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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: NOVEMBER 30, 1987

GLENDALE RESOURCES INC.
(the "Issuer")
515-837 West Hastings Street
Vancouver, B.C. V6C 1B6

G.A ✓
PROPERTY FILE
EZE/ZE

PUBLIC OFFERING

400,000 COMMON SHARES

<u>Shares</u>	<u>Price to Public*</u>	<u>Commission</u>	<u>Net Proceeds to be Received by the Issuer**</u>
Per Share	\$.40	\$.06	\$.34
Total	\$160,000.	\$ 24,000.	\$136,000.

*The price to be paid for the securities was established by negotiation between the Issuer and the Agent.

**Before deduction of the costs of the issue estimated to be \$15,000.

THERE IS NO MARKET THROUGH WHICH THESE SECURITIES MAY BE SOLD.

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION. REFER TO THE HEADING "RISK FACTORS" ON PAGE 5.

THE VANCOUVER STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED PURSUANT TO THIS PROSPECTUS. LISTING IS SUBJECT TO THE ISSUER FULFILLING ALL OF THE LISTING REQUIREMENTS OF THE VANCOUVER STOCK EXCHANGE ON OR BEFORE MAY 30, 1988, INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

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 22.57% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 58.35% THAT WILL THEN BE OWNED BY THE CONTROLLING PERSONS, PROMOTERS, DIRECTORS AND SENIOR OFFICERS OF THE ISSUER AND ASSOCIATES OF THE AGENT. REFER TO THE HEADING "PRINCIPAL HOLDERS OF SECURITIES" ON PAGE 10 FOR DETAILS OF SHARES HELD BY DIRECTORS, PROMOTERS AND CONTROLLING PERSONS.

THE NET ASSET VALUE PER SHARE AFTER COMPLETION OF THE OFFERING WILL BE \$.1413 REPRESENTING A DILUTION OF 64.67% ON A FULLY DILUTED BASIS, OR \$.2451 REPRESENTING A DILUTION OF 38.75% EXCLUDING ESCROWED SHARES.

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.

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.

WEST COAST SECURITIES LTD.
400-815 West Hastings Street
Vancouver, B.C.
V6C 3G9

DATED: OCTOBER 29, 1987

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PROSPECTUS SUMMARY

This summary is qualified by the detailed information and financial statements appearing elsewhere in this Prospectus.

The Offering:

Issue: 400,000 Common shares
Amount: \$160,000.
Price: \$.40 per share

Use of Proceeds: The estimated net proceeds of \$121,000. (after deducting the Agent's commissions of \$24,000. and the costs of the Offering of \$15,000.) will be used to fund a work program on the Issuer's Tel 2 Property, estimated to cost \$95,000. Funds from the exercise of the Agent's Warrants will, if received form part of the Issuer's working capital.

Risk Factors: A purchase of the securities offered by this Prospectus must be considered a speculation. There is no market for the securities of the Issuer. All of the properties in which the Issuer has an interest are in the exploration stage only and are without a known body of commercial ore. Mineral exploration and development involve significant risks and while the rewards are substantial few properties which are explored are ultimately developed into producing mines. No survey has been made of the properties of the Issuer and therefore in accordance with the laws of the jurisdiction in which the properties are located, their existence and area could be in doubt. Refer to the heading "Risk Factors" on page 5.

The Company:

The Issuer was organized to explore and develop natural resource properties. As the Issuer has been recently inactive, the Issuer does not have a record of performance.

Issuer's Property:

The Issuer holds a 100% interest in the Tel 2 claim group located in the Greenwood Mining Division of British Columbia.

PLAN OF DISTRIBUTION

Offering

The Issuer by its Agents hereby offers (the "Offering") to the public through the facilities of the Vancouver Stock Exchange (the "Exchange") 400,000 shares (the "Shares") of the Issuer at a price of \$.40 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 Agents 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 September 25, 1987, appointed West Coast Securities Ltd. 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 Agent has been granted non-transferable share purchase warrants (the "Agent's Warrants") entitling them to purchase up to 100,000 shares of the Issuer at any time up to the close of business 180 days from listing of the Issuer's shares on the Exchange or 12 months from the date of this Prospectus, whichever is earlier, at a price of \$0.50 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 \$.06 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.

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.

An application has been made to conditionally list the Shares on the Exchange. Listing is subject to the Issuer fulfilling the listing requirements of the Exchange.

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 Agents 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

GLENDALE RESOURCES INC. ("the Issuer") was incorporated on February 8, 1983 under the laws of the province of British Columbia by the registration of its Memorandum and Articles.

The address of the head office of the Issuer is 515 - 837 West Hastings Street, Vancouver, British Columbia, V6C 1B6.

The address of the records and registered offices of the Issuer is 2100 - One Bentall Centre, 505 Burrard Street, Vancouver, British Columbia, V7X 1R4.

DESCRIPTION OF BUSINESS AND PROPERTY

Business

The principal business of the Issuer since its incorporation has been to engage in exploration for precious metals. The Issuer intends to continue to do so and, where feasible, to develop resource properties.

Tel 2 Property

Pursuant to an agreement dated March 15, 1983 (the "Property Agreement") between the Issuer and Wallace Yahnke, a director of the Issuer, of 226 Copper Street, Greenwood, British Columbia VOH 1G0, the Issuer acquired the Tel 2 mineral claim (the "Property"), Record #3420, subject only to a 2-1/2% net smelter returns royalty. The consideration paid therefor was \$1,000. representing the repayment of Mr. Yahnke's out-of-pocket costs.

The Property consists of 12 units adjacent to the C.O.D. Crown-granted claim (but not including it), located southwest of Jewel Lake in the Greenwood Mining Division in British Columbia. The Property is seven miles north-east of Greenwood, British Columbia. A paved road connects Highway 3 just north of Greenwood to Jewel Lake, and the access road turns north off the Jewel Lake road, 1/2 mile before Jewel Lake near the Dentonia Mines road.

Gold was discovered in the area in 1895, and the Jewel vein near the property first produced in 1898. Further production from the Jewel vein by various operators continued during the First World War, from 1934 to 1946, and, most recently, from the Denero Grande shaft of Dentonia Mines Ltd. Total production from the Jewel vein system is reported to have been 128,383 tons containing 37,992 oz. Au and 219,429 oz. Ag.

On the C.O.D. property (which is enclosed by the Issuer's claim but does not form a part of the property), a shaft was sunk 70 feet on the main vein, and other trenches in the area were opened by trenches and pits. No production is recorded. The shaft was sampled in 1904 and again in 1935, giving values from .50 to .75 oz. Au per ton across the well mineralized part of the vein. A 1935 assay was reported from a lower tunnel which has not been found. In 1983 the Issuer undertook a program in which the shaft was pumped out and sampled. Two short adits were collared on the Property on either side of the C.O.D. property, roads were constructed to the showings, and some trenching was done on the Property which traces the C.O.D. vein strike on a southwest extension on to the Property.

The Issuer has expended to date acquisition costs of \$1,000. and exploration and development costs totalling \$117,859. The Issuer's independent consultant, W.W. Cummings, P.Eng. has recommended in his report dated July 17, 1986, that a surface program of line cutting, geochemical surveying and geological mapping and surveying to seek a further extension of the C.O.D. vein on the property, and determine the

possibility of parallel veins. This program would be combined with a diamond drilling program to determine the continuity of the C.O.D. vein at depth and on strike. The total cost of the programs is estimated to be \$95,000.

There are no surface or underground plants or equipment on the Properties. No underground exploration and development has occurred. The Properties are without known bodies of commercial ore and the proposed program is an explanatory search for ore.

RISK FACTORS

The shares offered by this Prospectus must be considered speculative, 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. After giving effect to this Offering, the common shares to be issued by the Issuer hereunder will represent 22.57% of the common shares then outstanding as compared to 58.35% that will then be owned by the Directors, Officers, promoters, substantial security holders of the Issuer and Underwriters.
8. The net asset value per share after completion of the Offering will be \$.1413 representing a dilution of 64.67%, or \$.2451 representing a dilution of 38.75% excluding escrowed shares.
9. 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.

