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SET PROPERTY - GREENWOOD

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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: JUNE 15, 1987

OSSA RESOURCES INC.
827 West Pender Street
Vancouver, British Columbia V6C 3G8
(the "Issuer")

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G.A. ✓
PROPERTY FILE
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PUBLIC OFFERING

400,000 COMMON SHARES

Shares	Price to Public	Commission	Net Proceeds to be Received by the Issuer*
Per Share	\$ 0.40	\$ 0.05**	\$ 0.35
Total	\$160,000	\$20,000	\$140,000

* Before deduction of the costs of this issue estimated to be \$17,000.

** Additionally the Agents will receive Warrants as described under the heading "Appointment of Agents" on page 2.

THERE IS NO MARKET THROUGH WHICH THESE SECURITIES MAY BE SOLD. THE PRICE OF THESE SECURITIES WAS ESTABLISHED THROUGH NEGOTIATION WITH THE AGENTS. THE VANCOUVER STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED PURSUANT TO THIS PROSPECTUS. LISTING IS SUBJECT TO THE COMPANY FULFILLING ALL THE LISTING REQUIREMENTS OF THE VANCOUVER STOCK EXCHANGE ON OR BEFORE DECEMBER 14, 1987, INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED AS SPECULATION. ALL OF THE PROPERTIES IN 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 EXISTENCE 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 24.80% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 65.65% THAT WILL THEN BE OWNED BY THE PROMOTERS, DIRECTORS AND SENIOR OFFICERS OF THE ISSUER. 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.

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 OPTION. REFER TO THE HEADING "PLAN OF DISTRIBUTION" ON PAGE 1.

WE, AS PRINCIPALS, 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 1 OF THIS PROSPECTUS.

Pacific International Securities Inc.
660 - 700 West Georgia Street
Vancouver, British Columbia

DATED: February 20, 1987

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PROSPECTUS SUMMARY

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

The Issuer:

Ossa Resources Inc. (the "Issuer") was incorporated on September 25, 1985 to acquire, explore and develop natural resource properties.

The Offering:

Securities - 400,000 common shares without par value
Price to public - \$0.40 per share.

Agent's Commission - \$0.05 per share.

Net Proceeds to Treasury - \$0.35 per share/\$140,000.

Use of Proceeds - To be used together with unallocated working capital on hand of \$27,000. to make a \$12,000 property option payment on the SET Property, to carry out Phase I of the recommended program of exploration of the SET Property at an estimated cost of \$60,000., to pay the costs of this issue of \$17,000. and to provide a working capital reserve of \$75,000; see the heading "Use of Proceeds" on page 10.

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 acquire a 100% interest in seven recorded mineral claims and one crown granted mineral claims located in the Greenwood Mining Division, Province of British Columbia.

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") 400,000 common shares (the

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Accompanying this Prospectus is the following material:

1. Audited Financial Statements of the Issuer as at January 31, 1987;
2. Engineering Report dated January 20, 1987 prepared by L. Sookochoff, P.Eng. and H. Kim, P.Geol., F.G.A.C. respecting the SET Property.

"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 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 May 11, 1987 appointed Pacific International Securities Inc. as its agent (the "Agent") to offer the Shares through the facilities of the Exchange.

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 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 "Agents Warrants") entitling them to purchase up to 100,000 common shares of the Issuer at any time up to the close of business 180 days from the 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 \$0.50 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 obligations of the Agent under the Agency Agreement may be terminated prior to 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 12 months from the Effective Date.

Those persons holding an interest in excess of 5% of Pacific International Securities Inc. are Bergstreet Investment Corp. (wholly owned by Max Meier), Eymann Investments Corporation (wholly owned by John I. Eymann), Peter A. Schriber, G.D.R. Holdings Ltd. (wholly owned by Gordon D. Rae), Lawrence H. McQuid, Ronald G. Merritt and Michael K. Patterson.

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 Units 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 all the listing requirements of the Vancouver Stock Exchange on or before December 14, 1987 including prescribed distribution and financial requirements.

Subject to the rules and by-laws of the Vancouver Stock Exchange, part of this Offering may be sold directly to investors or to brokerage houses in Great Britain and Western Europe who may sell to their clients. Any sales of shares of the Issuer outside of Canada will be subject to and conducted in accordance with the laws of the countries in which such sales are made.

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

Ossa Resources Inc. ("the Issuer") was incorporated on September 25, 1985 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 827 West Pender Street, Vancouver, British Columbia, V6C 3G8.

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 natural resource properties. The Issuer owns or has interests in the properties described under the heading "Property" and intends to seek and acquire additional properties worthy of exploration and development.

Property

SET Property
Greenwood Mining Division,
British Columbia

The Issuer holds an option to acquire a 100% interest in the following mineral claims and Crown granted claims located in the Greenwood Mining Division, Province of British Columbia (the "Property"):

(a) Recorded Claims:

<u>Name</u>	<u>Record No.</u>	<u>No. of Units</u>
SET 1	1779	9
SET 4	1781	9
SET 5	1881	16
Attwood 1-4	4561-4	

(b) Crown Granted Claims:

<u>Name</u>	<u>Lot No.</u>
Lookout	L930

The Property is situated three km. southwest of the Winnipeg-Golden Crown Mine, a former gold producer in the historic Phoenix-Boundary Mining Camp of central southern British Columbia, about 500 km. east of Vancouver. The Property is accessible from Highway No. 3, by an all weather two-wheeled old mine haulage road to the Phoenix Mine and Lexington Mine near the U.S.-Canada border, and the Lone Star Mine in Washington State. The general area is serviced by paved roads and the all weather mine haulage road.

Numerous new and old logging roads and bulldozer trails criss-cross the entire Property area. The Property can be reached in less than 40 minutes from Grand Forks, B.C. A four-wheel drive vehicle would be required for access by secondary roads and trails at the higher elevations on the Property.

The Property is situated within the Paleo-Mesozoic volcano-sedimentary strata consisting mainly of bedded chert, greenstone, argillite, and paragneissic rocks (schists) in order of abundance. These rocks are intruded by a granodiorite in the central north and northeast sector of the Property. Lime silicate and/or skarn deposits are located within the limestone-granodiorite contact zone.

The history of prospecting and exploration in the Phoenix-Boundary Mining Camp dates back to the early 19th century. In 1891, large copper ore deposits were discovered at Deadwood and Phoenix Camps, followed by construction of copper smelting plants at Boundary Falls, Greenwood and Grand Forks. The historic Phoenix Mine, 5 km. north of the Property, produced a total of 30 million tons averaging 0.85% copper, 0.033 oz./ton gold, and 0.20 oz./ton silver during the initial production period from 1900 to 1919 and subsequently from 1957 to 1978. The Winnipeg-Golden Crown Mine was reportedly the largest former gold producer in the area. Exploration at that mine resumed in 1965 and was periodically operational until 1980. From 1983 to 1987, active exploration continued on the properties resulting in 40,000 tons of drill indicated reserves grading 0.3 oz./ton gold based on subsurface data, from underground workings and 6,000 m. of diamond drilling in 80 holes.

Recently active exploration in the area included the Grenoble Lexington Property 2 km. southwest, the Athelstan-Jackpot Mine 2 km. northeast, the Sylvester K. 5 km. north and the Crown 3 km. due north. The 1986 exploration on the Crown included extensive geochemical and geophysical surveys, followed by trenching and diamond drilling. The exploration program was carried out by Noranda Mines Ltd. The rusted sheared structure with quartz veining disclosed by Noranda's exploration attains up to 11 m. in true width with significant gold values. The results of channel samples at trench CR-86-2, were weighted average 7.62 grams/ton gold over a total length of 11 m. across the structure. Exploration on the Crown and Sylvester K. properties is currently in progress by Noranda Mines.

The SET 1 and SET 4 mineral claims were staked initially by Mervin Boe ("Boe"), Prospector, of 103 - 7227 Arcola Street, Burnaby, B.C., on September 5, 1979. The SET 4 Claim

overlaps two Crown granted claims, the Lilly James and the Dominion. Quadex Resources Ltd. of Vancouver, B.C., optioned the SET 1 and SET 4 claims from Boe. In July, 1983 Dr. W.D. Groves, P.Eng., investigated the SET 1 and SET 4 claims for Quadex Resources. In October, 1983 Dr. Groves, together with Nielsen Geophysics Inc., carried out geological, geochemical and VLF-EM surveys covering ten lines 1,500 m. in length and spaced 250 m. apart at a station interval of 25 m. A total of 99 samples were analyzed for Cu, Zn, As, Au, on the line grids, 100 m. spacing, 500 m. apart.

In July, 1984, B. Taylor, P.Eng. and Greg Huizen, P.Eng. performed generalized geological mapping and a geochemical survey on the northeast portion of the SET 1 claim only. A small grid was marked out, totalling four line km. 87 soil samples were geochemically analyzed for 11 elements including gold.

In January, 1985 L. Sookochoff, P.Eng. conducted a geological evaluation on the SET 5 claim. A three stage exploration program of geochemical, geophysical and geological surveys and subsequent trenching and diamond drilling was recommended.

In October-November, 1986 geological, geochemical and geophysical surveys were completed by the Issuer on the SET 4 and SET 5 claims. The northwest quadrant of the Property (SET 1) was excluded from the 1986 program, however a geological reconnaissance was performed by H. Kim, P.Eng.

In the program carried out by the Issuer in 1986, a total of 24 chip and grab samples were taken and assayed. Several samples showed the presence of gold, with the two most significant results being two chip samples assaying .911 oz/ton and 1.611 oz/ton gold, both over a .45 metre width. The Issuer's geochemical survey isolated two anomalous zones on the Property.

The Issuer conducted a VCF-EM survey which delineated a general east-west anomalous zone in the north with two strong anomalies correlating with one of the geochemically anomalous zones.

The Issuer also conducted magnetometer and IP surveys which isolated anomalies, particularly a significant IP anomaly over 120 metres. The total cost of exploration work carried out on the Property by the Issuer was \$61,275.

Pursuant to an agreement (the "Boe Option") between Boe and John Wesley Carson of Box 1977, Grand Forks, British Columbia ("Carson"), Carson obtained the exclusive right and

option to purchase 100% of the right, title and interest in and to the three modified grid mineral claims being SET 1, SET 4 and SET 5 (the "SET claims"). In order to exercise the Boe Option Carson, was required to pay to Boe \$1,000. on execution of the agreement, (which sum has been paid), \$2,000. by June, 1987, and \$10,000. upon completion of a primary issuance of shares by the Issuer, and provide to Boe 25,000 shares of the Issuer, 12,500 upon the listing of the Issuer and 12,500 upon completion of the first phase of a recommended work program and upon filing of an engineering report recommending further work on the Property.

By agreement dated for reference August 12, 1986 (the "Carson Option") Carson granted to the Issuer an option to acquire and the right to prospect, develop and mine the SET Claims, as well as the Attwood 1-4 claims and Lookout crown granted claim held by Carson. In order to exercise the Carson Option, the Issuer must pay \$20,000. to Carson on the date of execution of the Carson Option (which sum has been paid) and additional payments of \$10,000. on or before August 12 in each of the years 1987 through 1989, and \$20,000. on or before August 12 in each of the years 1990 through 1994. Additionally, the Issuer must issue 25,000 fully paid and non-assessable common shares in its capital forthwith upon the date the common shares of the Issuer are listed for trading on the Vancouver Stock Exchange, and a further 25,000 shares upon completion of Phase 1 of a program of exploration and development work on the Property and the filing of an engineering report with the Vancouver Stock Exchange recommending further work on the Property.

The Issuer is obligated to pay to Carson a royalty equal to 3% of the net profits realized from any production from the Property.

Carson is required to make payments and issue shares as required by the terms of the Boe Option. However, the Issuer may make payments to Boe directly, in which case such payments and issuances of shares shall be deemed to have been made directly to Carson and will be applied against the payments and share issuances required to be made under the terms of the Carson Option. Upon the completion of the offering the Issuer will make a \$12,000 payment to Boe and issue 12,500 shares to Boe (being the \$2,000 and \$10,000 payments provided in the Boe option).

At the time the Carson Option was entered into, Carson was negotiating the purchase of three additional Crown granted claims being Lilly James, Dominion and Rattler which are surrounded by the SET claims. Carson agreed to grant the Issuer the option of including these additional claims as

part of the Property subject to the terms of the Carson Option by the repayment to Carson of his out-of-pocket costs of acquisition. As of the date hereof, these claims have not been acquired by Carson or the Issuer.

Based upon the results of exploration carried out on the Property to date, L. Sookochoff, P.Eng. and H. Kim, P.Geol. F.G.A.C. have prepared an engineering report dated January 20, 1987 (a copy of which is attached to this Prospectus) recommending a two phase program of further exploration on the Property.

Phase 1 will consist of geochemical and geophysical detailing to locate prime sites for trenching, mapping and sampling. Additional IP surveys should be completed in areas that have returned anomalous results in the preliminary completed surveys. The total estimated cost of the first phase of exploration is \$60,000. The Issuer has allocated \$60,000 of the proceeds of this offering to pay for completion of Phase 1 of the recommended program.

Contingent upon favourable results from Phase 1, a second phase consisting of short diamond drilling would be undertaken. This would test downward extensions of the Overlander showings or other zones of indicated potential economic mineralization. The total estimated cost of this phase of exploration is \$66,000. The Issuer will be required to complete further debt or equity financing to raise the funds to complete the second phase of work.

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

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.

USE OF PROCEEDS

The net proceeds to be derived by the Issuer from the Offering will be the sum of \$140,000. which will be spent together with unallocated working capital of \$27,000 in order of priority as follows:

1.	To pay for the costs of this issue estimated at	\$ 17,000
2.	To pay to Mervin Boe the payments required pursuant to the Boe Option	\$ 12,000
3.	To pay to John Carson the August 1988 payment required pursuant to the Carson Option	\$ 10,000
4.	To pay the costs of Phase I of the recommended program of exploration of the SET Property	\$ 60,000
5.	To provide working capital	<u>\$ 68,000</u>
	TOTAL	<u>\$167,000</u>

Any proceeds received by the Issuer upon the exercise of the Agent's Warrants will be added to the working capital of the Issuer.

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 share capital of the Issuer consists of 10,000,000 common shares without par value. As of the date of this Prospectus, 1,213,040 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

<u>Designation of Security</u>	<u>Amount Authorized</u>	<u>Amount issued and outstand- ing as of January 31, 1987 (date of Balance Sheet in the Prospectus)</u>	<u>Amount Out- standing as of the Effec- tive Date set out on the front cover of this Prospectus</u>	<u>Amount Out- standing if all securities are sold</u>
Common Shares	10,000,000	1,213,040	1,213,040	1,613,040 (1)

(1) 100,000 shares are subject to an option exercisable at a price of \$0.50 per share granted to the Issuer's Agent (see the heading "Plan of Distribution"). 72,000 shares are subject to options exercisable at a price of \$0.40 per share granted to the Issuer's directors and officers (see the heading "Options to Purchase Securities").

PRIOR SALES

During the period from incorporation of the Issuer on August 19, 1985 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>
463,040	\$0.25	Nil	\$115,760.
750,000	\$0.01	Nil	\$ 7,500.
		Total	<u>\$123,260.</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>
Taly Keren 1978 West 13th Ave. Vancouver, B.C.	President/ Director	President, Anchor Security Systems Ltd.
Matvej Treskunov 607-1348 Barclay Street Vancouver, B.C.	Director	President, Associated Manufacturers Agencies; importers and exporters; Salesman, Rogers Cable Television 1978-1986;
Hamid Harandi 1002-2150 West 40th Ave. Vancouver, B.C.	Director	Self Employed Real Estate Developer
Douglas James Kilgour 1102-1720 Barclay St. Vancouver, B.C.	Secretary	Sales Representative, Rogers Cable Television 1982-Present

Upon completion of this offering, Laurence Sookochoff, P. Eng. Consulting Geologist, has agreed to act as a consultant to the Issuer. Mr. Sookochoff has been a consulting geologist in Vancouver, British Columbia for the past twenty years.

