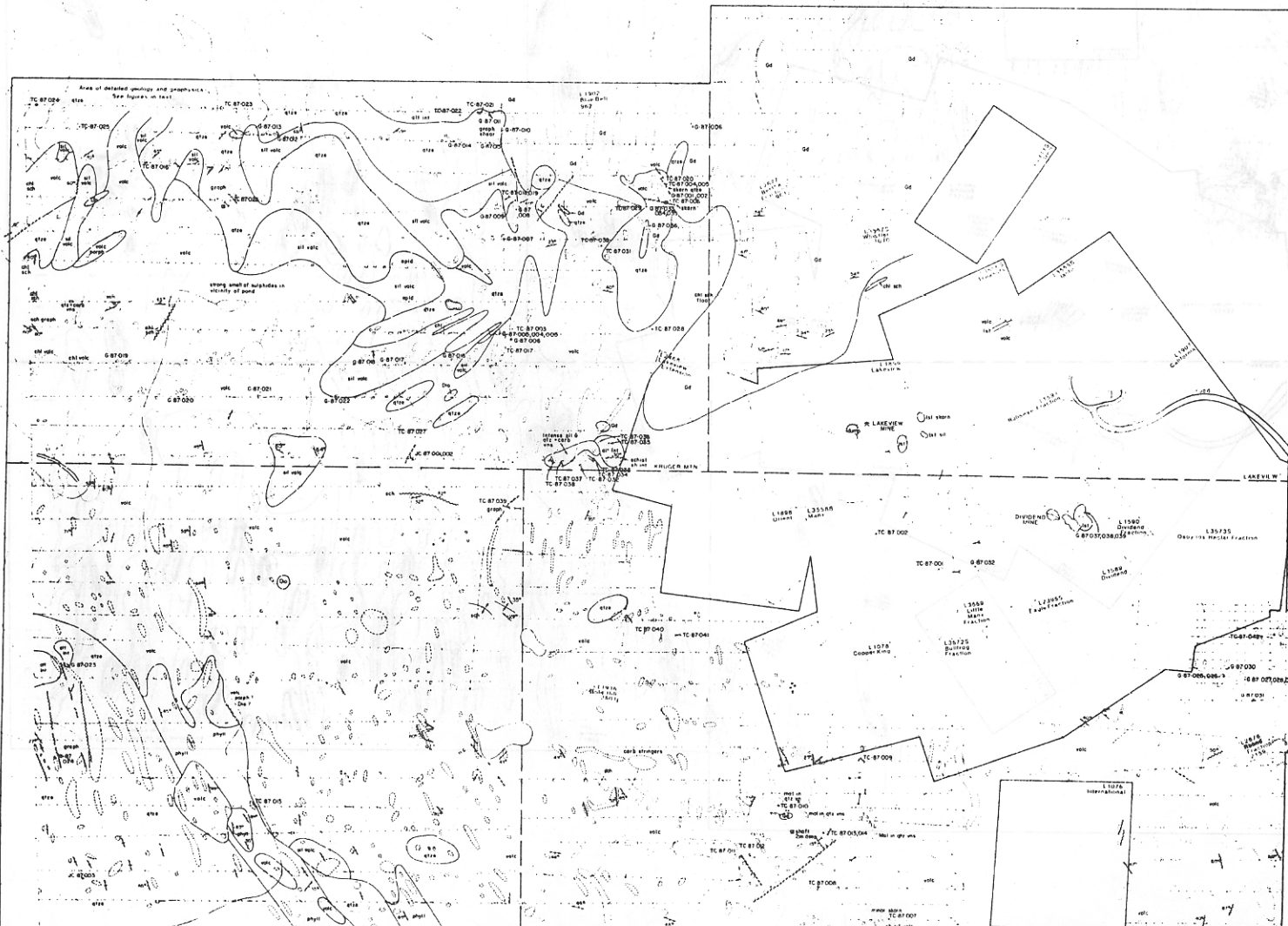
Contoured Fraser Filtered values appear on Figure 6 for the Dividend #2 Grid and on Figure 7 for the Northwest Grid area.

In the Dividend #2 area weak but marked broad conductors trend northeasterly. A north-south component is noted at the east end of lines 4+50N to 6+50N.

A weak but definable 250 meter wide zone of NW trending conductors emanates from the Dividend #2 Grid area. Magnetometer highs and mineralization discovered both on the Dividend #2 Grid and in the area of the 'sulphide pond' on line 20+00N are located along this trend.

The VLF-EM was also used as a prospecting tool to locate the conductors outlined by the 1986 survey. Most of these conductors appear to be associated with graphitic shear zones. It is probable that the conductors delineated during the recent survey are similarly caused.





- all. volc. altered intrative
  - br. breccia
  - carb. carbonate
  - chl sch. chlorite schist
  - dlm. diorite
  - gd. gneiss
  - gr. granodiorite
  - ts. limestone
  - mt. metachite
  - phyll. phyllite
  - qtz. "quartzite" (highly silicified)
  - qtz sch. quartz vein
  - sch. schist
  - sh. shales
  - all. volc. silicified volcanic
  - va. vein
  - volc. volcanic
  - volc. volcanic to metavolcanic
- outcrop
  - 87015 sample location
  - geological contact
  - syncline
  - anticline
  - normality (inclined, vertical)
  - jointing (inclined, vertical)
  - fault (known, inferred)
  - track, edit, cover edit
  - shaft
  - trail corner post