USE OF PROCEEDS

The net proceeds to be derived by the Issuer from the offering will be the sum of \$136,000., which together with

uncommitted working capital on hand of approximately \$8,778.00 will be spent in order of priority as follows:

1.	To pay for the costs of this issue estimated at	\$ 15,000.
2.	To pay for the first stage of the recommended work program on the Issuer's Tel 2 Property	\$ 95,000.
5.	Reserve for general corporate purposes	<u>\$ 34,778.</u>
	TOTAL	<u>\$144,778.</u>

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 allocation of funds to the performance of further development of the Issuer's properties appears warranted on the basis of information presently available to the Issuer and current circumstances, economic and otherwise. However, the Issuer's Directors may elect to redirect these funds to other properties in light of further information or a subsequent change in such circumstances.

In the event of any material change in the affairs of the Issuer during the primary distribution of the securities offered by this Prospectus, an amendment to this Prospectus will be filed. Following completion of the primary distribution of the securities offered by this Prospectus, shareholders will be notified of changes in the affairs of the Issuer in accordance with the requirements of the appropriate regulatory authorities.

DESCRIPTION OF THE ISSUER'S SHARES

The authorized capital of the Issuer consists of 300,000,000 shares divided into:

- (a) 100,000,000 Common shares without par value;

- (b) 100,000,000 Class "A" Preference shares with a par value of \$10. each; and
- (c) 100,000,000 Class "B" Preference shares with a par value of \$50. each.

As of the date of this Prospectus, 1,372,001 Common shares are issued and outstanding.

All Common shares of the Issuer, both issued and unissued, rank equally as to dividends, voting powers and participation in assets. The Class "A" and Class "B" Preference shares are each issuable in series and the directors of the Issuer are authorized to create, define and attach special rights and restrictions to the shares of each series. The shares of all series of Class "A" Preference shares and the shares of all series of Class "B" Preference shares rank equally as to dividends and participation in assets, all in preference to the Common shares. No shares have been issued subject to call or assessment. Provisions as to the modifications, amendments or variations of such rights or such provisions are contained in the Company Act (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 Outstanding as of October, 29, 1987	Amount Outstanding if all securities are sold
Common shares	100,000,000	1,372,001	1,372,001	1,772,001
Class "A" Preference shares	100,000,000	Nil	Nil	Nil
Class "B" Preference shares	100,000,000	Nil	Nil	Nil

As at September 30, 1987, the Issuer had a deficit of \$33,487.

PRIOR SALES

During the period from incorporation of the Issuer to the date of this Prospectus, the Issuer sold the following

securities for cash:

<u>Number of Shares</u>	<u>Price per Share</u>	<u>Commissions Paid</u>	<u>Net Cash Received</u>
750,000 Common	\$.01	----	\$ 7,500.
407,001 Common	\$.25	----	101,750.
		Total	<u>\$109,250.</u>

The Issuer issued 215,000 shares at a price of \$0.25 per share to settle \$53,750 of outstanding debts.

SALES OTHERWISE THAN FOR CASH

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

DIRECTORS AND OFFICERS

The names and municipality of residence of each of the Directors and Officers of the Issuer are as follows:

<u>Names and Municipality of Residence</u>	<u>Offices Held</u>
John W. Carson* Grand Forks, B.C.	President and Director
Nick Kochan Vancouver, B.C.	Director and Secretary/ Treasurer
Wallace Yahnke* Greenwood, B.C.	Director
Ernest J. Fowler* Surrey, B.C.	Director

* Audit committee members

MANAGEMENT BACKGROUND

John W. Carson has been a self-employed prospector and exploration contractor since 1983. He provided corporate management services to Rimacan Resources Ltd. in 1983 and 1984 and has provided corporate management services to Highland Valley Resources Ltd. from 1985 to July, 1987.

Nick Kochan is currently self-employed in construction. From 1983 to 1986, Mr. Kochan was employed by Garnet

Construction Ltd., and between 1979 and 1983 he was self-employed in construction of logging roads.

Wallace Yahnke has been employed since 1986 as a superintendent for Kochan Contracting Ltd. From 1983 to 1986, Mr. Yahnke was a self-employed prospector and a director of Highland Valley Resources Ltd. For the period 1982 and 1983, he was the mine superintendent at Dentonia Mine.

Ernest J. Fowler has been involved in mining exploration and development since 1983 as a self-employed prospector and mining company executive. Mr. Fowler is the President and a director of Interstate Energy Corp. Before 1983, he was a journeyman steel fabricator and millwright.

EXECUTIVE COMPENSATION

The Issuer has two executive officers who have received nil cash compensation for services rendered during the most recently completed financial year. A company controlled by the Issuer's Secretary has received \$111,988 in payments for exploration costs incurred on the Issuer's property. The executive officers have been granted incentive stock options in respect of 52,400 shares of the Issuer exercisable within five years from the Effective Date of this Prospectus at \$.40/share.

OPTIONS TO PURCHASE SECURITIES

At the date hereof, the following incentive stock options are in effect, exercisable for a five year period for directors and a two year period for employees, from the Effective Date at a price of \$0.40 per share:

<u>Name</u>	<u>Type of Option</u>	<u>Number of Shares</u>
John W. Carson	Director's	26,200
Nick Kochan	Director's	26,200
Wallace Yahnke	Director's	26,200
Ernest J. Fowler	Employee's	20,000
Henry Bouwman	Employee's	38,600
Maureen Wolds	Employee's	20,000

None of the options held by directors or officers may be exercised until they have been approved by the shareholders at a general meeting of the Issuer.

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>
Wallace Yahnke 226 Copper Street Greenwood, B.C. VOH 1G0	Direct and Beneficial	Common	330,000	24.05%
John W. Carson North Fork Franklin Road Grand Forks, B.C. VOH 1H0	Direct and Beneficial	Common	250,001	18.22%
Nick Kochan 1336 Granville St. Vancouver, B.C. V6Z 1M8	Direct and Beneficial	Common	450,000*	32.80%

*200,000 shares are held indirectly.

The percentage of common shares held by all directors and senior officers is 75.07% of the total issued common shares of the Issuer.

ESCROWED SHARES

As of the date of this Prospectus the following voting securities are held in escrow by Guardian Estates and Agencies Ltd. of Vancouver, British Columbia subject to the direction or determination of the Superintendent of Brokers ("Superintendent"). 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 Escrow Holder make any transfer or record any trading of shares without the consent of the Superintendent.

<u>Designation of Class</u>	<u>Number of Shares Held in Escrow</u>	<u>Percentage of Class</u>
Common Shares	750,000	54.66%

DIVIDEND RECORD

The Issuer has not, since incorporation, 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), John W. Carson, Nick Kochan and Wallace Yahnke are the Promoters of the Issuer.

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>
John W. Carson	250,000 Common (escrowed)	\$.01
	1 Common	\$.25
Nick Kochan	250,000 Common (escrowed)	\$.01
	200,000 Common* (indirectly)	\$.25
Wallace Yahnke	250,000 Common (escrowed)	\$.01
	80,000 Common	\$.25

*Mr. Kochan acquired 200,000 shares in payment of \$50,000 in exploration costs to Kochan Construction.

The Issuer has granted options to the following promoters on the following terms:

<u>Name</u>	<u>Number of Option Shares</u>	<u>Option Price</u>	<u>Expiry Date</u>
John W. Carson	26,200	\$0.40	5 years following
Nick Kochan	26,200	\$0.40	Effective Date of
Wallace Yahnke	26,200	\$0.40	the Prospectus

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 or their associates or affiliates have no interest in any material transactions in which the Issuer has participated or intends to participate at this time, save and except as follows:

- (a) \$111,988 in exploration costs on the Issuer's property were incurred by Kochan Construction, a company controlled by a Director of the Issuer. Of this sum \$61,988 was paid to Kochan Construction in cash, the remaining \$50,000 payment was made by the Issuer of 200,000 shares of the Issuer's capital stock at a deemed price of \$0.25 per share;
- (b) rent of \$525. has been paid to a company having common director with the Issuer.

MATERIAL CONTRACTS

The following are material contracts to which the Issuer is a party and which remain in full force and effect, particulars of which are disclosed elsewhere in this Prospectus:

1. Agreement dated March 15, 1983 between the Issuer and Wallace Yahnke respecting the Property;
2. Incentive Stock Option Agreements dated June 1, 1987 between the Issuer and various directors and employees;
3. Escrow Agreement dated January 31, 1987 between the Issuer, Guardian Estates and Agencies Ltd., and John W. Carson, Nick Kochan and Wallace Yahnke.