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

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

None of the Directors or Officers of the Issuer has received any remuneration from the Issuer, except as follows. Taly Keren, a Director and President of the Company, was paid a management fee of \$1,000. per month for the six month period from August 1, 1986 to January 31, 1987.

OPTIONS TO PURCHASE SECURITIES

By Agreements dated February 23, 1987 options to purchase a total of 72,000 common shares in the capital of the Issuer at a price of \$.40 per share exercisable during a five 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>
Hamid Harandi	Director's	15,000
Matvej Treskunov	Director's	14,000
Taly Keren	Employee's	43,000

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>
Taly Keren 1978 W. 13th Ave. Vancouver, B.C.	Direct and Beneficial	Common	374,000	30.83%
Matvej Treskunov 607-1348 Barclay St. Vancouver, B.C.	Direct and Beneficial	Common	330,000	27.20%
Hamid Harandi 1002-2150 W. 40th Ave. Vancouver, B.C.	Direct and Beneficial	Common	350,000	28.85%

The percentage of common shares held by all directors, promoters and senior officers is 87.30% of the total issued common shares of the Issuer. After completion of this offering, this percentage will be 65.65%.

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	61.83%

POOLED SHARES

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

DIVIDEND RECORD

The Issuer has not, since the incorporation of the Issuer on September 25, 1985, 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 cash:

<u>Name</u>	<u>Number of Shares</u>	<u>Price per Share</u>
Taly Keren	124,000	\$0.25
	250,000	\$0.01
Matvej Treskunov	80,000	\$0.25
	250,000	\$0.01
Hamid Harandi	100,000	\$0.25
	250,000	\$0.01

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.

MATERIAL CONTRACTS

There are no material contracts entered into by the Issuer other than as disclosed in this Prospectus.

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

The Issuer issued 241,000 (of the 1,213,040 common shares outstanding as of the date of this prospectus) pursuant to expenditure agreements whereby the Issuer expended \$60,250. on exploration expenditures on behalf of the investors and issued to the investors one share for every \$0.25 expended on each investor's behalf.

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 Elliott, Tulk, Pryce, Anderson, Chartered Accountants, of 1101 - 750 West Pender 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.

OSSA RESOURCES INC.
FINANCIAL STATEMENTS
PERIOD FROM AUGUST 25, 1986
(COMMENCEMENT OF BUSINESS) TO
JANUARY 31, 1987

ELLIOTT • TULK • PRYCE • ANDERSON

CHARTERED ACCOUNTANTS

BARRIE C. ANDERSON
COLIN C. PRYCE

ROBIN A. W. ELLIOTT
ROBERT E. TULK

To the Directors
Ossa Resources Inc.
Vancouver, B.C.

AUDITORS' REPORT

We have examined the balance sheet of Ossa Resources Inc. as at January 31, 1987 and the related statements of operations and deficit and changes in financial position for the period then ended. 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 January 31, 1987 and the results of its operations and the changes in its financial position for the period then ended in accordance with generally accepted accounting principles.



Chartered Accountants

Vancouver, B.C.
May 19, 1987

OSSA RESOURCES INC.

BALANCE SHEET

AS AT JANUARY 31, 1987

ASSETS

CURRENT ASSETS

	\$
Cash	31,977
Refundable deposit	<u>1,000</u>
	32,977

MINERAL INTERESTS (Notes 2, 3 and 4)	<u>81,275</u>
--------------------------------------	---------------

114,252

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accruals	<u>1,500</u>
-------------------------------	--------------

SHAREHOLDERS' EQUITY

CAPITAL STOCK (Note 5)	123,260
------------------------	---------

DEFICIT	<u>10,508</u>
---------	---------------

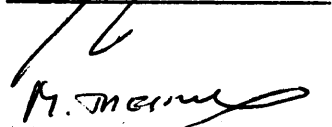
112,752

114,252

APPROVED BY THE BOARD



Director



Director

OSSA RESOURCES INC.

STATEMENT OF OPERATIONS AND DEFICIT

PERIOD FROM AUGUST 25, 1986

(COMMENCEMENT OF BUSINESS)

TO JANUARY 31, 1987

EXPENSES

	\$
Bank charges and interest	8
Management fee	6,000
Professional services	4,000
Travel and entertainment	<u>500</u>
LOSS FOR THE PERIOD, AND DEFICIT	10,508

OSSA RESOURCES INC.

STATEMENT OF CHANGES IN FINANCIAL POSITION

PERIOD FROM AUGUST 25, 1986

(COMMENCEMENT OF BUSINESS)

TO JANUARY 31, 1987

	\$
OPERATING ACTIVITIES	
Loss for the period	10,508
Less changes in non-cash components of working capital	<u>500</u>
	(10,008)
FINANCING ACTIVITIES	
Shares allotted	123,260
INVESTING ACTIVITIES	
Acquisition of and expenditures upon mineral properties	<u>(81,275)</u>
CASH AT END OF PERIOD	<u>31,977</u> -----

OSSA RESOURCES INC.

SCHEDULE OF EXPLORATION EXPENSES

PERIOD FROM AUGUST 25, 1986

(COMMENCEMENT OF BUSINESS)

TO JANUARY 31, 1987

	\$
Assay	341
Engineering and consulting	6,785
Geochemical	17,000
Geophysical	19,660
Mapping and prospecting	6,339
Trenching and roadwork	10,000
Sundry	<u>1,150</u>
	61,275

OSSA RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM AUGUST 25, 1986

(COMMENCEMENT OF BUSINESS)

TO JANUARY 31, 1987

1. INCORPORATION AND FINANCIAL STATEMENT INFORMATION

The Company was incorporated under the laws of the Province of British Columbia on September 25, 1985, and commenced business August 25, 1986.

2. ACCOUNTING POLICIES

a) Mineral interests

The Company records its interests in mineral properties and areas of geological interest at cost. Costs relating to these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold, or allowed to lapse. These costs will be amortized over the estimated useful life of the property following commencement of production, or written off if the mineral properties or projects are sold or allowed to lapse.

3. VALUES

The recorded values of mineral interests and deferred expenses represent costs incurred and ascribed values of shares issued for properties and do not necessarily reflect present or future values.

4. MINERAL PROPERTY

	Acquisition Cost \$	Expenditures \$	Total \$
- 8 mineral claims located in the Greenwood M.D., Province of British Columbia	20,000 -----	61,275 -----	81,275 -----

By agreement dated August 12, 1986, the Company acquired an option to purchase 8 mineral claims, exercisable on the following basis:

	\$
- Cash (paid)	20,000
- \$10,000 payable August 12, 1987 through 1989	30,000
- \$20,000 payable August 12, 1990 through 1994	<u>100,000</u>
	150,000 -----

plus 50,000 common shares, to be issued as to 25,000 shares upon listing on the Vancouver Stock Exchange (but no later than August 12, 1987), and 25,000 shares upon completion of the first phase of an exploration program and the filing of an acceptable engineering report with the Exchange (but no later than August 12, 1988).

The seller will retain a 3% net profits interest in production from the property.

See Note 5(a) with reference to \$60,250 exploration expenses. These expenses will not be available to the Company to be claimed for Canadian income tax purposes.

5. CAPITAL STOCK

Authorized

10,000,000 common shares without par value

Issued

\$

For cash received

Principals' shares	750,000	.01	7,500
Free-trading shares	222,040	.25	55,510
Flow-through shares (a)	<u>241,000</u>	.25	<u>60,250</u>
	1,213,040		123,260
	-----		-----

- a) During 1986, \$60,250 was subscribed to purchase 241,000 common shares for the purpose of incurring exploration expenditures. Pursuant to these agreements, exploration expenditures totalling \$60,250 are not available to the Company for Canadian income tax purposes.
- b) 750,000 principals' shares will be held in escrow subject to the direction and determination of the Superintendent of Brokers of British Columbia and/or the Vancouver Stock Exchange.
- c) Pursuant to a resolution passed February 23, 1987, directors and employees have been granted options to acquire 72,000 common shares of the Company at a price of \$0.40 per share, valid for a period of 5 years from the effective date of a prospectus in respect of the Company's first public offering of shares.
- d) Shares were approved for issue pursuant to a director's resolution dated January 30, 1987.

6. SUBSEQUENT EVENT

The Company has signed an agency agreement for the purpose of distributing to the public 400,000 common shares at a price of \$0.40 gross (\$0.35 net) per share. The Agent will receive warrants as consideration for guaranteeing successful completion of the distribution. The warrants will entitle the Agent to purchase up to 100,000 common shares at \$0.50 per share for a period of 180 days from the date of listing of the Company's shares on the Vancouver Stock Exchange.

Report on the
GEOLOGICAL, GEOPHYSICAL AND GEOCHEMICAL EXPLORATION

of the

SET CLAIMS

Greenwood Mining Division

N.T.S. 82E/2E

49° 02' 30" N - Longitude

118° 37' 30" W - Latitude

for

OSSA RESOURCES LTD.

by

L. Sookochoff, P.Eng

H. Kim, P.Geol., F.G.A.C.

SOOKOCHOFF CONSULTANTS INC.

January 20, 1987

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REPORT ON THE
GEOLOGICAL, GEOPHYSICAL AND GEOCHEMICAL EXPLORATION
FOR
OSSA RESOURCES LTD.
ON THE
SET CLAIM GROUP
GREENWOOD MINING DIVISION

PART A

SUMMARY

1. The SET mineral claim group in the Greenwood Mining Division is located three km southwest of the Winnipeg - Golden Crown Mine, a former gold producer in the historic Phoenix-Boundary Mining Camp of central southern British Columbia, about 500 road km east of Vancouver. the property is conveniently accessible from Highway No. 3, an all weather two wheeled old mine-haulage road to the Phoenix Mine and Lexington Mine near the U.S.-Canada border, and the Lone Star Mine in Washington State.

2. The property is situated within the Paleo-Mesozoic volcano-sedimentary strata consisting mainly of bedded chert, greenstone, argillite, paragneissic rocks (schists) and argillite in order of abundance. These rocks are intruded by a granodiorite in the central north and northeast sector of the property. Lime silicate and/or skarn deposits are located within the limestone-granodiorite contact zone.

3. A garnet skarn sulphide deposit with significant gold values is located in the old dump site of the southeastern sector of the property. A grab sample of the skarn mineralization (about 13 kg) assayed as follows:

Gold	0.182 oz./ton
Silver	0.402 oz./ton
Copper	5.28 %
Lead	.01 %
Zinc	.02 %
Molybdenum	.014 %

4. Also a large lime-silicate body with scattered garnet-epidote-skarn alteration is noted in the central north sector of the property. Economic sulphide mineralization is not known of in this area. However, detailed prospecting concurrent with refined geochemical survey methods may disclose skarn sulphide mineralization similar to the aforementioned.

5. In the eastern sector of the property, a pyritized, limonitic, steeply dipping quartz vein was intermittently explored by several trenches and shallow shafts over the total strike length of 120 m (Overlander Workings - Fig. 9). The vein ranges in width from 0.2 to 0.45 m and cuts through an intensely altered cherty-argillite unit near the intrusive granodiorite stock. A total of 10 samples were obtained from the channeled veins and/or dumps in the Overlander Workings area. The assay results of these samples indicate a commercial interest to pursue further follow-up programs as recommended in this report. The more significant samples from the showings are as follows:

<u>Sample Nos.</u>	<u>Sample Width (m)</u>	<u>Gold oz/ton</u>	<u>Silver oz/ton</u>
5788	0.40	0.590	0.07
0434	0.45	0.911	0.10
5786	0.20	0.271	0.47
0436	0.45	1.611	0.33
L54	0.30	0.380	0.18
L56	0.15	0.301	0.29

6. The Winnipeg Golden Crown Mine, three km northeast of the property reportedly produced 61,814 tons of ore prior to 1912 at a reported grade of:

Gold :	0.2 - 0.45 oz/ton
Silver:	0.62 - 0.82 oz/ton
Copper:	0.16 - 1.53 oz/ton

Recent exploration on the Winnipeg-Golden Crown included extensive geophysical and geochemical surveys followed by trenching and diamond drilling. The total drilling on the Winnipeg - Crown property between 1965 and 1986 is aggregated at an excess of 6000 m in 80 holes resulting in the delineation of 40,000 tons of drill indicated reserves averaging .30 oz Au/ton.

7. The newly discovered gold bearing structure on the Crown property adjacent to the Golden Crown under Noranda Mines' operation and management is located three km due north of the subject ground. Trench CR-86-2 is the most impressive returning 7.62 grams/ton (0.274 oz/ton) Au over a true width of 11 m (36 feet). Based on the reported information the lithologic and structural information on the Crown is similar to the known mineral occurrences of the SET property.

8. Sill-like ultrabasic intrusives consisting primarily of serpentine occur on the northwestern sector of the property. On the Lexington Mine, 1.5 km southwest of the property, a tunnel in excess of 200 m long was driven along the contact zone between serpentine and alaskite (quartz porphyry). The massive sulphide deposits on the serpentine contacts are conspicuously noted from preliminary underground mapping. The presence of serpentine in the subject ground does not preclude potential for sulphide contacts similar to that of the Lexington Mine.

CONCLUSIONS

The geologic conditions of the SET claims are similar to those around the area of past production from polymetallic sulphide and precious metal deposits in the Phoenix-Boundary Mining Camp.

Two types of mineralization occur on the SET claims:

- (1) Quartz veins developed along a shear-fault structure, carrying significant gold values.

The Overlander workings exemplify this type of mineralization. Visible sulphide minerals are chalcopyrite and pyrite with lesser pyrrhotite.

- (2) Skarn mineralization, principally chalcopyrite, pyrrhotite, malachite, bornite and pyrite with lesser sphalerite galena and molybdenite. Sample LS#3 (.182 oz Au/ton) substantiates this statement.

The exposure of the Overlander structure was traced over a strike length of 120 m. The respective assay results indicate a strong commercial interest and its economic significance remains to be investigated for further lateral extension on strike. The downward extensions should also be tested by drilling.

The northwest quadrant of the property was excluded from the 1986 line-grid geochemical and geophysical surveys. Reconnaissance geological mapping in the area indicates a potential for both polymetallic sulphide and precious metal mineralization in the area, based on the existing old prospect shafts and blast pits which expose pyritic ores and quartz vein materials in addition to numerous quartz veinlets occurring in the rustily weathered green schists. The sill-like serpentine body in this area

area should also be prospected in detail for both copper-gold sulphide deposits and nickel-chromite-platinum occurrences.

RECOMMENDATIONS

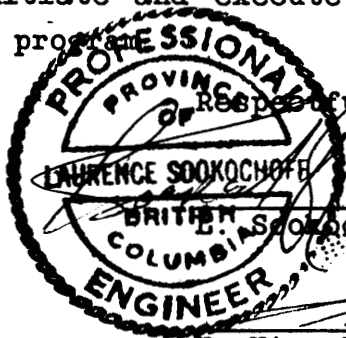
In view of the foregoing statements, the SET property merits continuous exploration in the four target areas. The exploration program should consist of two stages with an initial phase of geochemical and geophysical detailing to locate prime sites for trenching, mapping and sampling. Additional IP surveys should be completed in areas that have returned anomalous results in the preliminary completed surveys. A second stage would consist of short diamond drilling to test downward extensions of the Overlander showings or other zones of indicated potential economic mineralization.

