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MAM 82ESW

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MAM Property

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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

DATED: OCTOBER 25, 1989



TOBA GOLD RESOURCES LTD.

(hereinafter called the "Issuer")

Suite 560 - 789 West Pender Street
Vancouver, British Columbia
V6C 1H2

PUBLIC OFFERING - 650,000 COMMON SHARES

Shares	Price to Public	Commission	Net Proceeds to be received by the Issuer*
Per Share	\$ 0.75	\$ 0.09	\$ 0.66
Total	\$ 487,500.00	\$ 58,500.00	\$ 429,000.00

* Before deduction of the costs of the issue estimated to be \$50,000.00.

AFTER GIVING EFFECT TO THIS ISSUE, THE OFFERING PRICE PER SHARE EXCEEDS THE NET TANGIBLE BOOK VALUE AS AT MAY 31, 1989, PER COMMON SHARE BY \$0.434 REPRESENTING A DILUTION FACTOR OF 57.8%.

THERE IS NO MARKET THROUGH WHICH THESE SECURITIES MAY BE SOLD. THE PRICE OF THE SECURITIES BEING OFFERED PURSUANT TO THIS PROSPECTUS WAS DETERMINED BY THE ISSUER.

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED AS SPECULATION. 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 THE PROPERTIES 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 "RISK FACTORS" HEREIN.

THE VANCOUVER STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED PURSUANT TO THIS PROSPECTUS. LISTING IS SUBJECT TO THE ISSUER FULFILLING ALL THE LISTING REQUIREMENTS OF THE VANCOUVER STOCK EXCHANGE ON OR BEFORE MAY 2, 1990, INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

THIS OFFERING IS SUBJECT TO A MINIMUM SUBSCRIPTION BEING RECEIVED BY THE ISSUER WITHIN 180 DAYS OF THE EFFECTIVE DATE. SEE "PLAN OF DISTRIBUTION - MINIMUM SUBSCRIPTION".

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 23.12% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 27.24% THAT WILL THEN BE OWNED BY THE CONTROLLING PERSONS, PROMOTERS, DIRECTORS AND SENIOR OFFICERS OF THE ISSUER AND ASSOCIATES OF THE AGENT.

REFER TO THE HEADING "PRINCIPAL HOLDERS OF SECURITIES" 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. REFERENCE SHOULD BE MADE TO THE ITEM "DIRECTORS AND OFFICERS" HEREIN FOR A COMMENT AS TO THE RESOLUTION OF POSSIBLE CONFLICTS OF INTEREST.

WE, AS AGENT, CONDITIONALLY OFFER THESE SECURITIES SUBJECT TO PRIOR SALE, IF, AS AND WHEN ISSUED BY THE ISSUER AND ACCEPTED BY US IN ACCORDANCE WITH THE CONDITIONS CONTAINED IN THE AGENCY AGREEMENT REFERRED TO UNDER THE HEADING "PLAN OF DISTRIBUTION" IN THIS PROSPECTUS SUBJECT TO APPROVAL OF ALL LEGAL MATTERS ON BEHALF OF THE ISSUER BY O'NEILL & BENCE.

AGENT:

YORKTON CONTINENTAL SECURITIES INC.
Suite 1000
1055 Dunsmuir Street
Vancouver, B.C.
V7X 1L4

May 18/90

EFFECTIVE DATE: NOVEMBER 3, 1989

TOBA GOLD RESOURCES LTD.

MAY 24 1990

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KAMLOOPS, B.C.

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PROSPECTUS SUMMARY

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

THE ISSUER

The Issuer is a natural resource company engaged in the acquisition, exploration and development of mineral properties. The Issuer owns or has an interest in the properties described under the heading "Properties" and intends to seek and acquire additional properties worthy of exploration and development.

THE OFFERING

Issue: 650,000 Common Shares without par value (the "Shares")

Price: \$0.75 per Share

Use of Proceeds: The aggregate of the estimated net proceeds, after deducting expenses of the Offering, and after deducting the estimated adjusted working capital deficit as at September 30, 1989 of \$94,322, is \$284,678 of which \$150,000 will be used to carry out the Phase I work program on the MAM property and \$35,000 of which will be used to carry out the Phase II work program on the Granite Creek Property.

Risk Factors: An investment in the Shares is speculative and subject to the following risks:

1. There is no known body of ore on the Issuer's mineral properties.
2. There is no established market for the Shares of the Issuer and there is no assurance that one will be created.
3. There is no certainty that the Issuer's exploration activities will result in discovery of commercial quantities of ore.
4. There is no assurance as to the marketability of any mineral substances produced from the Issuer's properties.
5. The Issuer's interest in its mineral properties can not be guaranteed.

6. The precise area and location of portions of the Issuer's properties may be in doubt.
7. After giving effect to this Offering, the Offering price per share exceeds the net tangible book value as at May 31, 1989 per common share by \$0.434 representing a dilution factor of 57.8%.
8. Upon completion of this Offering, this issue will represent 23.12% of the shares then outstanding as compared to 27.24% that will then be owned by the controlling persons, promoters, directors and senior officers of the Issuer and associates of the Agent. (See "Risk Factors").

Financial Results: The Issuer was incorporated on December 31, 1986 and has carried on a limited amount of business since that date.

NAME AND INCORPORATION

The name of the Issuer is Toba Gold Resources Ltd. The Issuer was incorporated on December 31, 1986 under the Company Act of the Province of British Columbia by registration of its Memorandum and Articles.

The address of the Head Office for the Issuer is Suite 560 - 789 West Pender Street, Vancouver, British Columbia.

The address of the registered and records office of the Issuer is 12th Floor - 1190 Hornby Street, Vancouver, British Columbia, V6Z 2L3.

DESCRIPTION OF BUSINESS AND PROPERTY**Business**

The Issuer is a natural resource company engaged in the acquisition, exploration and development of mineral properties. The Issuer owns or has an interest in the properties described under the heading "Properties" and intends to seek and acquire additional properties worthy of exploration and development.

Properties**MAM PROPERTY, OSOYOOS MINING DIVISION,
PROVINCE OF BRITISH COLUMBIA****Interest Acquired by the Issuer**

By Agreement made as of the 9th day of March, 1987 as amended by agreements dated July 14, 1988, November 1, 1988, January 27, 1989 and February 20, 1989 (the "MAM Agreement") between Duncan C. Wing of 1803 - 13350 Old Yale Road, Surrey, British Columbia and Milan Gubash of 406 - 1651 Harwood Street, Vancouver, British Columbia (the "Optionors") and the Issuer, the Issuer obtained an exclusive option to acquire a 100% interest in and to eleven mining claims located in the Osoyoos Mining Division in the Province of British Columbia. The Optionors are also officers and directors of the Issuer. In addition to the eleven claims acquired by the Issuer from the Optionors, the Issuer, by its agent W. Wing, staked the DC1 and DC2 mining claims which were recorded on June 22, 1987. Together the Issuer's thirteen claims are referred to as the "MAM Property". The MAM Property is comprised of the following mineral claims:

<u>Claim</u>	<u>Units</u>	<u>Record Number</u>	<u>Area (Hectares)</u>	<u>Expiry</u>
MAM	10	822	250	Sept 10/91
ES	15	1245	375	Sept 26/90
MS	15	1246	375	Sept 26/90
CM	6	1247	150	Sept 29/90
WR	14	1248	350	Sept 29/90
BW	8	1256	200	Oct 09/90
GM	14	1257	350	Oct 09/90
JJ#1		519	20.9	Aug 18/91
JJ#2		520	20.9	Aug 18/91
LOT 799	Reverted C.G.	817	20.9	Sept 7/91
LOT 800	Reverted C.G.	818	20.9	Sept 7/91
DC 1	12	2627	300	June 22/90
DC 2	6	2628	150	June 22/90

Pursuant to the terms of the MAM Agreement the Issuer has agreed to provide the following consideration to the Optionors:

1. \$30,000 upon execution of the MAM Agreement which sum is equal to the Optionors' out-of-pocket acquisition costs and which sum has been paid;
2. The allotment and issuance of 104,148 Common Shares of the Issuer to the Optionors at a deemed price of \$0.25 per share in respect of \$26,037 of net substantiated expenditures incurred on the MAM Property by the Optionors prior to the date of the MAM Agreement. These shares shall be allotted and issued after a receipt has been issued by the regulatory authorities for this Prospectus. The Issuer has paid a total of \$67,069 to the Optionors in regard to previous expenditures on the MAM Property including the \$26,037 which will be converted into Common Shares of the Issuer as set out above; and
3. The allotment of 200,000 Common Shares of the Issuer to the Optionors. These shares shall be allotted when a receipt has been issued by the regulatory authorities for this Prospectus. These shares shall be issued on the basis of one share for each \$0.95 of adjusted cash flow generated by the MAM Property. No shares will be issued until such time as the Issuer has recovered all acquisition and exploration costs incurred on the MAM Property.

In the event the Issuer does not fully exercise its option on the MAM Property by fulfilling its obligations by March 9, 2007, the Issuer's option to acquire the MAM Claims will terminate.

The following is a summary of the location, mineralization and exploration recommendations for the MAM Property which has been taken from the report of Alfred R. Allen, MASc. P.Eng. (the

"Consultant") dated February 1988 as updated by Greg L. Ven Huizen on December 21, 1988 and June 10, 1989 (the "Report"). The Report is attached to and forms part of this Prospectus.

The MAM Property is located in southwest British Columbia in the Kruger Mountains - Blue Lake Area west of Osoyoos at north latitude 49°03' and west longitude 119°33'. Access to the MAM Property may be obtained by travelling north from Osoyoos via highway 3A for 6.4 kilometres to a secondary road turnoff which travels west to the MAM Property.

A detailed history of prospecting on the MAM Property is not available but there are existing excavations on the Property which expose quartz fissure veins. A short adit tunnel and an eight metre shaft were located on mineralized quartz veins. An exploration program was conducted over the MAM Property by Highmark Resources Ltd. from 1979 to 1983. The Highmark Resources Ltd. exploration program on the MAM Property included reconnaissance geological, geochemical, magnetic and electromagnetic surveys over selected areas. Twenty five quartz fissure veins were partially exposed. The grab samples taken from the exposed veins assayed as high as 0.40 ounces of gold per ton and 0.194 ounces of silver per ton.

In 1980 sixteen EXT diamond drill holes were completed for a total length of 610 metres along 310 metres of the vein system. Core samples graded from 0.002 to 5.06 ounces of gold per ton over two feet and 0.002 to 2.48 ounces of silver per ton over 14 feet.

In 1981 eight B.Q. holes were drilled for a total length of 1,654 metres. Core assays were reported up to 0.94 ounces of gold per ton and 2.19 ounces of silver per ton. These assays were derived from sludge samples from a five foot section of the core.

In 1982 seven N.Q. holes were drilled for a total length of 702 metres. Core assays up to 0.075 ounces per ton of gold, 0.08 ounces per ton silver and 1% copper were reported. Difficulties were encountered penetrating some of the fissure veins and cementing was required. The main vein was penetrated over a length of 366 metres and over widths of 0.15 to 3 metres. The deepest intersection was 152 metres.

On May 17, 1984 the property was examined by Donald G. Allen on behalf of Highmark Resources Ltd. Eight surface samples were crushed, panned and the concentrates assayed between .001 and 3.150 ounces of gold per ton. These assays were from panned concentrates of samples and thus are not representative of values found in unconcentrated bedrock.

During the period 1984 to 1986 the #2 tunnel was driven an additional 4.6 metres on two quartz veins 10 to 30 centimetres in width carrying pyrite, chalcopyrite with gold, silver and copper values. The #1 adit tunnel was located 28 metres to the northwest. It was driven 24 metres at 265°. Short crosscuts were directed right at 310° and left at 220°. A vertical shaft was sunk 3.3 metres from the tunnel floor and good grade mineralization was reported at the bottom. As a safety precaution the shaft was filled with muck. The Issuer completed additional grid work and surface sampling during 1987 at an approximate cost of \$130,921 on the MAM Property. The results of this work program are contained in the Report.

In the Report the Consultant recommends a Phase I exploration program on the MAM Property including expansion of the existing grid to include the entire property, mapping of all drill holes, surface showings and underground workings. The Consultant also recommends diamond drilling of various holes and surface vein exposures to determine the attitude, size and grade of the fissure veins, a magnetometer survey over the gossan zone near the northeast corner of the southeast quadrant of the MAM Property and the extension of selected surface showings by open pits, trenches, rock cuts, dewatering, clearing shafts and mapping and sampling exposed veins. The estimated cost of the recommended Phase I work program on the MAM Property is \$150,000. The Issuer intends to utilize funds from this offering to conduct the Phase I work program recommended by the Consultant.

There is no surface or underground plant or equipment on the Claims. There are no known reserves of ore on the Claims. The proposed work program is an exploratory search for ore.

**GRANITE CREEK PROPERTY, SIMILKAMEEN MINING
DIVISION, PROVINCE OF BRITISH COLUMBIA**

Placer Leases No. 85 and No. 11871

Pursuant to an agreement dated May 1, 1987 as amended by agreements dated June 25, 1988, November 1, 1988, June 29, 1989, August 31, 1989 and October 16, 1989 between Aubrey Later and Naomi Dalrymple c/o General Delivery, Coalmont, British Columbia, (the "Optionors") and Duncan C. Wing of 1803 - 13350 Old Yale Road, Surrey, British Columbia ("Wing") (the "Granite Creek Agreement") Wing acquired the sole and exclusive right and option to acquire an undivided 100% leasehold interest in and to Placer Lease No. 85 and Placer Lease No. 11871 located in the Similkameen Mining Division in the Province of British Columbia (the "Placer Leases").

Pursuant to an agreement dated the 1st day of April, 1988 between Wing and W & G Mining Inc. ("W & G") Wing assigned 100% of his leasehold interest in the Placer Leases to W & G for nominal consideration of \$2.00. Under the terms of the agreement W & G has agreed to make all payments required to be made by Wing under the Granite Creek Agreement. W & G is a private British Columbia company which is controlled by Wing and Milan Gubash who are each directors of the Issuer.

Pursuant to an assignment dated as of the 1st day of April, 1988 between W & G and the Issuer, the Issuer acquired a 100% interest in and to the Granite Creek Agreement.

In consideration for the assignment the Issuer has agreed to assume all liabilities of W & G with respect to the cash payments to be made under the Granite Creek Agreement after April 1, 1988.

In order to fully exercise the option the Issuer is required to make total payments of \$80,000 cash on or before February 1, 1990. As of the date of this Prospectus the Issuer has paid the Optionors \$55,000 and is required to pay the balance of \$25,000 on or before February 1, 1990.

Placer Lease PL10171

Pursuant to an agreement dated July 25, 1987 between Ernest E. North ("North") and Wing, North leased Placer Lease PL10171 in the Similkameen Mining Division of the Province of British Columbia to Wing in consideration for \$5.00 and a net smelter royalty of 12-1/2% of the value of all precious metals recovered from PL10171.

Pursuant to an agreement dated as of the 1st day of April, 1988 between Wing and W & G, Wing assigned 100% of his interest in and to Placer Lease PL10171 to W & G for nominal consideration of \$2.00 subject to the 12½% net smelter royalty payable to North.

The Issuer acquired a 100% undivided leasehold interest in PL10171 pursuant to an agreement made as of the 1st day of April, 1988 and amended by agreements dated November 1, 1988, January 27, 1989, February 6, 1989 and February 20, 1989 between W & G and the Issuer.

The Issuer's 100% interest in PL10171 is subject to payment of the 12-1/2% royalty payable to North.

North's interest in PL10171 is the subject of legal proceedings commenced by Norbeck Explorations Ltd. which may affect the interest in PL10171 which has been conveyed to the Issuer. The Issuer will be unable to recover compensation from North or W & G should its interest in PL10171 be affected by the legal

proceedings. The Issuer will conduct no material amount of exploration or development work on PL10171 until such time as the legal proceedings have been concluded. The trial of this action was scheduled to commence September 6, 1989 but has been adjourned generally by consent.

PL10171 is adjacent to Placer Lease 85 and Placer Lease 11871. These leases are collectively referred to herein as the "Granite Creek Property". According to records of the Mining Recorder's Office, the expiry dates on the aforementioned placer leases comprising the Granite Creek Property are February 25, 1991, July 18, 1994 and August 11, 1990 respectively.

The following is a summary of the location, mineralization and exploration recommendations for the Granite Creek Property which has been taken from the report of Jan H. Schutze (the "Consultant") dated May 2, 1988 (the "Report").

The Granite Creek Property is located approximately 16 kilometres west of the town of Princeton in the Similkameen Mining Division, in the Province of British Columbia. The claim area is accessible from Princeton via Coalmont on the Tulameen Road. The Granite Creek Property is reached from Coalmont via Blakeburn Road approximately 4.5 kilometres from Coalmont.

Gold has been mined in the Granite Creek Area since the late 1800's. An underground exploration program was performed on the Swan claims in the area of the Granite Creek Property in 1925 by the Hematite Iron and Gold Mines Development Company of Seattle. Other exploration programs were conducted in 1934 by International Placers Limited, in 1961 by Geojimal Mining and Development Company Limited and in 1974 by Harkor Developments Limited.