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.

SOLICITORS

The solicitors for the Issuer are Messrs. Douglas, Symes & Brissenden, 2100 One Bentall Centre, 505 Burrard Street, Vancouver, British Columbia, V7X 1R4.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors for the Issuer are Bruce F. Jamieson & Co., Certified General Accountant, 315-850 West Hastings Street, Vancouver, B.C. V6C 1E2.

Guardian Estates and Agencies Ltd. at Vancouver, British Columbia acts as registrar and transfer agent.

OTHER MATERIAL FACTS

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

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.

GLENDAL RESOURCES INC.
FINANCIAL STATEMENTS
SEPTEMBER 30, 1987
(UNAUDITED)

GLENDALE RESOURCES INC.
INDEX TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 1987

COMMENTS ON THE UNAUDITED INTERIM FINANCIAL INFORMATION

BALANCE SHEET

Exhibit A

STATEMENT OF OPERATING, FINANCING AND INVESTING ACTIVITIES

Exhibit B

STATEMENT OF ADMINISTRATION COSTS AND DEFICIT

Exhibit C

SCHEDULE OF DEFERRED EXPLORATION AND DEVELOPMENT COSTS

Schedule I

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

BRUCE F. JAMIESON & CO.
CERTIFIED GENERAL ACCOUNTANT

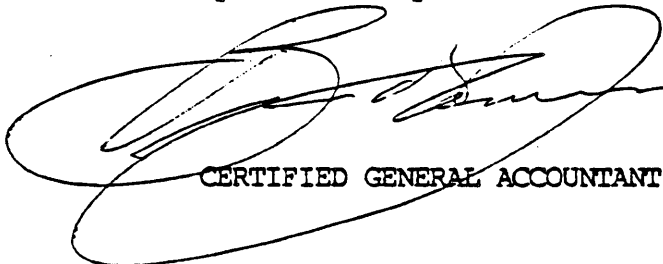
#315 - 850 W. HASTINGS ST.
VANCOUVER, B.C. V6C 1E1
Telephone: (604) 684-3354

COMMENTS ON THE UNAUDITED INTERIM FINANCIAL INFORMATION

To the Shareholders of
Glendale Resources Inc.

I have prepared the accompanying unaudited interim financial information comprising of the balance sheet dated September 30, 1987, the statement of operating, financing and investing activities, the statement of administration costs and deficit, and the schedule of deferred exploration and development costs for the six months then ended from the records of Glendale Resources Inc. and from other information supplied to me by the company and have reviewed such interim financial information. My review, which was made in accordance with standards established for such reviews, consisted primarily of enquiry, comparison, and discussion.

I have not performed an audit and consequently do not express an opinion on this interim financial information. The most recent audited financial statement issued to shareholders on which I have expressed an opinion was dated to March 31, 1987.



CERTIFIED GENERAL ACCOUNTANT

Vancouver, B.C.
October 28 1987

GLENDALE RESOURCES INC.

BALANCE SHEET

SEPTEMBER 30, 1987

(With comparative audited figures for March 31, 1987)

(UNAUDITED)

	September 30, <u>1987</u>	March 31, <u>1987</u>
<u>ASSETS</u>		
Current Assets		
Bank account	\$ 7,877	\$ 10,223
Shareholder's loan	901	901
In trust	-	2,483
Share subscriptions receivable	-	18,000
Prepaid expense	<u>1,000</u>	<u>-</u>
	9,778	31,607
Mineral Property, including deferred costs (Notes 2 and 4)	118,859	117,859
Fixed Assets (Note 3)	1,218	218
Incorporation Costs	<u>658</u>	<u>658</u>
	<u>\$ 130,513</u>	<u>\$ 150,342</u>
<u>LIABILITIES</u>		
Current Liabilities		
Accounts payable	\$ 1,000	\$ 668
<u>SHAREHOLDERS' EQUITY</u>		
Share Capital (Note 5)	163,000	163,000
Deficit	<u>(33,487)</u>	<u>(13,326)</u>
	<u>\$ 130,513</u>	<u>\$ 150,342</u>

Approved on Behalf of the Board:

John Johnson Director

Ernest J. Fowler Director

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

GLENDALE RESOURCES INC.
 STATEMENT OF OPERATING, FINANCING AND INVESTING ACTIVITIES
 FOR THE SIX MONTHS ENDED SEPTEMBER 30, 1987
 (With comparative audited figures for the year ended March 31, 1987)
 (UNAUDITED)

	September 30, <u>1987</u>	March 31, <u>1987</u>
OPERATING ACTIVITIES:		
Deficit, administration costs	\$ (20,161)	\$ (11,106)
Increase (Decrease) in accounts payable	332	(86,500)
Decrease (Increase) in share subscriptions receivable	18,000	(18,000)
Decrease (Increase) in prepaid expense	<u>(1,000)</u>	<u>-</u>
	<u>(2,829)</u>	<u>(115,606)</u>
FINANCING ACTIVITIES:		
Allotment and issue of share capital for:		
Cash and share subscriptions receivable	-	89,500
Debt	-	50,000
Shareholder's loans	<u>-</u>	<u>(1,001)</u>
	<u>-</u>	<u>138,499</u>
INVESTING ACTIVITIES:		
Acquisition of mineral property	1,000	-
Acquisition of fixed assets	1,000	218
Deferred exploration and development costs	<u>-</u>	<u>10,370</u>
	<u>2,000</u>	<u>10,588</u>
INCREASE (DECREASE) IN CASH	(4,829)	12,305
CASH AT BEGINNING OF PERIOD (YEAR)	<u>12,706</u>	<u>401</u>
CASH AT END OF PERIOD (YEAR)	<u>\$ 7,877</u>	<u>\$ 12,706</u>
Cash Consists of:		
Bank account	\$ 7,877	\$ 10,223
In trust	<u>-</u>	<u>2,483</u>
	<u>\$ 7,877</u>	<u>\$ 12,706</u>

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

GLENDALE RESOURCES INC.
STATEMENT OF ADMINISTRATION COSTS AND DEFICIT
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 1987
 (With comparative audited figures for the year ended March 31, 1987)
 (UNAUDITED)

	September 30, <u>1987</u>	March 31, <u>1987</u>
ADMINISTRATION COSTS:		
Bank charges	\$ 7	\$ 44
Management fees	6,000	5,000
Office	251	331
Printing	1,083	199
Professional fees	7,128	3,017
Promotion	-	1,600
Rent	1,250	915
Stock exchange listing fees	4,350	-
Telephone	<u>92</u>	<u>-</u>
COSTS INCURRED DURING PERIOD (YEAR)	20,161	11,106
DEFICIT AT BEGINNING OF PERIOD (YEAR)	<u>13,326</u>	<u>2,220</u>
DEFICIT AT END OF PERIOD (YEAR)	<u>\$ 33,487</u>	<u>\$ 13,326</u>

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

GLENDALE RESOURCES INC.

SCHEDULE OF DEFERRED EXPLORATION AND DEVELOPMENT COSTS

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 1987

(With comparative audited figures for the year ended March 31, 1987)

(UNAUDITED)

	September 30, <u>1987</u>	March 31, <u>1987</u>
BALANCE AT BEGINNING OF PERIOD (YEAR)	<u>\$ 117,859</u>	<u>\$ 107,489</u>
Engineer	-	960
Equipment rental	-	3,400
Labour	-	4,500
Licences and recording fees	-	910
Supplies	-	600
	<u> </u>	<u> </u>
COSTS INCURRED DURING PERIOD (YEAR)	<u>-</u>	<u>10,370</u>
BALANCE AT END OF PERIOD (YEAR)	<u>\$ 117,859</u>	<u>\$ 117,859</u>

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

LENDALE RESOURCES INC.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 1987

1. NATURE OF OPERATIONS

The company is in the process of exploring its mineral property and has not yet determined whether this property contains mineral reserves that are economically recoverable. The continued operations of the company and the recoverability of the amount shown for mineral property is dependent upon the existence of economically recoverable reserves, the ability of the company to obtain necessary financing to complete the development, and upon future profitable production.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Deferred Costs

The company is in the exploration stage with respect to its investment in natural resource properties and accordingly follows the practice of capitalizing all costs related to the exploration project, until such time as the project is put into commercial production, sold or abandoned. If commercial production commences, these capitalized costs will be amortized on a unit-of-production basis.

b. Values

The amounts shown for the mineral property and deferred exploration and development costs, represent costs to date and are not intended to reflect present or future values.

c. Option Payments

Payments on Option Agreements are made at the discretion of the company and accordingly are accounted for on a cash basis.