The estimated cost of the recommended program:

Stage I	\$ 60,000
II	66,000
Total	<u>\$126,000</u>

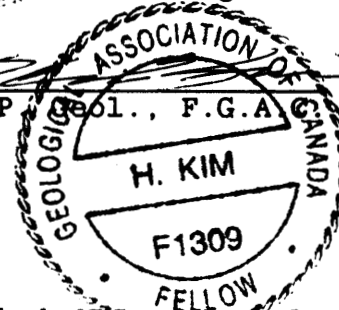
It is also recommended that Ossa Resources Ltd. allocate the sum of \$60,000 to initiate and execute the first phase of the recommend exploration program.

Respectfully submitted,



Laurence Sookchohoff, P. Eng.

H. Kim, P.



H. KIM

F1309

FELLOW

January 20, 1987
Vancouver, B.C.

REPORT ON THE
GEOLOGICAL, GEOPHYSICAL AND GEOCHEMICAL EXPLORATION
FOR
OSSA RESOURCES LTD.
ON THE
SET CLAIM GROUP
GREENWOOD MINING DIVISION

PART B

1.0 INTRODUCTION

This report updates and complements previous reports by the various workers shown in REFERENCES on the SET mineral claim group in the Greenwood Mining Division.

The general Boundary Mining Camp area in central southern British Columbia has recently been under active exploration as a result of new discoveries of auriferous sulphide deposits on the Sylvester K and Skylark Resources properties. The properties are near the Phoenix mine, a former copper-gold-silver producer, and the Winnipeg-Golden Crown property three km northeast of the SET claims. The exploration activities in the area have been further stimulated by the current encouraging findings in the Crown property, three km due north of the SET, by Noranda Mines (December, 1986).

This report summarizes the results of the geological, geochemical, magnetometer, VLF-EM, and IP surveys performed during September, 1986 to January 1987. All the known existing mineral showings within the claims were mapped and sampled. The report also compiles the present and previous exploration concepts and recommendations relating to the gold-sulphide ore occurrence seen in the SET claim area by utilizing all available existing data.

The authors have spent 25 field days on the property in geological mapping and supervision of geochemical, geophysical and trenching works between September 1986 and January 1987.

The IP survey in the selected area was conducted on the property during the period from December, 1986 to January 15, 1987 by Geotronics Surveys Ltd. The IP survey report is appended.

2.0 PROPERTY

The property consists of three contiguously located claims totalling 29 units and four crown granted claims. The legal corner post is located south of the all weather Phoenix-Lone Star Mine haulage road subparalleling a well-cleared power transmission route. The eastern half of the property (SET 4 and 5) overlaps four crown granted claims. The claim particulars are as follows:

TABLE 1: Claim Particular - SET Claims

<u>Claim Name</u>	<u>Units</u>	<u>Record# or Lot#</u>	<u>Expiry Date</u>
SET 1	9	1779	Sept. 21, 1988
SET 4	9	1781	Sept. 21, 1988
SET 5	16	1881	Nov. 21, 1989
Lilly James		L1724	
Dominion		L1728	
Lookout		L930	
Rattler		L702	

The claim expiry dates for SET 1, 4 and 5 shown above were confirmed at Mineral Title Recording Office, Grand Forks, B.C. The staked claims have been determined to be staked in accordance with prevailing regulations.

Any legal aspects pertaining to the claims is beyond the scope of this report.

3.0 LOCATION AND ACCESS

The SET 1, 4 and 5 claims are located within the historic Phoenix-Boundary Mining Camp in the Greenwood Mining Division. The general area is serviced by readily available paved roads and an all weather mine haulage dirt road between the Phoenix Camp and Lone Star Mine in Washington State. The center of the claim block is at 49° 02' 30" N latitude and 118° 37' 30" W longitude.

Access to the property is conveniently provided by Highway No. 3 and an all weather mine haulage road mentioned above. Numerous new and old logging roads and bulldozer trails criss-cross the entire property area. A fire lookout tower and the Provincial Mineral Monument No. 15 are located at the summit of Mt. Attwood on the northeast side of the property. The property can be reached in less than 40 minutes from Grand Forks.

A four-wheel drive vehicle would be required for access by secondary roads and trails at the higher elevations on the property.

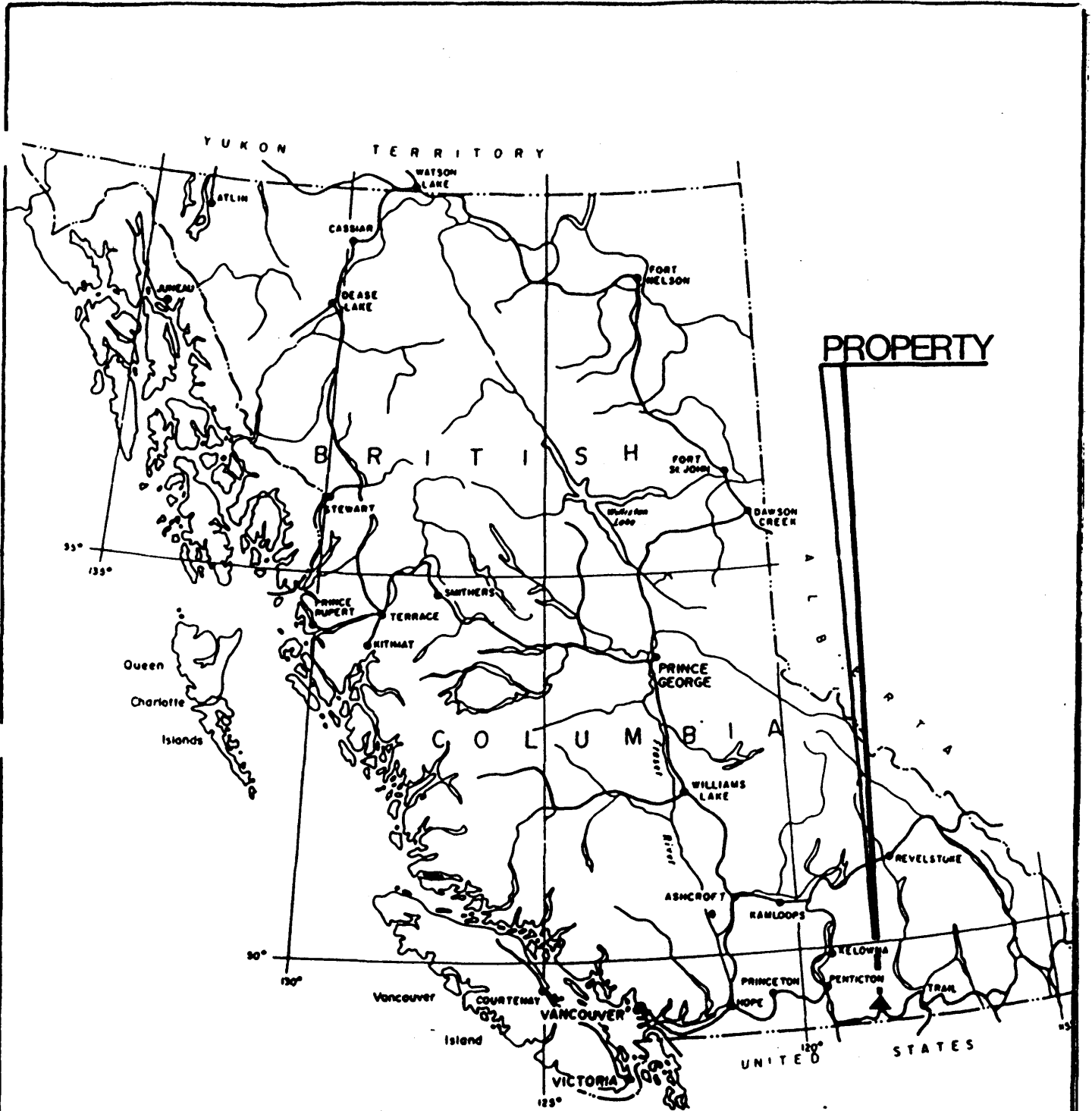


FIGURE 1

SOOKOCHOFF CONSULTANTS INC.			
OSSA RESOURCES LTD.			
SET CLAIM GROUP			
PROPERTY LOCATION MAP			
N T S 82E/2E		Greenwood M D	
DRAWN	PROJECT	DATE Sept. 1988	FIG. 1

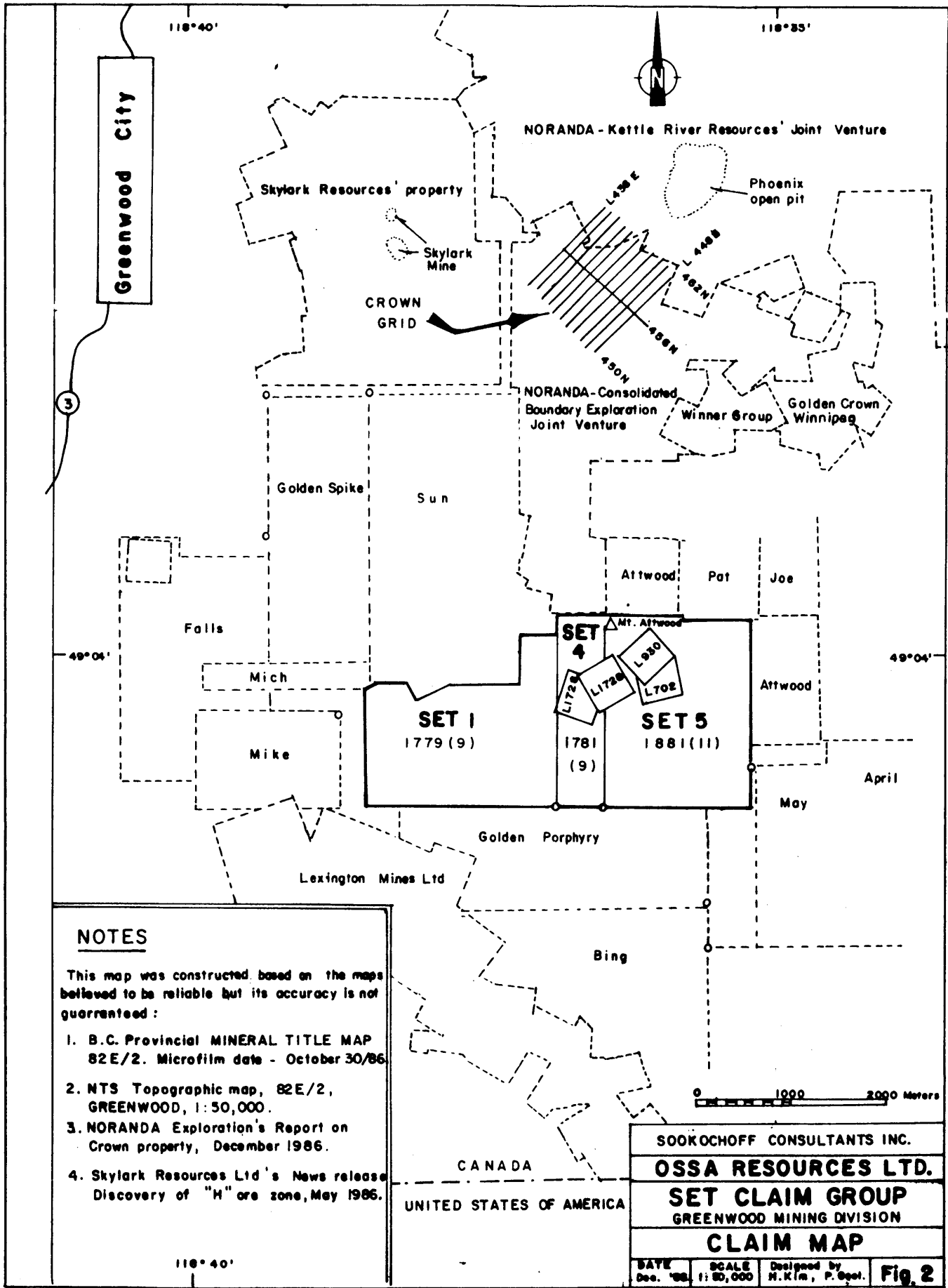
4.0 PHYSIOGRAPHY, CLIMATE, WATER AND POWER

The SET property covers a moderately dipping southward facing slope of Mt. Attwood, 15 air km northwest of Grand Forks near the International border in central south British Columbia. The two prominent topographic features on the property are the westerly flowing McCarran and the easterly flowing May Creeks, divided at the central south end of the property. A road paralleling the two Creeks marks the intervening valley between Mt. Attwood to the north and Mt. Wright to the south.

Relief on the property is 485 m from 1200 m elevation of the McCarran Creek on the southwest corner to the 1685 m at the Mt. Attwood summit to the north. The topography is generally moderate except for local rugged portions on the northern and northwestern sectors of the property. Topographic profile on the property for its entire north to south length ranges from 10 to 25 degrees. The steep slope on the northern part displays reasonable rock exposures, but the greater part of the south of the property is thickly vegetated with scarce outcrops. Vegetation consists of dry, open fir, cedar and pine forest with alpine meadows and low brushes.

The climate is moderately mild with low summer precipitation and moderate winter snowfalls. Annual precipitation is approximately 30 cm. The regional temperature ranges from -15° to $+40^{\circ}$ c. The fresh snow in the area occurs by mid-November and is snowfree by the end of April.

Sufficient water for all phases of the exploration program would be available from McCarran and May Creeks and their numerous upstream tributaries.



NOTES

This map was constructed based on the maps believed to be reliable but its accuracy is not guaranteed:

1. B.C. Provincial MINERAL TITLE MAP 82E/2. Microfilm date - October 30/86.
2. NTS Topographic map, 82E/2, GREENWOOD, 1:50,000.
3. NORANDA Exploration's Report on Crown property, December 1986.
4. Skylark Resources Ltd's News release Discovery of "H" ore zone, May 1986.

SOOKOCHOFF CONSULTANTS INC.		
OSSA RESOURCES LTD.		
SET CLAIM GROUP		
GREENWOOD MINING DIVISION		
CLAIM MAP		
DATE Dec. '86	SCALE 1:50,000	Designed by M.K.M., P. Geol.

Fig. 2

A power line passes through the southern portion of the property with a gas pipeline within one km south of the property.

5.0 TRANSPORTATION AND SUPPLIES

A CPR rail line passes through Grand Forks 12 air km to the east. Skylink Airlines has recently commenced flight service from Vancouver to Grand Forks, Castlegar, 90 km east of Grand Forks is served daily by commercial airlines. Most exploration supplies are obtainable at Grand Forks or Greenwood.

6.0 HISTORY

Adjacent Mines and Deposits

The history of prospecting and exploration in the Phoenix-Boundary Mining Camp dates back to the early 19th century. In 1891 large copper ore deposits were discovered at Deadwood and Phoenix camps, followed by construction of copper smelting plants at Boundary Falls, Greenwood and Grand Forks. The historic Phoenix mine, five km north of the SET property, produced a total of 30 million tons averaging 0.85% copper, 0.033 oz/ton gold, and 0.20 oz/ton silver during the initial production period from 1900 to 1919 and subsequently from 1957 to 1978.