Compilation of February, 1986  
 (2) Update of 1981  
 and January 1985 Survey

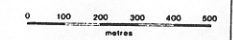
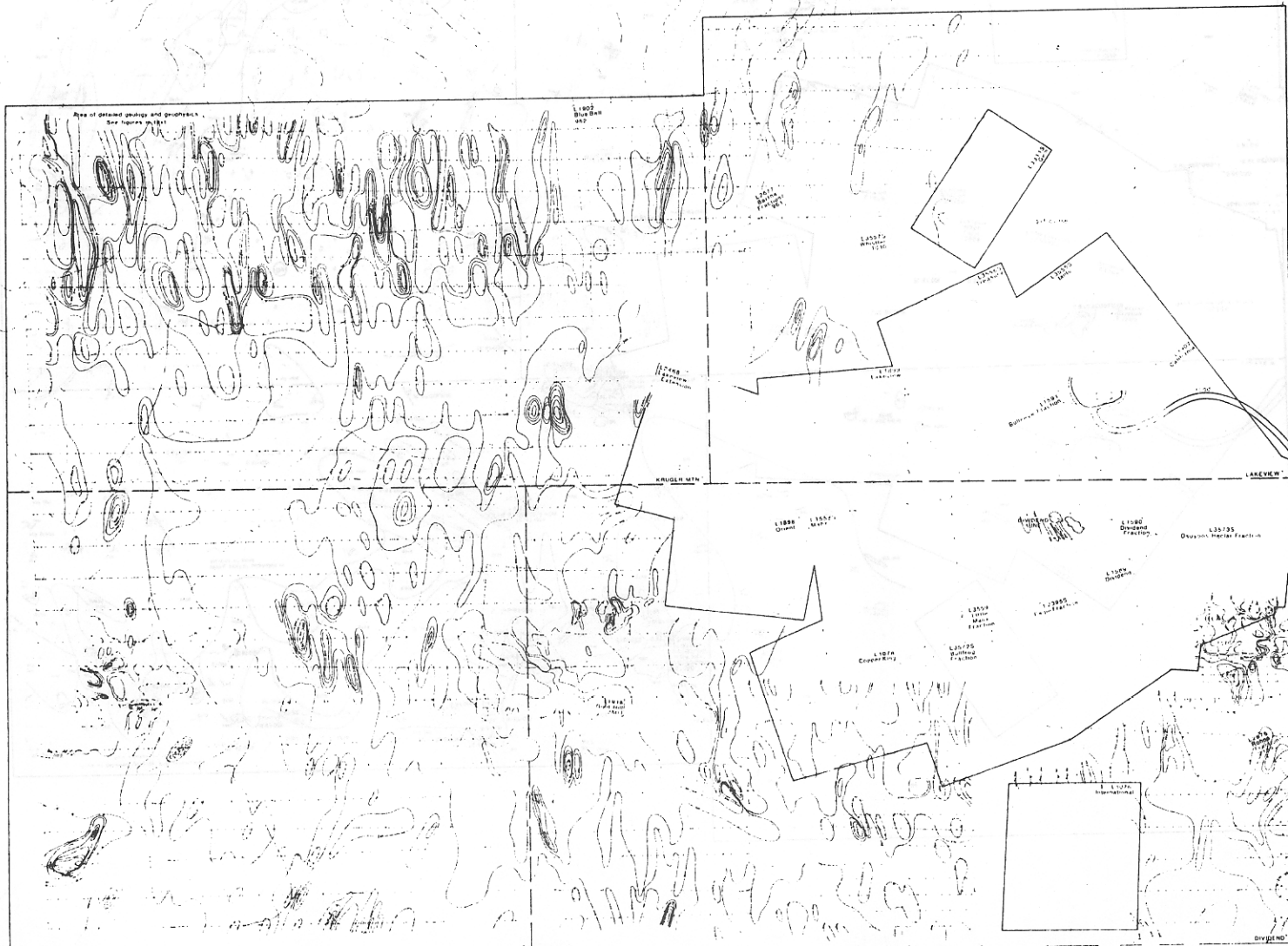


Figure 8  
 MAKU RESOURCES INC  
 KRUGER PROJECT  
 NT822 E/4E  
**GEOLOGY COMPILATION**  
 AZIMUTH GEOLOGICAL  
 Vancouver, B.C.  
 Date: March 1987 Work by: THC Drawn by: BJA

International Boundary  
 CANADA  
 USA

Area of detailed geology and geomorphology  
 See figures in text



□ Total number of  
 data points  
 Contour interval: 50,000 gamma - 5 contour  
 Contour interval: 50,000 gamma - 5 contour  
 Values corrected for diurnal variation

\* Compilation of February, 1984  
 (see reports of G. L. 1984  
 and January, 1984) surveys

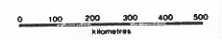
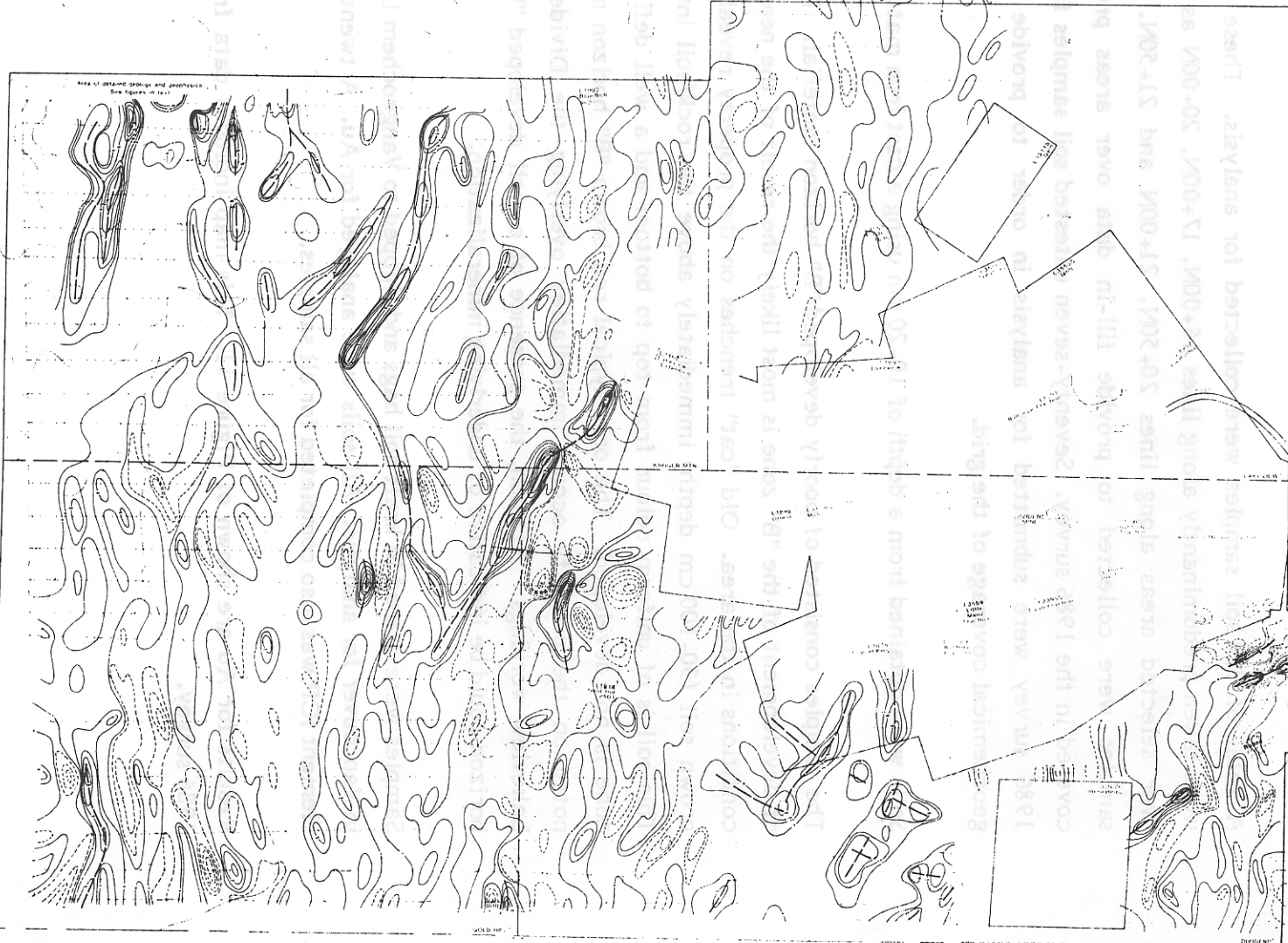