From 1881 to 1945 approximately 25,079 ounces of gold with a present value of \$14,495,662 (\$578. Cdn. per ounce) were produced from placer claims along Granite Creek. No figures are available respecting prior production from the Issuer's claims.

The Granite Creek Property is underlain by rocks of the Nicola Group. Further downstream these rocks are described by Aubut (1979) as steeply dipping, dark green to black pyritic argillites. The argillites are composed mainly of clay and detrital fragments, including quartz and pyroxene. Interbedded with the argillites are tuffaceous layers. Several diabase dykes have been found to cut through the sediments. In some locations the argillites have been strongly sheared, producing sericite schists.

The gravels on the Granite Creek Property consist of fragments of the Nicola Group and the Tulameen Complex. Camcell (1913) reports a gold lode mine located in the upper portions of the

Granite Creek valley, within the Nicola Group, which indicates that the potential source of placer gold is upstream of the Issuer's Granite Creek Property. The Consultant has indicated in the Report that there is also a potential for platiniferous placers on the Granite Creek Property because of two tributaries entering the Granite Creek from a north westerly direction. These tributaries have their headwaters and upper portions within rocks of the Tulameen complex which is considered a potential source of platinum.

The Issuer expended approximately \$22,500 on the Granite Creek Property cutting a road to allow access to certain sections of Placer Leases #85 and #11871.

The Consultant's Report of May 2, 1988 recommends that the Issuer explore the potential of the Granite Creek Property by conducting an air photographic study, seismic survey and small churn drilling program at an estimated cost of \$35,000. The Issuer intends to utilize funds from the offering to conduct the work program recommended by the Consultant on Placer Leases #85 and #11871 and, subject to the outcome of the legal action referred to above, on Placer Lease #10171. Any portion of the \$35,000 reserved for the recommended work program on the Granite Creek Property which is not expended as a result of the Issuer's decision to withhold expenditures on Placer Lease #10171 pending the outcome of the above-noted legal action, shall be returned to working capital.

There is no surface or underground plant or equipment on the Claims. There are no known reserves of ore on the Claims. The proposed work program is an exploratory search for ore.

PLAN OF DISTRIBUTION

The Issuer by its Agent hereby offers (the "Offering") to the public through the facilities of the Vancouver Stock Exchange (the "Exchange") 650,000 shares (the "Shares") of the Issuer at a price of \$0.75 per Share. The Offering will be made in accordance with the rules and policies of the Exchange within a period 180 days from the Effective Date of this Prospectus (the "Offering Day") determined by the Agent and the Issuer, with the consent of the Exchange.

Minimum Subscription

This Offering is subject to a minimum of 650,000 Shares being sold within 180 days from the Effective Date. All funds received from the sale of the Shares will be held in trust by the Agent or by Pacific Corporate Services Limited, until the minimum of 650,000 Shares have been sold and subscription proceeds of \$487,500 have been received. If the minimum of 650,000 Shares

are not sold within 180 days from the Effective Date, all funds will be returned to the purchasers without interest or deduction. If the minimum of 650,000 Shares is sold and notice of the release of funds is given to the Superintendent, the proceeds received will be paid to the Issuer less the commission payable to the Agent.

Appointment of the Agent

The Issuer, by an agreement dated June 6, 1989 as amended by an agreement dated October 3, 1989 (the "Agency Agreement") appointed Yorkton Securities Inc. (now Yorkton Continental Securities Inc.) as its agent ("Agent") to offer the shares through the facilities of the Exchange.

The Agent will receive a commission of \$0.09 per Share.

Under the Agency Agreement, the Agent may terminate its obligations at its discretion by notice in writing to the Issuer at any time before the day the shares of the Issuer are listed, posted and called for trading on the Exchange, on the basis of its assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events, including any material adverse change in the business, personnel or financial condition of the Issuer.

The Agent has reserved the right to offer selling group participation, in the normal course of the brokerage business to selling groups of other licenced broker-dealers, brokers and investment dealers, who may or may not be offered part of the commissions from this Offering.

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.

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

The directors, officers and other insiders of the Issuer may purchase Shares from this Offering.

The Vancouver Stock Exchange has conditionally listed the securities being offered pursuant to this Prospectus. Listing is subject to the Issuer fulfilling all the listing requirements of the Vancouver Stock Exchange on or before May 2, 1990, including prescribed distribution and financial requirements.

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 properties 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 discovery of commercial quantities of ore.
4. The mining industry, in general, is intensively competitive and there is no assurance that even if commercial quantities of ore are discovered, a ready market will exist for sale of same. Factors beyond the control of the Issuer may affect the marketability of any substances discovered.
5. While the Issuer has obtained the usual industry standard title reports with respect to the properties this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects.
6. The Issuer's interest in PL10171 is the subject of legal proceedings commenced by Norbeck Explorations Ltd. against the original lessor, Ernest E. North. The result of such legal proceedings may affect the interest in PL10171 which have been conveyed to the Issuer. The Issuer will be unable to recover compensation should its interest in PL10171 be affected by these legal proceedings.
7. The Issuer's properties have not been completely surveyed and therefore, the precise area and location of portions of the properties may be in doubt.

8. After giving effect to this Offering, the offering price per share exceeds the net tangible book value as at May 31, 1989, per common share by \$0.434 representing a dilution factor of 57.8%.
9. Upon completion of this Offering this issue will represent 23.12% of the shares then outstanding as compared to 27.24% that will then be owned by the controlling persons, promoters, directors and senior officers of the Issuer and associates of the Agent.

USE OF PROCEEDS

The net proceeds to be derived by the Issuer from the Offering will be \$429,000 which, together with the estimated working capital deficit of \$120,359 as at September 30, 1989 less the settlement of \$26,037 by way of the issuance of shares (See "Description of Property - MAM Property") shall be expended as follows:

1.	To pay the costs of issue estimated at	\$ 50,000.00
2.	To carry out the Phase I work program on the MAM Property	\$ 150,000.00
3.	To carry out the Phase II work program on the Granite Creek Property	\$ 35,000.00
4.	Reimbursement to a director for three advances of \$5,000 for required option payments on the Granite Creek Property which payments were due August 1, 1989, October 1, 1989 and October 16, 1989	\$ 15,000.00
5.	Reserve for option payment on the Granite Creek Property	\$ 25,000.00
6.	For general corporate purposes	\$ 59,678.00
	TOTAL:	<u>\$ 334,678.00</u>

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

securities bodies having jurisdiction over the sale of the securities offered by this Prospectus.

The allocation of funds to the performance of further development of the Issuer's properties appears warranted on the basis of the information presently available to the Issuer and current circumstances, economic and otherwise. Therefore, the Issuer will not alter or abandon its proposed programs without attaining the recommendation of a qualified engineer or geologist.

In the event of any material change in the affairs of the Issuer during the primary distribution of the shares offered by this Prospectus, an amendment of this Prospectus will be filed. Following completion of the primary distribution of the shares 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 SHARES

The authorized capital of the Issuer consists of 20,000,000 Common Shares without par value. As of the date of this Prospectus, 2,057,202 Common Shares are issued and outstanding.

All Common Shares of the Issuer, both issued and unissued, rank equally as to dividends, voting powers and participation in assets. 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 funds or purchase funds. Provisions as to modifications, amendments or variations of such funds or such provisions are contained in the Company Act of the Province of British Columbia.

SHARE AND LOAN CAPITAL STRUCTURE

Designation of Security	Amount Authorized	Amount Issued and outstanding as of May 31, 1989 (date of Balance Sheet in the Prospectus)	Amount Outstanding as of October 25, 1989 (date of Prospectus)	Amount Outstanding if all securities are sold
Common Shares	20,000,000	2,057,202	2,057,202	2,707,202*

* The Issuer has reserved an additional 257,319 Common Shares for issuance pursuant to certain incentive stock options. See "Options to Purchase Securities". See

"Description of Business and Property". The Issuer intends to issue an additional 104,148 Common Shares pursuant to a property acquisition agreement prior to the offering of the Shares to the public and has agreed to allot an additional 200,000 Common Shares after a receipt has been issued for this Prospectus pursuant to an acquisition agreement. See "Description of Business and Property".

PRIOR SALES

During the period from incorporation of the Issuer on the December 31, 1986 to the date of this Prospectus, the Issuer issued the following shares for cash and other consideration:

<u>Number of Shares</u>	<u>Price per Share</u>	<u>Commissions Paid</u>	<u>Net Cash Received</u>
750,000	\$0.01	Nil	\$ 7,500.00
1	\$0.25	Nil	\$ 0.25
30,000	\$0.25	Nil	\$ 7,500.00*
715,251	\$0.30	Nil	\$214,575.30
561,950	\$0.50	Nil	\$280,975.00

* Pursuant to an agreement dated May 27, 1988 the Issuer issued 30,000 shares to an executive officer for services rendered. The Issuer has been deemed to have received \$7,500. See "Executive Compensation".

SALES OTHERWISE THAN FOR CASH

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

DIRECTORS AND OFFICERS

The names, addresses and positions held by each of the Directors and Officers of the Issuer are as follows:

Names and Addresses

Positions Held

MILAN GUBASH*
406 - 1651 Harwood Street
Vancouver, British Columbia
V6G 1Y2

President, Chief Executive Officer,
Director and Promoter.

DUNCAN CAMPBELL WING* 1803 - 13350 Old Yale Road Surrey, British Columbia V3T 3C7	Director and Promoter.
MERVIN GEORGE PHILLIPS* 950 McMurdo Drive Kamloops, British Columbia V2C 3G7	Director
LOREN DOUGLAS CURRIE 313 - 2222 Prince Edward St. Vancouver, British Columbia V5T 4M6	Secretary, Chief Financial Officer and Director.
THOMAS M. WATERLAND 1131 Jackson Way Tsawwassen, British Columbia V4L 1W5	Director

* Denotes member of the Audit Committee.

Directors of the Issuer also serve as Directors of other companies. Accordingly, it may occur that business opportunities will be offered to both the Issuer and such other companies. Furthermore, those other companies may participate in the same businesses as those in which the Issuer has an interest. As a result, there may be situations which involve a conflict of interest. In that event, the Directors would not be qualified to vote at meetings of Directors on resolutions which evoke any such conflict. The Directors will attempt to avoid dealing with such 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.

MANAGEMENT BACKGROUND

MILAN GUBASH
President, Chief Executive Officer, Director and Promoter

Mr. Gubash is an architect with special expertise in Civil Engineering and has practiced his profession for the past 20 years. He is President of Gamma Consultants Inc., an engineering consulting firm and has also managed a land development company. For the past 4 years, Mr. Gubash has been actively involved in the mining industry through his partnership with Mr. D. C. Wing.

DUNCAN C. WING
Director and Promoter

Mr. Wing has been a self-employed prospector for the past 60 years. He has worked extensively in the Yukon Territories as well as in British Columbia. He was a founder of McLeod Copper Mines. Mr. Wing will act as a consultant to the Issuer as it develops its current properties and explores for and evaluates additional properties.

MERVIN G. PHILLIPS
Director

Mr. Phillips, B.S.P., is President/Operator of Kipp Mallory Pharmacy, which consists of three branches in Kamloops, British Columbia. Mr. Phillips is also a director of Michael Resources Ltd., a natural resource company listed on the Vancouver Stock Exchange.

LOREN D. CURRIE
Secretary, Chief Financial Officer and Director

Mr. Currie has been involved in the sale of real estate securities through limited partnerships and was sales manager of a leasing firm. Mr. Currie has a good knowledge of the investment industry and will be working directly with the brokerage community, on behalf of the Issuer, during the Issuer's initial public financing as well as on any future equity financings.

THOMAS M. WATERLAND
Director

Mr. Waterland graduated with a degree in mining engineering in 1957 and since that time has been employed in various engineering and supervisory roles at mines in Newfoundland, Ontario and British Columbia. Mr. Waterland has spent several years as a mining consultant and a total of six years as a district mining engineer and mine inspector for the British Columbia Department of Mines. In 1975, Mr. Waterland was elected MLA for Yale-Lillooet and served in Premier Bill Bennett's provincial cabinet for 10 years. Mr. Waterland's portfolio's included mines and petroleum resources, forests and agriculture. Mr. Waterland presently holds the position of President of the Mining Association of British Columbia, a position he has held since leaving politics in August, 1986.

EXECUTIVE COMPENSATION

The following table sets forth the aggregate remuneration paid or payable by the Issuer in respect of the 29 month period from the date of incorporation to May 31, 1989 to its directors in their capacity as directors and to its two senior officers (including directors):

	<u>Nature of Remuneration</u>		
	<u>From Office Employment and Employer Contributions</u>	<u>Cost of Pension Benefits</u>	<u>Other</u>
Directors (Total 4)	NIL	NIL	NIL
Senior Officers (Total 2)	\$114,000.00	NIL	NIL

The Issuer has granted to senior officers options on 128,660 Common Shares. See "Options to Purchase Securities". The number of securities under option to each executive officer is determined by a variety of factors including the number of executive officers eligible for stock options, job function, past performance and anticipated future performance.

Pursuant to a letter agreement dated May 27, 1988 the Issuer issued 30,000 Common Shares to Loren D. Currie, Chief Financial Officer and a director of the Issuer, at a deemed price of \$0.25 per share in payment of general administrative and executive services for the period February, 1987 to May 27, 1988. Pursuant to an agreement dated August 1, 1987 the Issuer paid Mr. Currie a total of \$6,000 for financial consulting services for the period August 1, 1987 to January 31, 1988. The Issuer continues to incur \$1,000 per month to Mr. Currie in consideration of general office services provided. There is no contract in regard to these services.

Pursuant to an agreement dated December 31, 1986 the Issuer paid Hilton Capital Corporation ("Hilton") \$3,000 per month for the period January 1, 1987 to February 19, 1988 in consideration for Hilton providing office space, secretarial and reception services. Pursuant to an agreement dated February 20, 1988 between the Issuer and Hilton, the Issuer agreed to pay Hilton the amount of \$2,000 per month in consideration for providing office space, secretarial and reception services. This agreement remains in effect until terminated by either party on thirty days written notice. Hilton is a private B.C. company which is controlled by Milan Gubash, an officer and director of the Issuer. Pursuant to an agreement dated September 15, 1987 the Issuer purchased assets comprised of office equipment, computer equipment, and survey equipment from Milan Gubash for a total consideration of \$23,200.

Pursuant to an agreement dated October 1, 1987 between the Issuer and Duncan C. Wing, a promoter and a director of the Issuer, the Issuer paid Mr. Wing a total of \$12,000 for management consulting services for the period October 1, 1987 to January 31, 1988. Pursuant to an agreement dated March 15, 1987 between the Issuer and Duncan C. Wing the Issuer paid Mr. Wing a total of \$40,000 for field supervision services including the supervision of all blasting and drilling activities and all exploration undertaken by the Issuer for the period March 15, 1987 to March 15, 1988.

The Issuer has paid or has agreed to pay by way of cash or through the issuance of shares a total of \$232,269 to insiders for all matters including management fees, consulting fees, reimbursement of expenditures and equipment purchases.

OPTIONS TO PURCHASE SECURITIES

Details of options to purchase Common Shares of the Issuer which are outstanding are as follows:

	<u>No. of Common Shares</u>	<u>Exercise Price Per Common Share</u>	<u>Expiry Date</u>
Directors (Total number 4)	128,659	\$0.75	Five years from the effective date of the Prospectus.
Senior officers (Total number 1)	128,660	\$0.75	Five years from the effective date of the Prospectus.

There are no other options to purchase securities under this Prospectus.

PRINCIPAL HOLDERS OF SECURITIES

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 as of the date of this Prospectus:

<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>
Milan Gubash Suite 406 1651 Harwood Street Vancouver, B.C. V6G 1Y2	direct	common	275,000	13.37%
Duncan C. Wing Suite 1803 13350 Old Yale Road Vancouver, B.C. V3T 3C7	direct	common	275,000	13.37%

The number and percentage of each class of equity shares of the Issuer owned directly or indirectly by all Directors and Senior Officers of the Issuer as a group is as follows:

<u>Designation of Class</u>	<u>Number of Shares Beneficially owned</u>	<u>Percentage of Class</u>
Common Shares	661,667	32.16%*

* Upon completion of the Offering this percentage will be 27.24%.

ESCROWED SHARES

As of the date of this Prospectus, 750,000 Common Shares are held in escrow by Pacific Corporate Services Limited of 830 - 625 Howe Street, Vancouver, British Columbia subject to the direction or determination of the Superintendent of Brokers ("Superintendent") and subject to the Exchange upon listing of the shares on the Exchange. The escrow restrictions provide that the shares may not be traded in, dealt with in any manner whatsoever, or released, nor may the Issuer, its Transfer Agent or Escrow Holder make any transfer or record any trading of shares without the consent of the Superintendent and the Exchange. Any escrow shares not released within ten years of the date of a receipt for this Prospectus will be cancelled.

The complete text of the escrow agreement is available for inspection at the offices of the Issuer's solicitors, O'Neill & Bence, at 12th Floor, 1190 Hornby Street, Vancouver, British Columbia.

