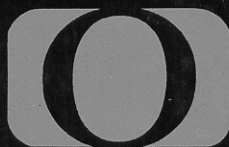


PROPERTY FILE

001457

Fairview 82ESW008-03



Oliver Gold Corporation

CORPORATE INFORMATION

Officers & Directors:

JARL Aa. B. WHIST
Chairman of the Board, President,
Chief Executive Officer and Director

JARL A. WHIST, Jr.
Vice President, Administration
and Director

LAWRENCE J. NAGY
Vice President, Mineral Exploration &
Development and Director

HOWARD BARKER, P. Eng.
Director

EGIL H. LORNTZSEN
Director

Corporate Office:

#814, 837 West Hastings Street
Vancouver, B.C. V6C 1B6
(604) 669-6656

Bankers:

The Royal Bank of Canada
685 West Hastings Street
Vancouver, B.C. V6B 1N9

Auditors:

Arthur Andersen & Co.
2300 Guinness Tower
1055 West Hastings Street
Vancouver, B.C. V6E 2J2

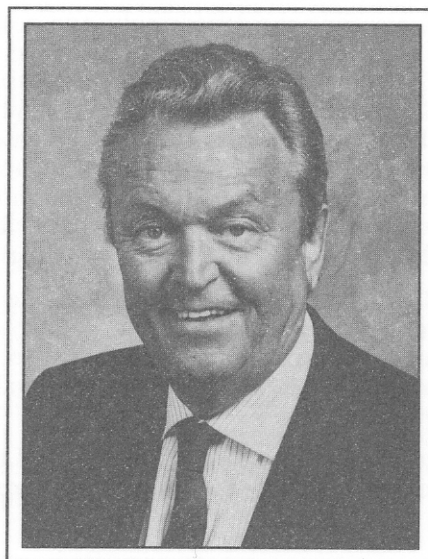
Registrar & Transfer Agent:

Canada Trust
1055 Dunsmuir Street
Vancouver, B.C. V7X 1P3

Exchange Listing:

Vancouver Stock Exchange
Share Authorization: 10,000,000
common shares
Shares Outstanding: 2,877,750
Symbol: "OGO"

Oliver Gold Corporation



Dear Shareholder:

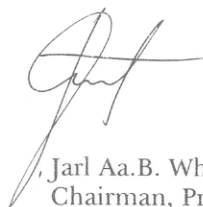
During the last year, your company progressed from being a private company to a full-fledged public company listed and trading on the Vancouver Stock Exchange. The company issued approximately 1.0 million shares to the public at a price of \$0.65 per share. The shares of the company have, since listing, traded at a much higher range than their issue price.

The proceeds of the underwriting have been partially used to fulfill the contractual obligations with Cominco under the option agreement with respect to the Fairview Property located near Oliver in the province of British Columbia. Under that agreement, your company has expended nearly \$470,000 on exploration and earned a 40% interest in the property. The summary report of this work has been delivered to Cominco and the company is now awaiting a decision from Cominco as to whether or not it wishes to continue the agreement by participating with 60% as Operator or decline and let Oliver continue to earn a further 40% interest by spending another \$400,000 on the property. Until this decision is made, work on the property is temporarily suspended.

During the year, the company entered into an agreement with First Exploration Fund with respect to flow-through funds for the Fairview project. Under this agreement, the first approximately 60,000 shares were issued at a price of \$2.20 per share, covering approximately \$134,000 worth of work on the property. The agreement with First Exploration calls for exploration expenditures of up to \$4.0 million to be renounced to the Fund in exchange for shares to be issued at a 20% premium to market. The company is thus well-financed to undertake a major program on the Fairview property as soon as the decision regarding Cominco's participation is received.

Although the Fairview project remains the main project of the company, other properties are being examined in the southern interior of British Columbia. The company intends to option, stake, purchase or otherwise acquire properties in that area and undertake work in such properties in conjunction with exploration work scheduled to proceed on the Fairview property.

We thank you for your continued interest in the company.



Jarl Aa.B. Whist
Chairman, President & C.E.O.



The following information, consisting of excerpts from an independent progress report prepared by Mr. David Mehner, M.Sc., F.G.A.C. of Taiga Consultants Ltd. dated October 16, 1987, summarizes the past year's activities at the Fairview camp.

Report on the Fairview Mine Property

The Fairview property was optioned from Cominco Ltd. in the spring of 1986. During the remainder of the year, a soil geochem survey was completed over the entire property, quartz vein showings were sampled and the property was geologically mapped. After assessing the 1986 results and realizing the excellent potential for finding additional ore zones within the quartz vein structure throughout the property, Oliver Gold proceeded with a comprehensive evaluation of the Fairview Mine workings in 1987. The program, which has now been completed, was designed to determine the distribution of gold and silver between the quartz vein and the adjacent country rock, the presence, if any, of higher grade gold and/or silver ore shoots and what size they may be, the style and mode of occurrence of gold and silver mineralization in the veins, what geological factors control it and where the best potential for finding additional reserves exists.

To accomplish this, all three levels of the mine were opened, rock sampled and portions geologically mapped. Six underground holes and four surface holes were drilled, a metallurgical test was carried out, thin-polished sections of the mineralized vein were examined and a preliminary estimate on capital and operating costs for the property was completed.

Besides the detailed work, follow-up soil sampling and a VLF survey were carried out to aid in defining targets for future trenching and diamond drill testing.

Underground Conditions and Rehabilitation

At the beginning of the program only 3 Level was accessible, 5 and 6 Levels being caved in by Cominco for safety reasons when the mine shut down in 1961.

To facilitate sampling and mapping of 5 and 6 Levels, the portals were opened and cleared by backhoe.

Following re-opening of the 5 Level, timbers were nailed across the portal entrance; "Danger" and "Keep Out" signs were posted and a barbed wire fence with steel posts was erected around the portal area. Timbering in the portal has rotted but ground conditions within the drift are very good. No track remains.

At 6 Level, the portal area was severely sloughed and considerable debris had to be removed to gain access to the workings. In order to keep the Level open for further programs, 33.5 metres of new timbering was constructed at the portal and a locked, wooden door was erected with "Danger" signs posted. A barbed wire fence was constructed around and uphill of the portal.