Figure 9  
 MAKUS RESOURCES INC.  
 KRUGER PROJECT  
 WITH: ST. JACQUES  
**MAGNETOMETER  
 SURVEY  
 COMPILED**  
 AZIMUTH GEOLOGICAL  
 Vancouver, B.C.  
 Date: March 1987 Work by THO Drawn by RJM



1. All data were collected  
 from the EM survey  
 conducted in 1987  
 and 1988. The data were  
 processed and filtered  
 using the Fraser Filter  
 and the Azimuth Geologic  
 Interpretation Software.

2. The map is a compilation  
 of the data collected  
 from the EM survey  
 conducted in 1987  
 and 1988. The data were  
 processed and filtered  
 using the Fraser Filter  
 and the Azimuth Geologic  
 Interpretation Software.

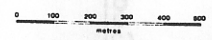


Figure 10

**MAKUS RESOURCES INC**  
**KRUGER PROJECT**  
 100-00-00  
**VLF-EM SURVEY**  
 (FRASER FILTERED)  
**COMPILED**  
 AZIMUTH GEOLOGICAL  
 VANCOUVER, B.C.  
 Date: March 1989    Work by: TRC    Drawn by: B.M.

International Boundary  
 CANADA  
 USA

## Geochemical Survey

### Soil Sampling Program

A total of 324 soil samples were collected for analysis. These samples were taken predominantly along lines 16+00N, 17+00N, 20+00N as well as over selected areas along lines 20+50N, 21+00N and 21+50N. Other samples were collected to provide fill-in data over areas previously covered in the 1986 survey. Seventy-seven untested soil samples from the 1986 survey were submitted for analysis in order to provide further geochemical coverage of the grid.

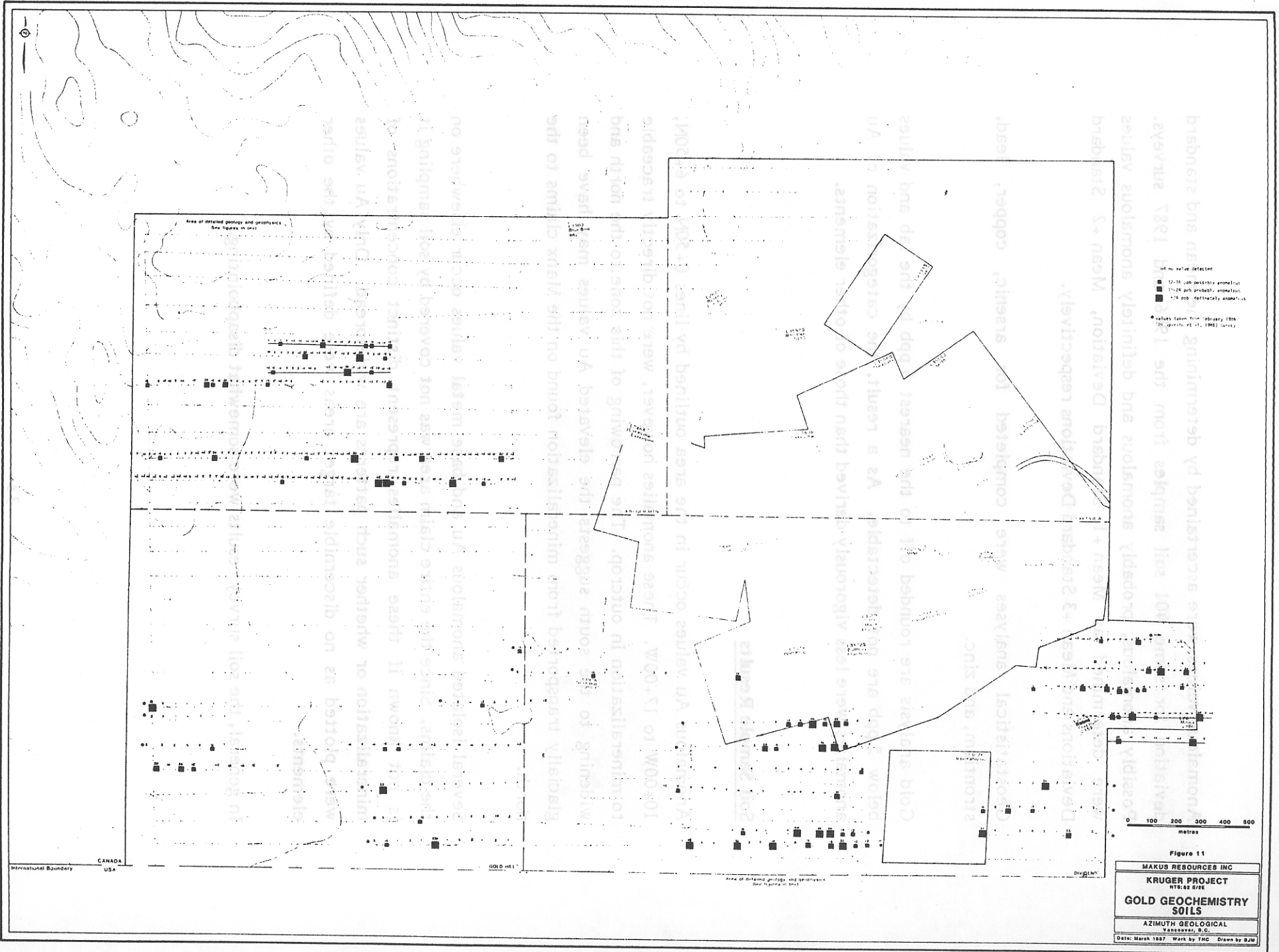
Soils were obtained from a depth of 10-20 cm using a cast iron mattock.