<u>Designation of Class</u>	<u>Number of Shares Held in Escrow</u>	<u>Percentage of Class</u>
Common Shares	750,000	36.46%*

* Upon completion of this offering this percentage will be 26.68%.

POOLED SHARES

The holders of 715,251 pre-prospectus shares of the Issuer which were acquired for \$0.30 per share and the holders of 366,950 pre-prospectus shares which were acquired for \$0.50 have agreed to pool such shares. One subscriber's share acquired for \$0.25 has been pooled and 104,148 shares to be issued at a deemed price of \$0.25 per share after the receipt date of this Prospectus and prior to the Offering pursuant to a property acquisition will also be pooled. The shares will be held in pool by the Issuer's Transfer Agent and Registrar, Pacific Corporate Services Ltd. of 830 - 625 Howe Street, Vancouver, British Columbia to be released on the basis of 25% upon listing on the Exchange and 25% every three months thereafter. While pooled, the holders of the pooled shares may not sell, deal in, assign or transfer in any manner any of the pooled shares or beneficially ownership thereof or any interest therein.

DIVIDEND RECORD

The Issuer has not, since the incorporation of the Issuer on December 31, 1986, paid any dividends on any of its shares. The Issuer has no present intention to pay 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), Milan Gubash and Duncan Wing are considered to be the Promoters of the Issuer. The Promoters have acquired the following Common Shares in the capital of the Issuer:

<u>Name</u>	<u>Number of Shares</u>	<u>Price per Share</u>
Milan Gubash	275,000	\$0.01 (cash-paid escrowed)

Duncan C. Wing	275,000	\$0.01 (cash-paid escrowed)
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For particulars of additional compensation paid to the Issuer's promoters see "Description of Business and Property", "Executive Compensation" and "Options to Purchase Securities".

PENDING LEGAL PROCEEDINGS

The Issuer is not a party with respect to any legal proceedings and no legal proceedings by or against the Issuer are contemplated.

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, save and except as disclosed in this Prospectus.

MATERIAL CONTRACTS

The only material contracts entered into by the Issuer are as follows:

1. Agreement dated March 9, 1987 among the Issuer and Duncan C. Wing and Milan Gubash referred to under "Description of Business and Property".
2. Agreement dated April 1, 1988 between the Issuer and W & G Mining Inc. referred to under "Description of Business and Property".
3. The Agency Agreement referred to under "Plan of Distribution".
4. The Escrow Agreement referred to under "Escrowed Shares".
5. Letter agreement dated May 27, 1988 pursuant to which the Issuer issued 30,000 Common Shares to Loren D. Currie, Chief Financial Officer and a director of the Issuer, at a deemed price of \$0.25 per share in payment of general administrative and executive services for the period February, 1987 to May 27, 1988.
6. Agreement dated August 1, 1987 pursuant to which the Issuer paid Loren D. Currie a total of \$6,000 for financial consulting services for the period August 1, 1987 to January 31, 1988.

7. Agreement dated December 31, 1986 pursuant to which the Issuer paid Hilton Capital Corporation ("Hilton") \$3,000 per month for the period January 1, 1987 to February 19, 1988 in consideration for Hilton providing office space, secretarial and reception services.
8. Agreement dated February 20, 1988 between the Issuer and Hilton pursuant to which the Issuer agreed to pay Hilton the amount of \$2,000 per month in consideration for providing office space, secretarial and reception services. This agreement remains in effect until terminated by either party on thirty days written notice. Hilton is a private B.C. company which is controlled by Milan Gubash, an officer and director of the Issuer.
9. Agreement dated September 15, 1987 pursuant to which the Issuer purchased assets comprised of office equipment, computer equipment, and survey and drafting equipment from Milan Gubash for a total consideration of \$23,200.
10. Agreement dated October 1, 1987 between the Issuer and Duncan C. Wing, a promoter and a director of the Issuer pursuant to which the Issuer paid Mr. Wing a total of \$12,000 for mining consulting services for the period October 1, 1987 to January 31, 1988.
11. Agreement dated March 15, 1987 between the Issuer and Duncan C. Wing pursuant to which the Issuer paid Mr. Wing a total of \$40,000 for field supervision services including the supervision of all blasting and drilling activities and all exploration undertaken by the Issuer for the period March 15, 1987 to March 15, 1988.
12. Amending Agreement dated July 14, 1988 among the Issuer and Duncan C. Wing and Milan Gubash referred to under "Description of Business and Property".
13. Amending Agreement dated November 1, 1988 among the Issuer, Duncan C. Wing and Milan Gubash referred to under "Description of Business and Property".
14. Amending Agreement dated January 27, 1989 among the Issuer, Duncan C. Wing and Milan Gubash referred to under "Description of Business and Property".
15. Agreement dated May 1, 1987 among Aubrey Later, Naomi Dalrymple and Duncan C. Wing referred to under "Description of Business and Property".

16. Amending Agreement dated June 25, 1988 among Aubrey Later, Naomi Dalrymple and Duncan C. Wing referred to under "Description of Business and Property".
17. Amending Agreement dated November 1, 1988 among Aubrey Later, Naomi Dalrymple, Duncan C. Wing, W & G Mining Inc. and the Issuer referred to under "Description of Business and Property".
18. Agreement dated April 1, 1988 between Duncan C. Wing and W & G Mining Inc. referred to under "Description of Business and Property".
19. Agreement dated April 1, 1988 between the Issuer and W & G Mining Inc. referred to under "Description of Business and Property".
20. Agreement dated July 25, 1987 between Ernest E. North and Duncan C. Wing referred to under "Description of Business and Property".
21. Agreement dated April 1, 1988 between Duncan C. Wing and W & G Mining Inc. referred to under "Description of Business and Property".
22. Agreement dated April 1, 1988 between the Issuer and W & G Mining Inc. referred to under "Description of Business and Property".
23. Amending Agreement dated as of January 27, 1989 between W & G Mining Inc. and the Issuer referred to under "Description of Business and Property".
24. Amending Agreement dated February 6, 1989 between the Issuer and W & G Mining Inc. referred to under "Description of Business and Property".
25. Amending Agreement dated February 20, 1989 between the Issuer and W & G Mining Inc. referred to under "Description of Business and Property".
26. Amending Agreement dated February 20, 1989 among the Issuer, Duncan C. Wing and Milan Gubash referred to under "Description of Business and Property".
27. Amending Agreement dated June 29, 1989 among Aubrey Later, Naomi Dalrymple, Duncan C. Wing, W & G Mining Inc. and the Issuer referred to under "Description of Business and Property".

28. Amending Agreement dated August 31, 1989 among Aubrey Later, Naomi Dalrymple, Duncan C. Wing, W & G Mining Inc. and the Issuer referred to under "Description of Business and Property".
29. Amending Agreement dated October 16, 1989 among Aubrey Later, Naomi Dalrymple, Duncan C. Wing, W & G Mining Inc. and the Issuer referred to under "Description of Business and Property".

Copies of the foregoing agreements may be examined at 12th Floor, 1190 Hornby Street, Vancouver, British Columbia, V6Z 2L3, during normal business hours for the period of distribution of the Shares.

OTHER MATERIAL FACTS

There has been no material change in the financial position of the Issuer since the date of the financial statements included in this Prospectus.

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

LEGAL MATTERS

Legal matters in connection with the Offering of the Shares will be passed upon on behalf of the Issuer by Messrs. O'Neill & Bence, 12th Floor, 1190 Hornby Street, Vancouver, British Columbia, V6Z 2L3.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor of the Issuer is Moen & Co., Chartered Accountants, of 332 - 475 Howe Street, Vancouver, British Columbia.

Pacific Corporate Services Limited of 830 - 625 Howe Street, Vancouver, British Columbia, is the registrar and transfer agent of the Issuer at its principal office in Vancouver.

STATUTORY RIGHTS OF RESCISSION AND WITHDRAWAL

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 time limits within which they must be exercised the purchaser should refer to Section 66, 114, 118 and 124 of the Securities Act or consult a lawyer.

To The Directors
Toba Gold Resources Ltd.
Vancouver, B.C.

AUDITOR'S REPORT

We have examined the balance sheets of Toba Gold Resources Ltd. as at January 31, 1987, 1988, and 1989, respectively, and as at May 31, 1989, and the statements of deferred exploration, development and administration costs, and changes in financial position for the fiscal years ended January 31, 1987, 1988, and 1989, respectively, and for the period ended May 31, 1989. 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, 1988, and 1989, respectively, and as at May 31, 1989, and the result of its operations and the changes in its financial position for the fiscal years ended January 31, 1987, 1988, and 1989, respectively, and for the period ended May 31, 1989, in accordance with generally accepted accounting principles, applied on a consistent basis



Vancouver, B.C.
July 18, 1989

CHARTERED ACCOUNTANTS

TOBA GOLD RESOURCES LTD.

BALANCE SHEETS

(audited)

	MAY 31,	JANUARY 31		
	1989	1989	1988	1987
<u>ASSETS</u>				
<u>CURRENT ASSETS</u>				
Cash	\$ 30	\$ 18	\$ 28,836	\$ 20,542
Subscriptions receivable	-	-	6,500	7,500
Prepaid expenses	3,000	3,000	8,725	-
	<u>3,030</u>	<u>3,018</u>	<u>44,061</u>	<u>28,042</u>
<u>INVESTMENT IN MINERAL PROPERTIES,</u> <u>AT COST</u>	149,959	149,959	144,959	67,070
<u>DEFERRED COSTS</u>				
Exploration and development	176,308	174,563	150,317	6,480
Administration	250,339	226,972	115,913	3,000
<u>FIXED ASSETS, AT DEPRECIATED COST</u>	<u>33,304</u>	<u>36,306</u>	<u>48,494</u>	<u>5,087</u>
	<u>\$ 612,940</u>	<u>\$ 590,818</u>	<u>\$ 503,744</u>	<u>\$ 109,679</u>
<u>LIABILITIES AND CAPITAL STOCK</u>				
<u>CURRENT LIABILITIES</u>				
Accounts payable	\$ 22,384	\$ 20,326	\$ 12,400	\$ 4,691
Due to related parties	80,005	59,941	40,288	72,287
	<u>102,389</u>	<u>80,267</u>	<u>52,688</u>	<u>76,978</u>
<u>CAPITAL STOCK</u>				
Authorized:				
20,000,000 Common shares without par value				
Issued:				
2,057,202 Common shares without par value	510,551	510,551	451,056	32,701
	<u>\$ 612,940</u>	<u>\$ 590,818</u>	<u>\$ 503,744</u>	<u>\$ 109,679</u>

The accompanying notes are an integral part of these financial statements

APPROVED ON BEHALF OF THE BOARD:

Milan Gualsch
Director

Loren Currie
Director

MOEN AND COMPANY
CHARTERED ACCOUNTANTS

TOBA GOLD RESOURCES LTD.
STATEMENTS OF DEFERRED EXPLORATION, DEVELOPMENT
AND ADMINISTRATION COSTS

	(audited) <u>FOUR MONTHS</u> <u>ENDED</u> <u>MAY 31, 1989</u>	<u>YEARS ENDED JANUARY 31</u>		
		<u>1989</u>	<u>1988</u>	<u>1987</u> (ONE MONTH)
<u>DEFERRED EXPLORATION AND DEVELOPMENT COSTS</u>				
Samples and assays	\$	\$ 256	\$ 3,798	\$
Wages and benefits		460	17,158	
Mining supplies and costs		5,855	70,829	6,350
Camp supplies			2,766	
Engineering and reporting		4,400	6,649	
Depreciation on equipment	1,745	7,475	13,537	130
Road work		5,800	29,100	
		<hr/>	<hr/>	<hr/>
	1,745	24,246	143,837	6,480
		<hr/>	<hr/>	<hr/>
<u>DEFERRED ADMINISTRATION COSTS</u>				
Accounting and audit	2,000	15,132	12,450	
Bank charges and interest	2,400	8,617	(359)	
Filing fees	540	7,465		
Legal fees		1,161	15,274	
Marketing and promotion			12,405	
Management	12,000	45,000	54,000	3,000
Office and stationery	4,332	25,576	13,025	
Travel	838	3,395	675	
Depreciation on equipment	1,257	4,713	5,443	
		<hr/>	<hr/>	<hr/>
	23,367	111,059	112,913	3,000
		<hr/>	<hr/>	<hr/>
<u>DEFERRED COSTS DURING PERIOD</u>	25,112	135,305	256,750	9,480
<u>DEFERRED COSTS, BEGINNING OF PERIOD</u>	401,535	266,230	9,480	
<u>DEFERRED COSTS, END OF PERIOD</u>	<u>\$ 426,647</u>	<u>\$ 401,535</u>	<u>\$ 266,230</u>	<u>\$ 9,480</u>

The accompanying notes are an integral part of these financial statements

TOBA GOLD RESOURCES LTD.

STATEMENTS OF CHANGES IN FINANCIAL POSITION

(audited)

	FOUR MONTHS ENDED MAY 31, 1989	YEARS ENDED JANUARY 31		
		1989	1988	1987 (ONE MONTH)
<u>FUNDS PROVIDED FROM</u>				
<u>Financing Activities</u>				
Capital stock subscribed	\$ 20,064	\$ 65,995	\$ 419,355	\$ 25,201
Loans from related parties	20,064	19,653	(31,999)	72,287
	20,064	85,648	387,356	97,488
<u>FUNDS APPLIED TO</u>				
<u>Operating Activities</u>				
Deferred exploration and development	1,745	24,246	143,837	6,480
Deferred administration costs	23,367	111,059	112,913	3,000
Accounts payable decrease (increase)	(2,058)	(7,926)	(7,710)	(4,691)
Non cash charge-depreciation	(3,002)	(12,188)	(18,980)	(130)
Prepaid expense increase (decrease)	(3,002)	(5,725)	8,725	-
	20,052	109,466	238,785	4,659
<u>Investing Activities</u>				
Investment in mineral properties		5,000	77,890	67,070
Fixed assets purchased			62,387	5,217
	-	5,000	140,277	72,287
<u>TOTAL FUNDS APPLIED</u>	20,052	114,466	379,062	76,946
<u>CASH INCREASE (DECREASE) DURING PERIOD</u>	12	(28,818)	8,294	20,542
<u>CASH, BEGINNING OF PERIOD</u>	18	28,836	20,542	
<u>CASH, END OF PERIOD</u>	\$ 30	\$ 18	\$ 28,836	\$ 20,542

The accompanying notes are an integral part of these financial statements

MOEN AND COMPANY
CHARTERED ACCOUNTANTS

TOBA GOLD RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
PERIOD ENDED MAY 31, 1989

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

(a) Deferred Expenses

The company defers all expenses that are associated with its properties until such time as the properties are either placed into production or title is lost or abandoned.

When properties are brought into production, associated costs are amortized over the useful life of the properties.

When title is lost or abandoned, the associated costs are written off to deficit.

(b) Mineral Properties

Acquisition costs of mineral properties are capitalized by the company, and are dealt with in the same manner as deferred expenses, above.

(c) Values

The amounts for deferred expenses and mineral properties represent costs incurred to date and are not intended to reflect present or future values.

(d) Depreciation

The company depreciates its fixed assets on the declining balance method at the following rates:

Trucks	30 % per annum
Mining equipment	30 % per annum
Office equipment	20 % per annum

NOTE 2: INVESTMENT IN MINERAL PROPERTIES

A summary of investment in mineral properties to May 31, 1989 is as follows:

(a) MAM Claims-Osoyoos Mining Division	\$104,959
(b) Granite Creek Property-Similkameen Mining Division	
(i) Placer Lease #85 and Placer Lease #11871	}
(ii) Placer Lease #10171 (subject to 12½% Royalty)	} 45,000
	\$149,959

There are payments coming due on Placer Lease #85 and Placer Lease #11871 that total \$40,000 and are payable August 1, 1989 \$5,000, September 1, 1989 \$5,000, and October 1, 1989 \$30,000

TOBA GOLD RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
PERIOD ENDED MAY 31, 1989

NOTE 3: LEASEHOLD OBLIGATIONS

Office space lease commitments are as follows:

1989	\$ 9,804
1990	\$ 14,706
1991	\$ 14,706
1992	\$ 4,900

NOTE 4: CAPITAL STOCK

(a) Escrow and Pooled Shares

750,000 shares are subject to escrow and 1,082,202 shares are subject to pooling arrangements, and may not be sold, assigned, or transferred without the consent of the regulatory authorities

(b) Reserved Shares

The company has reserved shares for the following:

- (i) 257,319 shares for stock options
- (ii) 200,000 shares for earn-out provisions of MAM Claims purchase
- (iii) 104,148 shares for \$26,037 of the amount due to related parties

NOTE 5: CAPITAL STOCK INCENTIVE OPTIONS

The company has approved incentive stock options outstanding as follows:

Exercisable at \$0.75 per share, expiring five years from the effective date of a proposed prospectus

- Directors-128,659 shares
- Officers-128,660 shares

NOTE 6: RELATED PARTY TRANSACTIONS

(a) Mineral Properties

Two directors had an interest in mineral properties acquired by the company. The earn-out shares noted in 4(b)(ii) above apply to a company owned by these two directors.