3. FIXED ASSETS

The company is not currently depreciating its fixed assets, however, if it were, using a rate of 20% applied to the declining balance, the current expense would be \$117 and the net book value reduced to \$1,057.

4. MINERAL PROPERTY

By an Agreement dated March 15, 1983, the company acquired 100% interest (subject to a 2 1/2% net smelter returns royalty) in the Tel 2 mineral claim located in the Greenwood Mining Division of British Columbia: Capitalized costs related to this claim are:

- Acquisition cost, cash	\$ 1,000
- Deferred exploration and development costs	<u>117,859</u>
	<u>\$ 118,859</u>

.../2

5. SHARE CAPITAL

The company has an authorized share capital of:

100,000,000 common shares without par value.
100,000,000 Class "A" Preference shares with a par value of \$10 per share.
100,000,000 class "B" Preference shares with a par value of \$50 per share.

The company has issued and allotted shares of its capital stock as follows:

	<u>Number of Shares</u>	<u>Amount \$</u>
For cash	407,001	\$ 101,750
For services	15,000	3,750
For debt	200,000	50,000
For cash (escrow)	<u>750,000</u>	<u>7,500</u>
	<u>1,372,001</u>	<u>\$ 163,000</u>

Stock Options:

The company has granted stock options to its Directors and employees totaling 157,200 shares exercisable at a price of \$.40 per share for a period of five years from the effective date of the company's Primary Prospectus for Directors (78,600 shares) and for a period of two years from the effective date of the company's Primary Prospectus for employees (78,600 shares). These stock options are subject to the approval of the shareholders and regulatory authorities.

6. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

A management fee totaling \$6,000 has been paid to a former Director of the subject company during the current period.

No other direct remuneration was paid or is payable to the Directors or Senior Officers of the subject company during the current period.

7. RELATED TRANSACTIONS

- i. Rent of \$1,250 was paid during the current period to a corporation having common Directors with the subject company.
- ii. The mineral property described in Note 4 above was acquired from a Director of the subject company for his staking costs.

.../3

8. ADDITIONAL INFORMATION

The company is planning to offer to the public a financing consisting of 400,000 shares at a price of \$.40 per share to net the corporate treasury \$136,000. In addition, the agents for the financing will be granted non-transferable warrants for the right to purchase 100,000 additional shares of the company at a price of \$.50 per share, exercisable on or before the earlier of 180 days from the listing of the company's shares on the Vancouver Stock Exchange or twelve months from the date of the Primary Prospectus.

GLENDALE RESOURCES INC.

FINANCIAL STATEMENTS

MARCH 31, 1987

(MARCH 31, 1986)

(MARCH 31, 1985)

(MARCH 31, 1984)

(MARCH 31, 1983)

GLENDALE RESOURCES INC.
INDEX TO THE FINANCIAL STATEMENTS
MARCH 31, 1987
(MARCH 31, 1986 - MARCH 31, 1985 - MARCH 31, 1984 - MARCH 31, 1983)

AUDITOR'S REPORT

BALANCE SHEET

Exhibit A

STATEMENT OF OPERATING, FINANCING AND INVESTING ACTIVITIES

Exhibit B

STATEMENT OF ADMINISTRATION COSTS AND DEFICIT

Exhibit C

SCHEDULE OF DEFERRED EXPLORATION AND DEVELOPMENT COSTS

Schedule I

NOTES TO THE FINANCIAL STATEMENTS

BRUCE F. JAMIESON & CO.
CERTIFIED GENERAL ACCOUNTANT

#315 - 850 W. HASTINGS ST.
VANCOUVER, B.C. V6C 1E1
Telephone: (604) 684-3354

AUDITOR'S REPORT

To the Shareholders of
Glendale Resources Inc.

I have examined the balance sheets of Glendale Resources Inc. as at March 31, 1987, March 31, 1986, March 31, 1985, March 31, 1984, and March 31, 1983, the statements of operating, financing and investing activities, the statements of administration costs and deficit, and the schedules of deferred exploration and development costs for the years and period then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the company as at March 31, 1987, March 31, 1986, March 31, 1985, March 31, 1984, and March 31, 1983 and the results of its operations and changes in its financial position for the years and period then ended, in accordance with generally accepted accounting principles applied on a consistent basis.



CERTIFIED GENERAL ACCOUNTANT

Vancouver, B.C.
May 22, 1987

(except Note 8iii
September 28, 1987)

GLENDALE RESOURCES INC.
BALANCE SHEET

	March 31, <u>1987</u>	March 31, <u>1986</u>	March 31, <u>1985</u>	March 31, <u>1984</u>	March 31, <u>1983</u>
<u>ASSETS</u>					
Current Assets					
Bank account	\$ 10,223	\$ 401	\$ 401	\$ 401	\$ 1,290
Shareholder's loan	901	-	-	-	-
In trust	2,483	-	-	-	-
Subscriptions receivable (Note 8)	<u>18,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	31,607	401	401	401	1,290
Mineral Properties, including deferred costs (Notes 2 and 4)	117,859	107,489	107,489	107,489	1,500
Fixed Assets (Note 3)	218	-	-	-	-
Incorporation Costs (Note 2)	<u>658</u>	<u>658</u>	<u>658</u>	<u>658</u>	<u>658</u>
	<u>\$ 150,342</u>	<u>\$ 108,548</u>	<u>\$ 108,548</u>	<u>\$ 108,548</u>	<u>\$ 5,448</u>
<u>LIABILITIES</u>					
Current Liabilities					
Accounts payable	\$ 668	\$ 87,168	\$ 87,168	\$ 87,168	\$ 658
Shareholder's Loan	-	100	100	100	100
<u>SHAREHOLDERS' EQUITY</u>					
Share Capital (Note 5)	163,000	23,500	23,500	23,500	5,000
Deficit	<u>(13,326)</u>	<u>(2,220)</u>	<u>(2,220)</u>	<u>(2,220)</u>	<u>(310)</u>
	<u>\$ 150,342</u>	<u>\$ 108,548</u>	<u>\$ 108,548</u>	<u>\$ 108,548</u>	<u>\$ 5,448</u>

Approved on Behalf of the Board:

 Director

 Director

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

GLENDALE RESOURCES INC.
STATEMENT OF OPERATING, FINANCING AND INVESTING ACTIVITIES

	For the Year Ended March 31, <u>1987</u>	For the Year Ended March 31, <u>1986</u>	For the Year Ended March 31, <u>1985</u>	For the Year Ended March 31, <u>1984</u>	* For the Period Ended March 31, <u>1983</u>
OPERATING ACTIVITIES:					
Deficit, administration costs	\$ (11,106)	\$ -	\$ -	\$ (1,910)	\$ (310)
Increase (Decrease) in accounts payable	(86,500)	-	-	86,510	658
Decrease (Increase) in subscriptions receivable	<u>(18,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(115,606)</u>	<u>-</u>	<u>-</u>	<u>84,600</u>	<u>348</u>
FINANCING ACTIVITIES:					
Allotment and issue of share capital for:					
Cash and subscriptions receivable	89,500	-	-	14,750	5,000
Services	-	-	-	3,750	-
Debt	50,000	-	-	-	-
Shareholder's loans	<u>(1,001)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>
	<u>138,499</u>	<u>-</u>	<u>-</u>	<u>18,500</u>	<u>5,100</u>
INVESTING ACTIVITIES:					
Acquisition of fixed assets	218	-	-	-	-
Incorporation costs	-	-	-	-	658
Deferred exploration and development costs	<u>10,370</u>	<u>-</u>	<u>-</u>	<u>105,989</u>	<u>1,500</u>
	<u>10,588</u>	<u>-</u>	<u>-</u>	<u>105,989</u>	<u>2,158</u>
INCREASE (DECREASE) IN CASH	12,305	-	-	(2,889)	3,290
CASH AT BEGINNING OF YEARS (PERIOD)	<u>401</u>	<u>401</u>	<u>401</u>	<u>3,290</u>	<u>-</u>
CASH AT END OF YEARS (PERIOD)	<u>\$ 12,706</u>	<u>\$ 401</u>	<u>\$ 401</u>	<u>\$ 401</u>	<u>\$ 3,290</u>
Cash Consists of:					
Bank account	\$ 10,223	\$ 401	\$ 401	\$ 401	\$ 3,290
In trust	2,483	-	-	-	-
	<u>\$ 12,706</u>	<u>\$ 401</u>	<u>\$ 401</u>	<u>\$ 401</u>	<u>\$ 3,290</u>

* For the period February 8, 1983, date of incorporation, to March 31, 1983.