The samples consisted of poorly developed "B" horizon material. The lack of development of the "B" zone is most likely the result of the near desert conditions in the area. Old "cat" trenches on the property reveal a dark brown soil (30-100 cm depth) immediately above the rock/soil interface. This soil is of uniform colour from top to bottom and a well defined "B" zone is not developed. The only typical red brown "B" horizon material noted on the property occurs immediately overlying the Dividend and Lakeview workings. As such, the presence of a well developed "B" zone horizon could be indicative of underlying mineralization.

Samples were placed in kraft soil bags and shipped to Vangeochem Lab Ltd. in Vancouver for analysis. All soils were analyzed for Au. A twenty-eight element ICP was also completed for all samples.

Results for Au are shown on Figure 11. This map includes data from the 1986 survey.





Area of detailed geology and geochemistry  
See figures on next

Legend

- 12-18 g/t gold
  - 12-18 g/t probable
  - ▲ >18 g/t detected
- Values from February 1986  
See Appendix 11, 1986 Survey

0 100 200 300 400 500  
metres

Figure 11

**MAKUS RESOURCES INC.**  
**KRUGER PROJECT**  
 NTS:82 8/2E  
**GOLD GEOCHEMISTRY SOILS**  
 AZIMUTH GEOLOGICAL  
 Vancouver, B.C.  
 Date: March 1987 Work by TNC Drawn by BWH

Area of detailed geology and geochemistry  
See figures on next

International Boundary  
CANADA  
USA

Anomalous values were ascertained by determining the mean and standard deviation for some 401 soil samples from the 1986 and 1987 surveys. Possibly anomalous, probably anomalous and definitely anomalous values were determined as Mean +1 Standard Deviation, Mean +2 Standard Deviations and Mean +3 Standard Deviations respectively.

Geostatistical analyses were completed for arsenic, copper, lead, strontium, and zinc.

Gold analysis are rounded off to the nearest 5 ppb by the lab and values below 5 ppb are not detectable. As a result, the categorization of Au anomalies were less vigorously derived than those of other elements.

### Soil Sample Results

Anomalous Au values occur in the area outlined by lines 0+50N to 6+50N, 10+00W to 17+00W. These anomalies however, were not directly traceable to mineralization in outcrop. The narrowing of this zone to the north and widening to the south suggests the elevated Au values may have been glacially transported from mineralization found on the Manx claims to the north.

Several isolated anomalous Au and base metal values occur elsewhere on the claims. Since the entire claim area was not covered by soil sampling it is not known if these anomalies represent distinct concentrations of mineralization or whether such patterns are widespread. Only Au values were plotted as no discernible target areas were defined by the other elements.

In general, the soil survey results were somewhat disappointing.

Values tended to be low even over known areas of mineralization. The vein and/or podiform skarn type mineralization suggests that intervals of 25 meters and 50 meters are too great to accurately define targets. This factor combined with the previously discussed lack of soil development suggest that deposits in the area may well be geochemically "blind". If so, the best exploration techniques may be geophysical surveys combined with mapping and prospecting. Detailed soil sampling at 5 to 10 m intervals over targets defined by these techniques may prove of greater usefulness.

## CONCLUSIONS

The Kruger Claims surround an area of pyrrhotite, pyrite, chalcopyrite and magnetite bearing skarn deposits, from which 99,000 tons of ore averaging 0.19 oz/ton Au were mined during the first half of this century. Surveys completed in the past identified other areas of skarn and vein type mineralization, but most work was concentrated in the areas of the existing crown grants.

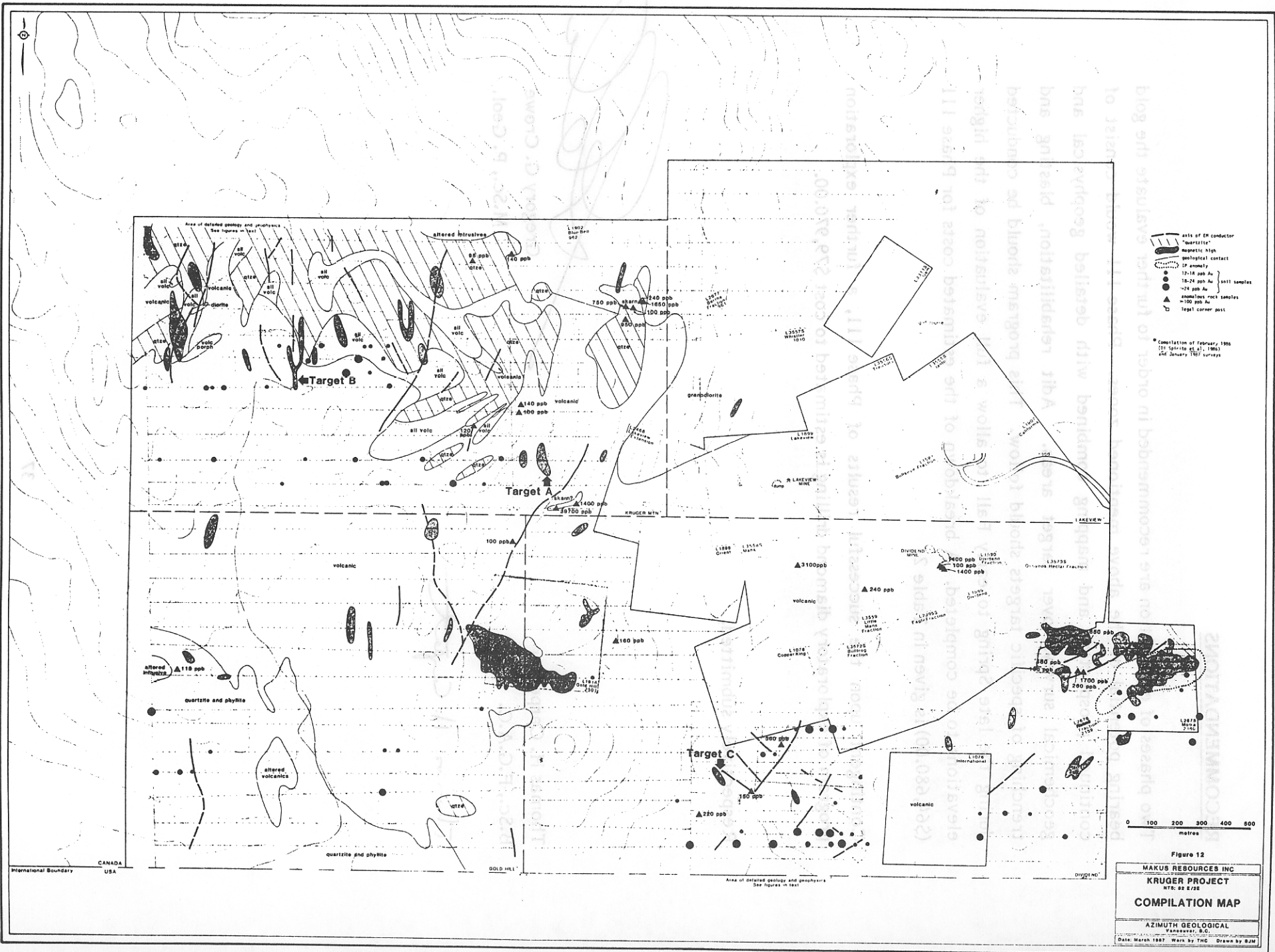
The 1987 survey, consisting of geophysics, geochemistry, prospecting and geological mapping, was designed to test unexplored sections of the property and to further evaluate geochemical and geophysical anomalies outlined in the 1986 program (Di Spirito et al, 1986).