(b) Due to Related Parties

Interest at 12% per annum has been credited on this account in the amount of \$2,400 for the current period.

NOTE 7: SUBSEQUENT EVENTS

Financing

The company proposes to raise financing by a public offering prospectus

MOEN AND COMPANY
CHARTERED ACCOUNTANTS

TOBA GOLD RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
PERIOD ENDED MAY 31, 1989

NOTE 8: LITIGATION

The ownership of Placer Lease #10171 is in dispute, and the outcome of this action is not determinable at the date of these financial statements

To The Directors
Toba Gold Resources Ltd.
Vancouver, B.C.

AUDITOR'S REPORT

We have examined the balance sheet of Toba Gold Resources Ltd. as at May 31, 1989 and the statements of deferred exploration, development and administration costs 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 May 31, 1989 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, applied on a consistent basis.

Moen and Company

Vancouver, B.C.
Jul 18, 1989

Chartered Accountants

MOEN AND COMPANY
CHARTERED ACCOUNTANTS

TOBA GOLD RESOURCES LTD.

BALANCE SHEET

MAY 31, 1989

(comparative figures May 31, 1988)

	<u>1989</u>	<u>1988</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 30	\$ 1,363
Subscriptions receivable		35,000
Prepaid expenses	<u>3,000</u>	<u>3,000</u>
	3,030	39,363
<u>INVESTMENT IN MINERAL PROPRTTIES, AT COST</u>	149,959	144,959
<u>DEFERRED COSTS</u>		
Exploration and Development Costs	176,308	160,180
Administration Costs	250,339	160,479
<u>FIXED ASSETS, AT DEPRECIATED COST</u>	<u>33,304</u>	<u>44,431</u>
	<u>\$612,940</u>	<u>\$ 549,412</u>

LIABILITIES AND CAPITAL STOCK

CURRENT LIABILITIES

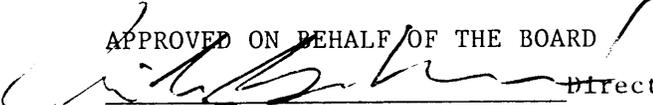
Accounts payable	\$ 22,384	\$ 15,821
Due to related parties	<u>80,005</u>	<u>26,037</u>
	<u>102,389</u>	<u>41,858</u>

CAPITAL STOCK

Authorized:		
20,000,000 common shares without par value		
Issued:		
2,057,202 common shares	<u>510,551</u>	<u>507,554</u>
	<u>\$612,940</u>	<u>\$ 549,412</u>

The accompanying notes are an integral part of these financial statements

APPROVED ON BEHALF OF THE BOARD

 Director

 Director

MOEN AND COMPANY
CHARTERED ACCOUNTANTS

TOBA GOLD RESOURCES LTD.
STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT
AND ADMINISTRATION COSTS
FOUR MONTHS ENDED MAY 31, 1989
(comparative-four months ended May 31, 1988)

	<u>1989</u>	<u>1988</u>
<u>DEFERRED EXPLORATION AND DEVELOPMENT COSTS</u>		
Samples and assays	\$	\$ 256
Wages and benefits		460
Mining supplies and costs		2,855
Engineering and reporting		3,800
Depreciation on equipment	<u>1,745</u>	<u>2,492</u>
	<u>1,745</u>	<u>9,863</u>
<u>DEFERRED ADMINISTRATION COSTS</u>		
Accounting and audit	2,000	5,132
Bank charges and interest	2,400	(35)
Legal fees	-	825
Management	12,000	21,000
Filing fees	540	350
Office and stationery	4,332	14,024
Travel	838	1,699
Depreciation on equipment	<u>1,257</u>	<u>1,571</u>
	<u>23,367</u>	<u>44,566</u>
<u>DEFERRED COSTS DURING PERIOD</u>	25,112	54,429
<u>DEFERRED COSTS, BEGINNING OF PERIOD</u>	401,535	266,230
<u>DEFERRED COSTS, END OF PERIOD</u>	<u>\$426,647</u>	<u>\$ 320,659</u>

The accompanying notes are an integral part of these financial statements

MOEN AND COMPANY
CHARTERED ACCOUNTANTS

TOBA GOLD RESOURCES LTD.
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOUR MONTHS ENDED MAY 31, 1989
(comparative—four months ended May 31, 1988)

	<u>1989</u>	<u>1988</u>
<u>FUNDS PROVIDED FROM</u>		
<u>Financing Activities</u>		
Capital stock subscriptions	\$	\$ 27,998
Loans from related parties	20,064	(14,251)
	<u>20,064</u>	<u>13,747</u>
<u>FUNDS APPLIED TO</u>		
<u>Operating Activities</u>		
Deferred exploration and development costs	1,745	9,863
Deferred administration costs	23,367	44,566
Accounts payable decrease (increase)	(2,058)	(3,421)
Prepaid expense (decrease)	-	(5,725)
Non cash charge—depreciation	(3,002)	(4,063)
	<u>20,052</u>	<u>41,220</u>
<u>CASH INCREASE (DECREASE) DURING PERIOD</u>	12	(27,473)
<u>CASH, BEGINNING OF PERIOD</u>	18	28,836
<u>CASH, END OF PERIOD</u>	<u>\$ 30</u>	<u>\$ 1,363</u>

The accompanying notes are an integral part of these financial statements

TOBA GOLD RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
PERIOD ENDED MAY 31, 1989

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

(a) Deferred Expenses

The company defers all expenses that are associated with its properties until such time as the properties are either placed into production or title is lost or abandoned.

When properties are brought into production, associated costs are amortized over the useful life of the properties.

When title is lost or abandoned, the associated costs are written off to deficit.

(b) Mineral Properties

Acquisition costs of mineral properties are capitalized by the company, and are dealt with in the same manner as deferred expenses, above.

(c) Values

The amounts for deferred expenses and mineral properties represent costs incurred to date and are not intended to reflect present or future values.

(d) Depreciation

The company depreciates its fixed assets on the declining balance method at the following rates:

Trucks	30 % per annum
Mining equipment	30 % per annum
Office equipment	20 % per annum

NOTE 2: INVESTMENT IN MINERAL PROPERTIES

A summary of investment in mineral properties to May 31, 1989 is as follows:

(a) MAM Claims-Osoyoos Mining Division	\$104,959
(b) Granite Creek Property-Similkameen Mining Division (i) Placer Lease #85 and Placer Lease #11871	}
(ii) Placer Lease #10171 (subject to 12½% Royalty)	} 45,000
	<u>\$149,959</u>

There are payments coming due on Placer Lease #85 and Placer Lease #11871 that total \$40,000 and are payable August 1, 1989 \$5,000, September 1, 1989 \$5,000, and October 1, 1989 \$30,000

TOBA GOLD RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
PERIOD ENDED MAY 31, 1989

NOTE 3: LEASEHOLD OBLIGATIONS

Office space lease commitments are as follows:

1989	\$ 9,804
1990	\$ 14,706
1991	\$ 14,706
1992	\$ 4,900

NOTE 4: CAPITAL STOCK

(a) Escrow and Pooled Shares

750,000 shares are subject to escrow and 1,082,202 shares are subject to pooling arrangements, and may not be sold, assigned, or transferred without the consent of the regulatory authorities

(b) Reserved Shares

The company has reserved shares for the following:

- (i) 257,319 shares for stock options
- (ii) 200,000 shares for earn-out provisions of MAM Claims purchase
- (iii) 104,148 shares for \$26,037 of the amount due to related parties

NOTE 5: CAPITAL STOCK INCENTIVE OPTIONS

The company has approved incentive stock options outstanding as follows:

Exercisable at \$0.75 per share, expiring five years from the effective date of a proposed prospectus

-Directors-128,659 shares

-Officers-128,660 shares

NOTE 6: RELATED PARTY TRANSACTIONS

(a) Mineral Properties

Two directors had an interest in mineral properties acquired by the company. The earn-out shares noted in 4(b)(ii) above apply to a company owned by these two directors.

(b) Due to Related Parties

Interest at 12% per annum has been credited on this account in the amount of \$2,400 for the current period.

NOTE 7: SUBSEQUENT EVENTS

Financing

The company proposes to raise financing by a public offering prospectus

MOEN AND COMPANY
CHARTERED ACCOUNTANTS

TOBA GOLD RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
PERIOD ENDED MAY 31, 1989

NOTE 8: LITIGATION

The ownership of Placer Lease #10171 is in dispute, and the outcome of this action is not determinable at the date of these financial statements

REPORT
ON THE
MAM PROPERTY

OSOYOOS MINING DIVISION
BRITISH COLUMBIA

For:

TOBÁ GOLD RESOURCES LTD.
705 - 475 Howe Street
Vancouver, B.C. V6C 2B3

By:

ALLEN GEOLOGICAL ENGINEERING LIMITED
702 - 2025 Bellevue Avenue
West Vancouver, B.C. V7V 1B9

February 1988.

Ammended by:

Greg L. Ven Huizen, P.Eng.
21 December 1988

CONTENTS

A. INTRODUCTION	1.
B. LOCATION AND ACCESSIBILITY.....	1.
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I. RECONNAISSANCE GEOLOGICAL MAPPING	6.
J. STAKING DC#1 AND DC#2 CLAIMS	6.
K. LABORATORY AND MILL TESTS	7.
L. SUMMARY AND CONCLUSIONS	8.
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N. EXPLORATION EXPENDITURES	11.
REFERENCES	12.

CERTIFICATE

CONSENT

MAPS:

1. Location
2. Mineral Claims Map 82E 4E
3. Topography and Mineral Claims
4. Geology and Mineral Claims
- Figure #3 Drill Holes Core & Rock Samples
- Figure #5 Survey - Geology, Mam Claim
- Figure #9 Survey - Geochemical, Mam Claim
- Figure #10m Recon. Geological Survey, NE Quadrant
- Figure #11, Recon. Geological Survey, SE Quadrant
- Figure #12, Recon. Geological Survey, NW Quadrant

APPENDIX

AMMENDMENTS by G.L. VEN HUIZEN, P.ENG. 21 DEC 88
Foot notes: pages 2, 3, 4, 6, 7 & 9
Page 9: Reduced drilling program (to \$100,000 from \$200,000)
Page 9: Specification of 1000 meters of drilling
Page 10: Total program reduced to \$276,500 from \$376,500
Figure 3: Drill Hole Locations, 1980- 1982
Appendix 2: Metallurgical tests
Appendix 3: Map reductions of Figures 5, 9, 10, 11 and 12
Certificate of Qualifications of Author of Ammendments

THE MAM PROPERTY

OSOYOOS M.D., B.C.

A. INTRODUCTION

The Toba Gold Resources MAM property was examined by the writer March 10, 11, 12, 1987. Mr. D.C. Wing assisted with the examination.

This report is based on the field data acquired on the property and reports listed under references.

B. LOCATION AND ACCESSIBILITY

The property is located in southwest British Columbia, in the Kruger Mountain-Blue Lake area west of Osoyoos, at north latitude 49^o-03' and west longitude 119^o-33'.

Access from Osoyoos is via Highway 3A northerly for 6.4 kilometres to a secondary road turn-off and westerly to the property.

C. PROPERTY

The property includes the following adjoining mineral claims:

<u>CLAIM</u>	<u>UNITS</u>	<u>RECORD NO.</u>	<u>AREA</u> hectares	<u>MONTH</u>
- MAM	10	822	250	(9)
- ES	15	1245	375	(9)
- MS	15	1246	375	(9)
- CM	6	1247	150	(9)
- WR	14	1248	350	(9)
- BW	8	1256	200	(10)
- GM	14	1257	350	(10)
- JJ#1		519	20.9	(8)
- JJ#2		520	20.9	(8)
- Lot 799	Reverted C.G.		20.9	(9)
- Lot 800	Reverted C.G.		20.9	(9)
- DC 1	12	2627	300	(6)
- DC 2	6	2628	150	(6)

2,583.6 hectares

6,383 acres

All are in good standing until 1989.

D. PHYSIOGRAPHY

The mineral claims are located in the Kruger Mountain area of the Okanagan Range, 1.5 kilometres southwest of Osoyoos Lake. Elevations range from 490 to 1,560 metres above sea level.

Kilpoola and Blue Lakes and seven small lakes are located on the property.

E. HISTORY

Early history of the prospecting on the property is not available but there are some excavations which exposed quartz fissure veins. A short adit tunnel and an 8 metre shaft were located on mineralized quartz veins.

Highmark Resources Ltd. conducted an exploration program over the property from 1979 to 1983.

D.C. Wing and M. Gubash continued exploratory work over the property through to 1986.

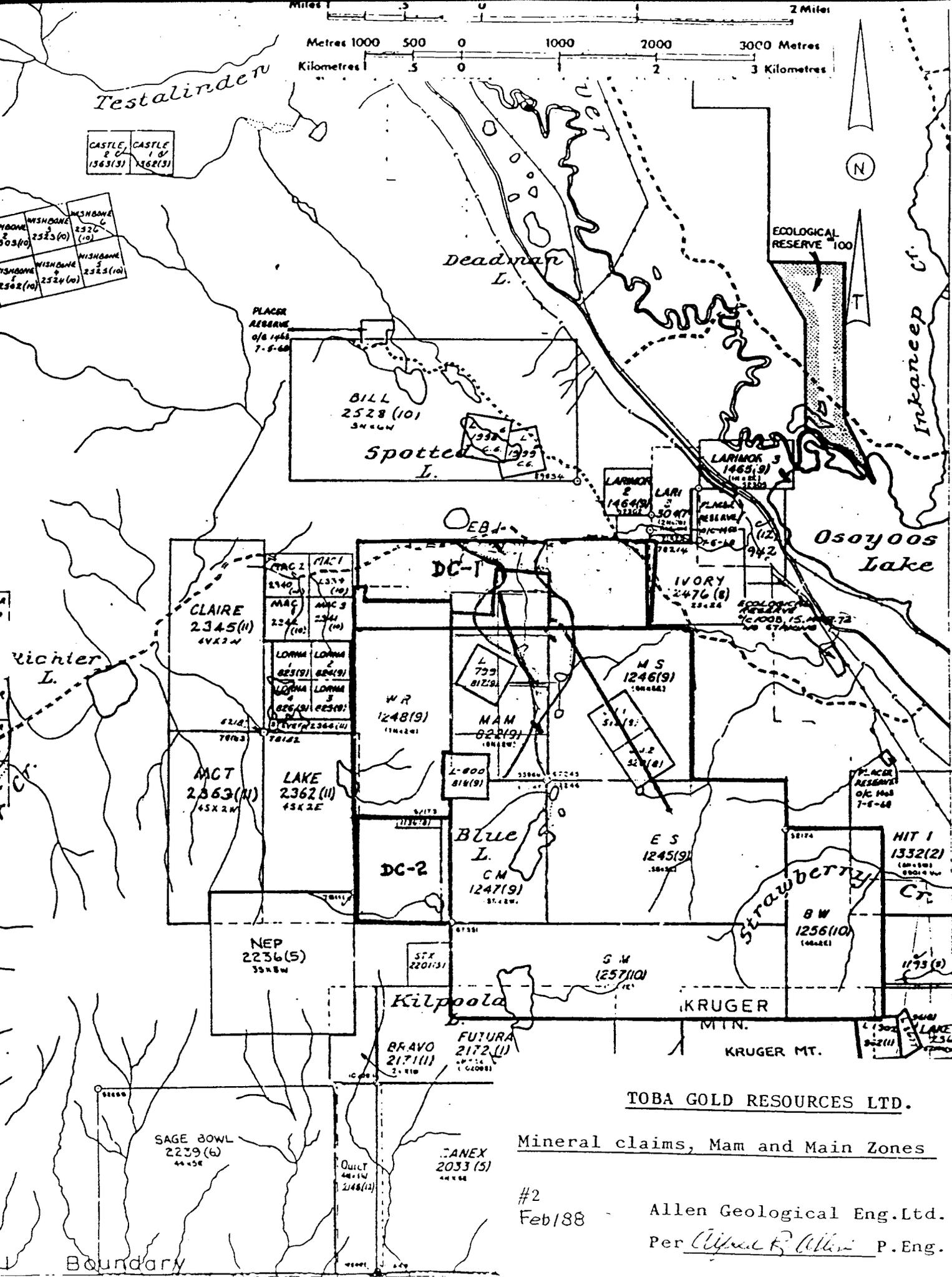
Toba Gold Resources Ltd. continued the field work during the 1987 field season.

F. PREVIOUS WORK

The Highmark Resources exploration program included reconnaissance Geological, Geochemical, Magnetic and Electromagnetic surveys over selected areas of the property, chiefly on the MAM claim.

Twenty-five quartz fissure veins were partially exposed. Samples assayed as high as 0.40 ounces of gold per ton and 0.194 ounces of silver per ton were reported.¹

¹Assumed to be grab sample- no description in text of report; From BCDM Assessment Report 8830, W.J. Weymark, P.Eng., April 1980



TOBA GOLD RESOURCES LTD.

Mineral claims, Mam and Main Zones

#2
Feb/88

Allen Geological Eng. Ltd.
Per Clifford R. Allen P. Eng.