The three major copper smelters mentioned above accepted any gold-silver bearing ore from the surrounding areas for custom milling, and this enabled a swarm of small mining operations to exist in addition to the main copper mines at Phoenix, Deadwood, Motherlode, etc. This probably triggered numerous lode gold

prospects in the area. The Winnipeg-Golden Crown, three km northeast of the SET was reportedly the largest former gold producer in the area. Reported production from the properties is:

Winnipeg - 58,772 tons, grading 0.2 oz/ton gold
0.62 oz/ton silver and
0.16% copper

Golden Crown - 2,742 tons, grading 0.45 oz/ton gold
0.82 oz/ton silver and
1.53% copper

Exploration at the Winnipeg Golden Crown resumed in 1965 and had been periodically operational until 1980. From 1983 to the present, active exploration continued on the properties resulting in 40,000 tons of drill indicated reserves grading 0.3 oz/ton gold based on subsurface data, from underground workings and 6,000 m of diamond drilling in 80 holes.

Recently active exploration in the area included the Grenoble Lexington property two km southwest, the Athelstan-Jackpot Mine two km northeast, the Sylvester K five km north and the Crown three km due north. The 1986 exploration on the Crown included extensive geochemical and geophysical surveys, followed by trenching and diamond drilling. The exploration program was carried out by Noranda Mines Ltd. The rusted sheared structure with quartz veining disclosed by Noranda's exploration attains up to 11 m in true width with significant gold values. The results of channel samples at Trench CR-86-2, were weighted average 7.62 grams/ton gold over a total length of 11 m across the structure.

Exploration on the Crown and Sylvester K properties is currently in progress by Noranda Mines.

SET PROPERTY

The two contiguously located claims, SET 1 and SET 4, were reported to be staked initially by Mervin Boe, prospector, on September 5, 1979. The SET 4 claim overlaps two crown granted claims, Lilly James (L1724) and Dominion (L1728). Quadex Resources Ltd. of Vancouver, B.C. optioned the SET 1 and 4 claims from Mervin Boe.

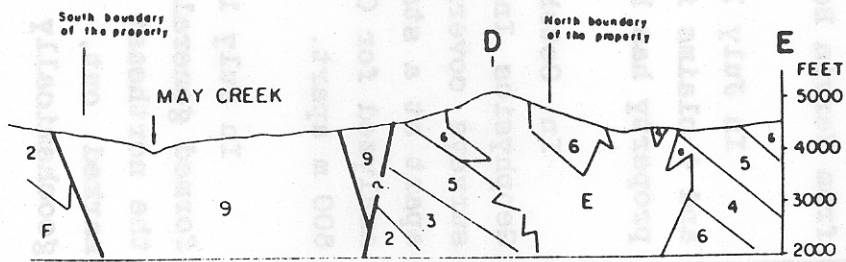
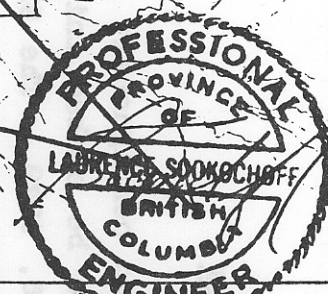
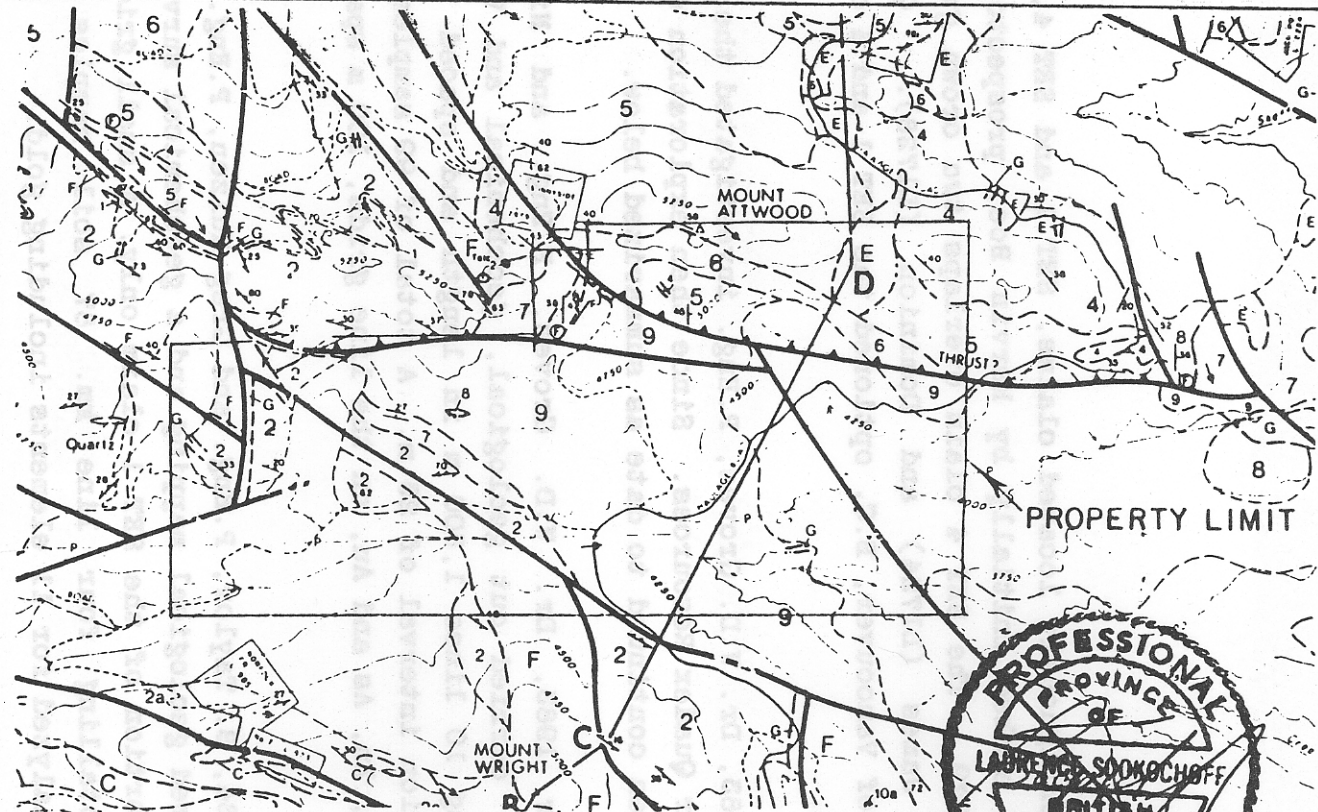
In July 1983, Dr. W.D. Groves, P.Eng. investigated the SET 1 and 4 claims for Quadex Resources. Since then exploration on the property has been continued to date as summarized below.

In October 1983, Dr. W.D. Groves, P.Eng. and Nielsen Geophysics Inc. carried out geological, geochemical and VLF-EM surveys covering 10 lines 1,500 m in length and spaced 250 m apart at a station interval of 25 m. A total of 99 samples were analyzed for Cu, Zn, As and Au, on the line grids, 100 m spacing, 500 m apart.

In July 1984, B. Taylor, P.Eng. and Greg Huizen, P.Eng. performed generalized geological mapping and a geochemical survey on the northeast portion of the SET 1 claim only. A small grid was marked out, totalling four line km. 87 soil samples were geochemically analyzed for 11 elements including gold.

In January, 1985, L. Sookchohoff, P.Eng. conducted a geological evaluation on the SET 5 claim. A three stage exploration program of geochemical, geophysical and geological surveys and subsequent trenching and diamond drilling was recommended.

- LEGEND**
- BEDDED ROCKS**
- POSTURBY**
- POSTURBY GROUP**
- 13 BARREN FORMATION (NAME AND NUMBER) BROWN MICROSCHISTALINE SANDS WITH MICROCROSTALS
 - 14 SHINY LAGE 2 ZEPHYRUS TUFFS (NAME AND NUMBER) PULSATE SHALES AND SLATES
 - 11 PELLET LAGE MEMBER PURPLE BASIC PHOENIXITE MOTTLED GRAY SHALES
 - 10 KETTLE BASIN FORMATION (NAME AND NUMBER) SANDSTONES SOME CONGLOMERATES AND SHALE SANDS WITH TUFFY TUFF SPINDLEDRAGON FORMATION
- TRIASSIC**
- GOODWIN GROUP**
- 9 SANDSTONE FORMATION (NAME AND NUMBER) SANDSTONE AND GREEN CLAYEQUILIBRIUM
 - 8 LIMESTONE AND INTERCALATED ARGILLITE
 - 7 SANDSTONE CONGLOMERATE INTERCALATED SANDSTONES AND SHALES
 - 6 SHALE
- PRE-TRIASSIC**
- STURGEON GROUP**
- 5 METAVOLCANIC (NAME AND NUMBER) METACRYSTALLINE METAMORPHOSIS GRANITE AND GNEISS
 - 4 BLACK SHALE CRETACEOUS/LIMESTONE
 - 3 SANDSTONE CONGLOMERATE CHEST GREENISH AND SANDSTONES
- BARRETT COMPLEX**
- SHAW HILL GROUP**
- 2/20 (NAME AND NUMBER) METACRYSTALLINE METAMORPHOSIS GRANITE AND GNEISS IN BLOCKS
 - 1
- IGNEOUS intrusions**
- POSTURBY**
- H CORNELL FORMATION (NAME AND NUMBER) GRANITE AND GNEISS
 - G GRANITE MONZONITE PULSATE
- ORISSA**
- F ULTRABASIC SERPENTINE LITHANITE
 - E GRANODIORITE
 - D GABBRO
 - C QUARTZ FELDSPAR PORPHYRY
- TRIASSIC**
- B MICROCROSTALS
 - A OLD QUARTZ



* B.N.CHURCH June 1985

After B.N.Church(1985)
GEOLOGICAL CROSS SECTION

OSSA RESOURCES LTD.				
SET CLAIM GROUP GREENWOOD M. D.				
REGIONAL GEOLOGY*				
SCALE	DATE	NTS	Compiled By	Fig. 3
1:25,000	JANUARY 1987	82E/2E	H K / L S	

In October-November 1986, geological, geochemical and geophysical surveys were completed by Ossa Resources on the SET 4 and SET 5 claims. The northwest quadrant of the property (SET 1) was excluded from the 1986 program, but a geological reconnaissance was performed by H. Kim, P.Eng.

Development on the property is limited, composed mainly of short adits and shallow shafts in the Overlander workings in the northeast and Lookout claims, about 1,000 m west of the Overlander workings. These prospect shafts and adits were apparently developed in the late 1950's. The Overlander workings, in which a narrow but persistent northwest trending structure with significant gold values is traced over a strike length of 200 m, are first reported by V. Cukor, P.Eng. in February 1983 for Corinthian Resources Ltd. Cukor (1983) showed the mineral occurrences (Overlander) as located on a crown granted claim (Lookout - L930). However, the location of this showing should be revised to the present position of this report as described in the succeeding chapter.

7.0 GEOLOGY

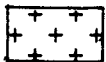
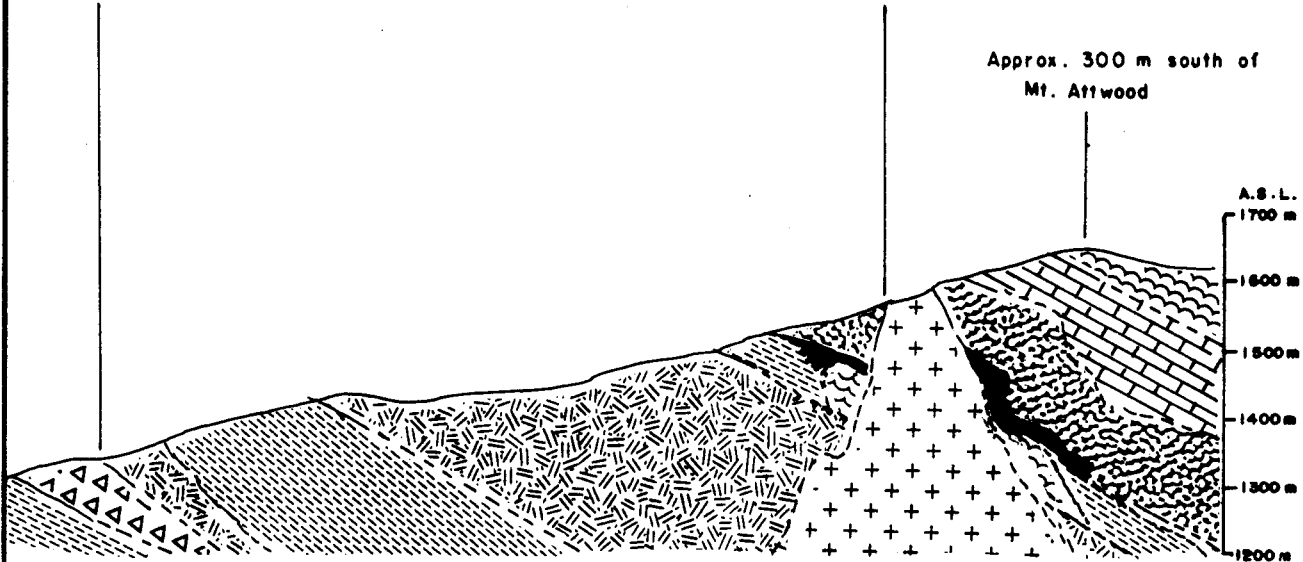
A 1985 Provincial Map No. 59 accompanying paper, "Geology and Mineralization in the Mount Attwood - Phoenix Area" by B.N. Churu updates the regional geologic information in the area. A portion of this map is presented in Fig. 3 of this report. As seen on the map, the Triassic Kolt Formation of the Brooklyn Group, occupying most area of the property, is in fault contact with older Attwood and Knob Hill Group rocks of Permo-Carboniferous age. Church (1985) gives specifically a geological description related to the SET 1 claim geology:



BASELINE 500 N

BASELINE 1500 N

Approx. 300 m south of Mt. Attwood



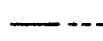
GRANODIORITE



Idealized Mineralization



LIMESTONE



Geological Contact,
defined & extrapolated



SKARN &/or LIME SILICATE



ARGILLITE (massive or bedded)



GREENSTONE (flows or tuffs)



FRAGMENTAL GREENSTONE
(Andesite breccia)



CHLORITE SCHIST, AMPHIBOLITIC
SCHIST, Minor Muscovite schist &
quartzite, locally phyllitic phase

SOOKOCHOFF CONSULTANTS INC.

OSSA RESOURCES LTD.

SET CLAIM GROUP
GREENWOOD MINING DIVISION

GEOLOGICAL PROFILE
Along Line 200W

DATE	SCALE	DRAWN BY
January '87	1:10,000	J.L. Dretting

FIG. 5

"A relatively complete, but apparently inverted and down faulted, Triassic section (Brooklyn Group) is viewed on the upper slopes of Mt. Attwood one kilometre southwest of the east summit. At this location a wedge of Brooklyn limestone (8) about 50 metres thick and dipping westerly, is sandwiched between Eholt Volcanics (9) structurally below, and a 110-metre-thick cap of sharpstone conglomerate (7) above."

Fig. 4 (in pocket) presents the local geology of the property based on field observations along the grid flaglines except for most of the SET 1 claim area which was excluded from the 1986 line grid survey. As described in the preceding section (6.0). History, the SET 1 and partial SET 4 were previously covered by the 1983 and 1984 geological, geochemical and geophysical programs. Consequently, a portion of the geology on the SET 1 was adapted from maps of Church (1985) and Grove (1983) based on the author's reconnaissance mapping on the logging trails.