Besides the portal timbering, rehabilitation work on 6 Level included clearing and levelling the waste dump at the portal and laying 103.6 metres of new 20 lb. track from the dump to existing old track in the drift. In addition, 39.6 metres of new track were put down to join existing track with the area of new drifting and 45.7 metres of track were laid down, thereby extending the rail access.

New posts, plates and intermediate timber sets were emplaced to shore up existing, partially rotten timbers. Existing ore shoots containing any broken rock were sealed off with new posts and lagging.

Underground Drifting

Following completion of the 6 Level rehabilitation work a 22.9 metre cross-cut and three drill stations were slashed out for an underground drill program. In conjunction with this, 299 metres of 3-inch airline were strung from the portal to the end of the new cross-cut and 76 metres were strung for use in future programs. Six hundred feet of 1-inch plastic hose was also strung and used for water line.

Excellent natural airflow negated the need for hanging an airbag and blowing in air.

Underground Rock Sampling

Detailed rock sampling was undertaken on 3, 5 and 6 Levels to establish quartz vein and country rock grades and determine if higher grade gold and/or silver shoots exist within the veins and, if so, what size and grade can be expected. It was also hoped correlations between grade and style of quartz veining or presence of sulphides or certain gangue minerals could be made.

To facilitate sampling, drifts were marked off at five metre intervals and channel samples were taken of vein and hanging or foot material across the backs or down drifts. Samples were usually restricted to one metre true thickness and averaged 1.5 to 2.5 kg in size. Actual sample length, percentage of quartz veining, sulphide amounts, types and style of occurrence along with rock types and other geological features were recorded for each interval.

All samples were sent to Bondar-Clegg in Vancouver, where they were fire-assayed for gold and silver using one assay ton sample sizes. A number of samples from 3 Level were also geochemically analyzed for copper, lead and zinc.

No further check assays have been carried out.

- (a) **3 Level Sampling:** A total of 184 samples were collected and assayed for gold and silver, 78 of which were also geochemically analyzed for copper, lead and zinc.

Toward the end of 3 Level, well mineralized, fractured quartz veining is exposed. Values in this section are very good with intervals across the vein running up to 0.567 oz Au/t and 10.97 oz Ag/t over 3.31 metre widths and individual samples ranging to 1.855 oz Au/t and 34.67 oz Ag/t over 0.54 metres.

Sampling on 3 Level has identified three higher grade shoots which include:

- i) sections 367 to 453. This 82.5 metre interval averages 1.82 metres wide and runs 0.302 oz Au/t and 4.87 oz Ag/t (uncut);
- ii) sections 487 to 517. This 32 metre interval averages 0.99 metres wide and runs 0.385 oz Au/t and 5.67 oz Ag/t (uncut); and
- iii) sections 583 to 607. This 18.75 metre interval averages 1.47 metres wide and runs 0.100 oz Au/t and 0.98 oz Ag/t.

Widths for these shoots should be regarded as minimums, since the hanging-wall contact is seldom exposed, making true vein width uncertain.

Note that interval (i) and (ii) may be the same shoot, but dangerous ground and overhead timbering prevented adequate sampling of the intervening area.

- (b) **5 Level Sampling:** A total of 109 samples were collected and assayed for gold and silver. Most samples were collected from the narrow (<1.5 metres) vein. Values are quite low with only three samples grading 0.1 oz Au/t or better, the best being 0.238 oz Au/t and 3.45 oz Ag/t over 0.6 metres (section 175).

These generally low values and narrow vein widths are similar to those obtained from the sulphide deficient vein exposed for the first 250 metres on 3 Level.

Values up to 0.479 oz Au/t and 7.33 oz Ag/t have been obtained from an overlying thicker vein. This vein was the focus of much of the mining between 5 and 6 Levels in earlier years.

Besides the quartz vein sampling, many 5 Level samples were taken of an altered diorite sill and sericite schist containing numerous pyritized ($\leq 3\%$) quartz veins ≤ 3 cm wide. The veins appear to be filling of earlier fracture set and although individually the veins are insignificant, the possibility of a bulk tonnage situation did exist. Sampling, however, returned values in the 0.03 oz Au/t or less range.

- (c) **6 Level Sampling:** A total of 278 samples were collected and assayed for gold and silver. Gold values range from 8.19 oz/t over 0.45 metres and silver values to 17.02 oz/t over 0.68 metres were obtained. Twenty-one of the higher grade samples were check assayed by Cominco's lab in Vancouver.

Aside from three samples, correlation of the assays between the two labs is quite good. For these three samples, the Bondar-Clegg assays are at least twice the Cominco values.

Sampling on 6 Level identified 3 higher grade shoots which include:

- i) a 58.1 metre interval averaging 2.87 metres wide and running 0.319 oz Au/t uncut or 0.222 oz Au/t if values are cut to 0.5 oz Au/t prior to averaging;
- ii) a 34.6 metre interval averaging 2.07 metres wide and running 0.558 oz Au/t uncut or 0.146 oz Au/t if values are cut to 0.5 oz Au/t prior to averaging; and
- iii) a 41.2 metre interval averaging 1.75 metres wide and running 0.106 oz Au/t.

As on 3 Level, the above intervals should be considered minimum widths since the entire vein is not always exposed.

Interval (iii) is believed to be the faulted-off equivalent of interval (i) (both are considered to be hanging veins) although the depth of formation of each section is different owing to vertical movement along the fault.

The results of the detailed rock sampling clearly indicate higher grade gold and/or silver shoots exist throughout the vein system and that these shoots can reach appreciable lengths over moderate widths. Since all three levels were not totally sampled, it is not possible to confirm any plunge to the shoots. It is clear from sampling on 6 Level, however, that gold values do rake across the vein from footwall to hangingwall in at least some localities. It is also clear that the higher gold values only occur in the quartz veins and that they are always associated with varying amounts of pyrite, chalcopyrite, galena, sphalerite and rarely pyrrhotite.