In 1980 sixteen EXT diamond drill holes were completed for a total length of 610 metres along 310 metres of the vein system. Core samples graded from 0.002 to 5.06 ounces of gold per ton and 0.002 to 2.48 ounces of silver per ton.¹

In 1981 eight B.Q. holes were drilled for a total length of 1,654 metres. Core assays were reported up to 0.94 ounces of gold per ton and 2.19 ounces of ounces of silver per ton.²

In 1982 seven N.Q. holes were drilled and the total length was 702 metres. Core assays up to 0.075 ounces per ton of gold, 0.08 ounces per ton silver and 1% copper were reported. Difficulties were encountered penetrating some of the fissure veins and cementing was required.³

The main vein was penetrated over a length of 366 metres and widths of 0.15 to 3 metres.

The deepest intersection was 152 metres.

Petrographic studies identified country rocks to be chiefly granodiorite, foliated quartz diorite, chlorite-epidote schist and meta dacite and syenite.

Cyanide tests on six pulp samples provided a recovery of 83% of the gold and 0.17% of the silver from six pulp samples.⁴

The field work was under the direction of W.J. Weymark, P.Eng.

On May 17, 1984 the property was examined by Donald G. Allen on behalf of Highmark Resources. Eight surface samples were crushed, panned and the concentrates assayed as follows:

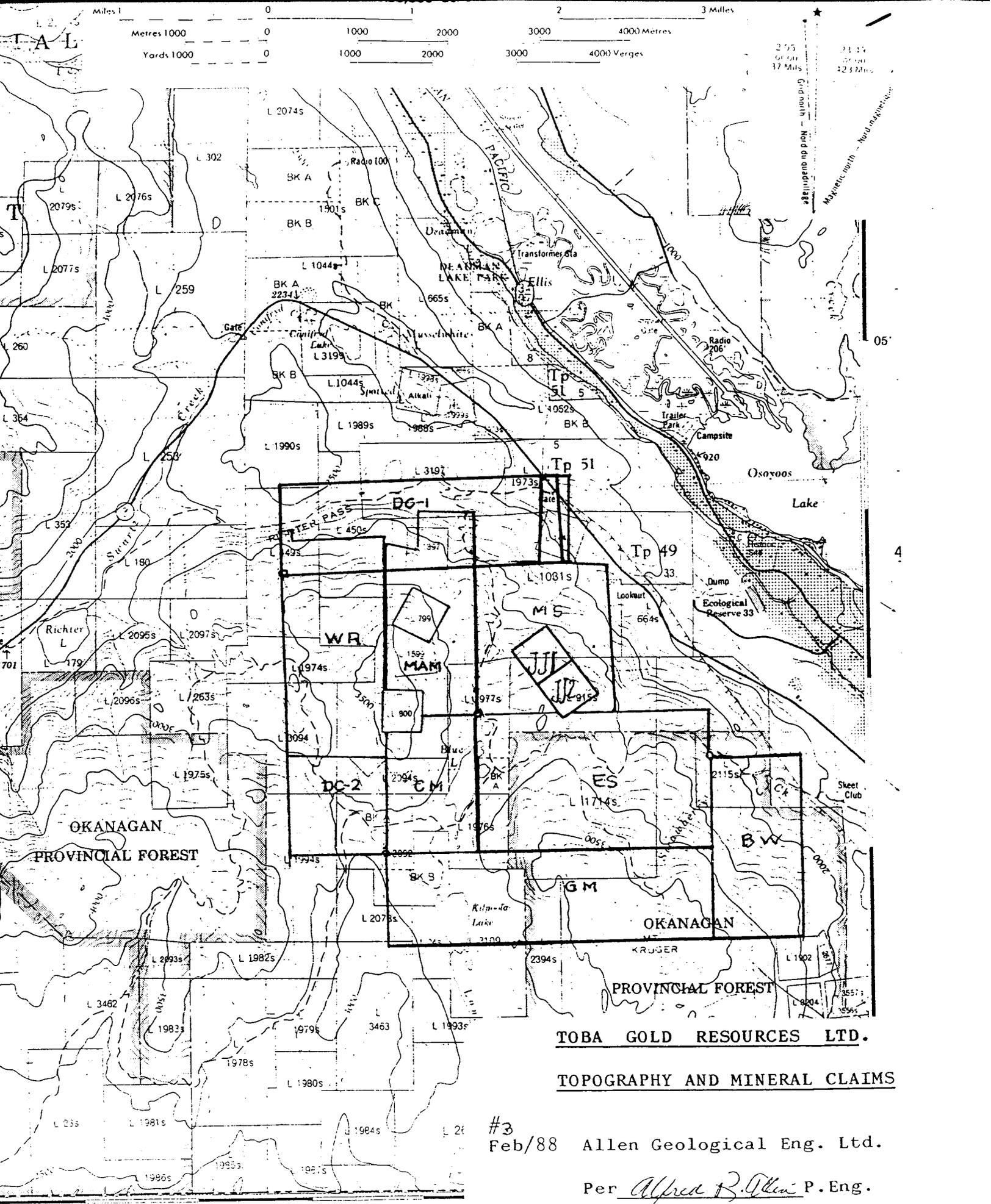
¹Interval 104-106, 5.06 opt Au; Drill Log 80-10, W.J. Weymark, P.Eng., Oct. 80.

Interval 5 - 19, 2.48 opt Ag; Drill Log 80- 6, W.J. Weymark, P.Eng., Oct. 80.

²Sludge sample from 15-20' interval, Hole 81-ND-1, W.J. Weymark, P.Eng., 1982

³"Assays ranging to 2200 ppb (.075 ounces of gold), 0.08 ounces per ton of silver, 10,000 ppm (1%) copper were obtained." Evaluation Report on the Gold Silver Copper Mineral Potentialities of the Mam Mineral Claims Group, Weymark Engineering Ltd., 17 January 1983

⁴Copies of Metallurgical tests are found in Appendix 3

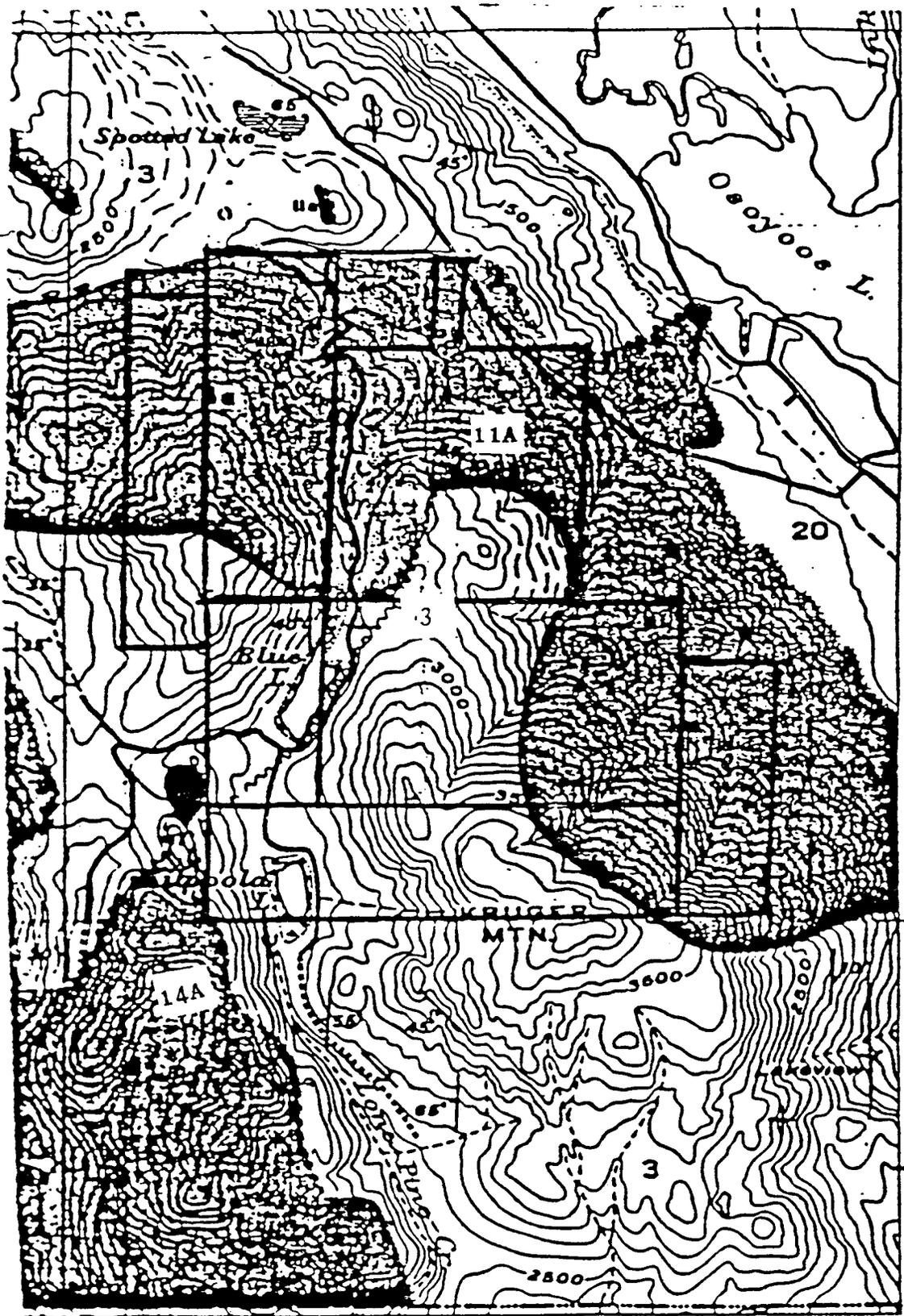


TOBA GOLD RESOURCES LTD.

TOPOGRAPHY AND MINERAL CLAIMS

#3
Feb/88 Allen Geological Eng. Ltd.

Per *Alfred B. Allen* P. Eng.



5'

49'00

35' SCALE 1:63,360 (1" = 1 mile)

0 .5 1.0 2 3km 19'30'

- 3 KOBALU FORMATION
- 11A OSOYOOS GRANODIORITE
- 14A SYENITE

TOBA GOLD RESOURCES LTD.
GEOLOGY

No 4
G.S.C. Map 341A - Bostock

G. GEOLOGY

The property is underlain by Osoyoos granodiorite on the north half and southeast quarter. Carboniferous quartzite, schist and greenstone of the Kobau formation are exposed over the remainder.

A major fault extends from the southwest corner of the C M claim northeasterly to the northeast corner of the M S claim. Detailed mapping has not been completed over the property. However air photo and Landsat imagery indicate parallel faulting easterly and southeasterly across the central area west of Blue Lake, and east and southeast across the north and east areas of the property.

Numerous quartz veins have been exposed for short lengths on the property. Surface sampling indicated scattered values of gold, silver and copper. Overburden is extensive but additional veins are indicated by mineralized quartz float, shear zones, fractures and gossan zones.

Exploration to date has been widely spaced, except on the MAM claim, where a fissure vein has been diamond drilled, investigated by two short adit tunnels, open pits, some trenching, and geological and geophysical surveys.

H. GRID SURVEY

During the 1987 field season a 30 metre by 30 metre grid was surveyed over the MAM property for Toba Gold Resources Ltd. From the Legal Corner Post of the MAM claim a base line was surveyed 1,500 metres true north and 1,500 metres true south. Stations were set every 30 metres along the flagged line.

From base line stations, lines were surveyed east 1,500 metres over the northeast and southeast quadrants, and west over the northwest quadrant.

Numbered pickets were set every 30 metres along the east-west lines and all lines were flagged.

I. RECONNAISSANCE GEOLOGICAL MAPPING

Surface showings were mapped on the grid, including open pits, trenches, quartz veins, rock samples with assays, quartz float, veinlets and alteration, breccia, gossan,¹ sulphides, fractures and shears.

Field surveying mapping was supervised by R.A. Rezka, geologist, for Toba Gold Resources.

Field maps were prepared for report purposes by Geodrafting Services of Vancouver on three sheets:

Figure #10 North East Quadrant, Figure #11 Southeast quadrant, Figure #12 Northwest Quadrant.

J. STAKING DC#1 AND DC #2 CLAIMS

The DC-1 twelve unit claim and the DC-2 six unit claim were staked by W. Wing, agent for Toba Gold Resources Ltd., June 1 - 5 and recorded on June 22, 1987.

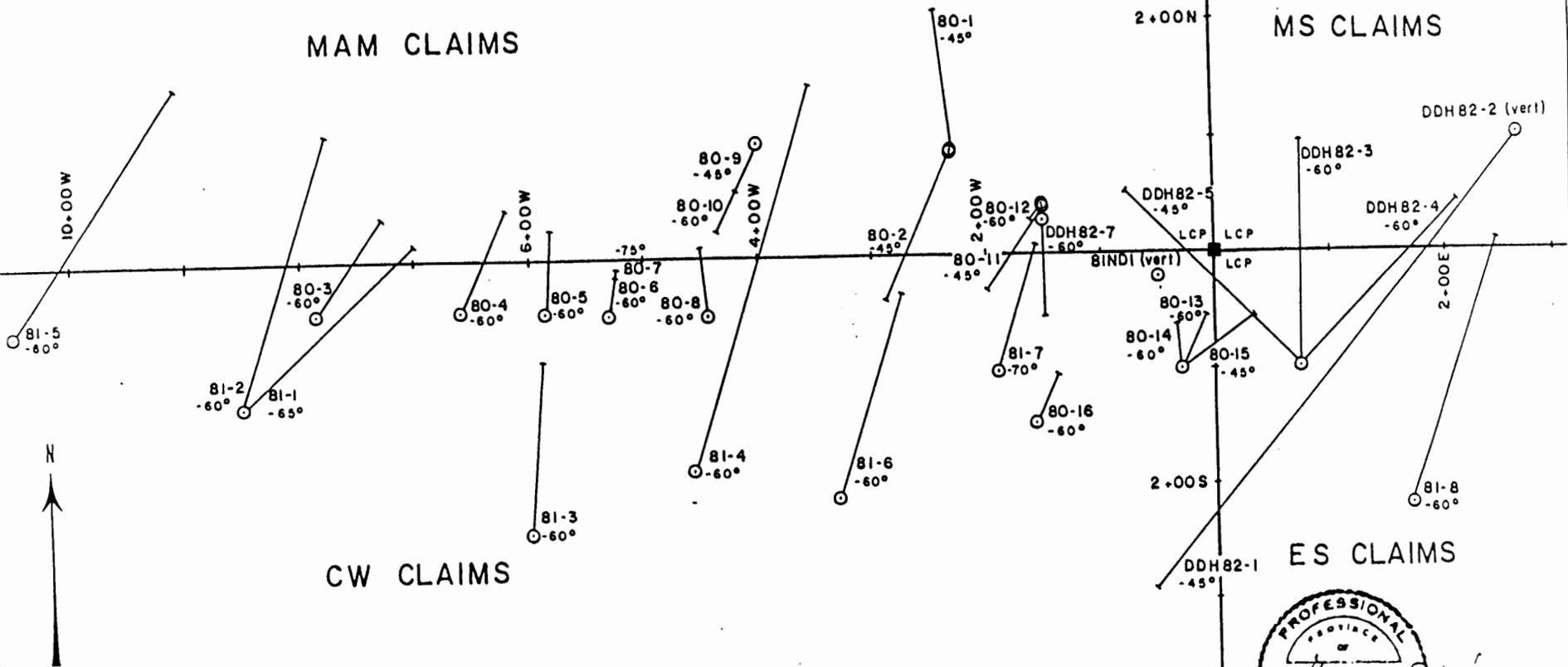
¹ The "gossan" zones are mapped on figures 10, 11 and 12 and are described by Mr. Rezka as areas stained by hydrated ferric oxides and to a lesser degree copper carbonate minerals which are generally residual after weathering of sulfide mineralization.

MAM CLAIMS

MS CLAIMS

CW CLAIMS

ES CLAIMS



AFTER: W.J.WEYMARK P.ENG., 1980-81 & R.L.DONALD, 1982

BEST RESULTS

80-1	111	'-115	.32 opt Au/L	.01 opt Ag		
80-3	67.5'	'-72.6'	.06 opt Au/L	.01 opt Ag		
80-4	60	'-72	.04 opt Au/L	.01 opt Ag		
80-5	53	'-71	.04 opt Au/L	.01 opt Ag		
80-6	5	'-19	.02 opt Au/	2.48 opt Ag		
80-7	26	'-35	.03 opt Au/L	.01 opt Ag		
	41	'-45	.01 opt Au/L	.01 opt Ag		
80-8	100	'-104	.02 opt Au/L	.01 opt Ag		
80-9	17	'-21	.04 opt Au/L	.01 opt Ag		
80-10	27	'-29	.06 opt Au/L	.01 opt Ag		
	104	'-106	5.06 opt Au/L	.01 opt Ag		
	121	'-124	.01 opt Au/L	.01 opt Ag		
80-12	9	'-14	.03 opt Au/L	.01 opt Ag		
80-15	81	'-91	2.52 opt Au/L	.01 opt Ag		
81-1	436	'-446	.096 opt Au/	.04 opt Ag		(SLUDGE)
81-2	295	'-300	.072 opt Au/	.63 opt Ag		(SLUDGE)
	385	'-390	.028 opt Au/	1.87 opt Ag		(SLUDGE)
	390	'-395	.010 opt Au/	2.09 opt Ag		(SLUDGE)
81-ND-1	15	'-20	.94 opt Au/	.81 opt Ag		(SLUDGE)
82-2	90	'-100	2200 ppb Au/	.1 ppm Ag		(SLUDGE)
82-3	20	'-30	1000 ppb Au/	8.7 ppm Ag		(SLUDGE)

TOBA GOLD RESOURCES LTD.