Skarns are developed along limestone lenses and proximal to volcanic - granodiorite contacts. In addition, they appear to be controlled by a prominent northwest trending structural event extending for 2.5 km across the Blue Bell, Lakeview, Dividend and Molka Crown grants. A second sub-parallel structure may be traceable from the Dividend #2 Grid to the 'sulphide pond' located on the Northwest Grid (line 20+00N, 33+00W to 34+00W).

Prospecting, mapping, VLF-EM and magnetometer surveys outlined several areas that require further investigation. Soil sampling results were inconclusive, even in areas of known mineralization. This is most probably a function of the poorly developed "B" horizon in the near desert conditions of the region.

Five areas of interest, necessitating further exploration, have been identified. In order of decreasing importance, these include:

- (1) Target A (Figure 12), located on line 15+00N between 22+50W and 23+75W. Here, mixed granodiorites and volcanics have undergone limited potassic alternation. Skarns are developed locally. Quartz veining and shearing crosscut these rock units. A grab sample of a sulphide bearing quartz vein from the dump of an old adit returned 39,700 ppb Au. A grab-chip sample of sheared volcanics and granodiorites yielded 1400 ppb Au. A magnetometer high and a northeast trending VLF-EM conductor occurs immediately to the northwest.
- (2) Target B has been referred to as the 'sulphide pond' and is located on line 20+00N between 33+00W and 34+00W. Old workings mark the northern terminus of a magnetic high extending 300 m to the north.
- (3) Target C is characterized by NE and NW trending shears and quartz veinlets exposed proximal to a magnetic high on the Dividend #2 claim. Values of up to 200 ppb Au were obtained from the quartz veinlets.
- (4) Silicified volcanics and "quartzites" are exposed over a large area in the northwest portion of the property. This alternation is spatially related to the intrusive-volcanic contact. The silicified zones are sporadically cross-cut by quartz veins and are locally characterized by ubiquitous hematite coated shears and fractures. Quartz veins have yielded up to 1650 ppb Au and the hematite rich fractured "quartzites" have returned values in the 100 to 160 ppb range.
- (5) Elevated gold values are associated with quartz veining developed on the Blue Bell and Molka Crown Grants located to the northwest and southeast of the Lakeview and Dividend Mines respectively. Minor amounts of skarn material have been identified with these showings. These veins and skarns are developed along the 2.5 km Lakeview - Dividend gold bearing structure.



- axis of EM conductor "signature"
- magnetic high anomaly
- magnetic contact
- 15-18 ppb Au soil samples
- 18-24 ppb Au soil samples
- 24 ppb Au soil samples
- anomalous rock samples = 100 ppb Au
- ▲ target corner post

Compilation of February 1986  
 250' Spacing et al. 1984  
 and January 1987 surveys

0 100 200 300 400 500  
metres

Figure 12  
**MAKUS RESOURCES INC.**  
**KRUGER PROJECT**  
 N.T.S. 2:25  
**COMPILATION MAP**  
 AZIMUTH GEOLOGICAL  
 Vancouver, B.C.  
 Date: March 1987 Work by: T.H.C. Drawn by: B.J.M.

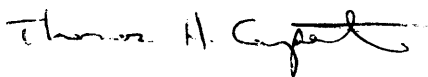
## RECOMMENDATIONS

Two phases of exploration are recommended in order to further evaluate the gold bearing potential of the above mentioned zones. Phase III would consist of continued prospecting and mapping combined with detailed geophysical and geochemical surveys over target areas. Adit rehabilitation, blasting and trenching of specific targets should follow. This program should be conducted during the late Spring to early Fall to allow a full evaluation of the higher elevations to be completed. A breakdown of the estimated costs for Phase III (\$64,680.00) is given in Table 2.

Contingent upon the successful results of Phase III, a further exploration program of exploratory diamond drilling is estimated to cost \$79,970.00.

Respectively submitted,

Thomas H. Carpenter  
B.Sc., F.G.A.C.



Gregory G. Crowe  
M.Sc., P. Geol.