Hangingwall and footwall quartzites, schists and intrusives yielded gold values < 0.03 oz Au/t except where narrow quartz veins were included in the sample.

Metallurgical Sampling and Testing

Six bulk rock chip samples were collected from quartz veining on 6 Level and sent to Gary W. Hawthorne, Consulting Mineral Processing Engineer in Vancouver for preliminary metallurgical testing. Analysis of the 6 samples yielded an average grade of 0.129 oz Au/t and 0.76 oz Ag/t with the tests being carried out on material grading 0.125 oz Au/t and 0.89 oz Ag/t. The results indicate recoveries of 88.4% gold and 85.4% silver by flotation or 96% gold and 75% silver using cyanidation over 24 hours.

Diamond Drilling

- (a) **Underground:** A six hole, 418.25 metre drill program was conducted from July 21 to August 31, to test the downdip extension of quartz veining below 6 Level. The drilling was carried out by Exploration Core Drilling of New Denver, B.C. using an air powered, J.V. drill producing AQ-sized core. The entire core from favorable looking sections was submitted to Bondar-Clegg for gold and silver assay and copper, lead and zinc geochem. A summary of significant intersections follows:

Hole	Intersection (m)	Length (m)	Assay	
			oz Au/t	oz Ag/t
F87 UG01	17.90 - 23.57	5.67	0.111	1.680
	25.55 - 27.98	2.43	0.222	3.710
	35.80 - 40.80	5.00	0.041	0.270
F87 UG02	17.00 - 19.06	2.06	0.017	0.210
	20.60 - 28.07	7.47	0.121	1.790
	36.15 - 42.00	5.85	0.028	0.250
F87 UG03	35.32 - 43.98	8.66	0.131	1.990
	45.00 - 51.30	6.30	0.086	1.180
F87 UG04	37.10 - 44.10	7.00	0.126	1.840
	46.10 - 49.48	3.38	0.027	0.200
F87UG05	36.85 - 41.76	4.91	0.019	0.800
	43.15 - 52.15	9.00	0.004	0.080
F87 UG06	47.04 - 48.28	1.24	0.004	0.010
	49.28 - 54.95	5.67	0.020	0.670

Drill holes 1 to 4 confirmed the presence of mineralized quartz vein 40 to 50 metres down dip of 6 Level. Interval thicknesses and grade are comparable to those obtained in the area by Cominco during their 1982 to 1984 drilling.

Drill holes 5 and 6 failed to intersect the downdip extension of the 6 Level quartz vein where projected but they did intersect a relatively massive, barren quartz vein about 35 to 40 metres earlier than the target depth. This vein, which appears quite different than the 6 Level veins, yielded much lower gold and silver values than the veining in holes 1 to 4.

Due to the problem of correlating quartz vein intersections in holes 1 to 4 plus Cominco holes F82-1 and 2 with holes 5 and 6, considerable effort was put into extending holes 5 and 6. Unfortunately, severe caving along with sand and clay seams prevented the holes from reaching the desired depths. To aid in possibly re-entering these holes, 5 feet of casing was left in F87 UG05.

- (b) **Surface:** Four holes totalling 527.31 metres were drilled from July 19 to August 21 at the northwest end of the old mine workings. The objectives were to test the area above and below 3 Level where Cominco reports and maps indicate blocked-out reserves and to test for continuation of the vein to the northwest.

The program was carried out by Paul MacDonald Drilling of Burnaby, B.C. using a Boyles 25A machine. Favorable sections of the NQ core were split and sent to Bondar-Clegg for gold and silver assay and copper, lead and zinc geochemical analysis.

A summary of significant intersections follows:

Hole	Intersection (m)	Length (m)	Assay	
			oz Au/t	oz Ag/t
F87 DH01	142.24 - 144.14	1.90	0.008	0.080
F87 DH02	61.10 - 63.74	2.64	0.241	2.060
	64.54 - 68.60	4.06	0.170	1.110
	OR 61.10 - 68.60	7.5	0.180	1.350
F87 DH03	145.98 - 147.55	1.57	0.010	0.110
	153.60 - 156.16	2.56	0.022	0.650
F87 DH04	115.52 - 117.68	2.16	0.171	3.180
	118.92 - 123.92	5.00	0.015	0.160

Drill hole 1 intersected the vein system about 20 metres vertically below 3 Level. The hole tested a zone shown on Cominco longitudinal sections to be low grade but also shown to be overlain by a block marked as indicated reserves grading 0.10 oz Au/t and 1.2 oz Ag/t.

The low values obtained from hole 1 are in close agreement with Cominco's estimate.

Drill hole 2 intersected the vein system about 70 metres above 3 Level in an area shown by Cominco as having measured reserves grading 0.09 oz Au/t and 1.1 oz Ag/t. The 1987 results are substantially better than those measured by Cominco.

Drill hole 3 intersected the vein system at about the same elevation as 3 Level but approximately 20 metres northwest of the drift end in an area marked off by Cominco as indicated reserves grading 0.10 oz Au/t and 1.2 oz Ag/t. The Cominco indicated grades are higher than the average grade from past production at the mine.

Drill hole 4 intersected the vein system approximately 38 metres above and 60 metres northwest of 3 Level in an area previously untested.

Preliminary Feasibility Study

Prior to commencement of the 1987 program an estimate of capital and operating costs for the Fairview mine was prepared by H. Barker and R. Trenaman of Trenaman Mining Services Ltd. on the basis of known data and assumed grades and tonnages. The purpose of the study was to more accurately assess the property's mine-making potential.

Assuming a possible reserve of 2.5 MT grading 0.12 oz Au/t and recoveries of 85% of reserves and 90% of gold in the mill feed, Trenaman estimates a 700 ton per day operation would provide a return of 15% after taxes if gold were \$400 U.S. per ounce.

Conclusions

Soil geochem and VLF surveys, along with prospecting and geological mapping have identified targets for follow-up trenching and diamond drill testing northwest of the Fairview mine and northwest and southeast of the Morningstar mine.