MAM MINERAL CLAIMS GROUP

DRILL HOLE LOCATION PLAN

G.L.VENHUIZEN, B.SC., P.ENG.

DRAWN: G.L.V./dw

SCALE: 1:1656

FIG.

DATE: DECEMBER, 1988

N.T.S. 82E/4E

3

K. LABORATORY AND MILL TESTS

Mineralized core from diamond drill hole 81-N-1 which assayed 0.18 ounces of gold and 0.23 ounces of silver per ton was put through a standard laboratory cyanide test and recovery was gold 83% and silver 17%.¹ A

Two batches of vein material from the tunnels area were mill tested at the Roberts Mine Mill.¹ A

The results were as follows:

Batch #1

<u>Weight</u>	<u>Mill Heads</u>	<u>Flot Feed</u>	<u>Flot Con.</u>	<u>Final Tails</u>
74.79 tons	Au 0.140 oz/t	Au 0.114 oz/t	Au 6.36oz/t	Au 0.06oz/t
	Ag 0.30 "	Ag 0.41 "	Ag 26.02 "	Ag 0.02 "

A 75 pound jig con. assayed Au 38.26 oz/t Ag 38.88 oz/t

Batch #2

<u>Weight</u>	<u>Mill Heads</u>	<u>Flot Feed</u>	<u>Flot Con.</u>	<u>Final Tails</u>
115.79tons	Au 0.16 oz/t	Au 0.10 oz/t	Au 2.544oz/t	0.006oz/t
	Ag 0.02 oz/t	Ag 0.10 oz/t	Ag 6.280oz/t	0.030oz/t

Assay Report dated October 1, 1986, File #8609-2251
General Testing, Vancouver, B.C.

¹Copies of Metallurgical tests are found in Appendix 3

L. SUMMARY AND CONCLUSIONS

Since 1979, twenty-seven diamond drill holes have been drilled on the MAM property.

Drilling has been confined to the quartz fissure vein on the MAM claim in the north-central area of the property. Drilling results have been well documented in reports by William J. Weymark, P.Eng., consultant for Highmark Resources Limited.

Over a length of 366 metres on the MAM vein, gold, silver and copper values have been cored over widths of 15 centimetres to 3 metres. The deepest penetration is 150 metres. Numerous quartz veins partially exposed, and some sampled, remain open for additional investigation.

A new 30 metre by 30 metre grid has been completed over most of the property and pertinent information regarding surface showings mapped.

It is concluded that additional surface and underground investigations are warranted on the MAM property.

M. RECOMMENDATIONS

The following field programme is recommended on the MAM property by Toba Gold Resources Ltd.

Estimated Costs

1. Expand the grid to include the complete property, and map all drill holes, surface showings and underground workings thereon: \$ 25,000.00

2. Contract the diamond drilling of the following holes and surface vein exposures to determine the attitude, size and grade of the fissure veins:

W.J. Weymark and D.G. Allen (Figures)

<u>D.D.H.</u>	<u>CORE LENGTH</u> Metres	<u>ASSAYS</u>	
		Au oz/t	Ag oz/t
80-10 Ext	1.2	5.06	2.48
80-15 Ext	3.05	2.52	-
81-N-1	2.30	0.94	0.81
81-N-1	1.5	0.12	0.26

New Toba Grid

<u>Surface Sheet</u>	<u>Location</u> ¹	Au oz/t	Ag oz/t
NE	8.30N 930E	0.251	0.73
NE	26 N 1010E	0.12	0.12
NE	24 N 1080E	0.510	0.25
NE	3.5 N 700E	2.92	1.81
NW	830 N 530W	0.946	0.30
NW	810 N 1120W	0.221	0.23
NW	90 N 700W	1.265	1.30

About three holes at each site should be drilled totalling 1000m @ \$100/meter inclusive = \$100,000

3. Conduct a magnetometer survey over the gossan zone near the northeast corner of the southeast quadrant-grid location 0-S7:720E-1350E
Seven lines at 630 metres and 2 cross lines at 210 metres amounting to 4,830 line metres 1,500.00

¹Assumed to be "grab" samples

	<u>Estimated Costs</u>
4. Extend selected surface showings by open pits, trenches and rock cuts; map and sample mineralized Zones	\$ 50,000.00
5. Dewater and clear shafts, map and sample exposed veins	10,000.00
6. Field Office, overhead, and management	25,000.00
7. Engineering	30,000.00
8. Contingencies	35,000.00
	<hr/>
Total Estimated Costs	\$276,500.00

Submitted By:

ALLEN GEOLOGICAL ENGINEERING LIMITED

Per Alfred R. Allen P. Eng.
Alfred R. Allen

Amended by Greg L. Van Huizen
Greg L. Van Huizen, P. Eng.
21 December 1988



N. EXPLORATION EXPENDITURES1985-86: D.C. Wing and Milan Gubash

A camp was established and access roads improved.

one short adit tunnel extended and a second driven.

One 3.3 metre shaft completed.

Trenching and open cuts completed on selected surface showings.

Surface and underground sampling and assaying

\$67,070.00

1987: Toba Gold Resources Ltd. 1987

Sampling and assays	\$ 3,798.00
Wages and benefits	17,158.00
Camp Supplies	2,766.00
Mining Supplies and Costs	77,179.00
Road work	7,100.00
Engineering and Reporting	6,649.00
Depreciation on Equipment	13,667.00
	<hr/>
	\$128,317.00

Mr. Gubash and Mr. Wing are directors of Toba Gold Resources Ltd.

REFERENCES

- Bostock, H.S., G.S.C. Keremeos Geology, Map 341A, 1930
- Weymark, W.J. Report, Mam Claims 1980
Chang, W., Assessment Report #8830
- Weymark, W.J., Evaluation Report, Mam Mineral Claims Group
For Highmark Resources Ltd. 1983
- Allen, D.G., Report on Mam Gold Prospect 1984
- Allen, A.R., Report on the Mam Property April 1987
- Rezka, R.A., Detailed Geological Prospecting survey
Nov.1987

* * * * *

702 - 2025 Bellevue Avenue
West Vancouver, B.C. V7V 1B9

(604) 926-4785

CERTIFICATE

February 1988.

I, Alfred R. Allen, certify that:

I am a graduate of the University of British Columbia
and hold the following degrees therefrom:

BASc Geological Engineering 1939

MASc Geological Engineering 1941

I am a Life Member of the Association of Professional
Engineers of the Province of British Columbia.

I have practised my profession for the past forty years.

I hold no interest in the properties or securities of
Toba Gold Resources Ltd., or affiliates thereof, nor do
I expect to receive any, directly or indirectly.

The report on the MAM property, Osoyoos M.D., B.C.,
is based on an examination by the writer on March 10,
11, and 12, 1987, and previous engineering reports.

Alfred R. Allen
Alfred R. Allen P.Eng.

Alfred R. Allen

702 - 2025 Bellevue Avenue
West Vancouver, B.C. V7V 1B9

(604) 926-4785

February 1988.

The British Columbia Securities Commission
Vancouver, B.C.

Dear Sirs:

Re: Toba Gold Resources Ltd.

I hereby consent to the use of my report dated February, 1988, on the MAM property of Toba Gold Resources Ltd. in the Osooyos Mining Division, British Columbia, in any prospectus or statement of material facts or other material to be filed with the British Columbia Securities Commission, or the Vancouver Stock Exchange by Toba Gold Resources Ltd.

Yours truly,

Alfred R. Allen
Alfred R. Allen P.Eng.

Alfred R. Allen

CERTIFICATE OF QUALIFICATIONS

I, Greg L. Ven Huizen of 3889 Hudson Street, Vancouver, British Columbia hereby certify that:

1. I am registered in the Association of Professional Engineers of the Province of British Columbia, No. 14584.
2. I am a graduate of the University of Minnesota with a Bachelor of Geo-Engineering Degree (Exploration Option) with Distinction, March 1979.
3. I have been practicing my profession since graduation.
4. This report has been ammended by me with the knowledge of Mr. Alfred R. Allen, P.Eng. as outlined in the table of contents of this report under "Ammendments", and the said ammendments are based on examination of the report and on the references cited in the ammendments, I have not been on the property.
5. I own no direct, indirect and do not expect to receive any interests in the property know as the "Mam" property or any other property covered in this report nor do I own any shares in Toba Gold Resources Ltd.
6. I consent to the use of this report titled, "Report on the Mam Property", by Allen Geological Engineering, February 1988 and Ammended by Greg L. Ven Huizen, P.Eng., 21 December 1988 in a prospectus or statement of facts.

Respectfully submitted,


Greg L. Ven Huizen, P.Eng.
21 December 1988



APPENDIX 1

ASSAY REPORTS

Mill Tests, Oct.1, 1986 File 8609-2251

Concentrate, July 31, 1987 #10402

Geological Survey	Sample results	August 3, 1987
"	"	November 6, 1987
"	"	December 24, 1987



NESMONT
PRECIOUS METALS
CORPORATION

Date: July 31, 1987

Control No. 10402

Certificate of Assay

To:

Mr. D.C. Wing

1803 - 13350 Old Yale Road

Surrey B.C.

V3T 3C7

Attention:

We Herby Certify that the following are the results of assays made by us upon submitted ... Sulphide.....Conc..... samples.

Sample Identification	GOLD	SILVER	GOLD	SILVER				
	Ounces Per Ton	Ounces Per Ton	Percent	Percent				
Sulphide Conc	1.707	3.71						

Note: Pulps retained one month.

Rejects retained two weeks.

NESMONT PRECIOUS METALS CORPORATION

ALL REPORTS ARE THE CONFIDENTIAL PROPERTY OF CLIENTS. PUBLICATION OF STATEMENTS, CONCLUSIONS OR EXTRACTS FROM OR REGARDING OUR TESTS IS PROHIBITED.

S. Burgess

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

DATE RECEIVED JUL 27 1987
DATE REPORTS MAILED Aug 3/87

ASSAY CERTIFICATE

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

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

TOBA GOLD RESOURCES PROJECT MAM FILE# 87-2735

PAGE# 1

SAMPLE	Ag oz/t	Au oz/t
E 077	.76	.126
E 078	.27	.024
E 079	.12	.026
E 080	1.42	2.930
E 081	.01	.014

ACME ANALYTICAL LABORATORIES LTD.
852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
PHONE (604) 253-3158 FAX (604) 253-1716

DATE RECEIVED: OCT 27 1987

DATE REPORT MAILED: *Nov. 6/87...*

ASSAY CERTIFICATE

- SAMPLE TYPE: Rock Chips
AU** AND AG** BY FIRE ASSAY FROM 1/2 A.T.

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

TOBA RESOURCES PROJECT-#1 File # 87-5282

SAMPLE#	AG** OZ/T	AU** OZ/T
E 85	1.81	2.920
E 86	.02	.017
E 87	.01	.007
E 88	.01	.001
E 89	.02	.001
E 90	.01	.002
E 91	.05	.006
E 92	.07	.008
E 93	.01	.001
E 94	.04	.001
E 95	.02	.001
E 96	.02	.001
E 97	.07	.001
E 98	.01	.001
E 100	.01	.001
G 9251	.01	.001
G 9252	.01	.001
G 9253	.01	.001
G 9254	.23	.221

ACME ANALYTICAL LABORATORIES LTD.
852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
PHONE (604) 253-3158 FAX (604) 253-1716

DATE RECEIVED: DEC 22 1987

DATE REPORT MAILED: *Dec 24/87*...

ASSAY CERTIFICATE

- SAMPLE TYPE: Rock Chips
AU** AND AG** BY FIRE ASSAY FROM 1/2 A.T.

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

TOBA GOLD RESOURCES File # 87-6293

SAMPLE#	AG** OZ/T	AU** OZ/T
B 15781	.01	.001
B 15782	.02	.001
B 15783	.73	.251
B 15784	.02	.001
B 15785	.12	.120
B 15786	.02	.002
B 15787	.25	.510
B 15788	.01	.001
B 15789	.30	.946
B 15790	.13	.022
B 15791	.01	.006
B 15792	.02	.001
B 15793	.01	.002
B 15794	.01	.001
B 15795	.02	.001
B 15796	1.30	1.265
B 15797	.01	.004
B 15798	.03	.003

APPENDIX 2

Copies of Metallurgical test results

KAMLOOPS
RESEARCH & ASSAY
LABORATORY LTD.

B.C. CERTIFIED ASSAYERS

912 - 1 LAVAL CRESCENT — KAMLOOPS, B.C.
V2C 5P5
PHONE: (604) 372-2784 — TELEX: 048-8320

February 11, 1982

Weymark Engineering Ltd.
3310 Westmount Road
West Vancouver, B.C.

Dear Mr. Weymark:

Cyanidation Test Job KM078

As you requested in your January 22, 1982 letter, we performed a single roast cyanide leach test on a composite of the 6 pulp samples submitted. The whole sample was used with the weights of each recorded to facilitate head assay calculations. Table 1 summarizes calculated versus assayed head results.

TABLE 1

Sample	Weight	Au*	Ag*
4	47.6	.94	.81
5	54.3	.07	.11
6	73.3	.05	.13
7	42.7	.02	.06
9	53.9	.12	.26
10	86.8	.04	.06
Calculated	358.6	.18	.21
Assayed		.18	.23

* Individual assays performed by Cantest and expressed in oz/ton.

Mr. Weymark
Page 2

The results of the test are summarized in Table 2 with details being provided in the attached appendix.

TABLE 2
Cyanidation Results

Product	Assays μg		Distribution	
	Au	Ag	Au	Ag
Cyanidation Tails	103	651	16.7	82.6
Cyanidation Feed	617	789	100.0	100.0
Extraction liquor (Calc.)	514	137	83.3	17.4

NaCN consumed 1.3 kg/tonne
CaO consumed 12.9 kg/tonne

As you can see, while 83% of the gold was successfully extracted only 17% of the silver was extracted in the cyanide solution. Both gold and silver recoveries could probably be improved upon with a more intensive test program.

If you have any questions regarding this program, please feel free to call me anytime.

Sincerely,

L. M. Wilson C.E.T.
for T.H.L.

T. H. Lafreniere, C.E.T.
Metallurgist

THL/rl

KAMLOOPS
 RESEARCH & ASSAY
 LABORATORY LTD.

B.C. CERTIFIED ASSAYERS

912 - 1 LAVAL CRESCENT — KAMLOOPS, B.C.
 V2C 5P5
 PHONE: (604) 372-2784 — TELEX: 048-8320

February 24, 1982

Weymark Engineering Ltd.
 3310 Westmount Road
 West Vancouver, B.C.

Dear Mr. Weymark:

Addendum - Project Report KM078

At your request, I have included a metallurgical balance of the cyanidation test based on the actual Au recovered with the head assay being calculated.

Table 1
Metallurgical Balance

	Assays		Distribution	
	Au*	Ag*	Au	Ag
Pregnant Liquor	400	100	79.5	13.3
Cyanidation Tails	103	651	20.5	86.7
Total	503	751	100.0	100.0

* ug/100 g sample

.../2

Table 2
Calculated Versus Head Assay

	Assays	
	Au*	Ag*
Calculated Head Assay	.15	.22
Assayed Head	.18	.23

* troy.oz/S.D.T.

Note: Some losses of the pregnant liquor occur as a result of liquor removal for CaO and NaCN determination.

Please note that the table on page 2 of the original report should read Assays ug/100 g sample.

If you have any further questions, please feel free to call me anytime.

Sincerely,



T. H. Lafreniere, C.E.T.
Metallurgist

THL/rl



KAMLOOPS RESEARCH & ASSAY LABORATORY LTD.

2095 WEST TRANS CANADA HIGHWAY — KAMLOOPS B.C.
V1S 1A7

PHONE: (604) 372-2784 — TELEX: 048-8320

CERTIFICATE OF ASSAY

B.C. LICENSED ASSAYERS
GEOCHEMICAL ANALYSTS
METALLURGISTS

TO Weymark Engineering Ltd.
3310 Westmount Road
West Vancouver, B.C.

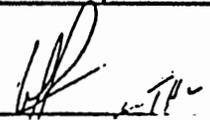
Certificate No. KM078

Date February 10, 1982

I hereby certify that the following are the results of assays made by us upon the herein described _____ samples

Kral No.	Marked	Au oz/T	Au mg	Ag oz/T	Ag mg	Distribution			
						Au	Ag		
	Cyanidation Feed	.18	.617	.23	.789	100.0	100.0		
	Cyanidation Tails	.030	.103	.19	.651	16.7	82.6		
	Cyanidation Liquor (calc.):	-	.514	-	.137	83.3	17.4		

NOTE:
Rejects retained three weeks.
Pulps retained three months
unless otherwise arranged.