The 1986 line-grid area (SET 4 and 5) for the most part is underlain by the Triassic Eholt Formation of Brooklyn Group consisting primarily of green volcanic breccias and volcanoclastic rocks. In the property area, the Eholt Formation is represented by greenstone, fragmental greenstone, argillite and chert. The upper slopes near the west summit of Mt. Attwood are mapped as Brooklyn argillite and limestone with skarnification resulting from the Greenwood granodiorite intrusion related to Cretaceous Nelson Intrusions. A generalized geologic profile along 200 W in a north south direction is shown on Fig. 5.

On the northeastern sector of the property at line-grid coordinates of 1200E and 1400N, cream colored chert is intruded by

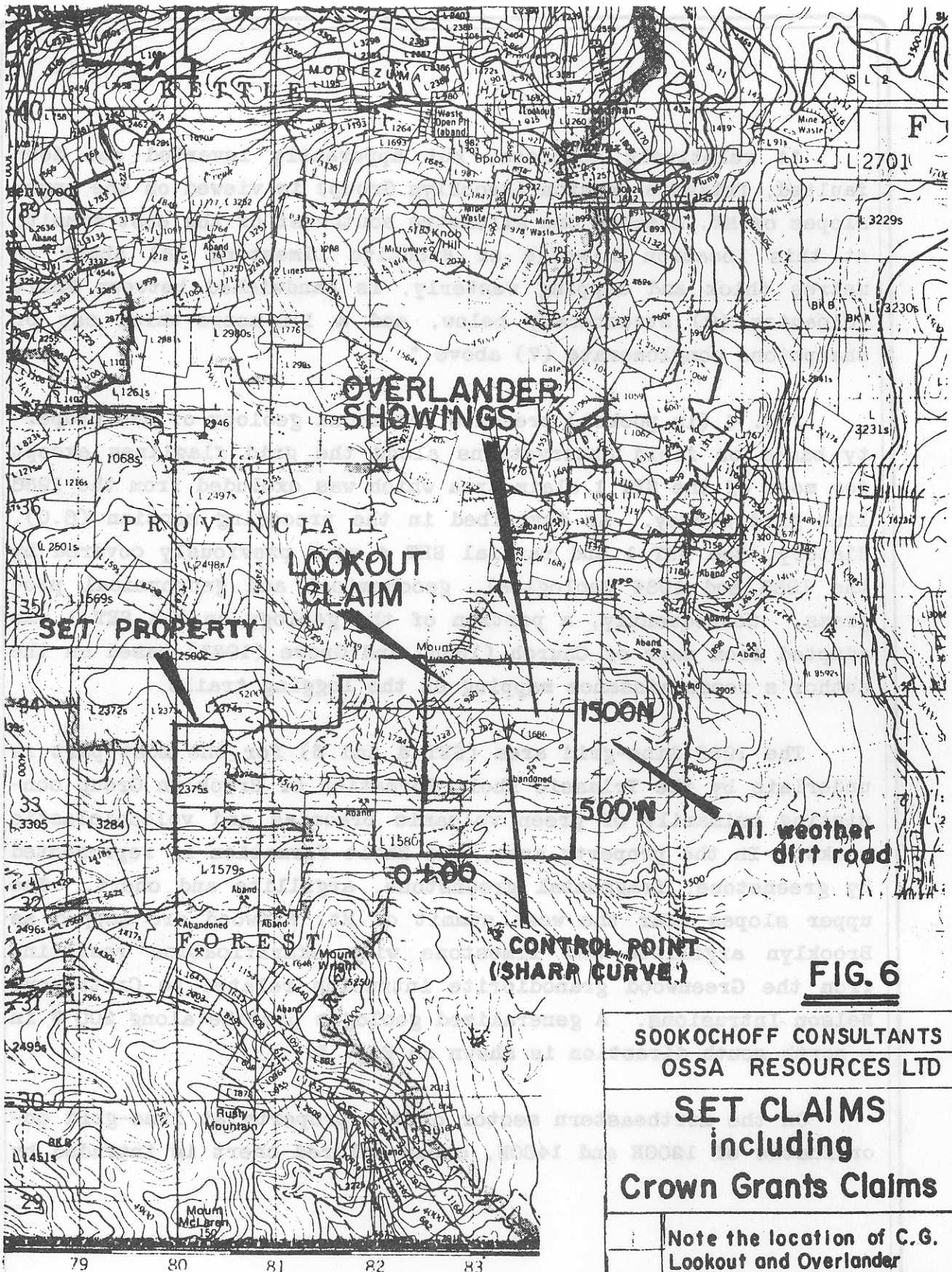


FIG. 6

SOOKOCHOFF CONSULTANTS	
OSSA RESOURCES LTD	
SET CLAIMS including	
Crown Grants Claims	
Note the location of C.G. Lookout and Overlander Showings relative to control point and line grids. Also note the same on Fig 4.	

the Greenwood granodiorite. Here, cherty rocks hosting quartz veins with significant gold values are rustily weathered, pyro-tized and locally argillized.

Paragneissic rocks or green schists occurring on the property are defined by Church (1988) as the Knob Hill Group rocks.

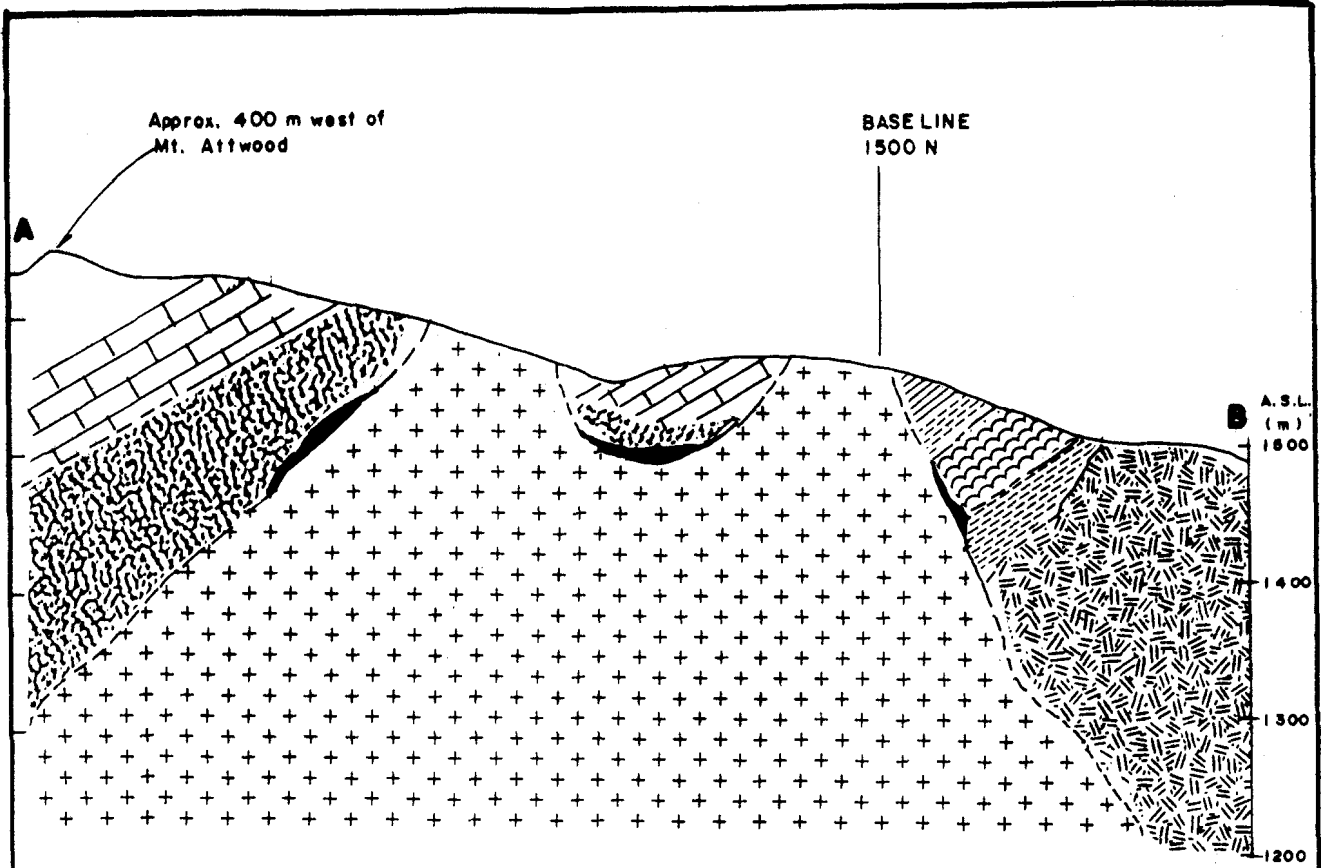
8.0 MINERAL OCCURRENCES

On the SET property two types of mineralization are known to occur: skarn and shear zone associated mineralization with quartz veining. A brief description is as follows:

Skarn Mineralization

On the line grid coordinates of 1000E and 900N, an old mine dump site is located at and immediately below the all weather mine haulage road to Lone Star mine. This location is coincident with the position of an abandoned mine shown on NTS 82E/2E, a relevant portion of which is shown in Fig. 6. The dump materials at this location include typical skarn-sulphide mineralization similar to that at the Phoenix open pit or Snowshoe workings. Minerals consist of chalcopyrite, pyrrhotite, malachite, bornite and pyrite with lesser sphalerite, galena and molybdenite. The gangue minerals are quartz, carbonate, garnet, epidote and possibly apatite on a megascopic inspection.

To the southwest of Mt. Attwood, north of Baseline 1500N between lines 0+00 and 200W, limestone and an argillite member of the Brooklyn are invaded by Cretaceous granodiorite resulting in a lime-silicate alteration with local skarnification. Although



LEGEND

- GRANODIORITE (Nelson Intrusion - Cretaceous)**
- SKARN** including lime silicate
- LIMESTONE** including localized marble
- CHERT** including cherty argillite
- ARGILLITE**, massive or bedded
- CHLORITE SCHIST** including amphibolite and quartz schist
- GREENSTONE**, flows & tuffs
- MINERALIZATION**
Schematized



OSSA RESOURCES LTD			
SET CLAIM GROUP GREENWOOD M. D.			
GEOLOGICAL PROFILE Along A - B			
SCALE 1:5,000	DATE Jan. 1987	DESIGNED & DRAWN BY H. K / L.S.	FIG. 7

no economic mineralization is encountered on surface in this skarnized area to date, a potential for classical skarn type mineralization seen elsewhere may not be precluded at depth (Fig. 7), analogous to a metallogenic model depicted by B.N. Church (Fig. 8).

Mineralized Shear With Quartz Veining

This type of mineralization is represented by the Overlander showings (Fig. 9). B.N. Church (1985) gives a plausible note as to a metallogenic model related to the Overlander showings. Shown on Fig. 3, "the intricate and extensive fissure system of the Mt. Attwood-Phoenix area provided the necessary channelways leading metaliferous solutions to the ore deposits. In this model the igneous intrusions (Greenwood granodiorite stock) served principally as heat engines in the process of convection and dispersion of the solutions." As seen on Fig. 9, the Overlander structure is traced over a strike distance of 120 m. Trenching the southerly projected vein structure was not successful due to a thick surficial cover (6 m) and digging limit of the machine (D-6 backhoe). Detailed geological sketches of the showings are presented on Figs. 11 and 12. Since Figs. 9, 11 and 12 are self-explanatory, a geological description is not required. As stated in the preceding section (6.0 - HISTORY), V. Cukor, P.Eng. documented a two page short geological report on one crown granted claim, namely "Lookout", with Lot #930 for Corinthian Resources Ltd. in February 1983, accompanied by "Plan of Old Workings - Lookout Claim". Locations of adit, shafts, trenches and bulldozer trail and the assay results of Cukor's Lookout showings are perfectly matched with those of the Overlander workings of this report. A new trench was out on the vein structure between

METALLOGENIC MODEL

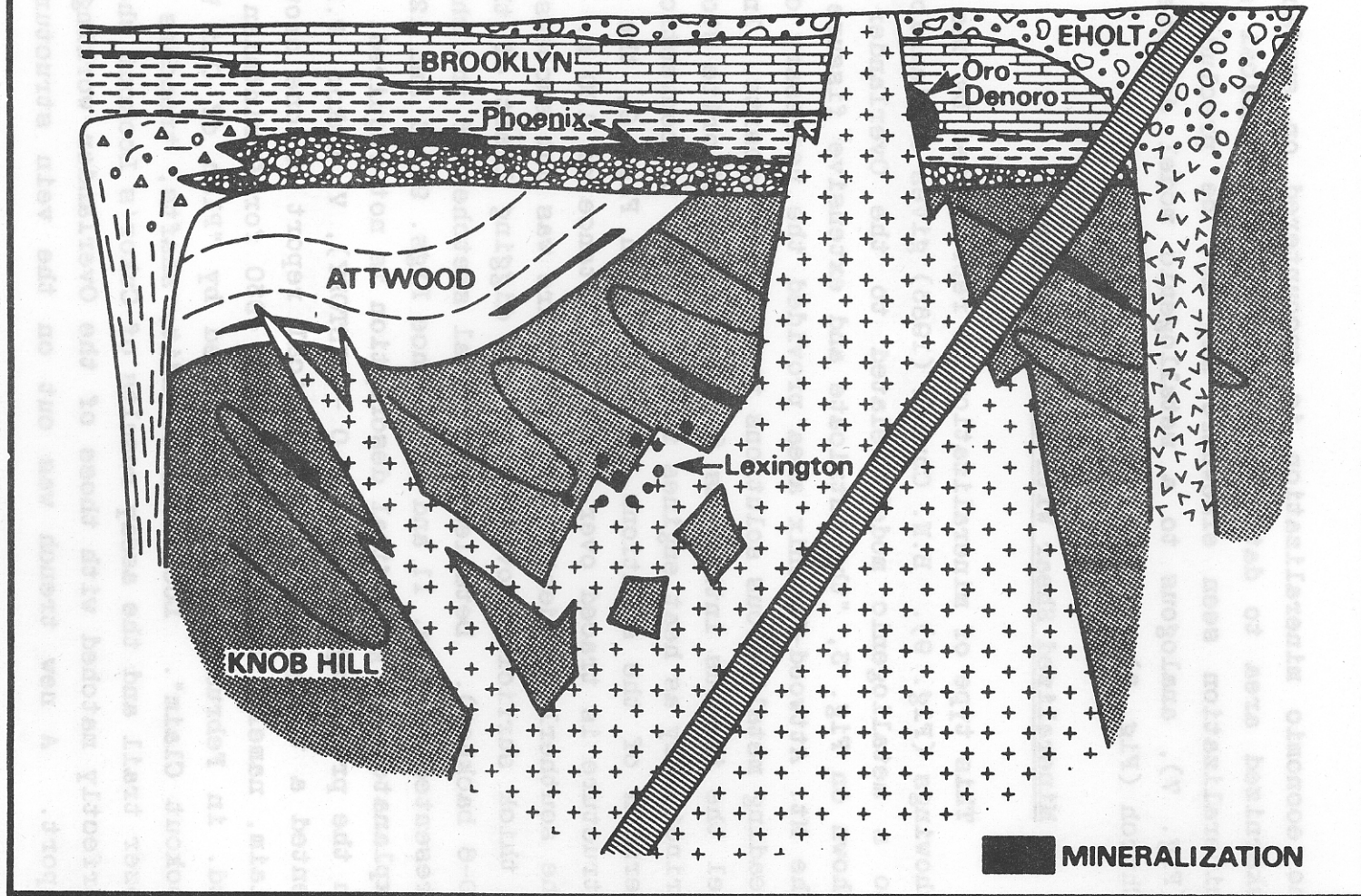


Fig. 8
After B. N. Church (1985)

Cukor's Sample Nos. (shaft) and 0437 (adit) and the respective assay results are shown in this report (LS3 and LS4). The name of "Overlander" is quoted from Stan Ruzika, an old prospector who is familiar with the general area.