Detailed work at the Fairview mine clearly demonstrates the existence of higher grade ore shoots that range up to 82.5 metres long by 1.82 metres wide running 0.302 oz Au/t and 4.87 oz Ag/t within the quartz vein. Mapping or sampling have not determined what, if any, plunge the ore shoots may have.

Gold and silver mineralization is associated with galena, sphalerite and chalcopyrite. These sulphides, along with gold and silver, are fracture controlled, probably syndeformation in age and related to late movement and remobilization along vein parallel shears.

Slickensides along vein parallel faults within the veins have southeast plunges. Although direction of movement is uncertain it is likely movement on these faults accounts for the rapid thickening and thinning of the quartz veins and sudden changes in grade of the veins within a given drift.

Faults bounding the top and bottom of the vein have produced significant problems in drilling and should be considered when evaluating higher-grade shoots for future underground mining. In particular, it seems likely that stopes would have to run from the footwall to hangingwall faults, since extraction of just the higher grade hanging wall sections of the vein may result in ground failure.

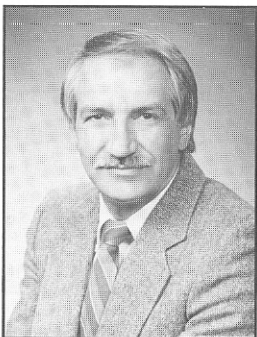
Metallurgical testing indicates gold recoveries in the 90% range should be expected with no serious contaminants such as As. An initial feasibility assessment of the property indicates a reserve of 2.5 MT grading 0.12 oz Au/t could result in a 15% return after taxes at \$400 U.S. per ounce of gold.

Diamond drilling confirmed the existence of mineralized quartz veining below 6 Level and 60 metres northwest of 3 Level workings. The two deepest underground drill intersections and two deepest surface drill intersections yielded good widths of quartz but low gold and silver values.



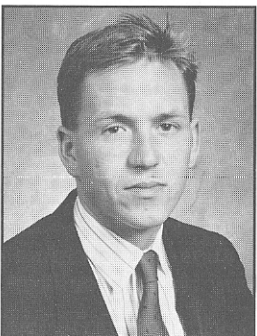
Jarl Aa.B. Whist
Chairman of the Board, President,
Chief Executive Officer and Director

Mr. Whist has several decades of involvement with precious metals, metal exploration, development, production and as surveyor, prospector, mine operator, founder and major shareholder of several public companies. Mr. Whist practiced corporate securities law for many years as senior partner of a law firm in Kamloops, the centre for the copper mining industry in B.C. Mr. Whist retired from the full-time practice of law in 1983 and now devotes his full time to the Valhalla Gold Group, of which Oliver Gold is a member.



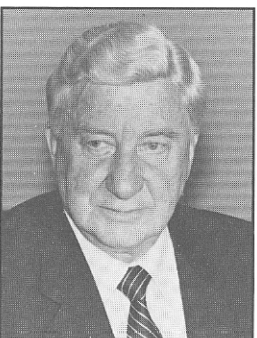
Lawrence J. Nagy, B.A. (Geo.Sc.), F.G.A.C.
Vice President, Mineral Exploration & Development and Director

Mr. Nagy, who specializes in precious metal exploration, has a background of over fifteen years as a senior exploration geologist for Cominco worldwide. For the last five years, Mr. Nagy has operated as an independent consultant. He is also a director of other public companies associated with Oliver Gold.



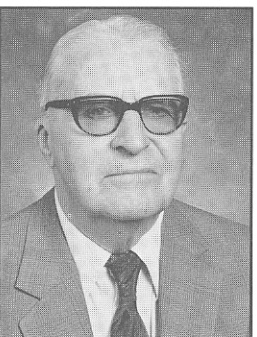
Jarl A. Whist, Jr.
Vice President, Administration and Director

Jarl Whist, Jr. has practical oil drilling experience and an Advanced Prospector's Diploma and works for the Company on a full-time basis. Jarl Whist, Jr. is responsible for all matters administrative in nature affecting the company. He is also Vice President and Director of the Valhalla Gold Group, Highland Valley Resources, and Thor Gold Corporation.



Egil H. Lorntzsen
Director

Mr. Lorntzsen is the founder and developer of the Lornex Mining Corporation, which operates one of the largest open pit copper mines in the world in the Highland Valley of British Columbia. Mr. Lorntzsen is also a director of other public companies, but is an active participant in planning the development of the Fairview Gold Belt.



Howard Barker, P.Eng.
Director

Mr. Barker, is a retired Cominco Mine Manager with thirty years' experience in underground mine management, and is now an independent mining consultant who provides advice to the company, as Director, on a regular basis.

OLIVER GOLD CORPORATION

BALANCE SHEETS

July 31, 1987 and 1986

ASSETS

	<u>1987</u>	<u>1986</u>
CURRENT ASSETS:		
Cash and term deposits	\$ 560,268	\$ 57,500
Cash held in trust (Note 6)	-	133,400
Subscriptions receivable (Note 6)	53,324	-
Advances and deposits (Note 6)	<u>40,544</u>	<u>-</u>
	\$ 654,136	\$ 190,900
DEFERRED DEVELOPMENT AND EXPLORATION COSTS (Notes 3 and 6)		
	378,089	22,754
INCORPORATION COSTS		
	<u>1,100</u>	<u>1,100</u>
	<u>\$ 1,033,325</u>	<u>\$ 214,754</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:		
Accounts payable (Note 5)	\$ 80,001	\$ 13,926
Deferred credit (Note 6)	<u>-</u>	<u>90,028</u>
	\$ 80,001	\$ 103,954
SHAREHOLDERS' EQUITY (Notes 4 and 6):		
Share capital	\$ 938,841	\$ 57,500
Share subscriptions	<u>14,483</u>	<u>53,300</u>
	<u>\$ 953,324</u>	<u>\$ 110,800</u>
	<u>\$ 1,033,325</u>	<u>\$ 214,754</u>

Approved by the Directors:


Director


Director

The accompanying notes are an intergral part of these balance sheets.