TABLE 2

Estimated Costs for Continued Exploration

Phase 111

Mapping and Prospecting

Mobilization		\$ 1,500.00
Mapping	24 @ 250/day	6,000.00
Prospecting	24 @ 250/day	6,000.00
Geophysics	12 @ 200/day	2,400.00
Soil Sampling	12 @ 200/day	2,400.00
Geochemical Analyses		
Rock	200 @ 17/sample	3,400.00
Soil	300 @ 15/sample	4,500.00

Blasting and Trenching

Road Upgrading and Construction	10 @ 500/day	5,000.00
Back Hoe Rental	10 @ 400/day	4,000.00
Adit Rehabilitation and Blasting	10 @ 200/day	2,000.00
Materials and Supplies		1,000.00
Equipment Rental		2,000.00
Site Reclamation	5 @ 200/day	1,000.00

Support

Truck Rental	24 @ 100/day	2,400.00
Fuel		500.00
Food and Accommodation	82 @ 100/day	8,200.00
Secretarial, Office and Drafting		1,500.00
Report		5,000.00
Contingency 10%		5,880.00

**Total** **\$ 64,680.00**

**Phase IV**

**Diamond Drilling**

Mobilization and Demobilization		\$ 3,000.00
Drilling	6 holes x 250' @ 25/ft	37,500.00
Materials and Supplies		1,300.00
Water Hauling	21 @ 200/day	4,200.00
Supervision and Core Logging	24 @ 250/day	6,000.00
Assistant	24 @ 200/day	4,800.00
Geochemical Analyses	100 @ 17/sample	1,700.00
Truck Rental	24 @ 100/day	2,400.00
Fuel		500.00
Food and Accommodation	48 @ 100/day	4,800.00
Secretarial, Office and Drafting		1,500.00
Report		5,000.00
Contingency 10%		<u>7,270.00</u>
<b>Total</b>		<b>\$ 79,970.00</b>



## REFERENCES

- B.C. Ministry of Mines, Annual Report (1937) pp 237-238.
- B.C. Ministry of Mines, Annual Report (1931) pp 135-136.
- Cockfield, W.E., Geological Survey of Canada, Memoir 179 (1935) pp 20-26.
- Di Spirito, F., Baldys, C. and Krohman, D., Reconnaissance Surveys on the Kruger Project for Makus Resources Inc. by Shangri-La Minerals Limited, April 1986.
- Gregotski, E.L. and Lane P.E., Report on an Induced Polarization Survey for Torbrit Silver Mines Ltd. by Hunttec Ltd. (1966). Geological Branch Assessment Report #808.
- Haynes, L., Report on the Dividend Group for Golden Dividend Resources Corporation (184). Geological Branch Assessment Report #11,924.
- Pegg, D.E., Geological, Geophysical and Geochemical Survey of the Lakeview Dividend Property, Osoyoos B.C. for Noranda Exploration Company Limited (1964). Geological Branch Assessment Report #658.
- Rolston, T. and Richmond, G., Geological and Geophysical Report on the Lakeview Claim Group, Osoyoos B.C. for Rideau Resources Corporation (1980). Geological Branch Assessment Report #8188.
- Tulley, D.W., Results of a Magnetometer Survey on the Desert Mining Claims for Maxwell Mines Ltd. (1972). Geological Branch Assessment Report #3669.
- Tulley, D.W., Report on the 1980 Program of Diamond Drilling, Lakeview Claim Group, Osoyoos, B.C. for Rideau Resources Corporation (1980). Geological Branch Assessment Report #9180.

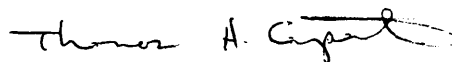
## CERTIFICATE

I, Thomas H. Carpenter of the City of Vernon in the Province of British Columbia hereby certify that:

- (1) I am a Geologist resident at 3011 - 23 Street, Vernon, B.C.
- (2) I hold a Bachelor of Science degree in Geology from Memorial University of Newfoundland granted in May of 1971.
- (3) I have been practicing my profession continuously since that date in Canada, the United States and Australia.
- (4) I am a Fellow of the Geological Association of Canada (Membership #F4838).
- (5) I hold no interest either directly or indirectly in the shares or securities of Makus Resources Inc. nor do I expect to receive any interest.
- (6) I hold no interest either directly or indirectly in the shares or securities of Glider Resources Inc. nor do I expect to receive any interest.
- (7) This report is based on work carried out by myself and others between January 20 and February 12, 1987 and on an evaluation of previously acquired technical data.
- (8) I consent to the use of this report in a Prospectus, Statement of Material Facts or Qualifying Report.

Dated this 28th day of March, 1987 at Vernon, B.C.

Thomas H. Carpenter, B.Sc. F.G.A.C.  
Geologist

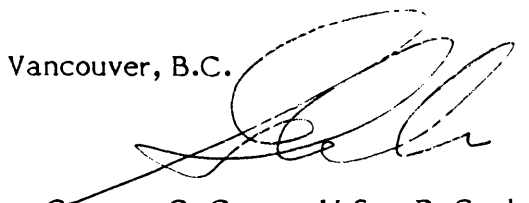


## CERTIFICATE

I, Gregory G. Crowe of the City of Vancouver in the Province of British Columbia hereby certify that:

- (1) I am a consulting geologist with offices at 209 - 470 Granville Street, Vancouver, B.C.
- (2) I hold a degree of Master of Science in Geology from the University of Calgary, November, 1981 and a Bachelor of Science in Geology from Carleton University in Ottawa, June, 1977.
- (3) I have been employed in my profession for the past 10 years.
- (4) I am a Fellow of the Geological Association of Canada (Membership #F3859).
- (5) I am a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta (Membership #35569).
- (6) I hold no interest either directly or indirectly in the shares or securities of Makus Resources Inc. nor do I expect to receive any interest.
- (7) I hold no interest either directly or indirectly in the shares or securities of Glider Resources Inc. nor do I expect to receive any interest.
- (8) This report is based on work carried out by myself and others between January 20 and February 12, 1987 and on an evaluation of previously acquired technical data.
- (9) I consent to the use of this report in a Prospectus, Statement of Material Facts or Qualifying Report.

Dated this 28th day of March, 1987 at Vancouver, B.C.

  
Gregory G. Crowe, M.Sc., P. Geol.

CERTIFICATE OF THE ISSUER

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the Securities Act and its regulations.

DATED: NOVEMBER 27, 1987



FRANJO (FRANK) VLASTELIC,  
Chief Executive Officer



CAROLE M. WALKINSHAW-LIM,  
Chief Financial Officer

On Behalf of the Board of Directors



BORIS KLARICH,  
Director



ANDREW JOHN HENRY  
MCGUCKEN, Director

Promoters



FRANJO (FRANK) VLASTELIC



BORIS KLARICH



ANDREW JOHN HENRY MCGUCKEN

CERTIFICATE OF THE AGENT

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 the Securities Act and its regulations.