Most of the Overlander showings occur as buff brown, mottled and locally carbonatized quartz, but in places as rustily weathered shear and pyritized gouge.

In the Lookout claim, north of Baseline 1300 N between Lines 200E and 400E, several workings in limited extent are located scatteringly at random directions. Due to a thick snow cover at the date of investigation of this area, it was not possible to observe the detailed geology of the showings. A total of seven samples were obtained from the veins and dumps, but none returned attractive gold values.

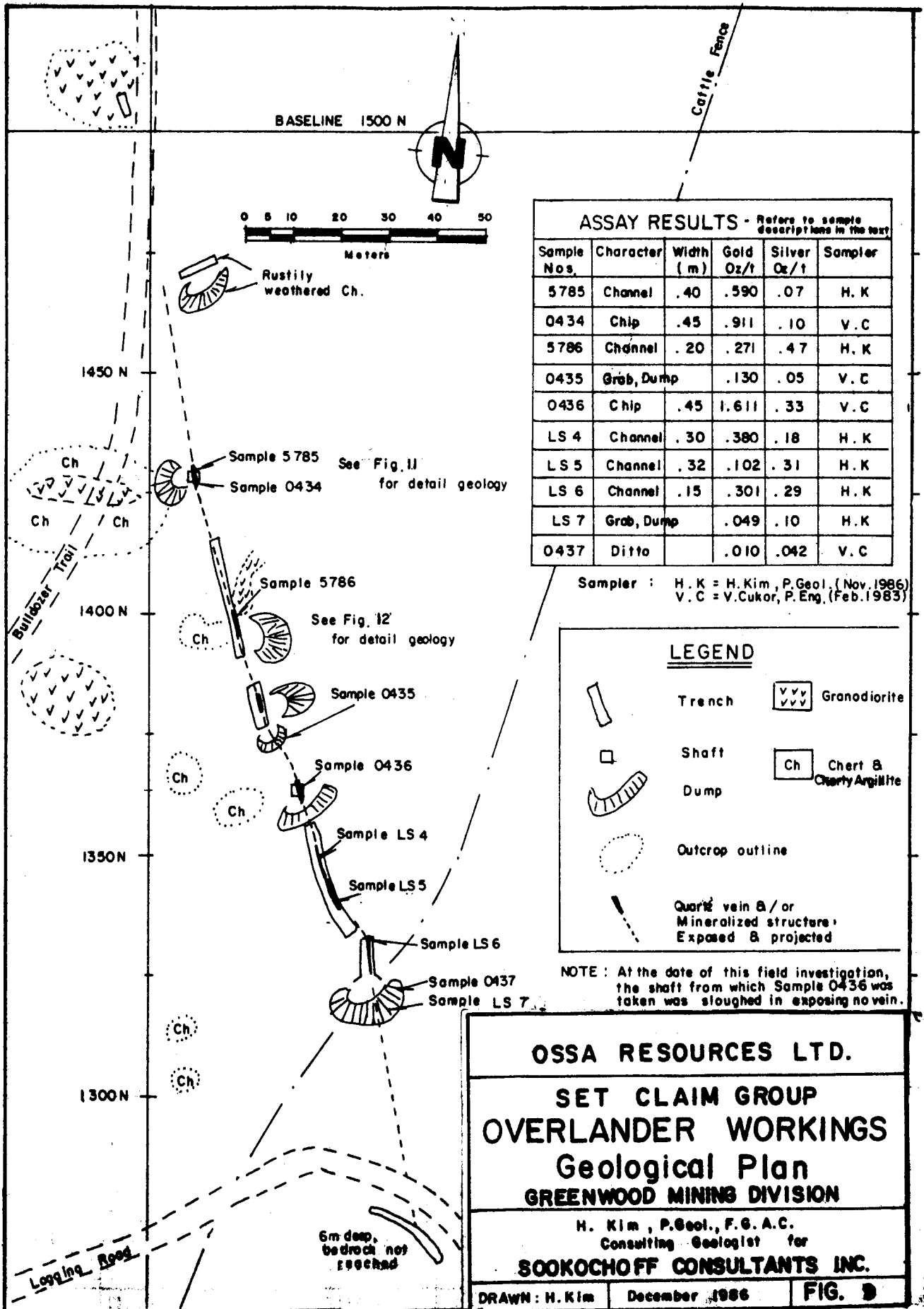
Three additional quartz vein systems are observed at different locations, several hundred meters apart and are shown on Fig. 4. The respective assay results with sample descriptions are shown in the following chapter. The most impressive one is sample LS-15 from the rusted quartz vein outcrop which returned .449 oz/ton in gold and .17 oz/ton in silver across the vein width of 2.5 m. Whether this outcrop is within the SET property could not be verified.

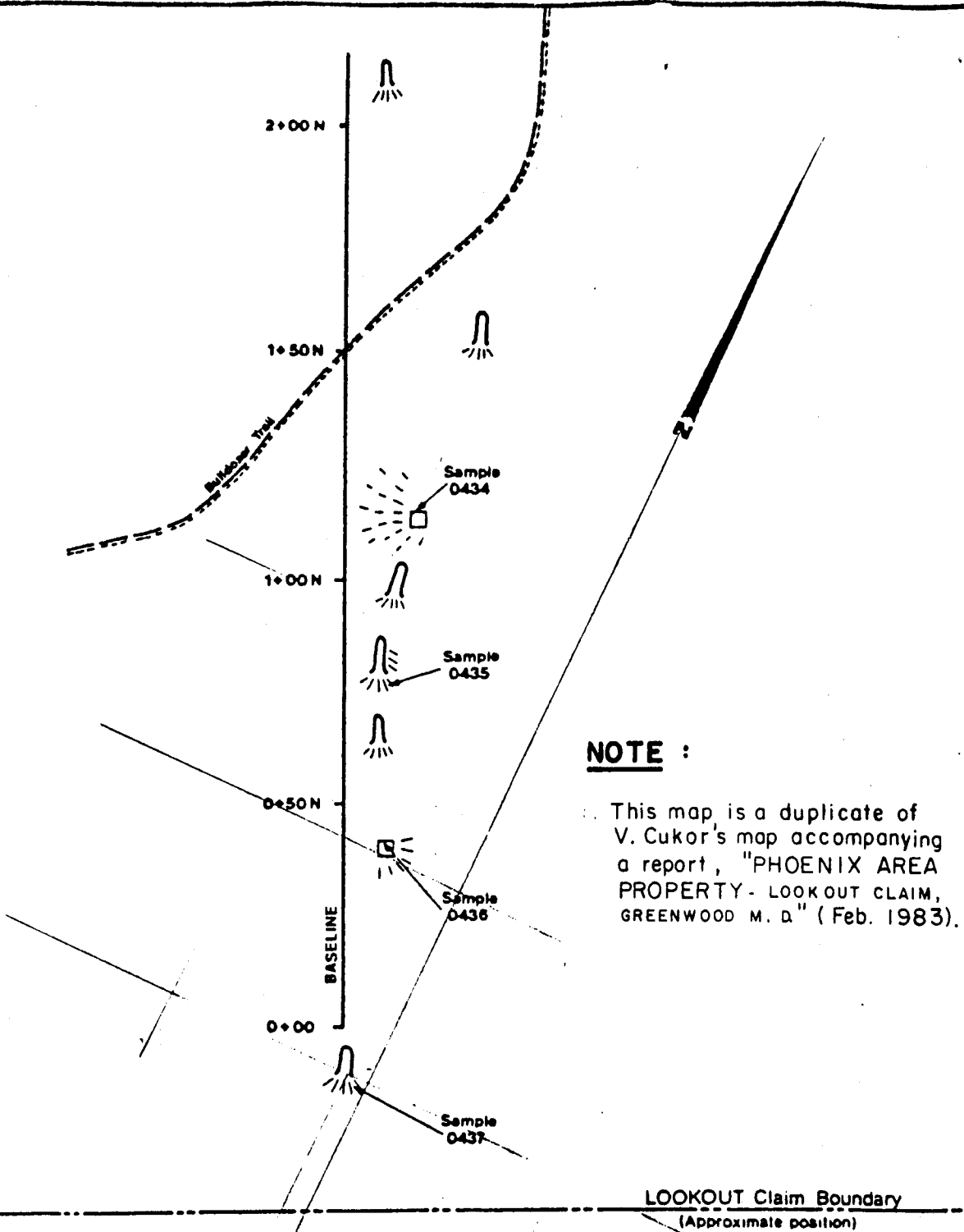
9.0 ASSAY RESULTS

A total of 24 samples were picked from the showings within the property by the authors and the respective assay results are tabulated in the following table. The four samples by V. Cukor, P.Eng. (Feb. 1983) are also incorporated in the table (samples 0434-0437).

TABLE 2 - ASSAY RESULTS

<u>Sample Nos.</u>	<u>Width (m)</u>	<u>Location</u>	<u>Sample Description</u>	<u>Au Oz/Ton</u>	<u>Ag Oz/Ton</u>
5785	.4	1200E/1400N	Channel sample, rusted quartz 20 cm buff brown dry gouge 20 cm	.590	.07
5786	.2	1200E/1400N	Channel, rusted, mottled quartz	.271	.47
0434	.45	1200E/1400N	Chip, quartz vein close to sample 5785	.911	.10
0435		1200E/1400N	Grab, from quartz muck pile	.130	.05
0436	.45	1200E/1400N	Chip, quartz vein from shaft (Caved 7m 1986)	1.611	.33
0437		1200E/1400N	Grab, from muck pile	.010	.042
LS-1	.2	1350E/950N	Chip, quartz vein	.010	.001
LS-3		1000E/330N Abandoned mine	Grab, Garnetite skarn ore with sulphides and quartz blebs	.182	.380
LS-4	.3	Overlander	Channel, quartz vein 20 cm brown, dry gouge 10 cm	.380	.180
LS-5	.32	Overlander	Channel, quartz vein with pyrite dissem.	.102	.310
LS-6	.15	Overlander	Channel, quartz vein with chalcopyrite and pyrite	.301	.290
LS-7		Overlander	Grab, quartz muck pile	.049	.10
LS-8		720E/540N	Grab, rusted quartz muck pile	.02	.001
LS-9	.3	About 100 m NW of 1200W /800N	Channel, white quartz vein in schist	.03	.001
LS-11	.5	800W/1300N	Chip, black serpentine and rusted schist	.01	.001







NOTE :

This map is a duplicate of V. Cukor's map accompanying a report, "PHOENIX AREA PROPERTY - LOOKOUT CLAIM, GREENWOOD M. D." (Feb. 1983).

LEGEND

-  Trench
-  Shaft


CORINTHIAN RESOURCES Ltd		
LOOKOUT CLAIM		
PLAN OF OLD WORKINGS		
GREENWOOD M.D. B.C.		NTS 82 E/2W
V. CUKOR, P.Eng. - NVC ENGINEERING Ltd. - VANCOUVER, B.C.		
DATE: February 1983	SCALE: 	FIG. 10

TABLE 2 - ASSAY RESULTS (cont'd)

LS-12	.3	800W/1300N	Chip, rusted schist with quartz veinlets	.01	.001
LS-14	1.5	About 950 m west of Mt. Attwood	Chip, rusted mottled quartz vein	.07	.001
LS-15	2.5	About 1100 m west of Mt. Attwood	Chip, highly rusted quartz vein	.449	.17
LS-15A	.3	Northwest of SET 1	Grab, quartz muck pile	.03	.001
LS-16		400/580N	Quartz float 30 cm	.01	.001
LS-17		100/1500N	Grab, rusted bleached rock from muck pile	.01	.001
4183	7.0	250E/1200N	Chip, quartz outcrop	.001	.01
4184	.3	North of baseline 1500N (Lookout)	Chip, quartz vein	.007	.02
4185	.3	North of baseline 1500N (Lookout)	Chip, quartz vein with pyrite stringers	.004	.01
4186			Grab, quartz muck pile	.004	.07
4187		250E/1850N	Grab, quartz muck pile	.001	.01
4188		540E/1550N	Grab, quartz muck pile	.014	.08
4189	.25	540E/1550N	Chip, quartz vein	.001	.02

* Sample LS-3 - 5.28% Cu .02% Zn
.01% Pb .014% Mo

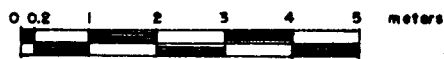
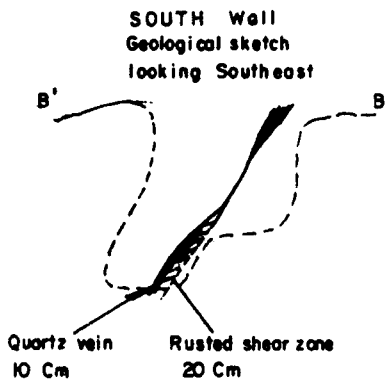
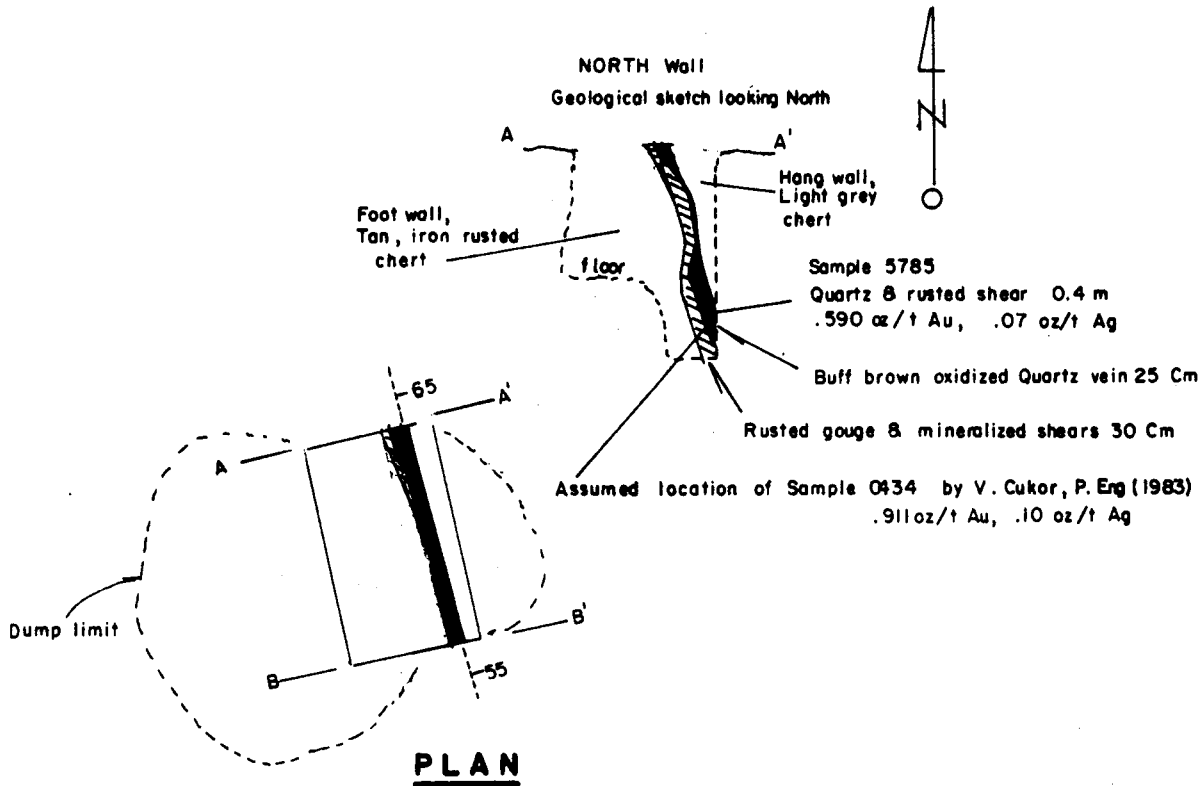


FIG. II

GEOLOGICAL SKETCH
Shaft, 10 m east of Line Grid
Coordinates 1425N
1200E

SET CLAIM GROUP
GREENWOOD M.D.