OLIVER GOLD CORPORATION

STATEMENTS OF CHANGES IN FINANCIAL POSITION

For the years ended July 31, 1987 and 1986

	1987	1986
CASH FROM (TO) OPERATING ACTIVITIES:		
Decrease in advances and deposits	\$ (40,544)	\$ -
Increase in accounts payable	66,075	13,926
	\$ 25,531	\$ 13,926
CASH FROM (TO) FINANCING ACTIVITIES:		
Refund of share subscriptions received	\$ (36,250)	\$ -
Issuance of share capital	837,225	57,500
Share subscription received	-	202,500
	\$ 800,975	\$ 260,000
CASH FROM (TO) INVESTING ACTIVITIES:		
Deferred development and exploration costs	\$ (457,138)	\$ (81,926)
Incorporation costs	-	(1,100)
	\$ (457,138)	\$ (83,026)
Increase in cash	\$ 369,368	\$ 190,900
CASH, beginning of year	190,900	-
CASH, end of year	\$ 560,268	\$ 190,900

The accompanying notes are an integral part of these statements.

Consolidated Financial Statements

OLIVER GOLD CORPORATION

NOTES TO FINANCIAL STATEMENTS

July 31, 1987 and 1986

1. INCORPORATION AND OPERATIONS

The Company was incorporated as Odin Resources Incorporated on November 24, 1980 and was inactive until February, 1986 when it commenced mineral exploration of a property in Saskatchewan. On August 8, 1986, the Company changed its name to Oliver Gold Corporation.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Deferred Development and Exploration Costs

Acquisition, exploration and development expenditures related to resource properties including administration are capitalized until such time as the property is put into production or determined to be of lesser value, in which case the carrying amount is written down. These costs are reduced by the related income tax benefits realized by flow-through share investors.

(b) Flow-through Common Shares

Proceeds from flow-through share subscriptions, net of the related income tax benefits available to investors, are credited to share subscriptions when received. The flow-through shares are issued as and when qualified expenditures have been made.

3. DEFERRED DEVELOPMENT AND EXPLORATION COSTS

The Company is presently carrying out exploration programs designed to evaluate the gold and other mineral potential of the Deschambault Lake region of Saskatchewan and a property near Oliver, B.C. The Company's deferred development and exploration costs consist of the following:

Property	<u>1987</u>	<u>1986</u>
Deschambault Lake, Saskatchewan	\$ 66,190	\$ 61,818
Oliver, B.C.	<u>472,874</u>	<u>20,108</u>
	\$ 539,064	\$ 81,926
Less tax benefits realized or to be realized by investors	<u>160,975</u>	<u>59,172</u>
	<u>\$ 378,089</u>	<u>\$ 22,754</u>

The recoverability of the Company's investments in deferred development and exploration costs are dependent upon the discovery of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete its development plans and upon future successful operations. Since the Company is still in the early stages of exploration, no evaluation can be made as to the probable outcome of these programs.

NOTES TO FINANCIAL STATEMENTS (Cont.)

4. SHAREHOLDERS' EQUITY

The Company's authorized capital consists of 10,000,000 common shares. The issued share capital as at July 31 is as follows:

	1987		1986	
	Shares	Amount	Shares	Amount
Issued and outstanding, beginning of year	950,001	\$ 57,500	-	\$ -
For cash from public offering	1,000,000	570,100	-	-
For cash from private placements	-	-	950,001	57,500
Exercise of share purchase warrants	250,000	187,500	-	-
Exercise of stock options	122,500	79,625	-	-
Flow-through shares	555,000	166,250	-	-
Less tax benefits available to investors on exploration expenditures	-	(122,134)	-	-
Issued and outstanding, end of year	<u>2,877,501</u>	<u>\$ 938,841</u>	<u>950,001</u>	<u>\$ 57,500</u>
Subscriptions received or receivable for flow-through shares	24,238	\$ 53,324	650,000	\$ 202,500
Less tax benefits available to investors on exploration expenditures -				
Incurred	-	(38,841)	-	(59,172)
To be incurred	-	-	-	(90,028)
	<u>24,238</u>	<u>\$ 14,483</u>	<u>650,000</u>	<u>\$ 53,300</u>
Total shareholders' equity	<u>2,901,739</u>	<u>\$ 953,324</u>	<u>1,600,001</u>	<u>\$ 110,800</u>

Certain directors and employees of the Company were granted options to purchase 140,000 shares of the Company at \$0.65 per share under Incentive Option Agreements dated August 1, 1986, which expire on July 31, 1991. As at July 31, 1987, employee stock options for 17,500 shares remain outstanding.

5. RELATED PARTY TRANSACTIONS

- (a) At July 31, 1987, Valhalla Energy Corporation, its directors and officers own approximately 39% of the Company, Valhalla Energy Corporation paid \$32,500 for 850,000 shares and its directors and officers paid a total of \$114,625 for 262,500 shares of the Company.
- (b) The Company was charged \$68,871 by Valhalla Energy Corporation for administrative services supplied and expenses incurred by Valhalla on behalf of the Company. Included in accounts payable at July 31, 1987 is \$17,368 related to such charges.

6. CONTRACTS AND COMMITMENTS

- (a) The Company has entered into an option agreement with Cominco Ltd. dated June 23, 1986. Under this agreement, the Company has the option to acquire at least a 40% interest in the mineral rights of a property near Oliver, B.C. after incurring the following firm and optional cumulative exploration expenditures by the dates shown:

On or Before	Cumulative Expenditures
March 31, 1987	\$100,000 (firm)
March 31, 1988	\$250,000 (optional)
March 31, 1989	\$400,000 (optional)

The agreement allows the Company to acquire an additional interest in the property with the concurrence of Cominco Ltd. and the incurring of additional exploration expenditures of up to \$700,000. As at July 31, 1987, the Company had incurred \$375,541 of the required exploration expenditures.

- (b) The Company entered into agreements with various investors to issue 555,000 flow-through common shares for \$166,250 invested and expended on Canadian exploration expense. As at July 31, 1987, all proceeds had been received and expended (see Note 3), and shares have been issued to the investors. Qualified expenditures incurred for and on behalf of investors are not available to the Company as a deduction for income tax purposes.