DATED: *November 27, 1987*

YORKTON SECURITIES INC.

PER: 

**AMENDMENT NO. 1 TO THE PROSPECTUS OF  
GLIDER RESOURCES INC.**

**EFFECTIVE DATE:** JUNE 9, 1988

Glider Resources Ltd. (the "Issuer") hereby amends its prospectus dated 27th November 1987 (the "Prospectus") to disclose a change of management, shareholders and agent for the Issuer.

The following items in the Prospectus are amended:

**COVER PAGE**

The distribution spread is amended by deleting the figure of "\$20,000" for estimated costs of the issue and replacing it with \$35,000.

The fifth paragraph is amended by deleting the figure "55.15%" and replacing it with "62.4%", and by deleting the words "AND BY ASSOCIATES OF THE AGENT" from the third line thereof.

The last three paragraphs on the Cover Page are deleted and replaced with the following:

"THIS PROSPECTUS ALSO QUALIFIES THE ISSUANCE OF THE AGENT'S WARRANT AND THE SALE AT THE MARKET PRICE AT THE TIME OF SALE OF ANY SHARES ACQUIRED BY THE AGENT PURSUANT TO ITS GUARANTEE. THE AGENT MAY SELL ANY SHARES ACQUIRED ON THE EXERCISE OF THE AGENT'S WARRANT WITHOUT FURTHER QUALIFICATION. THE AGENT WILL RECEIVE THE PROCEEDS FROM THE SALE OF SUCH SHARES AND NONE OF THESE PROCEEDS SHALL ACCRUE TO THE ISSUER."

WE, AS AGENT, CONDITIONALLY OFFER THESE SECURITIES SUBJECT TO PRIOR SALE, IF, AS AND WHEN ISSUED BY THE ISSUER AND ACCEPTED BY US IN ACCORDANCE WITH THE CONDITIONS CONTAINED IN THE AGENCY AGREEMENT REFERRED TO UNDER THE HEADING "PLAN OF DISTRIBUTION" ON PAGE 2 OF THIS PROSPECTUS.

**CANARIM INVESTMENT CORPORATION LTD.  
#2200, 609 Granville Street  
Vancouver, B.C.  
V7Y 1H2"**

**PROSPECTUS SUMMARY**

The paragraph headed "Use of Proceeds" is amended by deleting the sums of "\$20,000" and "\$50,000" and replacing them with \$35,000 and \$35,000, respectively.

## PLAN OF DISTRIBUTION

The first paragraph under the sub-heading "Appointment of Agents" is deleted and replaced with the following:

"The Issuer, by an agreement (the "Agency Agreement") dated April 22, 1988 appointed Canarim Investment Corporation Ltd. as its agent (the "Agent") to offer the Shares through the facilities of the Exchange."

The second paragraph under the sub-heading "Appointment of Agents" is amended by deleting everything after the fifth line and replacing it with the following:

"one year from the date the Shares are listed, posted and called for trading on the Exchange at a price of \$0.55 per share."

The second full paragraph on page 3 is deleted.

The text under the sub-heading "Additional Offering" is deleted and replaced with the following:

"This Prospectus also qualifies the issuance of the Agent's Warrant and the sale at the market price at the time of sale of any shares acquired by the Agent pursuant to its guarantee. The Agent may sell any shares acquired on the exercise of the Agent's Warrant without further qualification. The Agent will receive the proceeds from the sale of such shares and none of these proceeds shall accrue to the Issuer."

## DESCRIPTION OF BUSINESS AND PROPERTY

The record numbers for the Whistler and Dividend #2 claims set out on page 4 of the Prospectus are changed from "1010" and "1335", respectively, to "2841" and "2834", respectively, and the name of the "Dividend #2" claim has been changed to the "New Dividend" claim.

The first two lines on page 5 of the Prospectus are deleted and replaced with:

"\$100,000 on or before July 15, 1988;  
\$100,000 on or before 31st December 1988;"

The second sentence in the third full paragraph on page five of the Prospectus is deleted and replaced with the following:

"The Dividend-Lakeview mines were worked intermittently until 1914 and again during the 1930s. They reportedly produced over 99,000 tons of ore averaging 0.19 oz Au/ton."

The heading and text regarding the Deacon Creek Property is deleted as these claims have lapsed.

### RISK FACTORS

The item numbered "9." under this heading is amended by deleting the figure "55.15%" and replacing it with "62.4%", and by deleting the words "and by associates of the Agent" from the last line thereof.

### USE OF PROCEEDS

The estimated costs of this issue set out in the item numbered "1" is increased to \$35,000, and the provision for working capital set out in the item numbered "5" is decreased consequently to \$35,000.

### SHARE AND LOAN CAPITAL STRUCTURE

The second sentence in the note numbered "(1)" is deleted and replaced with the following: "90,000 shares are subject to options exercisable at a price of \$0.50 per share granted to an employee and a director of the Issuer. Reference is made to the headings "Options to Purchase Securities" and "Other Material Facts".

### DIRECTORS AND OFFICERS

The following paragraph is added to this item:

"The directors of the Issuer, apart from Mr. Vlastelic, and the officers of the Issuer have tendered their resignations from such positions effective as of the Offering Day, if the Offering Day occurs on or before 13th June 1988. Reference is made to the heading "Other Material Facts"."

### EXECUTIVE COMPENSATION

The second paragraph is amended by adding the following sentence to it:

"The Issuer and C.M. Walkinshaw Inc. have agreed that the aforesaid arrangement will terminate on the Offering Day, if the Offering Day occurs on or before 13th June 1988. Reference is made to the heading "Other Material Facts"."

### OPTIONS TO PURCHASE SECURITIES

The text under this heading is deleted and replaced with the following:

"By an Agreement dated 22nd March 1987, as amended, an employee stock option to purchase a total of 40,000 common shares in the capital of the Issuer at a price of \$0.50 per share exercisable on or before 15th December 1989 was granted to Franjo (Frank) Vlastelic. By an agreement dated April 28, 1988, a director's stock option to purchase a total of 50,000 shares in the capital of the Issuer at a price of \$0.50 per share exercisable on or before 15th December 1992 was granted to Atha MacKinnon-Andrew,

subject to his appointment as a director of the Issuer on the Offering Day and the Offering Day occurring on or before 13th June 1988. Reference is made to the heading "Other Material Facts".