WEYMARK ENGINEERING LTD.

Consulting Engineers

3310 WESTMOUNT ROAD
WEST VANCOUVER, B.C.
CANADA

TELEPHONE
922-1536

14 January 1982

Highmark resources ltd.
1440 - 625 Howe Street
Vancouver, B. C.th

Gentlemen:

Re: Progress Report
MAM Mineral Claims Group
Osoyoos Mining Division
British Columbia

Reference our previous Progress Report dated 14 October 1981, we are pleased to submit for your information, this interim report on the progress achieved in the Studies of the mineralogical and metallurgical characteristics of the quartz fissure vein deposit under investigation on the Mam Mineral Claims Group, Blue Lake area, Osoyoos Mining Division, British Columbia.

The core from the 140-ft diamond drill hole was mill tested by Bacon, Donaldson and Associates Ltd. to determine the reason, for, if possible, the inconsistent Assay Results for Gold and Silver, which were obtained from surface and diamond-drill core samples during the previous field programmes as well as the effect, if any, of tellurides.

The results obtained were:-

Head Assay - 0.029 Gold	0.091 Silver, oz per to
Tail Assay - 0.010 Gold	0.040 Silver, oz per to
Silica - 63.24%	SiO ₂
Tellurium - 0.05%	less than

Bacon, Donaldson and Associates Ltd., concluded that the variation in gold assays appears to be simply the results of free gold. (See attached Annex - A.).

.Re-check assaying of samples using different fluxes by Cantest Ltd., recorded the results given on Annex - B. Cantest's

conclusion was " that there is native gold and silver present in the ore, thus causing the erratic assay results".

The tests currently underway with Kamloops Research and Assay Laboratory Ltd. have not been completed and reported upon.

Assays of the sludge samples, five-foot sections, obtained from the 140-foot hole are recorded on Certificate No. 4622E-6-2, Annex - C, on which Gold values ranging from 0.003 to 0.94 ounces per ton were yielded in the 15 to 50-foot section and silver values from 0.01 to 0.81 ounces per ton.

Landsat imagery coverage has now been obtained from the Eros Data Center, Sioux Falls, South Dakota, and geo studies of the claims area are now in progress.

Respectfully submitted,

William J. Weymark P. Eng.

LABORATORY ASSESSMENT
OF GOLD OCCURRENCE

PREPARED FOR:

Mr. Wm. Weymark, P. Eng.

File Number 3483
1982 January 12


W. G. Bacon, Ph.D., P. Eng.

INTRODUCTION

We have "mill-tested" the drill core material delivered to our laboratory. The testwork and other requested determinations were undertaken to determine the reason for inconsistent assay results. Some error had been attributed to tellurium in the ore with the gold presuming to occur as a telluride.

CONCLUSION

The gold cyanides as well as can be expected in a first try test. There is very little tellurium in the ore, certainly less than necessary to significantly affect the assay.

The variation in gold assays you have experienced would appear to be simply the result of free gold.

Silica, tellurium and a 30 element spectrographic determinations have been made.

This ore will probably cyanide well and further testwork is recommended if the property warrants it.

PROCEDURES

The core was crushed to minus 10 mesh and riffle split to provide a 1/2 cut for processing at a different laboratory. A 1000 gm cut was prepared for cyanide leaching.

The 1000 gms cyanide leach conditions were:

- 1000 gms (dry) of feed ore
- 2.34 litres of water
- 30% solids by weight
- 3.06 lb NaCN/ton solids
- 9.00 lb Ca(OH)₂/ton solids
- 10.5 pH
- 48 hour test

The ore was ground for 10 minutes at 65% solids before the cyanide test was started.

RESULTS

The size analysis of the feed to the cyanide test was:

Size (mesh)	IND PERCENT RETAINED	COMULATIVE PERCENT PASSING
100	0.32	
150	0.93	98.75
200	5.38	93.38
270	6.47	86.91
325	11.67	75.23

The assay results are:

	gold oz/ton	silver oz/ton
Head	.029	0.091
Tail	0.010	0.040

Thus the recovery is:

gold 65.5%
silver 56.0%

The reagent consumptions were:

0.74 lb/ton NaCN
8.88 lb/ton Ca(OH)₂

The ore was analyzed and found to contain 63.24% SiO_2 and less than 0.05 weight % Te. The analytical results for the Te and 30 element spectrographic analysis are appended.



TO:
 BACON, DONALDSON & ASSOCIATES LTD.
 2036 Columbia Street
 Vancouver, B.C.
 V5Y 3E1

General Testing Laboratories
 A Division of SGS Supervision Services Inc.

1001 EAST PENDER ST., VANCOUVER B.C., CANADA V6A 1W2
 PHONE (604) 254-1647 TELEX 04-507514 CABLE SUPERVISE

CERTIFICATE OF ASSAY

No.: 8112-1452 DATE: Dec. 17/81

ereby certify that the following are the results of assays on: Pulp

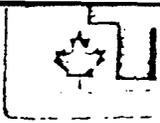
MARKED	XXXXXXXXXX		Tellurium	XXX	XXX	X XX	XXX	XXX
			Te (%)					
No. 32320			< 0.05					
No. 3483								

REJECTS RETAINED ONE MONTH PULPS RETAINED THREE MONTHS ON REQUEST PULPS
 REJECTS WILL BE STORE FOR A MAXIMUM OF ONE YEAR.
 THESE ARE THE CONFIDENTIAL PROPERTY OF CLIENTS. PUBLICATION OF STATEMENTS,
 REVISION OR EXTRACTS FROM OR REGARDING OUR REPORTS IS NOT PERMITTED WITHOUT
 WRITTEN APPROVAL. ANY LIABILITY ATTACHED THERETO IS LIMITED TO THE FEE CHARGED.


 P. Buschlen, Chemist

Analytical and Consulting Chemists, Bulk Cargo Specialists, Surveyors, Inspectors, Samplers, Weighers

MEMBER: American Society For Testing Materials • The American Oil Chemists Society • Canadian Testing Association
 REFEREE AND OR OFFICIAL CHEMISTS FOR: National Institute of Oilseed Products • The American Oil Chemists' Society
 OFFICIAL WEIGHMASTERS FOR: Vancouver Board Of Trade



Can Test Ltd.

1650 PANDORA STREET, VANCOUVER, B.C. V5L 1L6 • TELEPHONE 254-7278

Donaldson & Associates Ltd.

SEMI QUANTITATIVE SPECTROGRAPHIC

Telex 04 54210

ANALYSIS CERTIFICATE

3036 Columbia Street

File No. 4434E-6

Vancouver, B.C.

Date Dec. 22/81

5Y 3E1

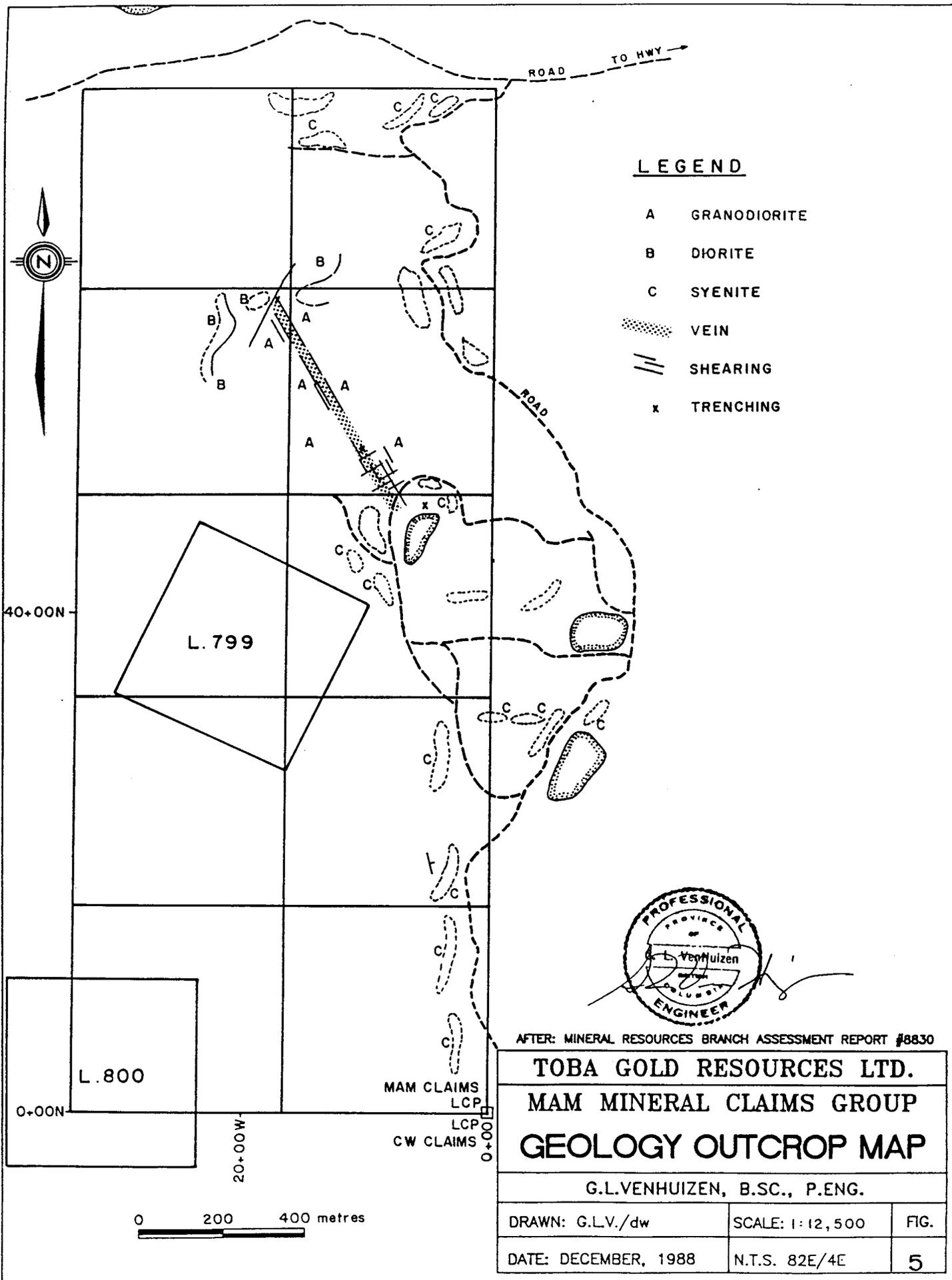
P.O. #32312

Hereby Certify that the following are the results of semi quantitative spectrographic analysis made on pulp samples submitted.

		1	2	3	4	5	Sample Identification
Aluminum	Al	5.					<p>Sample 1: File 3143-B</p> <p>Sample 2:</p> <p>Sample 3:</p> <p>Sample 4:</p> <p>Sample 5:</p> <p>Percentages of the various elements expressed in these analyses may be considered accurate to within plus or minus 35 to 50% of the amount present.</p> <p>Semi-quantitative spectrographic analytical results for gold and silver are normally not of a sufficient degree of precision to enable calculation of the true value of ores. Therefore, should exact values be required, it is recommended that these elements be assayed by the conventional Fire Assay Method. Quantitative and Fire Assays may be carried out on the retained pulp samples.</p> <p>Silicon, aluminum, magnesium, calcium and iron are normal components of complex silicates.</p> <p>MATRIX — Major constituent MAJOR — Above normal spectrographic range TRACE — Detected but minor amounts N.D. — Not detected • — Suggest assay (above 0.3%)</p> <p>All results expressed as <u>PERCENT</u></p> <p>Note: Pulp retained one week.</p> <p>ALL REPORTS ARE THE CONFIDENTIAL PROPERTY OF CLIENTS. PUBLICATION OF STATEMENTS, CONCLUSION OR EXTRACTS FROM OR REGARDING OUR REPORTS IS NOT PERMITTED WITHOUT OUR WRITTEN APPROVAL. ANY LIABILITY ATTACHED THERETO IS LIMITED TO THE FEE CHARGED.</p> <p>CAN TEST LTD.</p> <p><i>[Signature]</i> Spectroscopist</p>
Antimony	Sb	ND					
Arsenic	As	ND					
Barium	Ba	0.05					
Beryllium	Be	ND					
Bismuth	Bi	ND					
Boron	B	ND					
Cadmium	Cd	ND					
Calcium	Ca	2.					
Chromium	Cr	ND					
Cobalt	Co	ND					
Copper	Cu	0.007					
Gallium	Ga	ND					
Gold	Au	TRACE					
Iron	Fe	2.					
Lead	Pb	TRACE					
Magnesium	Mg	2.					
Manganese	Mn	0.2					
Molybdenum	Mo	0.05					
Niobium	Nb	ND					
Nickel	Ni	ND					
Potassium	K	ND					
Silicon	Si	MATRIX					
Silver	Ag	TRACE					
Sodium	Na	2.					
Strontium	Sr	0.03					
Tantalum	Ta	ND					
Thorium	Th	ND					
Stannum	Sn	ND					
Titanium	Ti	0.2.					
Tungsten	W	ND					
Uranium	U	ND					
Vanadium	V	0.03					
Zinc	Zn	TRACE					

APPENDIX 3

Reduced versions of Figures 5, 9, 10, 11 and 12



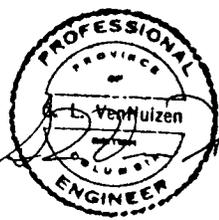
LEGEND

- A GRANODIORITE
- B DIORITE
- C SYENITE
- VEIN
- SHEARING
- x TRENCHING

L.799

L.800

MAM CLAIMS
LCP
LCP
CW CLAIMS



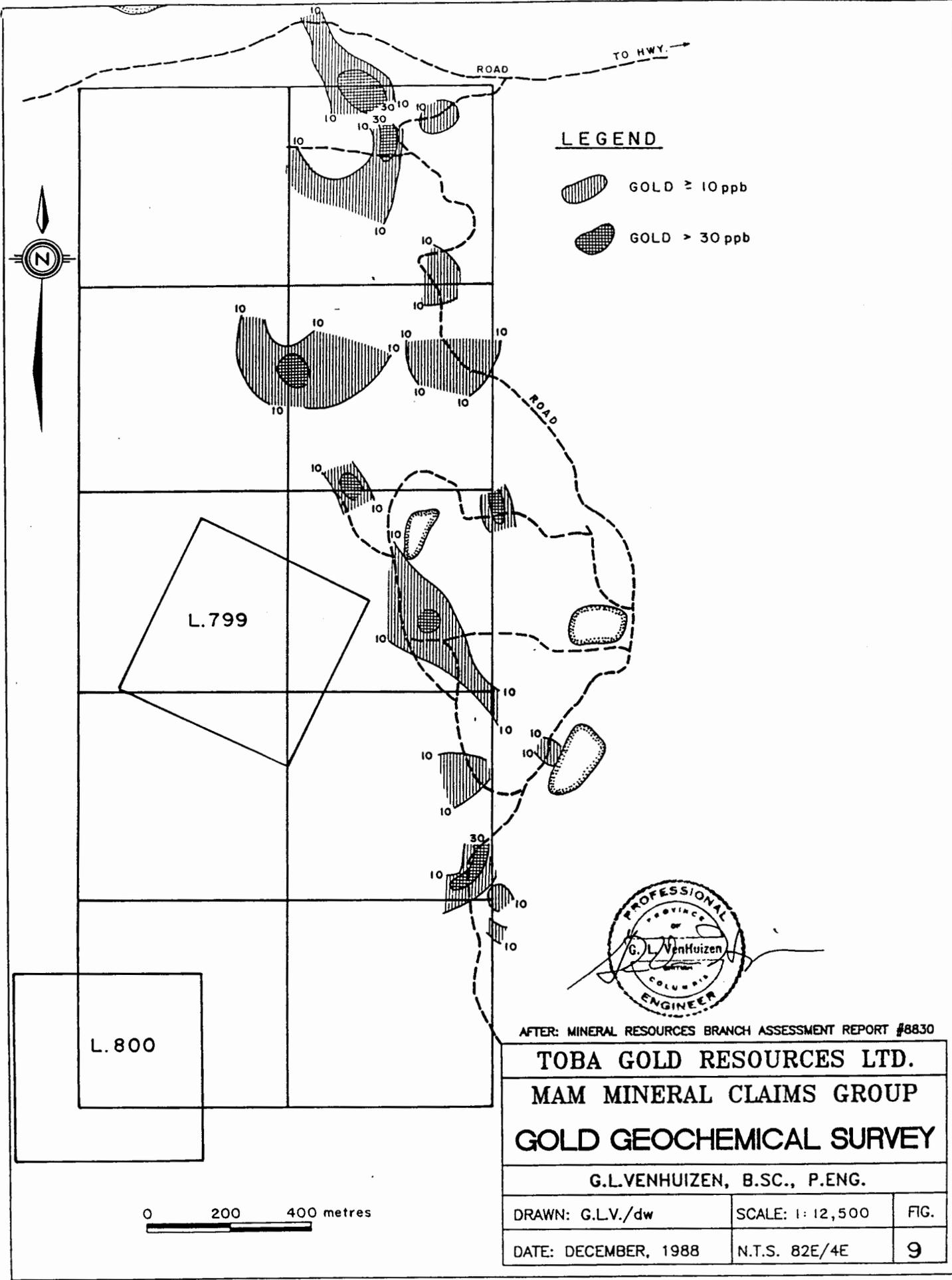
AFTER: MINERAL RESOURCES BRANCH ASSESSMENT REPORT #8830

TOBA GOLD RESOURCES LTD.
MAM MINERAL CLAIMS GROUP
GEOLOGY OUTCROP MAP

G.L.VENHUIZEN, B.SC., P.ENG.