NOTES TO FINANCIAL STATEMENTS (Cont.)

- (c) On July 14, 1987 the Company entered into a Subscription Agreement with an investor to issue 159,091 flow-through shares for \$350,000 to be invested and expended on Canadian exploration expense between July 14, 1987 and February 29, 1988. Qualified expenditures incurred by the Company will be renounced, for tax purposes, to the investor and will not be available to the Company as a deduction for income tax purposes. The flow-through shares will be issued as and when qualified expenditures are made. As at July 31, 1987, the Company had expended approximately \$53,000 of the qualified expenditures to be renounced to the investor. As part of the Subscription Agreement with the investor, the Company has agreed to purchase 1,015 shares of a company related to the investor at \$100 per share. The Company has made a deposit of \$17,500 on the purchase which will be completed when the Company makes its first renunciation of qualified expenditures to the investor and issues the flow-through shares.

OLIVER GOLD CORPORATION

AUDITORS' REPORT

To the Shareholders of

Oliver Gold Corporation:

We have examined the balance sheets of OLIVER GOLD CORPORATION (a British Columbia company) as at July 31, 1987 and 1986 and the related statements of changes in financial position for the years 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 July 31, 1987 and 1986 and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles applied on a consistent basis.

Vancouver, B.C.
September 4, 1987



Oliver Gold Corporation

#814-837 West Hastings Street, Vancouver, B.C., Canada V6C 1B6 Telephone: (604) 669-6656 Telecopier (604) 669-4210

NEWS RELEASE

Jarl Aa. B. Whist, President of Oliver Gold Corporation, is pleased to announce that the Company has made a private placement of 1,374,595 shares at \$1.4186 per share to Valhalla Energy Corporation. As a result of this transaction, Valhalla Energy Corporation has increased its shareholdings in Oliver Gold Corporation to 51.52% of the issued shares of Oliver, or to 2,199,595 shares. Oliver Gold Corporation, upon completion of this transaction, will have 4,269,596 shares issued. The shares of Oliver Gold Corporation closed at \$1.73 per share on April 8, 1987.

The proceeds of the private placement will be used to further develop and explore the Fairview gold property presently under option from Cominco and for corporate purposes.

The private placement will be subject to a hold period of twelve months and is further subject to the approval of the regulatory authorities.

ON BEHALF OF THE BOARD


Jarl Aa. B. Whist
President

JABW:c/w

April 9, 1987

The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.



Oliver Gold Corporation

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NEWS RELEASE

Jarl A. Whist, Jr., Director and Vice President - Administration of Oliver Gold Corporation, is pleased to announce that Mr. Howard Barker, P.Eng., has been appointed to the Board of Directors.

ON BEHALF OF THE BOARD



Jarl A. Whist, Jr.
Director & Vice President - Administration

JAW:clw

April 27, 1987

The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.



Oliver Gold Corporation

#814-837 West Hastings Street, Vancouver, B.C., Canada V6C 1B6 Telephone: (604) 669-6656 Telecopier (604) 669-4210

NEWS RELEASE

Oliver Gold Corporation is pleased to announce that surface exploration and underground sampling have resumed on the Fairview Gold Mine and surrounding Crown-granted claims, currently under option from Cominco.

Exploration expenditures by Oliver Gold on the Fairview properties exceeded \$125,000 in 1986 and the Company is proceeding with Phase Two of the exploration program recommended by Mr. R. K. Netolitzky, M.Sc., P.Geol., Taiga Consultants Ltd. This phase requires expenditures totalling \$320,000 and includes re-opening and rehabilitating the #6 Level adit of the Fairview Mine. This work will provide access to underground diamond drilling sites to test vein continuity below the #6 Level.

Detailed underground mapping and sampling at 5.0 metre intervals along the main vein on the #6 Level has been completed with the samples currently in for assay.

Underground and surface diamond drilling will commence as soon as permitting is complete.

Under the terms of the Option Agreement with Cominco, Oliver Gold can earn a 40% interest in the property by incurring exploration expenditures totalling up to \$400,000 by March 31, 1989. Cominco can, at this point, elect to either participate in further exploration on a 60:40 basis or decline and permit Oliver Gold Corporation to continue earning an additional 40% interest in the properties by incurring an additional \$400,000 in exploration expenditures. Cominco again has the option to participate on a 20:80 basis or decline and be diluted to receive a royalty of 10% of Net Profits or sell its remaining beneficial interest in the property to Oliver Gold Corporation for \$300,000.

ON BEHALF OF THE BOARD

L. J. Nagy
Vice President, Mineral Exploration
& Development and Director

LJN:clw

May 5, 1987

The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.



Oliver Gold Corporation

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INFORMATION CIRCULAR

Oliver Gold Corporation is pleased to inform its shareholders that the second phase of exploration on the optioned Fairview gold properties near Oliver, B.C. has been contracted to Taiga Consultants Inc. of Calgary, Alberta and work is proceeding on schedule.

The results of Phase I work completed in 1986 can best be described as highly positive and the decision has been made to continue exploration of the Fairview Property at an accelerated rate in 1987.

Surface work completed in 1986, included detailed remapping of the property, systematic soil geochemical sampling and channel sampling of all exposed quartz veins, has confirmed the presence of at least three parallel gold-bearing quartz veins. The veins occur near the base of a Kobau group quartzite unit and have been traced from the Morningstar Mine area near the southeast end of the property, through the Stemwinder Mine area onto the Fairview Mine and possible 500 to 800 metres beyond to the northwest, for a total combined strike distance of over 4.5 kilometres. A surface channel sample across a 2.0 metre wide quartz vein near the Morningstar Mine assayed 0.808 oz Au/T and was the highest assay reported from the 80 surface channel samples collected in 1986.

Exploration at the Fairview Mine resumed in mid-March, 1987 with the rehabilitation of the #6 Level adit. This work involved uncovering and retimbering about 30 metres of the portal entrance area and installing 50 metres of new track. The balance of the track on #6 Level has remained in good condition. The #6 Level is the lowest level of workings at the Fairview Mine and all of the reported 485,000 tons of 0.112 oz Au/ton previously mined came from stopes above this level.