#### PRINCIPAL HOLDERS OF SECURITIES

The last paragraph under this item is amended by deleting the figures "79.13%" and "55.15%" and replacing them with "89.6%" and "62.4%", respectively.

#### MATERIAL CONTRACTS

The following words are deleted:

"March 22, 1987	Boris Klarich	Services as Director	Director's Stock Option"
"March 22, 1987	Andrew McGucken	Services as Director	Director's Stock Option"
"Oct. 16, 1987	Yorkton Securities Inc.	Commission of \$0.05 per share plus Agent's Warrants	Agency Agreement for public offering of Issuer's securities"

and replaced with the following:

"April 22, 1988	Canarim Investment Corporation Ltd.	Commission of \$0.05 per share plus Agent's Warrants	Agency Agreement for public offering of Issuer's securities"
"April 28, 1988	Atha MacKinnon-Andrew	Services as Director	Director's Stock Option"
"April 28, 1988	Prime Management Ltd.	\$1,000 per month from the Offering Day	Provision of Administrative services"

#### OTHER MATERIAL FACTS

The following text is added immediately before the paragraph under this heading:

"By an agreement dated 28, April 1988 (the "Share Purchase Agreement"), Messrs. Frank Vlastelic and Andrew McGucken, principal shareholders of the Issuer, agreed to sell 750,000 Principal escrow shares in the aggregate to Fernco Management Ltd. ("Fernco"), James P. Lee ("Lee") and Yvonne Reynolds ("Reynolds") at a price of \$0.02 per share. In addition, Messrs. Vlastelic and McGucken, together with three other shareholders of the Issuer agreed to sell 230,001 common shares of the Issuer to Arthur Clemmiss ("Clemmiss"), Lee and Reynolds at a price of \$0.40 per



share. Clemiss is the principal of Fernco. The closing date (the "Closing Date") of the Share Purchase Agreement is the effective date of this Amendment No. 1 and is conditional upon the Closing Date occurring on or before 13th June 1988.

After the Closing Date, the principal holders of the securities of the Issuer will be:

<u>Name and Address</u>	<u>Type of Ownership</u>	<u>Designation of Class</u>	<u>Number of Shares</u>	<u>Percentage of Shares Outstanding after the Closing Date</u>
ARTHUR CLEMISS #1550, 609 Granville Street Vancouver, B.C.	Direct	Common	76,667	19.8%
	Indirect	Common	250,000	
JAMES PATRICK LEE 1820 Burrard Street Vancouver, B.C.	Direct	Common	326,667	19.8%
YVONNE REYNOLDS #414, 417 Quebec Street Victoria, B.C.	Direct	Common	326,667	19.8%

Additionally, effective on the Offering Day, Clemiss, Lee and Mr. Atha MacKinnon-Andrew shall be appointed to the Board of Directors of the Issuer and Clemiss and Reynolds shall be appointed President and Secretary, respectively, of the Issuer. Mr. McGucken and Mr. Boris Klarich have resigned from their positions as directors of the Issuer and Mr. Vlastelic and Carol Walkinshaw-Lim have resigned from their positions as President and Secretary of the Issuer effective on the Offering Day.

The names, addresses and principal business or occupations in which each of the new directors and officers of the Issuer has been engaged during the immediately preceding five years are as follows:

<u>Name and Address</u>	<u>Positions to be Held After the Offering Day</u>	<u>Principal Occupations for the Past Five (5) Years</u>
ARTHUR CLEMISS #1550, 609 Granville Street Vancouver, B.C.	President and Director	Financier, Director of a number of reporting companies including Galveston Resources Ltd. and Golden Nevada Resources Inc.

**JAMES PATRICK LEE**  
1820 Burrard Street  
Vancouver, B.C.

Director

Director, Taina  
Construction Ltd., a  
real estate development  
and construction  
company

**ATHA MacKINNON-ANDREW**  
#1203, 955 Marine Drive  
West Vancouver, B.C.

Director

Director of Operations  
for Mintel Internation-  
al Development Corp.;  
previously self-  
employed in the import-  
export business

**YVONNE REYNOLDS**  
#414, 417 Quebec Street  
Victoria, B.C.

Secretary

Insurance Agent, Great  
West Life Assurance  
Company

In conjunction with the Share Purchase Agreement, the Issuer has granted a director's incentive stock option to Atha MacKinnon-Andrew to purchase up to 50,000 shares of the Issuer at \$0.50 per share exercisable up to and including 15th December 1992, subject to his appointment as a director of the Issuer on the Offering Day and to the Offering Day occurring on or before 13th June 1988.

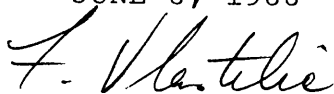
The Issuer has also entered into an agreement dated 28th April 1988 with Prime Management Ltd. for the provision of general administrative and bookkeeping services commencing on the Offering Day, subject to the Offering Day occurring on or before 13th June 1988, for a fee of \$1,000 per month. Prime Management Ltd. is a wholly owned subsidiary of Prime Capital Corporation, of which Arthur Clemis is a director, officer and shareholder.

By virtue of the definition as set out in Section 1(1) of the Securities Act (British Columbia), Arthur Clemis will become a promoter of the Issuer on the Offering Day.

**CERTIFICATE OF THE ISSUER**

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by the Prospectus of Glider Resources Inc. dated 27th November 1987 as amended hereby as required by the Securities Act and its regulations.

DATED: JUNE 8, 1988



FRANJO (FRANK) VLASTELIC  
Chief Executive Officer



CAROLE M. WALKINSHAW-LIM  
Chief Financial Officer

**On Behalf of the Board of Directors**



BORIS KLARICH  
Director

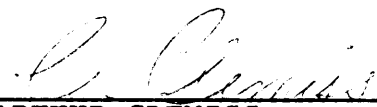


ANDREW JOHN HENRY MCGUCKEN  
Director

**Promoters**



FRANJO (FRANK) VLASTELIC



ARTHUR CLEMIS

**CERTIFICATE OF THE AGENT**

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 the Prospectus of Glider Resources Inc. dated 27th November 1987 as amended hereby as required by the Securities Act and its regulations.

DATED: June 8, 1988

**CANARIM INVESTMENT CORPORATION  
LTD.**

Per: 