Mapped & drawn by H. Kim, P. Geol., F.G.A.C.
SOOKOCHOFF CONSULTANTS INC.
December 14, 1986

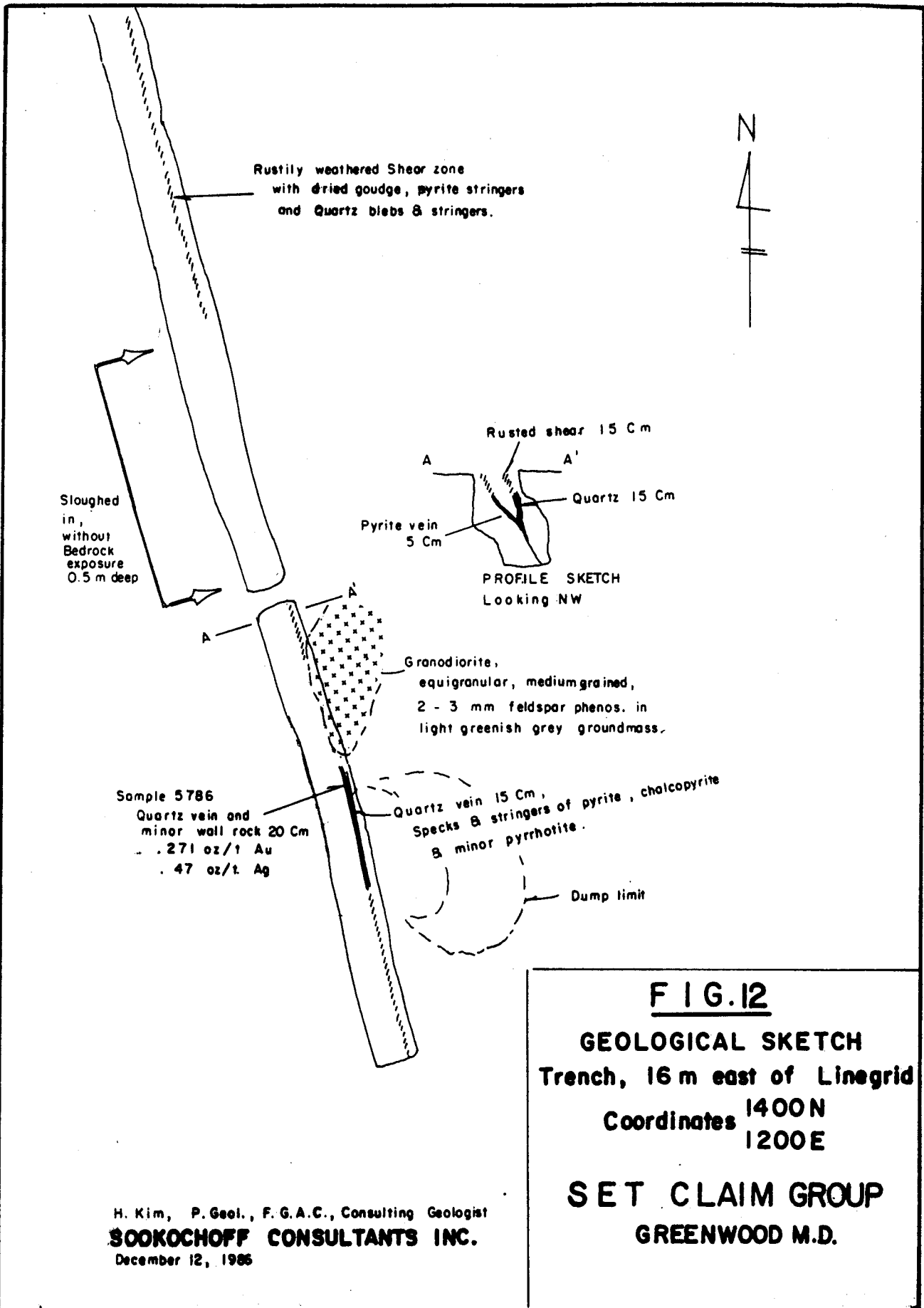


FIG.12

GEOLOGICAL SKETCH
Trench, 16 m east of Linegrid
Coordinates 1400N
1200E

SET CLAIM GROUP
GREENWOOD M.D.

H. Kim, P. Geol., F. G. A. C., Consulting Geologist
SOOKOCHOFF CONSULTANTS INC.
December 12, 1986

10.0 GEOCHEMICAL AND GEOPHYSICAL SURVEYS

Geochemical Survey

A geochemical survey carried out over the SET claim group (Fig. 13 Compilation Map) disclosed one prime correlation anomalous area "A" and a cluster of correlative anomalous zones in areas "B".

Anomaly A - is basically a one line (1400N) 200 meter long (N-S) anomaly open to the north with fingers extending westward to line 1200 N. The anomaly occurs in proximity to and to the east of the Overlander workings where a 120 meter long gold bearing mineralized quartz vein occurs. The anomaly is of basic anomalous arsenic values (736.6 ppm in a background of 14 ppm) with correlative anomalous zinc values over two lines open to the north.

Outcrop is absent in the anomalous area. The causative source of the anomaly can only be suggestive of an intrusive or skarn zone with the potential of arsenopyrite bearing (and gold?) minerals. The anomalous area indicates potential mineral bearing east-west structures (fracture zones?) with possible down slope contamination. The Overlander workings could occupy northerly trending structures along the edge of the intrusive.

Anomalous area B consists of a number isolated anomalies with occasional double line occurrences of single or multi-element anomalies. The northern anomalies of primarily zinc and/or lead and rare silver occur within a skarned area peripheral to two known granodiorite plugs. A shaft containing rusted bleached rock near the south plug occurs within a zone of schists. Portions of the schists-where mapped-correlate with copper and/or lead and/or silver anomalies.

Very localized anomalies occur in association with trenches on the Lookout claim where quartz veins occur assaying up to .007 oz Au/ton.

The geochemical survey did not cover a north-central area at 1900 N 800 W where a 2.5 meter sample from a westerly trending quartz vein assayed .449 oz Au/ton.

VLF-EM Survey

The VLF-EM survey delineated a general east-west anomalous zone in the north correlating with a mapped chlorite and/or amphibolite and related schist zone. Two strong east-west anomalies correlate with the geochemical anomalous area A substantiating the indicated east-west trending geochemical "finger" zones.

Other anomalous zones could not be interpreted mainly due to lack of geology and geochemical expression in the southern portion of the claim group where excessive overburden provides a masking effect.

A power line passing east-west across the south of the property is the cause for the erratic values in this area.

Magnetometer Survey

In the prime correlative anomalous area B the magnetometer survey disclosed a series of peripheral mag lows to the north and west and to a lesser extent to the southeast where an absence of outcrops makes interpretation difficult. A southeast and southwest mag low correlates with a schist, thus indicating the other

mag lows may be shear related structures. If such were the case, a mag low correlating with anomalous zinc and lead values at 1900 N and between 100 W and 400 W should be examined for structurally controlled mineralization. A similar more localized area of a mag low in an anomalous schist area would be of similar interest.

In anomalous area A a small mag low occurring at the western extent of a finger of anomalous silver-lead-arsenic values and correlating with a VLF-EM anomaly would be of interest.

I.P. Survey

Two test lines of IP were completed by Geotronics Surveys Ltd. of Vancouver. The purpose of the first line was to test a garnet skarn zone along the main road at 8+50 N. The results of the survey (Mark 1986) revealed an anomaly reaching a high of 7.3 ms occurring to the immediate west of the skarn outcropping. The highest values are at the fourth separation suggesting higher values may occur at depth. The IP anomaly correlates with a resistivity high which could be reflecting a possible intrusive or a silicified area.

A second IP anomaly occurring at the north end of the IP profile and reaching a high of 10.9 ms in a background of two meters also correlates with a resistivity high.

A second IP line on line 8+00E from 11+75N to 14+90N resulted in a significant anomaly over 120 meters reaching a high of 27.6 ms in a background of three ms. The high at the northern end is

open and decays gradually to 8.3 ms at the beginning of the anomaly. This gradual decrease could reflect a skarny zone with increasing silicification to an intrusive. The anomaly occurs within an argillite zone which could also indicate potential sulphide mineralization within an argillite shear zone adjacent to an intrusive or a Skylark type or Providence type of mineralization.

11.0 RECOMMENDED WORK PROGRAM

1. The anomalous geochem and geophysical areas as determined by the reconnaissance surveys - namely areas A and B should be detailed.

The soil samples should not be screened in analysis and would be tested for gold content. Gold-bearing mineralized areas which were not detected by the reconnaissance surveys should also be detailed.

Upon the location of prime target areas IP surveys would be completed followed by trenching, geological mapping, and sampling and finally test diamond drilling of the zones of greatest economic mineral potential.

IP surveys should also be extended from the completed surveys (1987) to close the open ended anomalies. Detailed geochem surveys should also cover the 1987 anomalies IP areas.

12.0 ESTIMATED COSTS**STAGE I**

Geochem (detailed)	1000 samples @ \$18	\$18,000
Geophysical Surveys (VLF-EM) Allow		5,000
IP Surveys		10,000
Trenching (Hydraulic/backhoe) 100 hours @ \$100/hr		10,000
Geological mapping and sampling		5,000
Associated field expenses		2,000
Engineering and supervision		6,000
Contingencies		<u>4,000</u>
		<u>\$60,000</u>

STAGE II

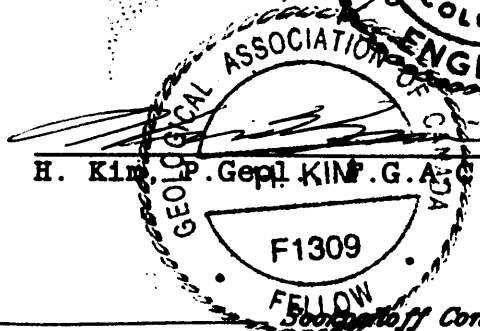
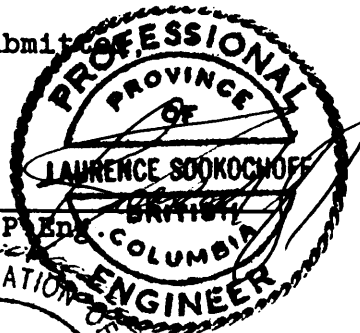
Test diamond drilling on Overlander		
500 m @ \$100/m		\$50,000
Logging/sampling core		4,000
Associated expense (accommodation, field supplies, etc.)		3,000
Engineering and supervision		4,000
Contingencies		<u>5,000</u>
	TOTAL	<u>\$66,000</u>
	TWO STAGE TOTAL	<u>\$126,000</u>

Stage II would only be initiated upon the completion and encouraging results of Stage I.

Respectfully submit

L. Sookchohoff, P. Eng.

H. Kim, P. Geol. KIM, G.A.S.C.



13.0 SELECTED REFERENCES

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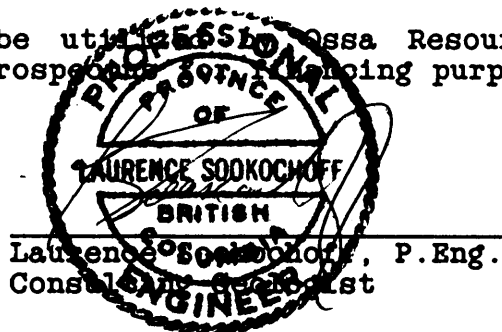
CERTIFICATE

I, Laurence Sookochoff, of the City of Vancouver, in the Province of British Columbia, do hereby certify:

That I am a Consulting Geologist and principal of Sookochoff Consultants Inc. with offices at #609-837 West Hastings Street, Vancouver, B.C., V6C 1B6.

I further certify that:

1. I am a graduate of the University of British Columbia (1966) and hold a B.Sc. degree in Geology.
2. I have been practising my profession for the past twenty years.
3. I am registered and in good standing with the Association of Professional Engineers of British Columbia.
4. The information for this report was obtained from sources as cited under References and from supervision of the exploration surveys reported on herein.
5. I have no direct, indirect, or contingent interest in the property described herein nor in the securities of Ossa Resources Ltd., nor do I expect to receive any.
6. This report can be utilized by Ossa Resources Ltd. for publication in a Prospectus for financing purposes.

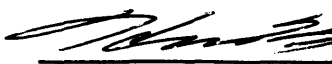


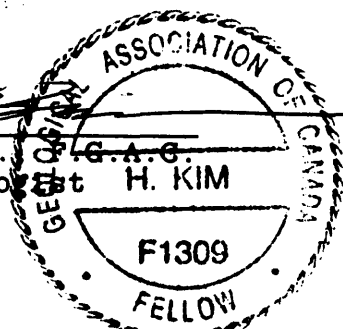
January 20, 1987
Vancouver, B.C.

CERTIFICATE

I, Hun Kim, with a business address in the City of Vancouver, B.C. do hereby certify that:

1. I am a consulting geologist and registered in the Geological Association of Canada (Registration #F1309).
2. I am a registered, licensed member, in good standing, of the Association of Professional Engineers, Geologists and Geophysicists in the Province of Alberta (Registration #5848).
3. I am a graduate of Seoul University (1958) holding a B.Sc. degree in Geology and have completed one year of post graduate studies for a Master of Science degree (1960).
4. I have practised my profession for 16 years in Canada, and for seven years in foreign countries per the US Agency of International Development overseas project for the U.N. and assessed about 200 different metallic and non-metallic mines and properties including 104 precious metal deposits.
5. I have been a mine geologist with Granby Mining's Phoenix Division near the property for several years prior to 1977. This report is based on the writer's recent visit to the property for twenty days during October 1986 plus available maps and reports from government and private sources on the region.
6. I have no interest, direct or indirect, in the properties described herein, nor in the securities of any company involved, nor do I expect to receive any interest in the future.
7. I hereby give my consent to Ossa Resources Ltd. to reproduce this report or any part thereof for financing purposes; provided, however, that no portion may be used out of context in such a manner as to convey a meaning which differs from that set out in the whole.


 H. Kim, P. Geol. C.G.A.G.
 Consulting Geologist H. KIM



January 20, 1987
 Vancouver, B.C.

APPENDIX I

ASSAY CERTIFICATES

ACME ANALYTICAL LABORATORIES LTD.