Once safe access to the #6 Level drift was established, a program of detailed underground mapping and sampling of the accessible sections of quartz veins was undertaken and to date, a total of 278 channel samples have been collected and analyzed for gold and silver content. The results from channel sampling of an approximately 275 metres (900 feet) strike of quartz veins at 5.0 metre intervals or closer are at hand and the results can be summarized as follows.

Two quartz veins are exposed on the #6 Level drift -- the Hanging Wall vein (HV) averages about 2.5 metres in width and the main vein (MV), which



averages about 2.0 metres in width. The northwest striking veins are roughly parallel, dip 45° to 55° to the northeast and are separated by 10 to 15 metres of foliated quartzite. Gold values ranging from 0.05 oz/T to 0.50 oz/T across minable widths (1.5 to 2.0 metres) occur over the entire sampled strike length of the veins (275 metres). An unexpected bonus from the recent detailed sampling on the #6 Level was the discovery of two very high grade gold- and silver-bearing ore shoots. In the 601 drift north, channel sampling has identified a 35.0 metre long zone in the Main Vein with gold values ranging from 0.314 oz/T to 2.25 oz/T across true widths of 0.75 to 1.5 metres.

A second high grade gold/silver zone was identified within the Hanging Wall Vein and is exposed for at least 40 metres (130 ft.) in the 620 Drift on #6 Level. Gold values ranging from 0.21 oz/T to 1.11 oz/T and silver values ranging from 2.5 oz/T to 16.92 oz/T occur over an average true width of about 1.5 metres.

An underground and surface diamond drilling program designed to test the continuity of these two high grade ore shoots at depth and along strike is scheduled to begin within the next two weeks.

Initially, underground drill stations will be established within the #6 Level adit and drilling will test the south end of the ore shoots to a depth of 120 metres below #6 Level.

A second set of drill stations will be slashed in a new drift which will begin from the old Lunch Room area on #6 Level and extend in a northeasterly direction for approximately 25 metres. This drift will permit underground drill testing of both high grade zones to a depth of 75 metres below #6 Level.

It is unfortunate that virtually all of the old mining records from the Fairview Mine have been either lost or destroyed. The recent sampling by Oliver Gold Corporation has greatly enhanced our understanding of the ore controls and grade of this deposit.

Similar detailed mapping and resampling of the vein systems on the #3 and #5 Levels of the Fairview Mine is currently underway and the results will assist in planning exploration from surface of the gold-bearing veins northwest of the present workings.

Oliver Gold Corporation also wishes to report that Mr. Gary W. Hawthorn, Consulting Mineral Processing Engineer, North Vancouver, B.C. has completed preliminary metallurgical tests on bulk samples of ore from the Fairview Mine.

Mr. Hawthorn reported that the material tested responded well to either flotation or cyanidation.

The flotation results indicate an excellent response to flotation concentration and were reported as follows:



- 3 -

<u>Product</u>	<u>Wt. %</u>	<u>Oz/T</u>		<u>Oz/T</u>	
		<u>Au</u>	<u>Ag</u>	<u>Au</u>	<u>Ag</u>
Conc 1	0.5	12.117		50.9	
Conc 2	1.1	4.065		37.5	
<hr/>					
Total conc	1.6	6.58	(47.5	88.4	85.4
Tailing	98.4	0.014	0.13	11.6	14.6
<hr/>					
Feed	100.0	(0.119)		100.0	100.0
assay		0.125	0.89		

The cyanidation test indicates a 96% Au recovery within 24 hr. at a grind of 50% - 200 mesh. Silver recovery of 75% in 24 hr. can likely be improved with longer retention time. The consumption of sodium cyanide is a modest 1 Kg/T.

The increase in recovery from 88.4% (flotation) to 96.0% (cyanidation) will require further study to determine the most favourable recovery method. However, managements initial reaction is that the increased sales revenue of approximately \$9.00 per ton for cyanidation will not be justified and that the production of a high grade flotation concentrate will represent the most economical and environmentally acceptable operating flow sheet.

Oliver Gold Corporation also requested Trenamen Mining Services Ltd., Vancouver, B.C. to prepare a preliminary report on estimated capital and operating costs for the Fairview Mine assuming that the current exploration program is successful.

This study assumes annual production of 255,000 tons or a daily rate of 700 tons as optimum. Capital costs for preproduction, plant and working capital are estimated at \$11,478,000. Operating costs for the first year are estimated at \$41.24 per ton and thereafter \$34.69 per ton. Based on metal prices of \$400.00 U.S. and exchange rate of 75%, a before-tax D.C.F. rate of return of 21% is indicated. The after-tax rate of return is approximately 15%.

Oliver Gold Corporation management is confident that the current exploration program will succeed in identifying the minimum 2,000,000 tons of 0.12 Oz/T. Au required to sustain a mining operation at Fairview property.

At the end of the current exploration program, Oliver Gold Corporation will have spent \$400,000 on exploration at the Fairview property and will have earned a 40% interest in the property. Cominco at this point has the option



- 4 -

to assume operatorship and continue exploration on a 60/40 basis or decline and permit Oliver Gold to expend an additional \$400,000 and earn up to 80% interest in the property.

ON BEHALF OF THE BOARD

Lawrence J. Nagy
Vice President, Mineral
Exploration & Development

June 6, 1987
LJN:clw

The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.



Oliver Gold Corporation

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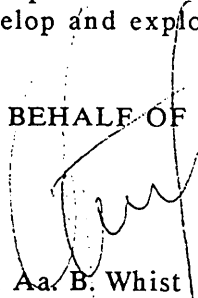
NEWS RELEASE

Jarl Aa. B. Whist, Chairman and Chief Executive Officer of Oliver Gold Corporation, is pleased to announce that the company has received two commitment letters from First Exploration Fund 1987 and Company, Limited Partnership to provide \$1,000,000.00 to subscribe for and purchase flow-through shares of the company. Under the terms of the first commitment letter, First Exploration will provide \$350,000.00 to subscribe for and purchase 159,091 flow-through shares of the company at an issue price of \$2.20 per share. Under the terms of the second commitment letter, First Exploration will provide \$650,000.00 to subscribe and purchase flow-through shares of the company, the issue price of which shall be 20% above the weighted average trading price of the shares for the thirty days prior to execution of the subscription agreement.