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

GLENDALE RESOURCES INC.
STATEMENT OF ADMINISTRATION COSTS AND DEFICIT

	For the Year Ended March 31, <u>1987</u>	For the Year Ended March 31, <u>1986</u>	For the Year Ended March 31, <u>1985</u>	For the Year Ended March 31, <u>1984</u>	* For the Period Ended March 31, <u>1983</u>
ADMINISTRATION COSTS:					
Bank charges	\$ 44	\$ -	\$ -	\$ 54	\$ -
Management fees	5,000	-	-	-	-
Office	331	-	-	1,243	310
Printing	199	-	-	-	-
Professional fees	3,017	-	-	-	-
Promotion	1,600	-	-	-	-
Rent	915	-	-	-	-
Travel	-	-	-	613	-
	<u>11,106</u>	<u>-</u>	<u>-</u>	<u>1,910</u>	<u>310</u>
COSTS INCURRED DURING YEARS (PERIOD)	11,106	-	-	1,910	310
DEFICIT AT BEGINNING OF YEARS (PERIOD)	<u>2,220</u>	<u>2,220</u>	<u>2,220</u>	<u>310</u>	<u>-</u>
DEFICIT AT END OF YEARS (PERIOD)	<u>\$ 13,326</u>	<u>\$ 2,220</u>	<u>\$ 2,220</u>	<u>\$ 2,220</u>	<u>\$ 310</u>

* For the period February 8, 1983, date of incorporation, to March 31, 1983.

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

GLENDALE RESOURCES INC.
SCHEDULE OF DEFERRED EXPLORATION AND DEVELOPMENT COSTS

	For the Year Ended March 31, <u>1987</u>	For the Year Ended March 31, <u>1986</u>	For the Year Ended March 31, <u>1985</u>	For the Year Ended March 31, <u>1984</u>	* For the Period Ended March 31, <u>1983</u>
BALANCE AT BEGINNING OF YEARS (PERIOD)	<u>\$ 107,489</u>	<u>\$ 107,489</u>	<u>\$ 107,489</u>	<u>\$ 1,500</u>	<u>\$ -</u>
Accommodation and meals	-	-	-	4,025	-
Engineer	960	-	-	-	1,000
Equipment rental	3,400	-	-	70,312	-
Labour	4,500	-	-	25,250	-
Licences and recording fees	910	-	-	-	500
Miscellaneous	-	-	-	2,502	-
Supplies	600	-	-	-	-
Travel	-	-	-	3,900	-
	<u>10,370</u>	<u>-</u>	<u>-</u>	<u>105,989</u>	<u>1,500</u>
COSTS INCURRED DURING YEARS (PERIOD)	<u>10,370</u>	<u>-</u>	<u>-</u>	<u>105,989</u>	<u>1,500</u>
BALANCE AT END OF YEARS (PERIOD)	<u>\$ 117,859</u>	<u>\$ 107,489</u>	<u>\$ 107,489</u>	<u>\$ 107,489</u>	<u>\$ 1,500</u>

* For the period February 8, 1983, date of incorporation, to March 31, 1983.

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

GLENDALE RESOURCES INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1987

(MARCH 31, 1986 - MARCH 31, 1985 - MARCH 31, 1984 - MARCH 31, 1983)

1. NATURE OF OPERATIONS

The company is in the process of exploring its mineral property and has not yet determined whether this property contain mineral reserves that are economically recoverable. The continued operations of the company and the recoverability of the amount shown for mineral property is dependent upon the existence of economically recoverable reserves, the ability of the company to obtain necessary financing to complete the development, and upon future profitable production.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Deferred Costs

The company is in the exploration stage with respect to its investment in natural resource properties and accordingly follows the practice of capitalizing all costs related to the exploration project, until such time as the project is put into commercial production, sold or abandoned. If commercial production commences, these capitalized costs will be amortized on a unit-of-production basis.

b. Values

The amounts shown for the mineral property and deferred exploration and development costs represent costs to date and are not intended to reflect present or future values.

c. Option Payments

Payments on Option Agreements are made at the discretion of the company and accordingly are accounted for on a cash basis.

d. Incorporation

The company was incorporated under the British Columbia Company Act on February 8, 1983.

3. FIXED ASSETS

The company is not currently depreciating its fixed assets, however, if it were, using a rate of 20% applied to the declining balance, the current expense would be \$44 and the net book value reduced to \$174.

.../2

4. MINERAL PROPERTY

By an Agreement dated March 15, 1983, the company acquired 100% interest (subject to a 2 1/2% net smelter returns royalty which may be purchased at any time for \$100,000 cash) in the Tel 2 mineral claim located in the Greenwood Mining Division of British Columbia for consideration of:

- Acquisition cost	
- \$1,000 cash (subsequently paid)	
- Deferred exploration and development costs	<u>\$ 117,859</u>

5. SHARE CAPITAL

The company has an authorized share capital of:

100,000,000 common shares without par value.
100,000,000 Class "A" Preference shares with a par value of \$10 per share.
100,000,000 class "B" Preference shares with a par value of \$50 per share.

The company has issued and allotted shares of its capital stock as follows:

	<u>1987</u>		<u>1984, 1985, 1986</u>		<u>1983</u>	
	<u>Number of Shares</u>	<u>Amount \$</u>	<u>Number of Shares</u>	<u>Amount \$</u>	<u>Number of Shares</u>	<u>Amount \$</u>
For cash	335,001	\$ 83,750	79,001	\$ 19,750	20,001	\$ 5,000
For services	15,000	3,750	15,000	3,750	-	-
For debt	200,000	50,000	-	-	-	-
For cash (escrow)	750,000	7,500	-	-	-	-
For subscriptions receivable	72,000	18,000	-	-	-	-
	<u>1,372,001</u>	<u>\$ 163,000</u>	<u>94,001</u>	<u>\$ 23,500</u>	<u>20,001</u>	<u>\$ 5,000</u>

Transactions For the Issue of Share Capital For the Year (Period) Ended:

March 31, 1983

- i. The company issued 1 subscriber share at a price of \$.15 per share, fully paid.
- ii. The company allotted 20,000 shares at a price of \$.25 per share, fully paid.

March 31, 1984

- i. The company allotted 59,000 shares at a price of \$.25 per share, fully paid.
- ii. The company allotted 15,000 shares at a price of \$.25 per share, for equipment rental and costs incurred during the year.

.../3

5. SHARE CAPITAL (CONT'D)

March 31, 1987

- i. The company issued 256,000 shares at a price of \$.25 per share, fully paid.
- ii. The company issued 750,000 escrow shares at a price of \$.01 per share, fully paid.
- iii. The company issued 72,000 shares for a subscription receivable at a price of \$.25 per share.
- iv. The company issued 200,000 shares for a debt of \$50,000 at a deemed price of \$.25 per share.

6. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

A management fee totaling \$5,000 has been paid to a former Director of the subject company during the current year.

No other direct remuneration was paid or is payable to the Directors or Senior Officers of the subject company during the current year, or in the prior years or period.

7. RELATED TRANSACTIONS

- i. Exploration and development costs totaling \$111,988 were paid or are partially payable to a company owned by a Director of the subject company and rent of \$525 was paid to a corporation having common Directors with the subject company.
- ii. The mineral property described in Note 4 above was acquired from a Director of the subject company for his staking costs.

8. SUBSEQUENT EVENTS

- i. Subscriptions receivable totaling \$17,500 were collected.
- ii. The company has granted stock options to its Directors and employees totaling 157,200 shares exercisable at a price of \$.40 per share for a period of five years from the effective date of the company's Primary Prospectus for Directors (78,600 shares) and for a period of two years from the effective date of the company's Primary Prospectus for employees (78,600 shares). These stock options are subject to the approval of the shareholders and regulatory authorities.

8. SUBSEQUENT EVENTS (CONT'D)

iii. By two (2) Commitment Letters dated June 10, 1987, the subject company intends to incur over a two year period, a total of \$250,000 in qualifying Canadian Exploration Expenditures on behalf of Equity Capital Corporation ("Equity") of Vancouver, British Columbia. In addition, the subject company will issue to Equity shares of its capital stock at a deemed value to be determined by the market value of the shares at the closing date of the final Agreements. Equity will also be granted a non-transferable share purchase warrant for each share issued. These warrants are exercisable on or before June 10, 1988 at a price to be determined by the market price of the shares plus a premium. These Commitment Letters are subject to the preparation of final Agreements and the approval of these Agreements by regulatory authorities. By a letter dated September 28, 1987, the company was informed that Equity Capital Corporation would be unable to participate in the above two Commitment Letters.

9. ADDITIONAL INFORMATION

The company is planning to offer to the public a financing consisting of 400,000 shares at a price of \$.40 per share to net the corporate treasury \$136,000. In addition, the agents for the financing will be granted non-transferable warrants for the right to purchase 100,000 additional shares of the company at a price of \$.50 per share, exercisable on or before the earlier of 180 days from the listing of the company's shares on the Vancouver Stock Exchange or twelve months from the date of the Primary Prospectus.

REPORT

on the

TEL 2 MINERAL CLAIM

GREENWOOD MINING DIVISION

BRITISH COLUMBIA

FOR

GLENDALE RESOURCES INC.

307 - 475 Howe Street

Vancouver, B.C. V6C 2B3

by

W.W. Cummings, P.Eng.

Box 57

New Denver, B.C.

July 17, 1986

Revised

October 4, 1987

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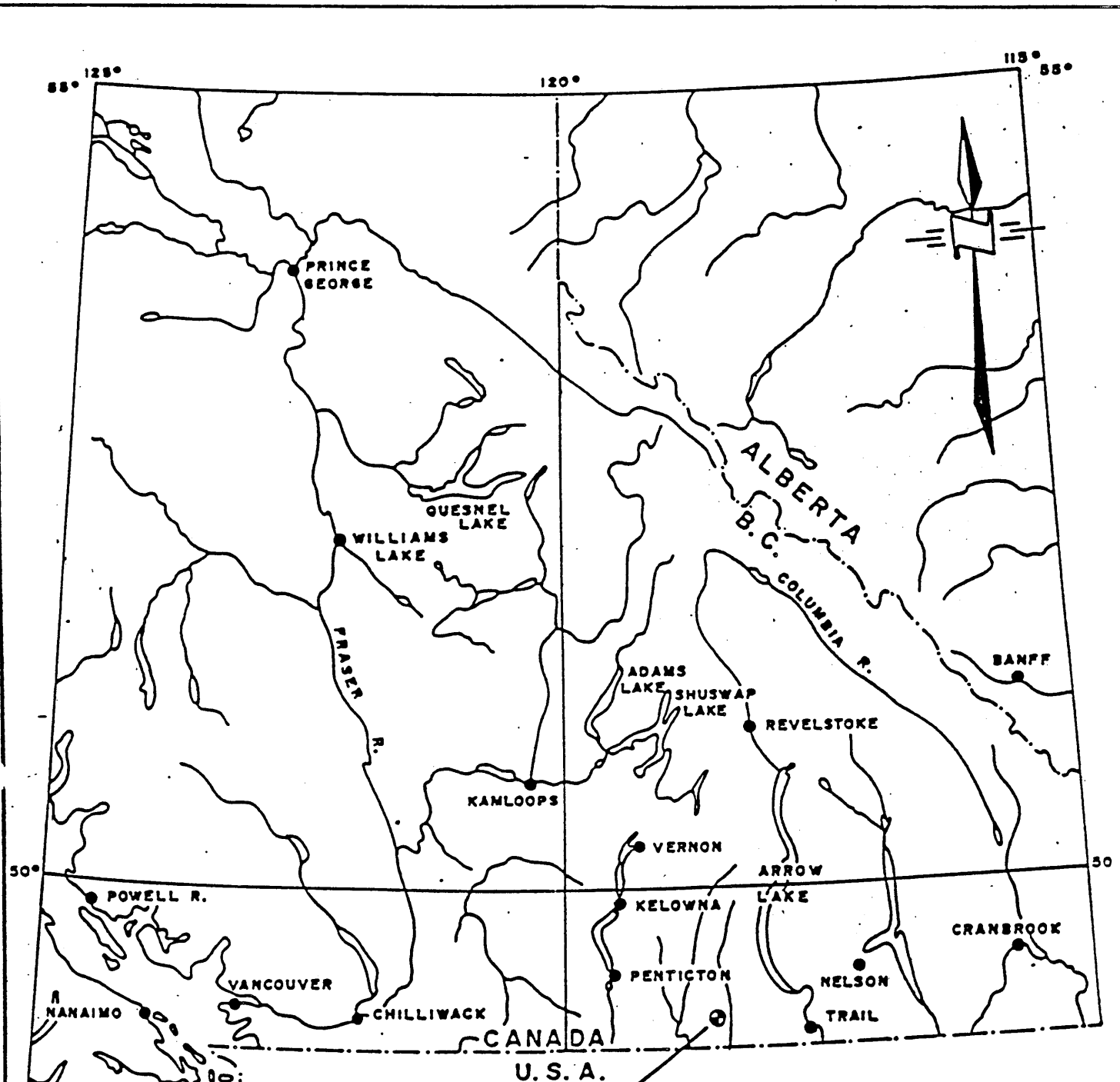
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SUMMARY

The Tel 2 Mineral Claim covers the extension south from the C.O.D. shaft of a Dentonia-type quartz vein in granodiorite. A grab sample from the vein, taken by J. Carson, ran 0.60 oz Au and 3.38 oz Ag per ton and the average of chip samples in the C.O.D. over 4 feet was 0.3 oz Au and 3 oz Ag per ton. Trenches on the Tel 2 claim have extended the vein about 900 feet on Glendale Resources' property, or 1100 feet from the C.O.D. shaft. The vein is roughly parallel to the Jewel (Dentonia) vein which lies 4000 feet east. The Jewel vein has been traced for about 9000 feet, and has produced over 120,000 tons at an average grade of 0.3 oz Au and 2.5 oz Ag per ton.

Recently trenching on the strike of the C.O.D. vein exposed epithermal quartz veins which carry gold and may be the same as the C.O.D. vein. Further exploration is warranted to establish continuity and extent to Depth. This report recommends a surface program consisting of 2250 feet of diamond drilling, with geochemical and geological studies. If successful, this program should be followed by underground development.



PROPERTY
LOCATION

FIG. ①

GLENDALE RESOURCES LTD	
LOCATION MAP	
TEL 2 PROPERTY	
GREENWOOD AREA	
Scale 1" = 80 mi. (1:5,000,000)	WVC Oct. 1987

INTRODUCTION

The Tel 2 Mineral Claim consists of twelve units enclosing but not including the C.O.D. Crown-granted claim south-west of Jewel Lake in the Greenwood area of B.C. (see fig. 2) Around 1900, a shaft was sunk seventy feet on a gold-bearing quartz vein on the C.O.D. vein. The grade and mineralization in this vein are much like the Jewel (Dentonia) vein four thousand feet to the east, which has been traced for nine thousand feet, and has produced over 120,000 tons of ore. The Jewel vein is on the Dentonia Resources Ltd. property.

The writer has examined the property following work in 1983, and following work in 1986 which traced vein on to the Tel 2 Claim. The length and gold-silver content of the vein and the discovery of other veins seems to warrant further work.

This report has been prepared at the request of Mr. W. Yahnke, a director of Glendale Resources, Inc. and revised mainly as to illustrations, in October, 1987. There have been no changes in the property or in the program recommendations.

LOCATION AND ACCESS

The Tel 2 Claim is located southwest of Jewel Lake, seven miles N.E. of Greenwood, B.C. A good paved road connects Highway 3 just north of Greenwood to Jewel Lake and the access roads turn north off the Jewel Lake road 1/2 mile before Jewel Lake near the Dentonia Mines road.

The property is well timbered with abundant outcrop, and all the showings are accessible by truck road. A small creek crosses the north-east corner of the claim. The elevation at the C.O.D. shaft is about 3975 feet above sea level.

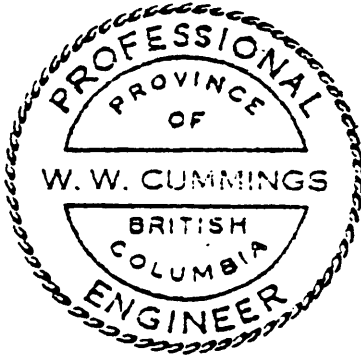
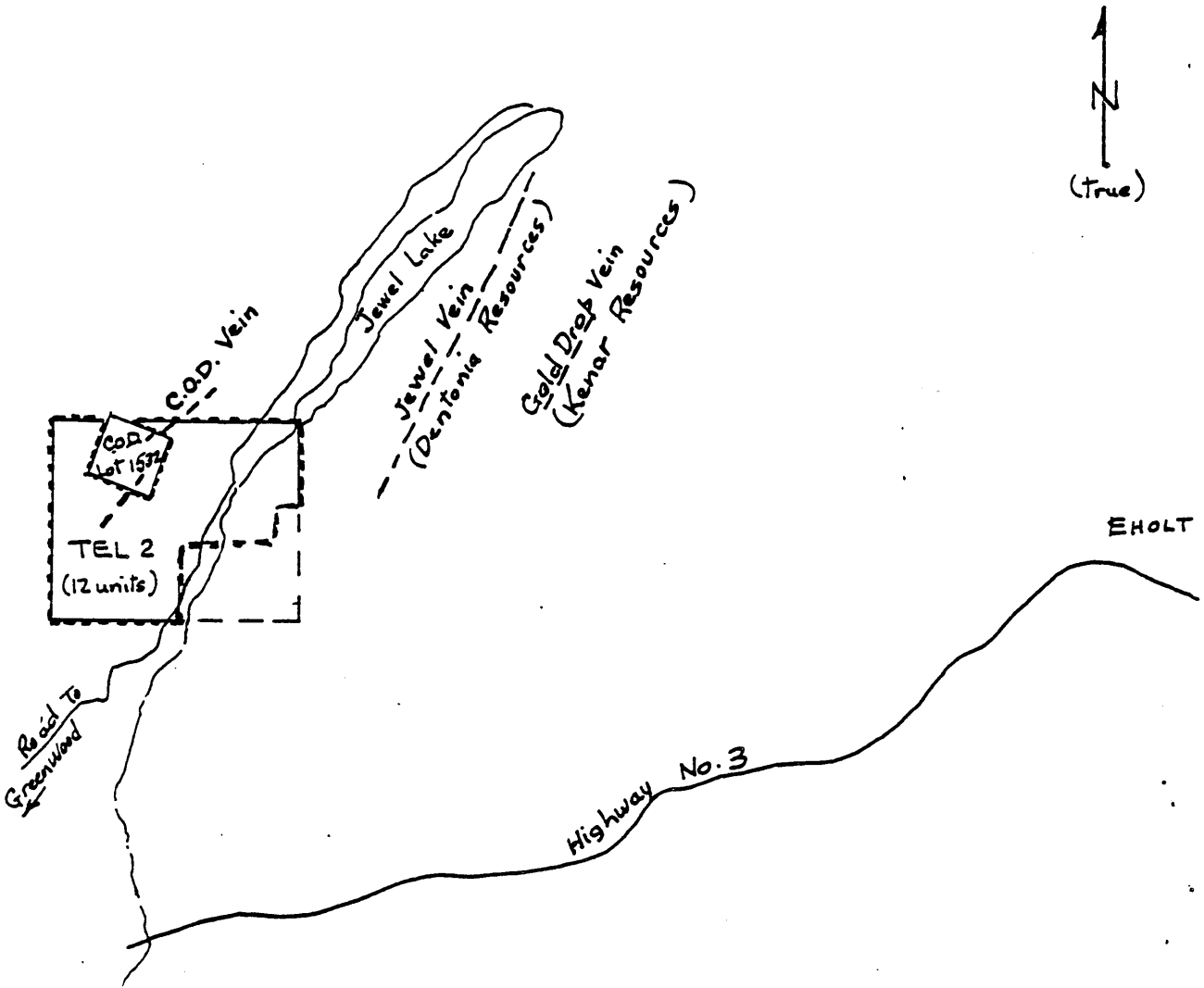


FIG. ②

GLENDALE RESOURCES INC.	
TEL 2 PROPERTY----- AND VEINS IN THE JEWEL LAKE AREA- NEAR GREENWOOD.	
Scale: 1:50000	W.W.C. Oct/87

PROPERTY

The property consists of the Tel 2 Claim twelve units held by location, and currently in good standing. The claim and its relation to adjoining claims is shown on the sketch attached. The C.O.D. Crown-granted mineral claim is surrounded by the Tel 2 Claim, but not included in it.

HISTORY

Gold was discovered in the area in 1895, and the Jewel vein first produced in 1898. Further production from the Jewel vein by various operators continued during the First World War, from 1934 to 1946 and, most recently, from the Denero Grande shaft of Colt Resources (now Dentonia Resources Ltd.). Total production from the Jewel vein system was reported by E.O. Chisholm (July, 1983) as 128,383 tons containing 37,992 ounces of gold and 219,429 ounces of silver.

On the C.O.D. property, a shaft was sunk 70 feet on the main vein, and other trenches in the area were opened by trenches and pits. No production was recorded. The shaft was sampled in 1904 and again in 1935, giving values from 0.50 to 0.75 oz. Au per ton across the well-mineralized part of the vein. In 1935 an assay was reported from a lower tunnel which has not been found.

In 1983, the C.O.D. shaft was pumped out and sampled for a report for Glendale Resources Inc. by E.O. Chisholm, P.Eng. Two short adits were collared, roads were constructed to the showings, and some trenching was done. In June, 1986, trenching was done on the C.O.D. vein strike, tracing it onto the Tel 2 Claim to the south. The showings and workings were picked up with respect to the claim boundaries by a transit and chain survey.

GEOLOGY AND MINERALOGY

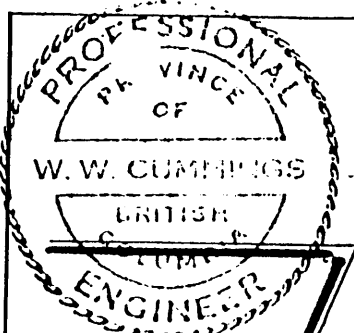
The property is underlain entirely by granodiorite, part of a Nelson batholith which extends south toward the Phoenix camp. Older sedimentary and volcanic rocks lie to the northeast. The granodiorite is cut by dykes ranging from pulaskite porphyry to dioritic and more basic dykes, some of which are post-ore.

The Jewel vein 4000 feet east of the C.O.D. vein is a strong structure which crosses from the granodiorite into the older rocks and has been traced for about 9000 feet. The strike is north easterly, and the dip varies from 30 to 60 degrees to the east. The width varies from 2 to 16 feet, including splits, and the alteration envelope varies from a few inches to several feet. In the Dentonia area, the alteration bleaches the mafic minerals and shows as a greenish talc-sericite-pyrite zone. The C.O.D. vein is similar and parallel in strike, but dips steeply to the west.

The Jewel vein is mainly quartz, with some calcite and pyrite. Precious metal values increase where galena, sphalerite, chalcopyrite and tellurides are found. Mineralization in the C.O.D. shaft has been reported to be the same, and the vein in the shaft is 4 feet wide. Previous samples reported 0.5 to 0.75 oz Au per ton over 2.5 feet, but Chisholm (1983) reports an average of 0.3 oz Au per ton over 4 feet. This is probably a better estimate of a mining grade.

In the recent trenching on the Tel 2 Claim, banded chalcedonic quartz was found, indicating epithermal vein formation. Gold values are reported from this quartz, a grab sample taken from J. Carson having assayed 0.608 oz Au and 3.38 oz Ag per ton. The trenches are shown on the accompanying plan. The relationship of the epithermal-type quartz to the C.O.D. vein is not known but it is found along strike.

Old pits found 1000 feet northwest of the C.O.D. shaft indicate at least two parallel veins on the Tel 2 Claim. The extent and grade of the veins are not known, and the pits have not been surveyed as to location.



C.O.D - Crown Grant
Lot No. 1532

C.O.D. Ridge

TEL 2
Mineral Claim

Found post

Tel 2 Road

D.D. Sections
drill in order shown

- Legend**
- Vein - exposed, inferred
 - D.D.H. - proposed
 - Shaft
 - Road, cat road
 - Elevation (feet A.S.L.)

Trench with qtz. v.
8' shear with
quartz -
Grab assay - 0.63 Au / 2.3 Ag
Adit
3/4 mi. to main road

C.O.D. Shaft (3970)

Shaft (3790)

(3690)

(3665)

(2)

(5)

(3835)

(3)

(4)

Adit

Adit

Creek

1/2 mi. to Jewel Lake dump
and main road.

Adit

160°
-45°

290°
-45°

Typical D.D. Section
Scale 1" = 75'

FIG. (3)

GLENDALE RESOURCES LTD.
PLAN OF SHOWINGS AREA TEL 2 and C.O.D. CLAIMS Jewel Lake Area
Scale 1" = 400 ft. (approx.) W.W.C 40d/B7

112

RECOMMENDATIONS

The C.O.D. vein as exposed in the shaft is much the same as the Jewel vein 4000 feet to the east, both in mineralization and in gold - silver grade. The Jewel vein has a long history of production and is presently developed on the Dentonia property to a depth of 500 feet below surface. The Dentonia operation is currently waiting for the next stage of financing to drive under the old Jewel workings and firm up enough reserves to do a feasibility study. Another possibility under study by Dentonia would involve setting up a small concentrator there now which could be fed by other nearby properties as well as Dentonia.

The recent work on the C.O.D. vein has shown that it contains sections which will assay about 0.3 oz.Au and 2.0 oz.Ag per ton, and that it can be traced on the Tel 2 Claim for about 1000 feet. Therefore the objectives of the next program should be:

- (1) Determine whether the epithermal-type vein near the south adit is the same as the C.O.D. vein.
- (2) Check the continuity of the veins at depth and on strike.
- (3) Carry out a surface program to check the possibility of both parallel veins and further extension of the C.O.D. vein.

The topography lends itself to underground development so that a trackless decline crosscut could be collared 900 feet south of the shaft and 100 feet below it, or a track-type crosscut could be driven south of the south adit 1700 feet south of the C.O.D. shaft collar and 230 feet below it. However, it would be premature to go underground without the guidance of diamond drilling. Therefore it is recommended that the work be done as follows:

(1) Diamond drilling - five sections as shown on the plan - two holes per section to intersect the vein 100 feet and 200 feet below surface.	
5 x 450 feet or 2250 feet at \$30 per foot	\$67,500
(2) Surface program - line cutting, geochemical survey, geological mapping and surveying	\$15,000
(3) Supervision and reporting	\$ 4,000
(4) Allow for contingencies	<u>\$ 8,500</u>
<u>TOTAL</u>	<u>\$95,000</u>

RECOMMENDATIONS - Continued

This program, if successful, should allow underground development work to be laid out as the next phase.

Respectfully submitted,

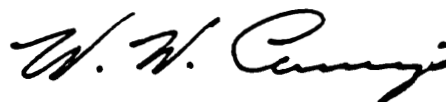


W.W. Cummings, P.Eng.

Dated 17 July, 1986
at New Denver, B.C.

Revised for Glendale Resources Inc.

Dated 4 October, 1987
at Houston, B.C.



W.W. Cummings, P.Eng.

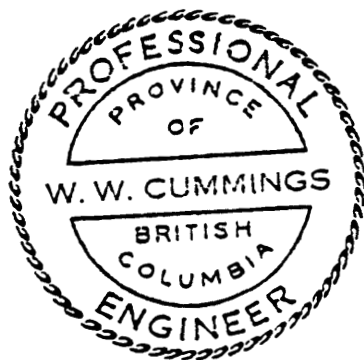


TABLE 1Samples and Assays from the C.O.D. Vein System

DATE	SAMPLED BY	DESCRIPTION	LOCATION	GOLD (oz/T)	SILVER (oz/T)
1904	Mr. G. Guess	Not known	C.O.D. Shaft-0-17'	0.435	
"	"	"	" at 17'	1.11	
"	"	"	" at 35'	0.825	
"	"	"	" at 40'	2.91	6.0
1934	Norman L.	"	C.O.D. Tunnel	1.96	22.2
1935	Armstrong Co. Prov. Assayers	20" chip	C.O.D. shaft bottom	0.76	6.6
"	"	30" chip	" " -15' up	0.74	4.8
"	"	20" chip	" " -20' up	1.72	17.4
"	"	Grab	" " dump	0.84	8.4
Apr/83	E.O.Chisholm	Grab	C.O.D. shaft dump	0.608	4.09
"	"	"	N. shaft- 4' vein	0.206	2.03
Jul/83	"	Chip- 4'	C.O.D. shaft-60'down	0.365	3.36
"	"	"	" " 48'down	0.660	6.56
"	"	"	" " 36'down	0.034	0.38
"	"	"	" " 24'down	0.170	0.93
"	"	"	" " 12'down	0.290	5.04
"	"	Grab	" " collar	0.231	1.60
May/86	J. Carson	Grab	Qtz. vein in trench south of C.O.D.	0.608	3.38

Remarks Assays reported by Guess and Norman L. Armstrong are taken from the reports by E.O. Chisholm, P. Eng. and the samples were from the mineralized section of the vein. Mr. Chisholm's samples were taken across the full width of the vein.

REFERENCES

Chisholm, E.O., P. Eng. - Geological Report on the Jewel Lake
property for Glendale Resources Inc. 12 Apr. 1983

Chisholm, E.O., P. Eng. - Progress Report on the C.O.D. Jewel
Lake property for Glendale Resources - Coast to Coast
Mining Services 7 July 1983

Stewart, G.O.M. - Personal communication with respect to
Dentonia Mines Ltd.

Appendix III

I, W.W. Cummings of New Denver, B.C. hereby certify that:

- (1) I am a geological engineer with office and residence at Box 57, New Denver, B.C.
- (2) I am a graduate of Queen's University, Kingston, Ontario with a B.A.Sc. in Geology and Mineralogy.
- (3) I have been practising as a geologist and mine manager since 1949.
- (4) This report is based on personal knowledge of the property and the adjoining properties, and on published reports.
- (5) I have no direct or indirect interest in the property or securities of Glendale Resources Inc.
- (6) I hereby consent to the use of this report in connection with the prospectus, or a statement of material facts relating to the raising of funds for this project.



W.W. Cummings, P.Eng.

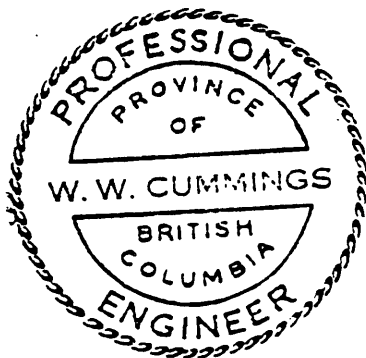
Dated 17 July, 1986
at New Denver, B.C.

Revised for Glendale Resources Inc.



W.W. Cummings, P.Eng.

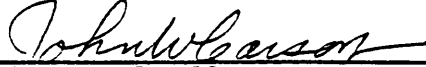
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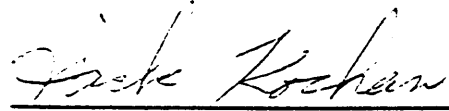
CERTIFICATE OF THE ISSUER

The foregoing constitutes a 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: October 29, 1987



JOHN W. CARSON
Chief Executive Officer
and Promoter

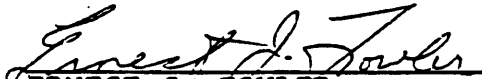


NICK KOCHAN
Chief Financial Officer
and Promoter

On behalf of the Board of Directors



WALLACE YAHNKE
Director and Promoter



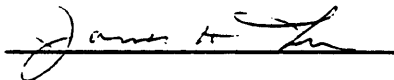
ERNEST J. FOWLER
Director

CERTIFICATE OF THE AGENTS

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: October 29, 1987

WEST COAST SECURITIES LTD.

Per: 

GRI0738-P