DATE RECEIVED JAN 9 1987

852 E. HASTINGS, VANCOUVER B.C.

PH: (604) 253-3158 COMPUTER LINE: 251-1011

DATE REPORTS MAILED

Jan 9/87

ASSAY CERTIFICATE

SAMPLE TYPE : PULP

ASSAYER

D. Toye

DEAN TOYE , CERTIFIED B.C. ASSAYER

SOOKOCHOFF CONSULTANTS FILE# 86-3789 R

PAGE# 1

SAMPLE	Mo %	Cu %	Pb %	Zn %
LS SILICA #3	.014	5.28	.01	.02

ACME ANALYTICAL LABORATORIES LTD.
852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
PHONE 253-3158 DATA LINE: 251-1011

DATE RECEIVED: NOV 24 1986

DATE REPORT MAILED: *Nov 27/86*

ASSAY CERTIFICATE

SAMPLE TYPE: ROCK CHIPS AU 10 GRAM REGULAR ASSAY

ASSAYER: *D. Toye* DEAN TOYE. CERTIFIED B.C. ASSAYER.

SOOKOCHOFF CONSULTANT

PROJECT-OSSA FILE# 86-3789

PAGE 1

SAMPLE#	Ag OZ/T	Au OZ/T
LS SILICA #1	.01	.001
LS SILICA #3	.48	.182
LS SILICA #4	.18	.380
LS SILICA #5	.31	.102
LS SILICA #6	.29	.301
LS SILICA #7	.10	.049
LS SILICA #8	.02	.001
LS SILICA #9	.03	.001
LS SILICA #11	.01	.001
LS SILICA #12	.01	.001
LS SILICA #14	.07	.001
LS SILICA #15	.17	.449
LS SILICA #15 <A>	.03	.001
LS SILICA #16	.01	.001
LS SILICA #17	.01	.001

ACME ANALYTICAL LABORATORIES LTD.
852 E. HASTINGS, VANCOUVER B.C.
PH: (604)253-3158 COMPUTER LINE:251-1011

DATE RECEIVED OCT 31 1986

DATE REPORTS MAILED *Nov 5/86*

ASSAY CERTIFICATE

SAMPLE TYPE : ROCK - CRUSHED AND PULVERIZED TO -100 MESH.

ASSAYER *D. Toye* DEAN TOYE , CERTIFIED B.C. ASSAYER

SOOKOCHOFF CONSULTANTS PROJECT OSSA FILE# 86-3483

PAGE# 1

SAMPLE	Ag oz/t	Au oz/t
5785	.07	.590
5786	.47	.271

OSSA

ACME ANALYTICAL LABORATORIES LTD.
852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
PHONE 253-3158 DATA LINE: 251-1011

DATE RECEIVED: DEC 10 1986

DATE REPORT MAILED:

Dec 16/86

ASSAY CERTIFICATE

SAMPLE TYPE: ROCK CHIPS AU: 10 GRAM REGULAR ASSAY

ASSAYER: *D. Toy* DEAN TOYE. CERTIFIED B.C. ASSAYER.

SOOKOCHOFF CONSULTANT

PROJECT-SET FILE# 86-3945

PAGE 1

SAMPLE#	Ag	Au
	OZ/T	OZ/T
4183	.01	.001
4184	.02	.007
4185	.01	.004
4186	.07	.004
4187	.01	.001
4188	.08	.014
4189	.02	.001

U.S.N.

APPENDIX II

IP REPORT - GEOTRONIC SURVEYS



GEOTRONICS SURVEYS LTD.
530 - 800 WEST PENDER ST.
VANCOUVER, CANADA V6C 2V6
(604) 687-6671

January 21, 1987

Sookochoff Consultants Inc.
311-409 Granville Street
Vancouver, B.C.
V6C 1T2

Attention: L. Sookochoff, P.Eng.,
Consulting Geologist

Dear Larry:

Re: IP-Resistivity Surveys
Ossa Resources Ltd., Set Claims
Grand Forks Area, British Columbia

The orientation work has been completed on the above-named property. It consisted of taking readings along two lines and took three days. The work started in late December, 1986, but could not be finished until mid-January, 1987 due to an instrument breakdown. Snow up to three feet deep hampered progress.

The array used was the dipole-dipole with a dipole length and reading interval of 15 m and separations to three and four. The readings were taken in the time domain. The instrumentation was a Hunttec Mark IV receiver and a Phoenix IPT-1 transmitter coupled with a Phoenix MG-2 motor generator. The IP and resistivity values were plotted in pseudosection form and contoured.

The first line done was along the main road at about 8+50N and from about 8+00E to 12+60E. The purpose was to test a garnet skarn zone with malachite stains and sulphides in the area of 10+00E. The background IP (chargeability) readings are about two ms and the average resistivity values are about 250 ohm-m.

The IP survey revealed an anomaly reaching a high of 7.3 ms occurring to the immediate west of the skarn outcropping. The highest values are at the fourth separation suggesting higher values may occur at depth. What appears to be an old mine dump site is found on the south side of the road indicating that the portal may have been covered up by the road. The anomalous IP values may be reflecting sulphides that were the target of the previous exploration work. The IP anomaly correlates with a resistivity high averaging 450 ohm-m. The high may be reflecting a different rock-type, possibly an intrusive, or simply an area that has been silicified.

A second stronger IP anomaly occurs at the north end of the IP profile and reaches a high of 10.9 ms. The anomaly is open to the north. Unfortunately the survey line was started at this point and it was not known until later that the readings were anomalous. Time and budget restraints did not allow for the closing off of the anomaly.

This IP anomaly also correlates with a resistivity high of small amplitude (up to 409 ohm-m). Like the first anomaly, the higher resistivity values may be reflecting a different rock-type or silicification associated with sulphide mineralization.

To the immediate south of the IP anomaly is a westerly-dipping resistivity low that could well be reflecting geological structure such as a fault or contact zone.

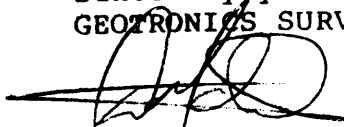
The second line carried out was on line 5+00E from about 16+60N to 14+95N. The background IP value is about three ms and the average resistivity value is about 300 to 400 ohm-m. A significant IP anomaly was encountered at the north end of the profile. (Due to snow conditions, the profile could not be continued to

the north). It reaches a high of 27.6 ms and is generally stronger at depth. It seems most probable that the causative source is sulphides.

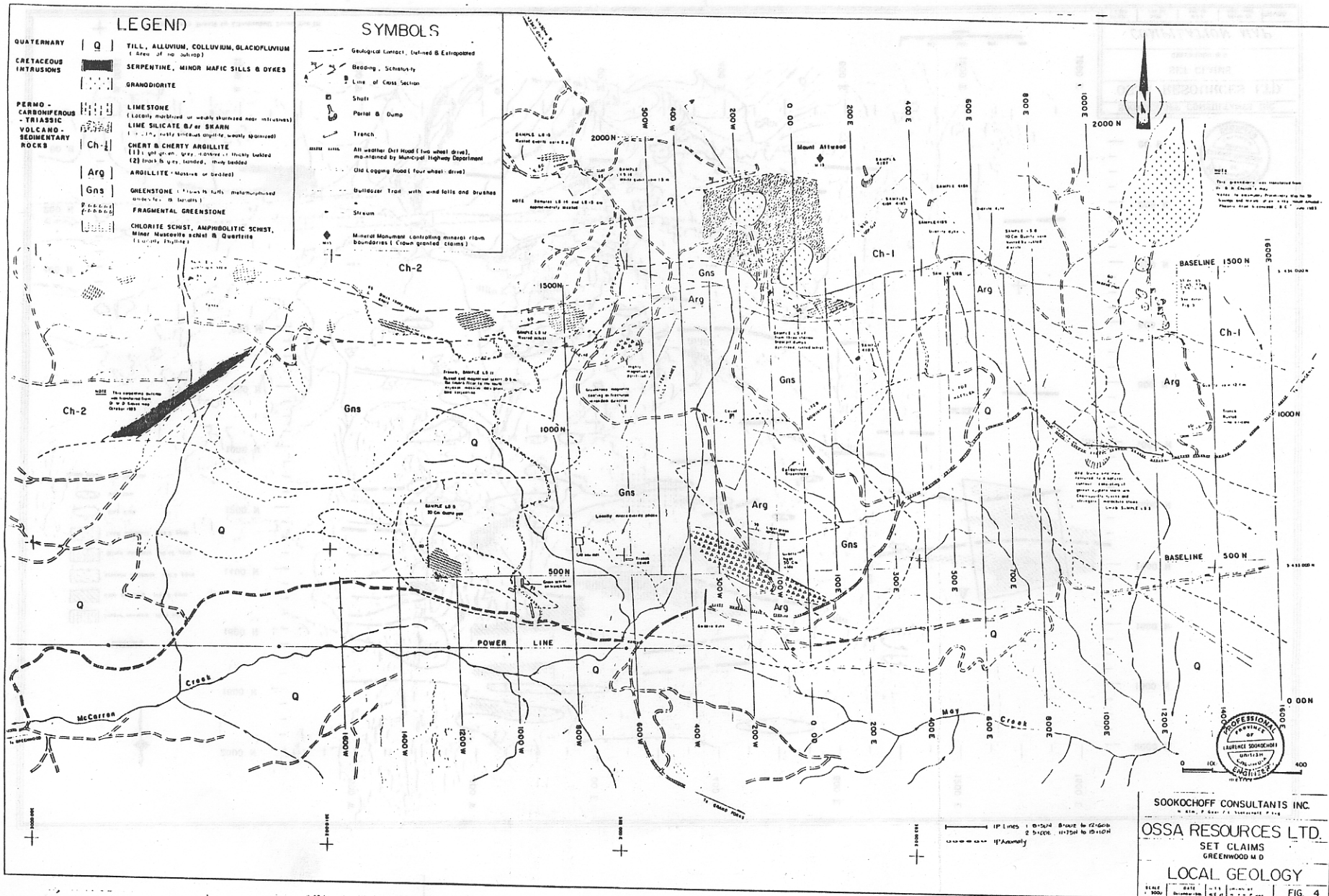
Correlating directly with the IP high is a relatively strong resistivity high that reaches a value 2267 ohm-m. It seems very probable the cause of the resistivity high is cherty argillites, an outcrop of which occurs nearby. The causative source of the high does not appear to be an intrusive since the high is a gradual increase in values rather than a sharp increase.

It is noted from the results that all three of the IP highs correlate with resistivity highs varying in amplitude from low to high. Often the explorationist is looking for an IP high to correlate with a resistivity low since the high reflects sulphide mineralization and the low, alteration and fracturing associated with the mineralization. However, a resistivity high often correlates with sulphide and/or gold mineralization as well. In this case the high reflects either (1) a host rock that happens to have higher resistivities, or (2) a host rock within which the fractures or vesicles, in the case of a volcanic rock, is filled with quartz and calcite.

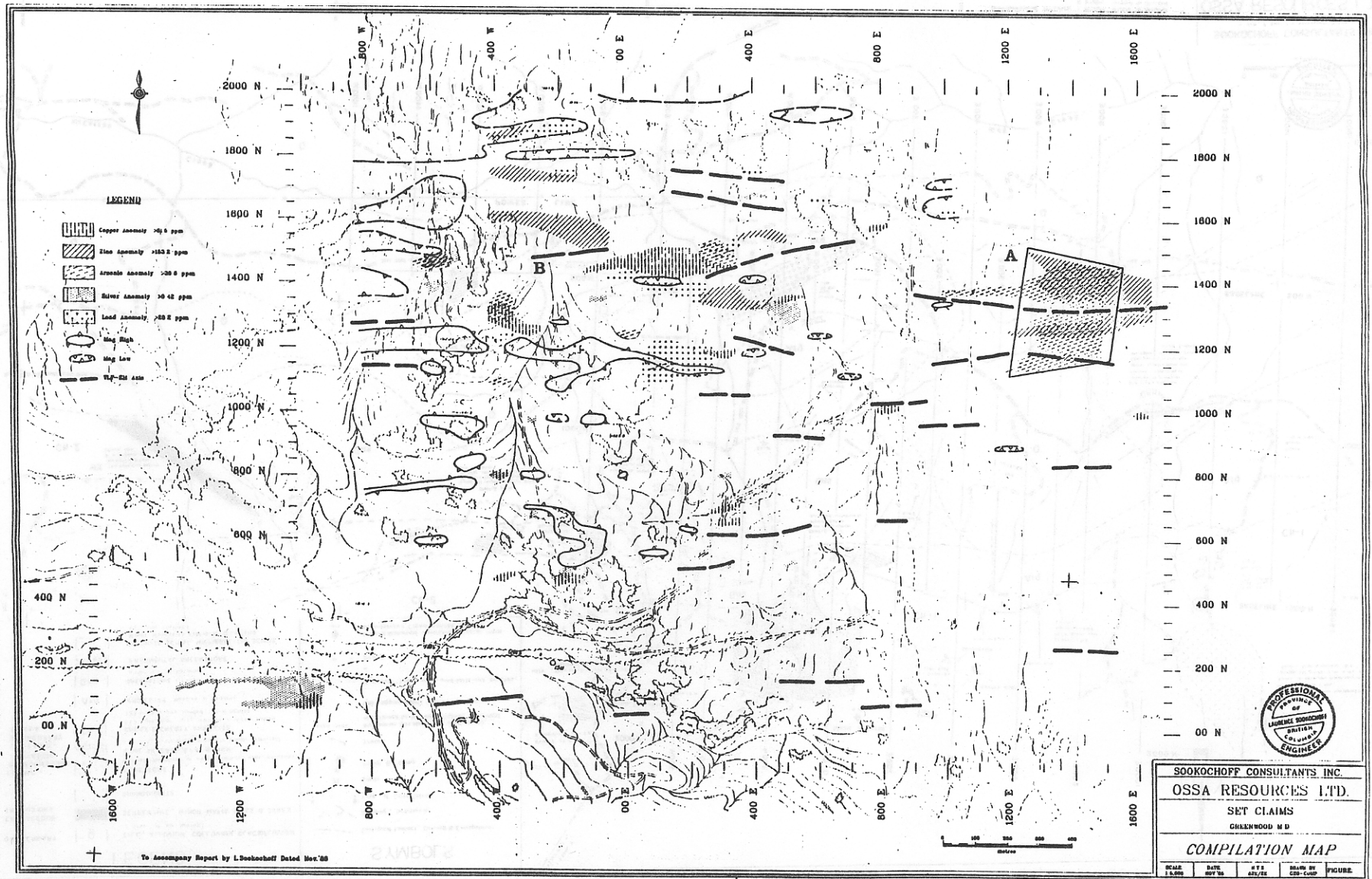
Sincerely yours,
GEOTRONICS SURVEYS LTD.



David G. Mark
Geophysicist



PROPERTY OF OCA
 OCA
 OCA



To Accompany Report by L.Sookchoff Dated Nov. 68



SOOKCHOFF CONSULTANTS INC.
 OSA RESOURCES LTD.
 SET CLAIMS
 GREENWOOD MD

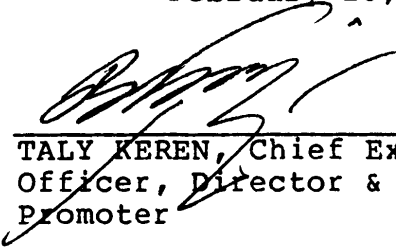
COMPILATION MAP

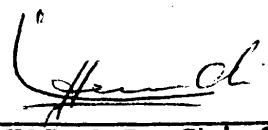
SCALE	DATE	BY	CHK'D	DRWN BY	FIGURE
1:5000	NOV 68	JS	JS	CSJ-CMP	

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: February 20, 1987


TALY KEREN, Chief Executive
Officer, Director &
Promoter


HAMID HARANDI, Chief
Financial Officer,
Director & Promoter

On Behalf of the Board of Directors


MATVEJ TRESKUNOV,
Director

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: February 20, 1987

PACIFIC INTERNATIONAL SECURITIES INC.

PER: 