The company has also received a commitment letter from First Exploration Fund 1988, Limited Partnership to provide \$3,000,000.00 to subscribe for and purchase flow-through shares of the company during 1988. The issue price shall be 20% above the weighted average trading price of the shares for the thirty days prior to execution of the subscription agreement.

The proceeds of these agreements, totalling \$4,000,000.00, will be used to further develop and explore the Fairview Gold Property presently under option from Cominco.

ON BEHALF OF THE BOARD


Jarl Aa. B. Whist
Chairman & Chief Executive Officer

June 30, 1987

JABW:clw

The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.



Oliver Gold Corporation

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NEWS RELEASE

Oliver Gold Corporation is pleased to report to shareholders that the underground and surface diamond drilling program at the Fairview Mine, near Oliver, B.C. is underway and progressing well. To date, 4 of the 6 proposed underground diamond drill holes have been completed and all 4 holes intersected the 2 major sulphide bearing quartz veins at approximately 150 feet down dip from No. 6 Level. Underground drill holes No. 5 and No. 6 are collared midway in No. 6 Level adit and should intersect the quartz veins approximately 350 feet below No. 6 Level.

The cores from the first 4 holes have now been logged and mineralized sections have been forwarded to Bondar Clegg in Vancouver for assay.

Surface hole No. 1 was completed to 495 feet and intersected approximately 20 feet of quartz vein. Hole No. 2 commenced last week; however, due to equipment problems its completion will be delayed for several days.

Detailed chip sampling on both the No. 3 Level and No. 5 Level drifts is completed and all samples are now awaiting assay.

At the completion of this program, Oliver Gold Corporation will have expended over \$400,000.00 on the Fairview property and will have earned a 40% interest in the property.

ON BEHALF OF THE BOARD

Lawrence J. Nagy
Vice President, Mineral
Exploration & Development

August 7, 1987

LJN:jnm

The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.



#814-837 West Hastings Street, Vancouver, B.C., Canada V6C 1B6 Telephone: (604) 669-6656 Telecopier (604) 669-4210

NEWS RELEASE

Oliver Gold Corporation is pleased to announce that diamond drill testing at the company's Fairview Mine property near Oliver, B.C. is progressing on schedule and the results from the first three underground holes have now been received and are summarized below.

Underground Drilling Below No. 6 Level

<u>Hole No.</u>	<u>Dip</u>	<u>Bearing</u>	<u>Length</u>	<u>Quartz Zones</u>	<u>Core Interval</u>	<u>Oz Au/T</u>
F-87-UG-01	-75°	190°	44.5 m	17.9-23.57 m	5.7 m	0.111
F-87-UG-02	-75°	238°	47.24 m	17.0-19.06 m 20.6-28.07 m 36.15-42.4 m	2.06 m 7.47 m 6.25 m	0.017 0.121 0.027
F-87-UG-03	-50°	212°	54.90 m	35.32-51.3 m	15.98 m	0.086
F-87-UG-04	-46°	249°	54.90 m	37.10-49.48 m	12.38 m	Awaiting Assay
F-87-UG-05	Re-cemented and now in progress					
F-87-UG-06	-65°	257°	101.19 m	47.04-54.95 m	7.91 m	Awaiting Assay

Initial results confirm that the quartz vein systems continue downdip below No. 6 Level for at least 40 metres with diamond drill indicated grades similar to previous drilling results. Holes 5 and 6 will test for continuity to a depth of approximately 75 metres below No. 6 Level.

The surface drill has completed 4 holes and has confirmed the strike continuity of the Fairview vein system for approximately 100 metres past the last known mineralization. The assay results are expected in 7 to 10 days. A summary of the surface diamond drill holes follows.



- 2 -

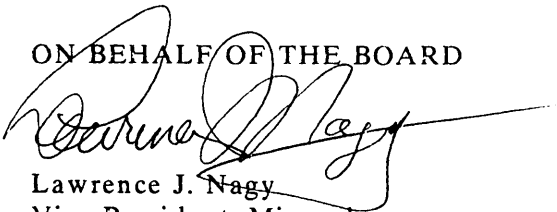
Surface Diamond Drilling

<u>Hole No.</u>	<u>Dip</u>	<u>Bearing</u>	<u>Length</u>	<u>Quartz Zones</u>	<u>Core Interval</u>	<u>Oz Au/T</u>
F-87-DH-01	-58°	222°	150.88 m	142.2-144.1 m	1.9 m	Awaiting Assay
F-87-DH-02	-45°	222°	76.48 m	61.10-68.60 m	7.5 m	Awaiting Assay
F-87-DH-03	-60°	222°	175.26 m	33.48-34.71 m	1.23 m	Awaiting Assay
				145.98-149.35 m	3.37 m	Awaiting Assay
				153.60-156.16 m	2.56 m	Awaiting Assay
F-87-DH-04	-60°	222°	126.49 m	115.52-123.92 m	8.40 m	Awaiting Assay

In addition, assay results from detailed channel sampling from the back of No. 3 Level drift have begun to arrive and preliminary results suggest that the high grade (0.50 Au) shoots found on both No. 5 and No. 6 Levels can now be traced up dip to at least No. 3 Level and appear to have a distinct vertical to northwest plunge. Previous workers had interpreted the shoots to have a 20° to 40° southeasterly plunge. The vertical distance between No. 3 Level and No. 6 Level is approximately 120 metres.

The management of Oliver Gold Corporation is pleased with the results obtained to date on the Fairview Property and is currently planning the next phase of underground and surface drilling. The objective is to identify a minimum of 2.0 million tons of mineable ore grading better than 0.12 oz Au/T.

ON BEHALF OF THE BOARD


Lawrence J. Nagy
Vice President, Mineral
Exploration & Development

September 1, 1987

LJN:clw

The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.