DRAWN: G.L.V./dw	SCALE: 1:12,500	FIG.
DATE: DECEMBER, 1988	N.T.S. 82E/4E	5

0 200 400 metres



LEGEND

-  GOLD ≥ 10 ppb
-  GOLD > 30 ppb

L.799

L.800

0 200 400 metres

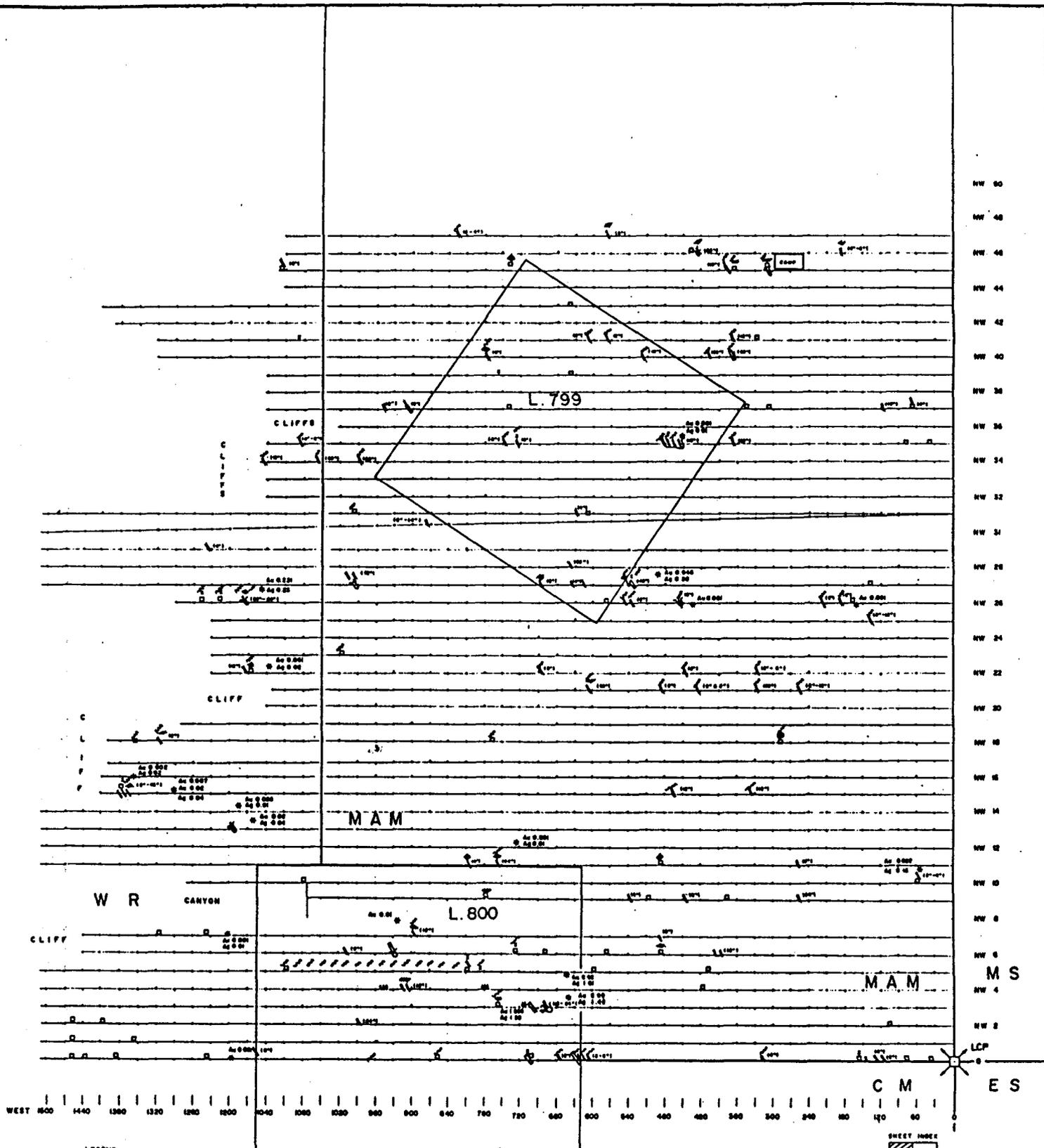


AFTER: MINERAL RESOURCES BRANCH ASSESSMENT REPORT #8830

TOBA GOLD RESOURCES LTD.
MAM MINERAL CLAIMS GROUP
GOLD GEOCHEMICAL SURVEY

G.L.VENHUIZEN, B.SC., P.ENG.

DRAWN: G.L.V./dw	SCALE: 1:12,500	FIG.
DATE: DECEMBER, 1988	N.T.S. 82E/4E	9



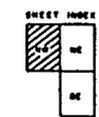
NW 90
 NW 48
 NW 46
 NW 44
 NW 42
 NW 40
 NW 38
 NW 36
 NW 34
 NW 32
 NW 30
 NW 28
 NW 26
 NW 24
 NW 22
 NW 20
 NW 18
 NW 16
 NW 14
 NW 12
 NW 10
 NW 8
 NW 6
 MS
 NW 4
 NW 2
 LCP
 CM
 ES

- LEGEND**
- || Quartz Vein (M.I)
 - Rock Sample Au 22/T Au 22/T
 - ~ Fractures - Shears
 - Trench
 - XXXX Sulphides
 - .. Alteration and Quartz Veinlets
 - Quartz Flies
 - △ Breccia
 - |||| Gossam
 - ⌒ Open Pit

WR | CM

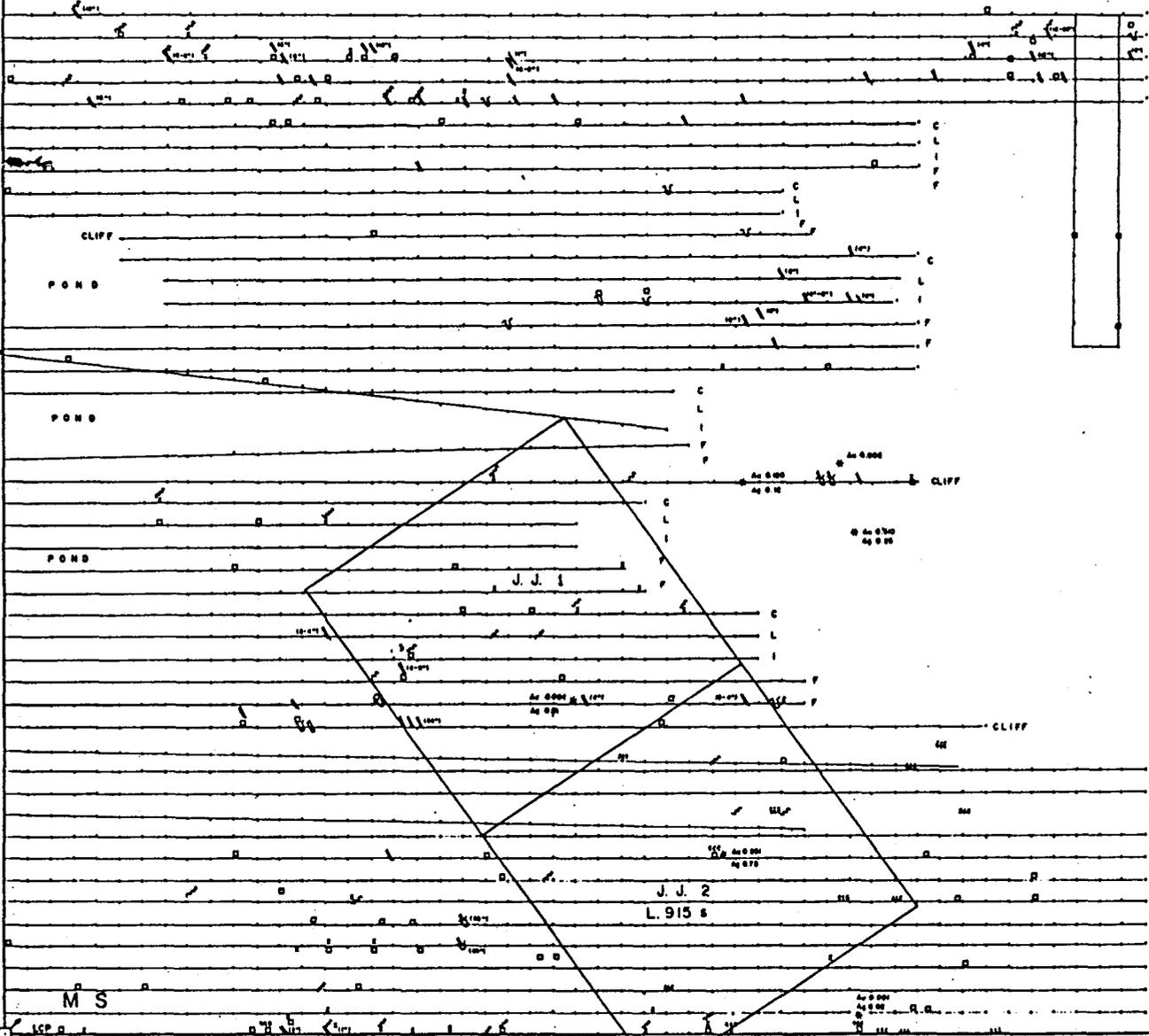


1:5000
 METERS



TOBA GOLD RESOURCES LTD.	
MAM PROPERTY 0507008 Mining Division, B.C.	
NORTH WEST QUADRANT RECONNAISSANCE GEOLOGICAL SURVEY	
FIELDWORK AND SAMPLING, 1987 To Accompany Progress Report ALLAN GEOLOGICAL ENGINEERING LTD. P.O. Box 100, Williams Lake, B.C.	RODNEY A. HEISS, S.M. FIGURE No 12

N 80
N 48
N 46
N 44
N 42
N 40
N 38
N 36
N 34
N 32
N 30
N 28
N 26
N 24
N 22
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N 8
N 6
N 4



MAM

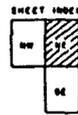
MS

CM

ES

LEGEN

- Quartz Vein (in.)
- Rock Sample Au 0.1/T
Ag 0.1/T
- Fractures - Shears
- Trench
- Sulphides
- Alteration and Quartz Veinlets
- Quartz Floes
- Breccia
- Gascon
- Open Pit



TOBA GOLD RESOURCES LTD.	
MAM PROPERTY	
OSOYOOB MINE DIVISION, S.C.	
NORTH EAST QUADRANT	
RECONNAISSANCE GEOLOGICAL SURVEY	
FIELDWORK: June-September, 1987	ROONEY & BEERS, S.W.
In Accompanying Progress Report	FIGURE No 10
For ALLEN GEOTECHNICAL ENGINEERING LTD	
Per <i>[Signature]</i>	

M A M

M S

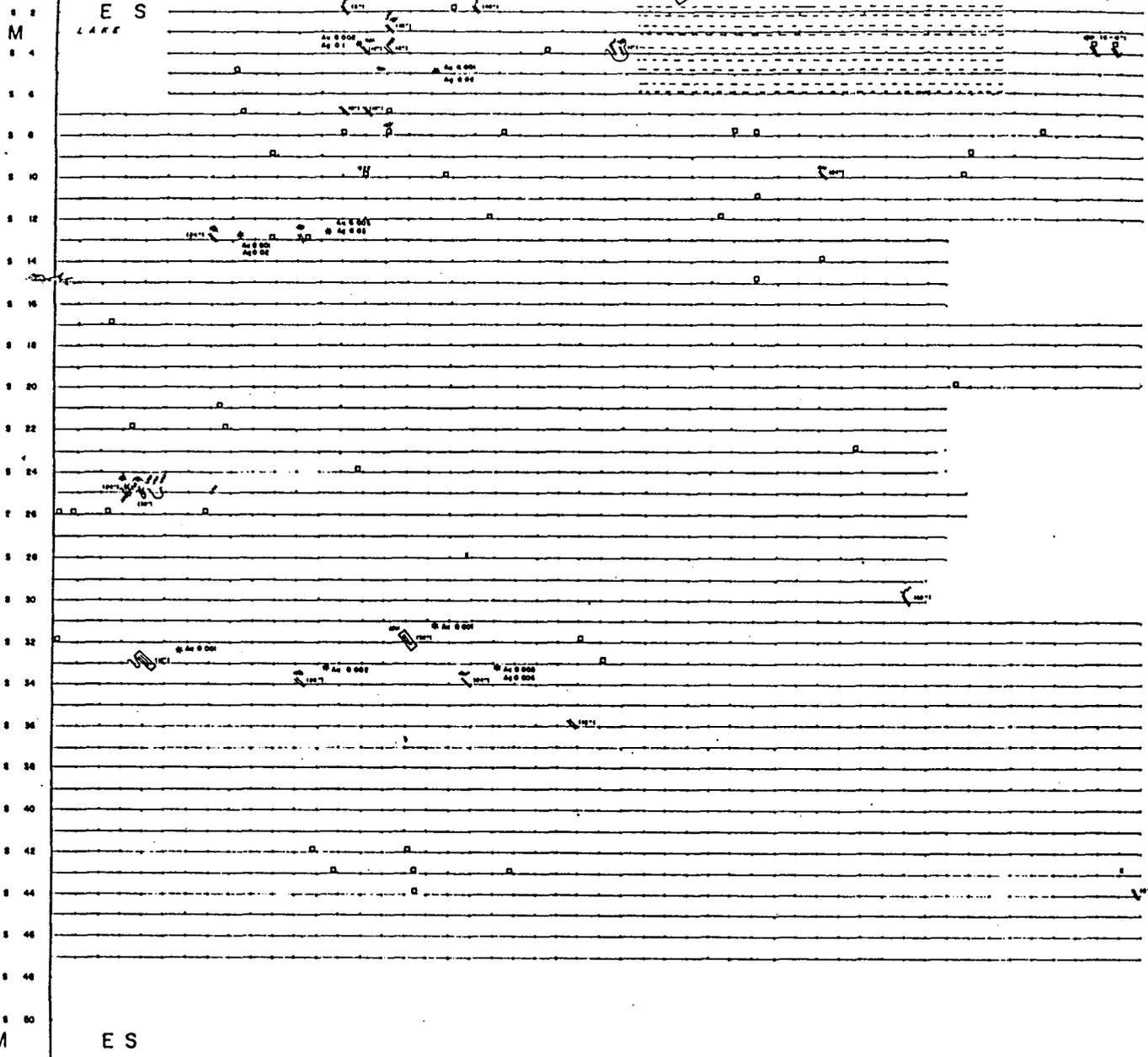
J J 2

L 915s



C M

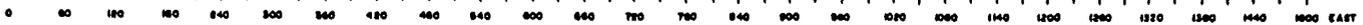
E S
LAKE



C M

E S

G M



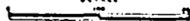
LEGEND

- || Quartz Vein (in.)
- Rock Sample Au oz/T
Ag oz/T
- ~ Fractures - Shears
- Trench
- ⊗ Sulphides
- ◁ Alteration and Quartz Veinlets
- Quartz Flats
- △ Breccia
- |||| Gossan
- ∪ Open Pit

SHEET INDEX



SCALE



TOBA GOLD RESOURCES LTD.

MAM PROPERTY
OGYOOS MINE DIVISION, B.C.

SOUTH EAST QUADRANT

RECONNAISSANCE GEOLOGICAL
SURVEY

FIELDWORK June - September, 1987

RODNEY A. REICHA, B.Sc.

To accompany Progress Report
ALLER GEOLOGICAL ENGINEERING LTD.
Per *Allen & Allen* P. 104

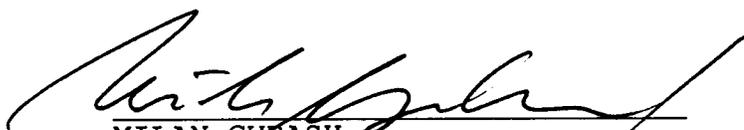
FIGURE No. II

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.

TOBA GOLD RESOURCES LTD.

DATE: OCTOBER 27, 1989


MILAN GUBASH
Chief Executive Officer


LOREN DOUGLAS CURRIE
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS:


MERVIN GEORGE PHILLIPS
Director


DUNCAN CAMPBELL WING
Director

ON BEHALF OF THE PROMOTERS:


MILAN GUBASH
Promoter


DUNCAN CAMPBELL WING
Promoter

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.

DATE: October 27, 1989

YORKTON CONTINENTAL SECURITIES INC.

Per:

