

Paul Wilton / DJ  
002698

Property File  
082FSW 003

Libby Property  
82F/3E

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.

NEW ISSUE

PROSPECTUS

TIMMAX RESOURCE CORPORATION  
(hereinafter called the "Company")

DEC 17 1991

700,000 COMMON SHARES  
at a price of \$0.45 per share

Geological Survey Branch  
MEMPR

	Price to the Public	Commission	Net Proceeds to be Received by the Company
PER SHARE.....	\$0.45	\$0.05	\$0.40
TOTAL.....	\$315,000	\$35,000 *	\$280,000**

- \* The Agent has been granted a warrant to purchase up to 175,000 Shares of the Issuer for a period of two (2) years. See "Additional Offering".
- \*\* Before the estimated costs of this issue of \$20,000 are deducted.

THERE IS NO MARKET THROUGH WHICH THESE SECURITIES MAY BE SOLD. THE PRICE OF THE SHARES OFFERED HEREBY WAS DETERMINED BY NEGOTIATION BETWEEN THE COMPANY AND THE AGENT.

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATIVE INVESTMENT. REFERENCE IS MADE TO THE HEADING "RISK FACTORS" UNDER ITEM 7 HEREIN. PURCHASERS OF THE SECURITIES OFFERED HEREUNDER WILL SUFFER AN IMMEDIATE DILUTION OF 61.3% OF THEIR INVESTMENT. REFERENCE SHOULD BE MADE TO THE HEADING "DILUTION" UNDER ITEM 9 HEREIN.

THE VANCOUVER STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED PURSUANT TO THIS PROSPECTUS. LISTING IS SUBJECT TO THE COMPANY FULFILLING ALL THE LISTING REQUIREMENTS ON THE VANCOUVER STOCK EXCHANGE ON OR BEFORE MAY 12, 1992, INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

NO PERSON IS AUTHORIZED BY THE COMPANY 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 COMPANY.

UPON COMPLETION OF THIS OFFERING THIS ISSUE WILL REPRESENT APPROXIMATELY 31.1% OF THE SHARES OUTSTANDING AS COMPARED TO 50.1% THAT WILL THEN BE OWNED BY THE CONTROLLING PERSONS, PROMOTERS, DIRECTORS AND SENIOR OFFICERS OF THE COMPANY. REFERENCE SHOULD BE MADE TO THE HEADING "PRINCIPAL HOLDERS OF SECURITIES" UNDER ITEM 10 HEREIN FOR DETAILS OF SHARES CURRENTLY HELD BY THE DIRECTORS, CONTROLLING PERSONS AND SENIOR OFFICERS OF THE COMPANY.

ONE OR MORE OF THE DIRECTORS OF THE COMPANY MAY HAVE AN INTEREST, DIRECT OR INDIRECT, IN OTHER NATURAL RESOURCE COMPANIES. REFERENCE SHOULD BE MADE TO THE HEADING "CONFLICTS OF INTERESTS" UNDER ITEM 14 HEREIN FOR A COMMENT AS TO THE RESOLUTION OF POSSIBLE CONFLICTS OF INTEREST.

THE AGENT HAS AGREED TO PURCHASE (THE "GUARANTEE") ANY OF THE SHARES FOR WHICH SUBSCRIPTIONS HAVE NOT BEEN RECEIVED AT THE CONCLUSION OF THE OFFERING (SEE "PLAN OF DISTRIBUTION"). AGENT'S WARRANTS HAVE BEEN DISTRIBUTED TO THE AGENT UNDER THIS PROSPECTUS. ANY SHARES ACQUIRED BY THE AGENT UNDER THE GUARANTEE WILL ALSO BE DISTRIBUTED UNDER THIS PROSPECTUS THROUGH THE FACILITIES OF THE VANCOUVER STOCK EXCHANGE AT THE MARKET PRICE AT THE TIME OF SALE.

WE, AS AGENT, CONDITIONALLY OFFER THESE SECURITIES SUBJECT TO PRIOR SALE, IF, AS AND WHEN ISSUED BY THE COMPANY AND ACCEPTED BY US IN ACCORDANCE WITH THE CONDITIONS CONTAINED IN THE AGENCY AGREEMENT REFERRED TO UNDER "PLAN OF DISTRIBUTION" UNDER ITEM 1 OF THIS PROSPECTUS.

AGENT:  
YORKTON SECURITIES INC.  
10th Floor - 1055 Dunsmuir Street  
Vancouver, British Columbia

DATED: November 7, 1991.

REGISTRAR & TRANSFER AGENT:  
PACIFIC CORPORATE TRUST COMPANY  
830 - 625 Howe Street  
Vancouver, British Columbia

Effective Date: November 14, 1991.

MINISTRY OF ENERGY, MINES  
& PETROLEUM RESOURCES.

REC'D FEB 18 1992

"smf&pros\timmax.s&t"

NELSON, B.C.

## SUMMARY

The following is a summary only and is qualified by the more detailed information appearing elsewhere in this Prospectus.

### The Company

Timax Resource Corporation is a British Columbia company having 1,551,401 issued and outstanding shares prior to this Offering.

The Company is a natural resource company and is principally engaged in the acquisition, exploration and development of natural resource properties. The Company's sole property interest consists of an option to acquire a 100% interest, subject to a 2% net smelter return royalty, in the Libby Property located in the Nelson Mining Division of British Columbia.

### The Offering

Issue: 700,000 common shares

Price: \$0.45 per share

Amount of  
the Offering: \$315,000

Use of  
Proceeds: The Company expects to receive net proceeds of \$280,000, after payment of commissions, from the sale of Shares pursuant to this Prospectus.

The funds available to the Company upon completion of the offering hereunder will be used to finance the cost of completing the Phase I work program on the Libby Property, satisfy current accounts payable, and to provide a reserve for working capital purposes. Refer to the heading "Use of Proceeds" under Item 3 for further details.

Directors  
and  
Officers:

Gregory F. Amor	-	Director/President
Gerald D. McNulty	-	Director/Secretary
Logan B. Anderson	-	Director
Karl A. Miller	-	Director

Refer to the heading "Directors and Officers" under Item 11 for further details.

Dividend  
Policy:

The Company intends to retain its earnings for use in its business and does not expect to pay dividends on its common shares in the foreseeable future.

Risk Factors:

There is no known body of ore of commercial grade or tonnage on the Company's mineral property. The purpose of the Offering is to raise funds to carry out further exploration with the objective of establishing ore of commercial tonnage and grade. If the Company'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. Exploration for minerals is a speculative venture necessarily involving some substantial risk. There is no certainty that the expenditures to be made by the Company in development of its properties described in this Prospectus will result in discoveries of commercial quantities of ore.

In addition, there is no market for the securities of the Company. Purchasers of securities offered hereunder will suffer an immediate dilution of 61.3% of their investment. Directors of the Company also serve as Directors of other companies, and thus situations may arise which involve a conflict of interest where business opportunities may be offered to both the Company and other such companies. Reference is made to the headings "Risk Factors", "Dilution" and "Conflicts of Interest" under Items 8,9, and 14 respectively, in this Prospectus for further details.

**TIMMAX RESOURCE CORPORATION**

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1.

## THE COMPANY

**TIMMAX RESOURCE CORPORATION** (herein "Timmax" or the "Company") was incorporated on April 29, 1987 in the Province of British Columbia, Canada by registration of its Articles and Memorandum pursuant to the Company Act of British Columbia under the name "Spruce Ridge Resources Ltd.". The Company changed its name to "Timmax Resource Corporation" on August 10, 1988.

The Company's head office is located at #1202 - 510 West Hastings Street, Vancouver, British Columbia, and the Company's Registered and Records Offices are located at 1710 - 1177 West Hastings Street, Vancouver, British Columbia.

2.

## PLAN OF DISTRIBUTION

### Offering

The Company by its Agent hereby offers (the "Offering") through the facilities of the Vancouver Stock Exchange (the "Exchange") 700,000 shares (the "Shares") of the Company at the Offering Price of \$0.45 per share (the "Offering Price"). The Offering will be made in accordance with the rules and policies of the Exchange and on a day (the "Offering Day") determined by the Agent and the Company, with the consent of the Exchange, within a period of 180 days from the date upon which the Shares of the Company are conditionally listed on the Exchange.

### Appointment of Agent

The Company, by an agreement (the "Agency Agreement") dated August 28, 1991, appointed Yorkton Securities Inc., of 10th Floor, 1055 Dunsmuir Street, Vancouver, B.C. as its exclusive agent (the "Agent") to offer the Shares through the facilities of the Exchange. The Agent will receive a commission of \$0.05 per share.

The Agent has agreed to purchase any shares not sold at the conclusion of the Offering. In consideration therefor, the Agent has been granted non-transferable share purchase warrants ("Agent's Warrants") entitling it to purchase up to 175,000 shares of the Company at any time up to the close of business two (2) years from the date of the posting and calling for trading of the Company's shares on the Exchange, at a price of \$0.45 per share during the first year of the term and at a price of \$0.5175 per share during the second year of the term.

The Agent's Warrants will contain, among other things, anti-dilution provisions and provision for appropriate adjustment of the class, number and price of shares issuable pursuant to any exercise thereof upon the occurrence of certain events including any subdivision, consolidation or re-classification of the shares or the payment of stock dividends, or amalgamation of the Issuer.

Shares from the Offering may be sold by persons and companies registered for trading in securities in countries other than Canada and the United States of America, which persons and companies may in turn sell to their clients, and directly to investors, situate outside of Canada and the United States of America.

Any sales of the Shares sold outside of Canada will be subject to and conducted in accordance with the Securities laws of the country or jurisdiction in which the sales are made.

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

The obligations of the Agent under the Agency Agreement may be terminated prior to the day the shares of the Company are listed, posted and called for trading on the Exchange, at the Agent's discretion on the basis of its assessment of the state of the financial markets and may also be terminated at any time upon the occurrence of certain stated events.

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

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

The Directors, Officers and other Insiders of the Company may purchase Shares from this Offering and shall pay full price for any shares purchased from this Offering.

The Vancouver Stock Exchange has conditionally listed the securities being offered pursuant to this Prospectus. Listing is subject to the Company fulfilling all the listing requirements on the Vancouver Stock Exchange on or before May 12, 1992, including prescribed distribution and financial requirements.

**Additional Offering**

This Prospectus also qualifies the issuance of the Agent's Warrants and the sale to the public at the market price for shares at the time of sale of any shares of the Company which the Agent may acquire pursuant to its guarantee. The Agent is entitled pursuant to the Securities Act and its regulations to sell any shares acquired pursuant to the exercise of the Agent's Warrants without further qualification.

**3. USE OF PROCEEDS**

The Company will receive net proceeds of \$280,000 from the sale of the shares offered hereby, which combined with cash on hand of \$103 as at August 31, 1991, and share subscription proceeds received since August 31, 1991, of \$43,500 for a total of \$323,603 will be utilized as follows:

(a) Expenses of this Offering	\$ 20,000
(b) Accounts payable as at August 31, 1991 (\$44,996) accrued management fees and rent for September and October 1991 (\$6,000) and filing fees (\$7,387)	\$ 58,383*
(c) Fund November 1991 work program on the Libby Property	26,300
(d) Perform Phase 1 of the work program on the Libby Property as recommended in the Report of Peter Christopher & Associates Inc., dated July 30, 1991.	100,000
(e) Property payment	10,000
(f) Reserve for working capital and Company's administrative costs	<u>108,920**</u>
TOTAL:	\$323,603 =====

\* of this figure \$48,100 is due to two non-reporting companies owned by directors of the Company. Refer to "Executive Compensation" under item 12 for details.

\*\* Any funds received by the Company upon the exercise of the Agent's Warrants or incentive stock options shall be added to general working capital.



The proceeds from the sale of the shares are intended to be used for the purposes set forth above. The Company will not discontinue or depart from the recommended program of work unless advised in writing by a qualified geologist or engineer to do so. Should the Company contemplate any such change, notice thereof will be given to all shareholders. If such a change occurs during the primary distribution of securities pursuant to this prospectus, an amendment hereto will be filed. In the event of any material change in the affairs of the Company during the primary distribution of the shares offered by this Prospectus, an amendment to this Prospectus will be filed. Following the completion of the primary distribution of the shares offered hereby shareholders will be notified of changes in the affairs of the Company in accordance with the requirements of the appropriate regulatory authorities.

No part of the proceeds of this offering will be used to invest in, underwrite or trade in securities other than those that qualify as investments in which trust funds may be invested under the laws of the jurisdiction in which the securities herein may be lawfully sold. Should the Company 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 shareholders of the Company must first be obtained and notice of the intention filed with the regulatory securities bodies having jurisdiction over the sale of the securities offered by this Prospectus.

4. **DESCRIPTION OF THE BUSINESS AND PROPERTY OF THE COMPANY**

The principal business of the Company is the acquisition, exploration and development of resource properties. Currently, the Company is only involved in the exploration and development of mineral properties. The Company has not conducted any mining operations, nor has it conducted any active revenue producing activities. Its activities have all been financed by funds raised by the private sale of shares. The Company presently holds an interest in one property, the particulars of which are:

**The Libby Property**

The Libby property consists of four modified grid mineral claims totalling 63 units covering 1575 ha (3892 acres) located in the Nelson mining division of British Columbia, and more particularly described as follows:

<u>CLAIM NUMBER</u>	<u>NUMBER OF UNITS</u>	<u>RECORD NUMBER</u>	<u>EXPIRY DATE</u>
Libby 1	20	5981	24 OCT 93
Libby 2	18	301293	18 JUN 92
Libby 3	15	301998	04 JUL 92
Libby 4	10	301999	03 JUL 92

(Hereinafter collectively referred to as the "Libby Property")

The Company has entered an Agreement dated April 8, 1991, with Kowall Resources Ltd., of suite 368 - 1199 West Pender, Vancouver, B.C. ("Kowall") to acquire all of Kowall's rights to earn an interest in the Libby Property (the "Kowall Agreement"). Under the Kowall Agreement, Kowall assigned all of its rights and interests under a previous Agreement dated July 17, 1989, as amended August 31, 1990, between Kowall and the owner of the Libby Property, Victor Guinet ("Guinet") of 305 - 850 West Hastings Street, Vancouver, B.C. (the "Libby Option").

Under the Kowall Agreement the Company has paid the sum of \$5,000 to Kowall and has allotted for issuance 25,000 shares at a deemed price of \$0.25 per share.

On April 15, 1991, the Company and Guinet agreed to amend the terms of the Libby Option such that in order to exercise the option and acquire 100 percent interest in the Libby Property, the Company must pay a total of \$145,000 to Guinet in accordance with the following schedule:

- a) The sum of \$5,000 on signing the amendment (paid);
- b) The sum of \$10,000 for listing of the Company's shares to the Vancouver Stock Exchange;
- c) The sum of \$10,000 on or before August 31, 1992;
- d) The sum of \$15,000 on or before August 31, 1993;
- e) The sum of \$20,000 on or before August 31, 1994;
- f) The sum of \$35,000 on or before August 31, 1995;
- g) The sum of \$50,000 on or before August 31, 1996.

Upon exercise of the option, the Company shall acquire a 100 percent interest in the Libby Property subject to a 2 percent net smelter return royalty retained by Guinet (the "Royalty"). Commencing on August 31, 1997, the Company shall pay the sum of \$50,000 per year to Guinet as a minimum royalty payment, and that all such minimum royalty payments shall be credited against Royalty payments due subsequent to the commencement of commercial production. The Company has a right to purchase the Royalty from

Guinet within five years from date of the commencement of commercial production for the sum of \$1,000,000.

Kowall is a non-reporting Company which is a wholly owned subsidiary of Worthington Resources Corporation ("Worthington"), a reporting Company the shares of which are listed for trading on the Vancouver Stock Exchange. The Kowall Agreement was not made at arms length due to the fact that Company president and director Gregory F. Amor is also a director and former president of Worthington. At all times both the Company and Kowall were dealing at arms length with Guinet. Since the date of the Kowall Agreement, Guinet has acquired and presently holds 80,000 common shares of the Company, and Guinet Management Inc., a non-reporting company owned by Guinet, has been engaged to conduct the initial exploration program on the Libby Property for the Company. The Company intends to retain Guinet Management to conduct the work program to be funded by this offering, which will be supervised by the Company President Gregory F. Amor and William Murray, the Company's independent mining consultant.

The Libby Property is the subject of an engineering report prepared by Peter Christopher & Associates Inc., dated July 30, 1991 (the "Christopher Report"), a copy of which is attached to and forms part of this Prospectus. Information concerning the Libby Property contained in this Prospectus has been obtained from the Christopher Report.

The Libby Property is located in the Nelson mining division of south-central British Columbia, approximately 60 kilometres south of Nelson, B.C. The Canada-United States border forms the southern boundary of the property.

The Libby Property straddles the south Salmo River, Lead Creek and Stagleap Creek. Highway 3 passes through the center of the property with old mining roads extending to the B.C.-Washington border on the Libby 1 claim. The mining roads were established to explore the Ed lead-zinc showing on the property.

The property is situated in the Nelson Range subdivision of the Selkirk Mountains, and covers part of the southern flank of Lost Mountain and the westerly flank of Ripple Mountain. Elevations on the property range from approximately 2,600 feet (792 metres) to over 5,000 feet (1,524 metres), and the terrain is steep although it can be traversed.

The Libby Property covers the old Ed (Condor) lead-zinc prospect and was initially worked in the 1950's by International Lead and Zinc Mines Ltd. of Vancouver, B.C. In 1952, a road was built to the showings and bulldozer stripping was conducted on prospects south of Lead Creek. In 1953 hand cobbled high-grade ore was mined from a shallow shaft and 1.5 tons of ore was shipped having a gross content of 5 ounces of silver, 2,357 pounds of lead and 44 pounds of zinc. In addition a 26 metre adit was driven towards the mineralized surface showing.

In 1970 there was a reported shipment of 255 tons from the property yielding 124 grams of gold, 1,306 grams of silver, 577 kilograms of lead, and 764 kilograms of zinc. Prospecting conducted in 1991 was unable to confirm the location of the shipment, however there is considerable rock movement in the area of the North Ridge showing. The Ed showing has been covered by the claims since 1970 however there are no reports of work.

In 1989, Victor Guinet acquired a Libby 1 claim and optioned the property to Worthington. In 1990, an initial geological and geochemical assessment program was conducted for Worthington on the property by geologist Robert Yorston who collected 196 soil samples and 19 rock samples. Soil values of up to 2,282 ppm lead and 3,649 ppm zinc, and up to 203 ppm lead and 2,523 ppm zinc were obtained from the "North" and "South" grid areas, respectively. The cost of acquisition and exploration work conducted by Worthington was approximately \$13,700.

The exploration program conducted for Worthington was successful in relocating old showings and produced anomalous soil geochemical results. This information caused the Company to acquire an interest in the property to explore for strata bound lead zinc deposits of the "Metalline type".

The initial program conducted for the Company by Guinet Management Inc. (a company owned by Victor Guinet) included geological mapping, prospecting and geochemical exploration with 7 silt, 1690 soil and 30 rock samples being collected. The soil geochemical results defined several strong zinc trends which sub-parallel horizons of the favourable Nelway Formation. Follow-up prospecting of an 800 metre long, north-east trending, 500 ppm zinc anomaly, resulted in discovery of the new, high-grade Yellow Zinc showing. The cost of the work program conducted by the Company from May 22/91 to July 20/91 was \$75,000.

Based on the initial exploration program conducted for the Company, which successfully located a new high-grade zinc showing and associated strong soil geochemical anomalies, the Christopher Report recommends that drilling and trenching be conducted to trace the mineralized horizon. A success contingent, staged exploration program is recommended for further development of the Libby Property. The Christopher Report recommends a Stage One program of trenching and 300 metres of diamond drilling, for an initial test of the Yellow Zinc showing, which is estimated to cost \$100,000. Contingent on favourable results of Stage One, a Stage Two program of trenching and diamond drilling is recommended.

In addition to the recommendations of the Christopher Report, in November 1991 the Company intends to conduct a small work program of geochemical sampling at a cost of approximately \$26,300. This work program has been funded by the sale of flow-through shares, and the purpose is to trace the border of the geochemical anomaly.

There is no known body of ore of commercial grade or tonnage on the Libby Property, nor is there any surface or underground plant or equipment on the Libby Property.

## **5. VARIATION IN OPERATING RESULTS**

In early 1988 the Issuer acquired an interest in certain mineral claims known as the Molly Property in an arms-length transaction with Ian Dow of Terrace, B.C. The consideration paid was \$1.00 together with a commitment from the Issuer to stake further claims and conduct general prospecting work on the property. The work was completed by the Issuer in the summer of 1988 at a cost of \$15,940. The results of the work were reviewed by James Chapman, a geologist with Orequest Consultants Ltd., who recommended that the Issuer expend no further funds on the Molly Property. The Issuer subsequently terminated its interest in the Molly Property.

## **6. SHARE AND LOAN CAPITAL STRUCTURE**

The authorized capital of the Company consists of 100,000,000 common shares without par value of which 1,551,401 common shares are issued and outstanding. All of the shares of the Company have equal voting rights and are not subject to any future call or assessment. There are no Special Rights or Restrictions of any nature attached to any of the common shares and they all rank pari passu, each with the other, as to all benefits which might accrue to the holders of the securities.

<u>Designation of Securities</u>	<u>Number of Shares Authorized</u>	<u>Amount outstanding as of the date of the Balance Sheet Contained in this Prospectus</u>	<u>Amount Outstanding as of the Date of this Prospectus</u>	<u>Amount to be Outstanding if all Securities are Sold</u>
Common	100,000,000	1,377,401	1,551,401	2,251,401*

\* this figure does not include 175,000 shares which may be issued pursuant to the exercise of the Agent's Warrants, and 170,000 shares which may be issued pursuant to the exercise of incentive stock options

As of August 31, 1991, the Company had contributed surplus of nil, and a deficit of \$77,208.

**Shares sold for cash as at the Effective Date of the Prospectus**

<u>Number of Shares</u>	<u>Price Paid</u>	<u>Commission Paid</u>	<u>Cash Received</u>
1	\$1.00	Nil	\$ 1
750,000	\$0.01	Nil	\$ 7,500
776,400*	\$0.25	Nil	\$194,100

\* 474,000 of these shares were sold as flow-through common shares. Accordingly, exploration expenditures of \$118,500 will not be available to the Company in the future as a deduction for income tax purposes. Refer to "Other Material Facts" under item 21 for details.

**Shares sold for other than cash as of the Effective Date of the Prospectus**

The Company has issued 25,000 shares as partial consideration for the acquisition of a mineral property. Refer to the heading "Description of Business & Property of the Company" under Item 4 for further details.

**7. ESCROWED SHARES**

As of the date of this Prospectus, 750,000 shares are held in escrow by Pacific Corporate Trust Company, of #830 - 625 Howe Street, Vancouver, British Columbia, subject to the direction or determination of the Superintendent of Brokers for British Columbia (the "Superintendent") prior to the listing of the Company's shares on the Vancouver Stock Exchange (the "Exchange"), and, following such listing, to the direction or determination of the Exchange. The escrowed shares are held as follows:

<u>Name</u>	<u>Number of Shares</u>	<u>Percentage of Issued Shares*</u>
Gregory F. Amor	400,000	25.8%
Logan B. Anderson	200,000	12.9%
Gerald D. McNulty	150,000	9.7%

\* prior to the Offering described herein

The escrow restrictions provide that these shares may not be traded in, dealt with in any manner whatsoever, or released, nor may the Company, its Transfer Agent or Escrow Holder make any transfer or record any trading of these shares without the written consent of the Superintendent (prior to listing) or the Exchange (following listing).

The escrow agreement also provides that a portion of the consideration for the issuance of the shares is to encourage the holders thereof to act in the best interests of the Company, and that if the Company becomes successful due in part to the efforts of the holders of these shares, they will be entitled to maintain their ownership of these shares, and to obtain periodic releases from escrow in accordance with the general policies of the Superintendent or the Exchange. Any shares not so released within 10 years of the Effective Date of this Prospectus shall be cancelled.

The complete text of the escrow agreement is available for inspection at the Company's registered office, 1710 - 1177 West Hastings Street, Vancouver, British Columbia.

## **8. RISK FACTORS**

The Shares offered hereby must be considered speculative, due to the nature of the Company's business, and in particular due to the following factors:

- (a) There is no known body of ore on the Company's mineral properties. The purpose of the present offering is to raise funds to carry out exploration with the objective of establishing an economic body of ore. If the Company'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 sources of future funds presently available to the Company are the sale of equity capital, or the offering by the Company of an interest

in its property to be earned by another party or parties carrying out further exploration or development thereof.

- (b) There is no established market for the shares of the Company and no assurance that one will develop.
- (c) Exploration for minerals is a speculative venture necessarily involving substantial risk. There is no certainty that the expenditures to be made by the Company described herein will result in discoveries of commercial quantities of ore.
- (d) The marketability of natural resources which may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.
- (e) Mining operations generally involve a high degree of risk. Hazards such as unusual or unexpected formations and other conditions are involved. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the Company's financial position.
- (f) While the Company has obtained industry standard title reports with respect to its properties, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfers, Native land claims, or other undetected defects.
- (g) The Company's property consists, in part, of recorded mineral claims which have not been surveyed, and therefore, the precise area and location of such claims may be in doubt.
- (h) Reference is made to the heading "Conflicts of Interest" under Item 14 herein concerning possible conflicts of interest involving directors and officers of the Company.
- (i) There is little likelihood of the Company earning profits or paying dividends.



9.

### DILUTION

Based on the Company having a book value of \$0.084 per common share prior to the date of this Offering, purchasers of shares sold pursuant to this Prospectus will suffer immediate dilution of \$0.276 or approximately 61.3% per common share on the basis of there being 2,251,401 common shares of the Company outstanding after the offering and sale of 700,000 shares hereunder and after allowance for the Agent's commission and the cost of this Offering.

10.

### PRINCIPAL HOLDERS OF SECURITIES

(a) To the best of the knowledge of the Company, prior to the issuance of any shares hereunder, the only shareholders who own beneficially, directly or indirectly, more than 10% of the issued shares of the Company are disclosed in the following table:

<u>Name &amp; Address</u>	<u>Designation of Class</u>	<u>Type of Ownership</u>	<u>No. of Shares</u>	<u>% of class</u>
Gregory F. Amor 308-1850 Comox St. Vancouver, B.C.	Common Shares	Beneficial and Direct	587,200	37.8%
Logan B. Anderson 1950 West 35th Ave. Vancouver, B.C.	Common Shares	Beneficial and Direct	270,000	17.4%
Gerald D. McNulty 9034-187th Street Surrey, B.C.	Common Shares	Beneficial and Direct	231,201	14.9%

(b) The Directors, Promoters and Senior Officers of the Company, own, as a group, directly or indirectly, 1,128,401 shares in the capital of the Company, being approximately 72.7% of the shares issued prior to this Offering.

11.

### DIRECTORS AND OFFICERS

<u>Name and Address</u>	<u>Occupation</u>	<u>Office Held</u>
Gregory Franklin Amor* 308-1850 Comox St. Vancouver, B.C. V6G 3R6	President of G.A. Management Ltd., a non-reporting company that provides management services to public companies. Mr. Amor is a Chartered Accountant who has served as a senior executive of numerous mineral exploration companies since 1985. From 1982 to 1985 Mr. Amor was employed as a chartered accountant with Cooper & Lybrand.	President/Director

<u>Name and Address</u>	<u>Occupation</u>	<u>Office Held</u>
Gerald Daniel McNulty 9034 - 187th St. Surrey, B.C. V3T 5J4	President of Sunridge Financial Corporation, a non-reporting company that provides management services to public companies. Presently the controller of Fraser Valley Laser Ltd. In 1990 Mr. McNulty was a controller for Johnston Terminals Ltd., and from 1983 to 1987 he was the controller for Founders Group Management Ltd. Mr. McNulty has also served as a senior executive of numerous mineral exploration companies.	Secretary/Director
Logan Bruce Anderson* 1950 West 35th Avenue Vancouver, B.C. V6M 1M7	Mr. Anderson is a chartered accountant and has served as a senior executive and/or controller of numerous mineral exploration companies.	Director
Karl Andreas Miller* 5630 Sumac Place North Vancouver, B.C. V7R 4T6	Vice-President - Construction, Park Georgia Developments Ltd.	Director

\* Member of the Audit Committee

The Board of Directors have retained William Murray, as their independent mining consultant to assist them in the interpretation of the results of the exploration work on the Libby Property.

The Directors and Officers of the Company have, within the past five years, been directors and/or officers of the following reporting companies:

<u>Name</u>	<u>Reporting Company</u>	<u>Term</u>
i) Gregory F. Amor	International Tower Hill Mines Ltd.	1991 - 1991
	Carpenter Lake Resources Ltd.	1991 - present
	Amazon Petroleum Corp.	1991 - present
	Annex Exploration Inc.	1990 - present
	Worthington Resources Corporation	1988 - present
	Cove Resources Corporation	1985 - 1991
	Dundee Resources Ltd.	1988 - 1990
	Tansy Resources Ltd.	1988 - 1990
	Gemstar Resources Ltd.	1989 - 1991
	Grizzly Creek Resources Ltd.	1988 - 1990
	Springer Resources Ltd.	1988 - 1989
	Ascot Resources Ltd.	1987 - 1989
	Abbeywood Development Ltd.	1986 - 1987
	Cinnabar Resources Ltd.	1986 - 1987
Pineridge Capital Corp.	1986 - 1987	
ii) Gerald D. McNulty	Pineridge Capital Corp.	1986 - 1988
	Florim Resources Inc.	1985 - 1990
	Terracamp Developments Ltd.	1987 - 1988
	Mount Allard Resources Ltd.	1987 - 1988
	Worthington Resources Corporation	1989 - 1991

iii)	Logan B. Anderson	Pineridge Capital Corp.	1986 - present
		Florim Resources Inc.	1986 - present
		Lionheart Resource Corporation	1983 - 1986
		Consolidated General Western Industries Ltd.	1988 - present
		Dundee Resources Corp.	1990 - present
		Unilens Optical Corp.	1989 - present
iv)	Karl A. Miller	nil	

None of the above named persons have been a director, officer or a promoter of a company which was struck off the Register of Companies by the British Columbia Registrar of Companies, or other similar authority, or whose securities were the subject of a cease trade or suspension order for a period of more than thirty consecutive days during the period he was a director, officer or promoter.

None of the Directors, Officers or Promoters of the Company have, within the last ten years, been the subject of any penalties or sanctions by a court or securities regulatory authority relating to the trading in securities, the promotion formation or management of a publicly traded company or involving theft or fraud.

## 12. EXECUTIVE COMPENSATION

Pursuant to an agreement dated September 1, 1990, the Company pays G.A. Management Ltd., a non-reporting company owned by Company President and Director Gregory F. Amor, \$2,500 per month on account of management and administration services and \$500 per month for office rent, as well as reimbursement of expenses incurred on behalf of the Company. As at August 31, 1991, \$36,000 had accrued to G.A. Management Ltd., of which \$15,000 has been paid and \$21,000 is owing and shall be paid from the proceeds of this offering.

During the period from April 1987 to August 1990, the Company paid or accrued management fees to Sunridge Financial Corporation, a non-reporting company owned by Company Director Gerald D. McNulty. Sunridge has agreed to accept \$750 per month for the periods from April 1987 to August 1988, \$2,000 per month for the period from September 1988 to August 1989, and \$750 per month from September 1989 to August 1990, to reflect the fact that the Company was relatively inactive except for the period from September 1988 to August 1989. As at August 31, 1991, \$45,750 had accrued to Sunridge Financial Corporation of which \$24,650 has been paid, and \$21,100 is owing and shall be paid from the proceeds of this offering.

Otherwise, the Company has not established any policy with respect to the payment of any remuneration to directors and officers, nor has it commenced to pay its directors or officers any salaries or other remuneration for their services to the Company.

The Company has two (2) Executive Officers, being the President and the Secretary. During the last completed fiscal year of the Company, which ended August 31, 1991, the Company paid compensation to its Directors and Officers totalling \$30,000.

**13.**

**PROMOTERS**

Pursuant to the definition contained in Section 1(1) of the British Columbia Securities Act, the Promoter of the Company is Gerald D. McNulty, in that he took the initiative in the incorporation and organization of the Company. Mr. McNulty, who is the Secretary and a Director of the Company, holds 81,200 shares of the Company purchased for 25¢ per share and 150,000 escrowed shares purchased at \$0.01 per share. Mr. McNulty is the owner of 100% of the issued shares of Sunridge Financial Corporation, which has received or accrued \$45,750 since April 1987 on account of management and administration services.

**14.**

**CONFLICTS OF INTERESTS**

Some of the Directors and Officers of the Company may also be Directors and Officers of other reporting and non-reporting companies which are engaged in natural resource exploration and development. Accordingly, conflicts of interests may arise which could influence these directors in evaluating possible acquisitions or in generally acting on behalf of the Company, notwithstanding that they are bound by the provisions of the British Columbia Company Act to act at all times in good faith in the interests of the Company. Persons considering the purchase of securities pursuant to the offering under this Prospectus must appreciate that they will be required to rely on the judgment and good faith of these directors in resolving any such conflicts of interests that may arise.

Victor Guinet, a shareholder of the Company is also the optionor of the Libby Property. Refer to item 4 for details. Mr. Guinet also owns Guinet Management Inc., a company engaged by the Company to conduct work on the Libby Property. As a result there may be a situation which involves a conflict of interest. Mr. Guinet will attempt to avoid situations where conflicts may arise.

**15. OPTIONS TO PURCHASE SECURITIES**

The following incentive stock options have been granted to directors and officers of the Company:

<u>Optionee</u>	<u>Number of Shares</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
Gregory F. Amor	50,000	\$0.45	2 years from Exchange Listing
Gerald D. McNulty	50,000	\$0.45	2 years from Exchange Listing
Logan B. Anderson	50,000	\$0.45	2 years from Exchange Listing
Karl A. Miller	20,000	\$0.45	2 years from Exchange Listing

**16. INTEREST OF MANAGEMENT IN MATERIAL TRANSACTIONS**

- (a) Company Directors Gregory F. Amor, Logan B. Anderson and Gerald D. McNulty purchased 400,000, 200,000 and 150,000 escrowed shares of the Company respectively, at a price of \$0.01 per share. These shares are held pursuant to an Escrow Share Agreement and are only released to the holders thereof on the approval of the Superintendent of Brokers for British Columbia ("Superintendent") prior to the listing of the Company's shares on the Vancouver Stock Exchange ("Exchange") and following such listing at the direction or determination of the Exchange. Reference is made to Item 7 hereof for particulars of these Escrowed Shares.
- (b) The following Directors and Officers of the Company purchased cash paid shares of the Company at the non-reporting stage:

<u>Name</u>	<u>Number of Shares at \$0.25</u>	<u>Number of Shares at \$1.00</u>
Gregory F. Amor	187,200	-
Gerald D. McNulty	81,200	1
Logan B. Anderson	70,000	-
Karl A. Miller	40,000	-

- (c) Company Directors Gregory F. Amor and Gerald D. McNulty each own a non-reporting company, which have previously, and, in the case of Mr. Amor, continue to receive compensation for management services rendered to the company. Refer to the heading "Executive Compensation" under item 12 for details.
- (d) The Directors have been granted options to purchase a total of 170,000 shares at a price of \$0.45 per share for a period of two years from the date of Exchange Listing. Refer to "Options to Purchase Securities" under Item 15 for details.

**17. AUDITORS, TRANSFER AGENTS AND REGISTRARS**

The Auditors of the Company are Bishop & Wallace, Chartered Accountants of 602 - 5811 Cooney Road, Richmond, B.C.

The Transfer Agent and Registrar for the shares of the Company is Pacific Corporate Trust Company, of 830 - 625 Howe Street, Vancouver, British Columbia.

**18. DIVIDEND RECORD**

The Company has not paid any dividends. The Company intends to retain its earnings for use in its business and does not expect to pay dividends on the common shares in the foreseeable future.

**19. LEGAL PROCEEDINGS**

There are no legal proceedings pursuant to which the Company is a party nor to the knowledge of the signatories hereto are any such proceedings known to be contemplated.

**20. MATERIAL CONTRACTS**

The following are the material contracts to which the Company is a party. Copies of all material contracts may be inspected at the registered office of the Company, situate at 1710 - 1177 West

Hastings Street, Vancouver, B.C., during normal business hours while primary distribution of the securities offered hereunder is in progress and for a period of thirty days thereafter:

<u>Dates</u>	<u>Parties</u>	<u>Particulars disclosed herein</u>
July 17, 1989	Victor Guinet & Kowall Resources Ltd.	Item 4
August 31, 1990	Victor Guinet & Kowall Resources Ltd.	Item 4
April 8, 1991	Timmax & Worthington Resources Corporation	Item 4
April 15, 1991	Timmax & Victor Guinet	Item 4
September 1, 1990	Timmax & G.A. Management Ltd.	Item 12
August 30, 1991	Timmax & Pacific Corporate Trust Company (escrow agreement)	Item 7
August 29, 1991	Timmax & Messrs. Amor, McNulty, Anderson and Miller (option agreements)	Item 15
August 28, 1991	Timmax & Yorkton Securities Inc.	Item 2

## 21. OTHER MATERIAL FACTS

There are no other material facts relating to the Company or its properties that are not elsewhere disclosed herein except for:

- a) a total of 474,000 shares were sold as flow-through shares during the non-reporting stage at a price of \$0.25 per share. As a result \$118,500 worth of exploration expenditures will not be available to the Company in the future as a deduction for income tax purposes. One director of the Company purchased 70,000 of such flow-through shares, and registered underwriters have purchased 60,000 of such flow-through shares.
- b) a total of 70,000 shares of the Company, (60,000 of which are flow-through) purchased at the price of \$0.25 per share are held by registered Underwriters as defined in the Securities Act. The purchasers of these shares have undertaken that no shares will be sold prior to the expiration of six (6) months from the date the shares of the Company are listed on the Vancouver Stock Exchange and that where more than 10,000 shares have been acquired by the purchaser, the shares will be sold only on the following basis and provided that at least seven (7) days notice of the intended sale is filed with the Superintendent and the Exchange:
  - (i) 25% of the shares in the first three (3) month period following the expiry of six (6) months from the listing of the Company's shares on the Exchange; and
  - (ii) 25% of the shares in each three (3) month period thereafter.

## 22. PURCHASER'S STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

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



**TIMMAX RESOURCE CORPORATION**

Auditors' Report

Financial Statements

August 31, 1991

# BISHOP & WALLACE

CHARTERED ACCOUNTANTS

A Partnership of Professional Corporations

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602 - 5811 Cooney Road  
Richmond, BC V6X 3M1  
(604) 273-1477  
FAX (604) 273-0434

## AUDITORS' REPORT

To the Directors of Timmax Resource Corporation.:

We have audited the balance sheets of Timmax Resource Corporation as at August 31, 1991 and 1990 and the statements of loss and deficit and changes in financial position for the five month period ended August 31, 1987, and for each of the years in the four year period ended August 31, 1991. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 1991 and 1990 and the results of its operations and the changes in its financial position for the five month period ended August 31, 1987 and for each of the years in the four year period ended August 31, 1991 in accordance with generally accepted accounting principles.

Richmond, B.C.  
October 22, 1991

*Bishop & Wallace*

Chartered Accountants

**TIMMAX RESOURCE CORPORATION**

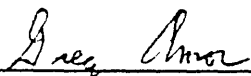
Balance Sheet  
August 31, 1991


	1991	1990
<b>Assets</b>		
<b>CURRENT</b>		
Cash	\$ 103	-
<b>MINERAL PROPERTIES AND RELATED DEFERRED COSTS</b>		
(Note 3) (Schedule)	132,036	-
	\$ 132,139	-
 <b>Liabilities</b>		
<b>CURRENT</b>		
Accrued expenses	\$ 44,996	51,207
 <b>Shareholders' Equity</b>		
CAPITAL STOCK (Note 4)	164,351	26,001
DEFICIT, PER ACCOMPANYING STATEMENT	(77,208)	(77,208)
	87,143	(51,207)
	\$ 132,139	-

COMMITMENT (Notes 3 and 6)

SUBSEQUENT EVENTS (Notes 4 and 9)

APPROVED BY THE DIRECTORS:

  
\_\_\_\_\_  
G. Amor Director

  
\_\_\_\_\_  
~~G. McNulty~~ L. Anderson Director

See accompanying notes to financial statements.

**TIMMAX RESOURCE CORPORATION**

Statement of Loss and Deficit  
For the Year Ended August 31, 1991

	1991 (12 months)	1990 (12 months)	1989 (12 months)	1988 (12 months)	1987 (5 months)
<b>ADMINISTRATIVE EXPENSES</b>					
Legal	\$ -	-	-	-	764
Management fees	-	-	-	-	3,750
	-	-	-	-	4,514
<b>MINERAL PROPERTY WRITTEN-OFF</b>	-	72,694	-	-	-
<b>NET LOSS FOR THE PERIOD</b>	-	(72,694)	-	-	(4,514)
<b>DEFICIT, BEGINNING OF PERIOD</b>	(77,208)	(4,514)	(4,514)	(4,514)	-
<b>DEFICIT, END OF PERIOD</b>	\$ (77,208)	(77,208)	(4,514)	(4,514)	(4,514)

See accompanying notes to financial statements.

**TIMMAX RESOURCE CORPORATION**  
**Statement of Changes in Financial Position**  
**For the Year Ended August 31, 1991**

	1991 (12 months)	1990 (12 months)	1989 (12 months)	1988 (12 months)	1987 (5 months)
<b>OPERATING ACTIVITIES</b>					
Net loss for the period	\$ -	(72,694)	-	-	(4,514)
Add item not affecting cash					
Mineral property written-off	-	72,694	-	-	-
<b>Cash provided by operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,514)</b>
<b>INVESTING ACTIVITIES</b>					
Acquisition of mineral property	(16,250)	-	-	(1)	-
Exploration and development of mineral property	(75,000)	-	(3,556)	(12,384)	-
Deferred administration costs	(40,786)	(9,000)	(38,500)	(9,253)	-
<b>Cash used for investing activities</b>	<b>(132,036)</b>	<b>(9,000)</b>	<b>(42,056)</b>	<b>(21,638)</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>					
Capital stock allotted for cash	132,100	-	16,000	10,000	1
Capital stock allotted for mineral properties	6,250	-	-	-	-
<b>Cash provided by financing activities</b>	<b>138,350</b>	<b>-</b>	<b>16,000</b>	<b>10,000</b>	<b>1</b>
<b>CHANGE IN ACCRUED EXPENSES</b>	<b>(6,211)</b>	<b>9,000</b>	<b>23,080</b>	<b>14,614</b>	<b>4,513</b>
<b>INCREASE (DECREASE) IN CASH DURING THE PERIOD</b>	<b>103</b>	<b>-</b>	<b>(2,976)</b>	<b>2,976</b>	<b>-</b>
<b>CASH, BEGINNING OF PERIOD</b>	<b>-</b>	<b>-</b>	<b>2,976</b>	<b>-</b>	<b>-</b>
<b>CASH, END OF PERIOD</b>	<b>\$ 103</b>	<b>-</b>	<b>-</b>	<b>2,976</b>	<b>-</b>

See accompanying notes to financial statements.

**TIMMAX RESOURCE CORPORATION**

Schedule of Mineral Properties  
And Related Deferred Costs  
For the Year Ended August 31, 1991

	1991 (12 months)	1990 (12 months)	1989 (12 months)	1988 (12 months)	1987 (5 months)
<b>ACQUISITION, EXPLORATION AND DEVELOPMENT COSTS</b>					
Acquisition	\$ 16,250	-	-	1	-
Field personnel	35,250	-	3,556	12,384	-
Equipment rentals	7,900	-	-	-	-
Assays	10,572	-	-	-	-
Miscellaneous	9,050	-	-	-	-
Engineering and consulting	12,228	-	-	-	-
	<b>91,250</b>	<b>-</b>	<b>3,556</b>	<b>12,385</b>	<b>-</b>
<b>ADMINISTRATION COSTS</b>					
Bank charges	78	-	90	8	-
Management fees	30,000	9,000	24,000	9,000	-
Professional fees	4,708	-	649	215	-
Rent	6,000	-	12,000	-	-
Office	-	-	1,761	30	-
	<b>40,786</b>	<b>9,000</b>	<b>38,500</b>	<b>9,253</b>	
<b>TOTAL COSTS FOR THE PERIOD</b>	<b>132,036</b>	<b>9,000</b>	<b>42,056</b>	<b>21,638</b>	<b>-</b>
<b>COSTS, BEGINNING OF PERIOD</b>	<b>-</b>	<b>63,694</b>	<b>21,638</b>	<b>-</b>	<b>-</b>
<b>COSTS WRITTEN-OFF DURING THE PERIOD</b>	<b>-</b>	<b>(73,694)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>COSTS END OF PERIOD</b>	<b>\$ 132,036</b>	<b>-</b>	<b>63,694</b>	<b>21,638</b>	<b>-</b>

See accompanying notes to financial statements.

# TIMMAX RESOURCE CORPORATION

Notes to Financial Statements  
August 31, 1991

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## 1. INCORPORATION AND NATURE OF OPERATIONS:

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete development, and upon future profitable production.

## 2. SIGNIFICANT ACCOUNTING POLICY:

The Company records its interest in mineral properties and areas of geological interest at cost less option payments received and other recoveries. Exploration, development and administration costs relating to these interests and projects are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or allowed to lapse. Administration costs incurred are deferred and allocated to mineral properties and areas of geological interest. Deferred exploration and administration costs will be amortized over the useful life of the orebody following attainment of commercial production or will be written-off if the property or project is abandoned.

## 3. MINERAL PROPERTIES AND RELATED DEFERRED COSTS:

### LIBBY CLAIMS - NELSON MINING DIVISION, BRITISH COLUMBIA

Acquisition	\$	16,250
Exploration		75,000
Deferred administration costs		40,786
		<hr/>
	\$	132,036

By an agreement dated April 7, 1991 and amended April 15, 1991, the Company acquired an option to purchase a 100% interest in this property. The Company paid \$ 5,000 and issued 25,000 shares of capital stock to the vendor of the option. Under the terms of this agreement the Company is required to pay the optionor \$ 145,000 as follows:

\$ 5,000 on signing (paid)  
10,000 on or before the date the Company  
lists on the Vancouver Stock Exchange  
10,000 on or before August 31, 1992  
15,000 on or before August 31, 1993  
20,000 on or before August 31, 1994  
35,000 on or before August 31, 1995  
50,000 on or before August 31, 1996

For any mineral production from the property the Company has agreed to pay the optionor a net smelter return royalty of 2% of net profits.

# TIMMAX RESOURCE CORPORATION

Notes to Financial Statements

August 31, 1991

## 4. CAPITAL STOCK:

	<u>Shares</u>	<u>\$</u>
Authorized - 100,000,000 common shares without par value		
Allotted and fully paid	<u>1,377,401</u>	<u>164,351</u>

The following summarizes the changes to capital stock:

Allotted for cash during the years ended August 31:

1987	1	1
1988	40,000	10,000
1989	64,000	16,000
<hr/>		
Balance, August 31, 1990	104,001	26,001
Allotted for cash	1,248,400	132,100
Allotted for mineral properties (Note 3)	25,000	6,250
<hr/>		
Balance, August 31, 1991	<u>1,377,401</u>	<u>164,351</u>

A total of 750,000 common shares are subject to escrow restrictions.

During the year ended August 31, 1991 the Company entered into agreements to incur Canadian Exploration Expenses (CEE) as defined in the Income Tax Act (Canada) and to renounce these expenditures to investors. Pursuant to these agreements the Company allotted to investors 300,000 flow-through common shares for aggregate consideration of \$ 75,000.

To August 31, 1991, the Company has spent \$ 75,000 on qualifying expenditures and accordingly has met its expenditure requirements in respect of these agreements.

The Company has reserved 170,000 shares for options granted to directors at \$ 0.45 per share. These options expire two years from the date the Company lists on the Vancouver Stock Exchange.

Subsequent to August 31, 1991, the Company allotted 64,000 common shares and 110,000 flow-through common shares for aggregate cash consideration of \$ 43,500.

## 5. INCOME TAXES

Exploration expenditures of \$ 91,000 in connection with the allotment of 364,000 common shares are not available to the Company in the future as a deduction for income tax purposes.

## 6. COMMITMENTS:

The Company entered into a management agreement dated September 1, 1990 with a corporation owned by a director. Under the terms of this agreement, the Company is required to pay a fee of \$ 2,500 per month for the period from September 1, 1990 to August 31, 1992.

## 7. RELATED PARTY TRANSACTIONS:

The Company entered into transactions with corporations owned by directors as follows:

<u>Year</u>	<u>Management fees</u>	<u>Rent</u>
1987	\$ 3,750	-
1988	9,000	-
1989	24,000	12,000
1990	9,000	-
1991	30,000	6,000



# TIMMAX RESOURCE CORPORATION

Notes to Financial Statements

August 31, 1991

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## 7. RELATED PARTY TRANSACTIONS (CONT'D):

Included in accrued expenses on the accompanying balance sheet is an amount of \$ 21,000 (1990 - \$NIL) due to a corporation owned by a director and the amount of \$ 21,100 (1990 - \$ 39,300) for management fees and rent expense charged prior to September 1, 1990 by a corporation owned by another director.

## 8. GOING CONCERN:

At August 31, 1991, the Company has a working capital deficiency of \$ 44,893. The Company's ability to continue as a going concern and meet its expenditure commitments as outlined in Note 3 is dependent upon its ability to obtain additional debt or equity financing.

## 9. SUBSEQUENT EVENT

The Company intends to offer 700,000 shares of its capital stock to the public. The net proceeds of the offering are estimated to be \$ 280,000.

REPORT ON THE LIBBY PROPERTY

NELSON MINING DIVISION,  
LEAD CREEK AREA, BRITISH COLUMBIA

LOCATION:

N.T.S.: 82F-3E  
LATITUDE: 49' 00' 20"N.  
LONGITUDE: 117' 11' 10"W.  
B.C. GOVERNMENT MINERAL INVENTORY 82F/SW-3

CLAIMS:

LIBBY 1 (#5981), LIBBY 2 (#301293),  
LIBBY 3 (#301998), LIBBY 4 (#301999)

OWNER

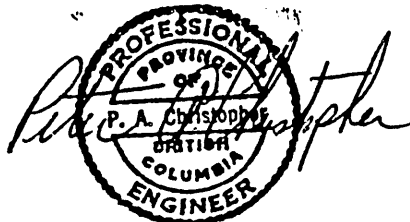
Victor Guinet

OPERATOR

TIMMAX RESOURCES COORPORATION  
368-1199 WEST PENDER STREET  
VANCOUVER, B.C. V6E 2R1

PREPARED BY:

Peter A. Christopher Ph.D., P.Eng.  
PETER CHRISTOPHER AND ASSOCIATES INC.  
3707 WEST 34TH AVENUE,  
VANCOUVER, B.C. V6N 2K9



July 30, 1991

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SUMMARY

The Libby Property, consisting of the Libby 1 through Libby 4 modified grid claims totaling 63 units, covers about 1575 ha. (3893 acres) in the Nelson Mining Division of south-central British Columbia. The property covers a number of mineral occurrences known as the Ed showing with B.C. mineral inventory designation 82F/SW-3. After the initial exploration program conducted for Worthington Resources Inc. was successful in relocating old showings and anomalous soil geochemical results (Yorston, 1990), Timmax Resources Corporation acquired the property to explore for stratabound lead-zinc deposits of the Metaline type.

The initial program conducted for Timmax included geological mapping, prospecting and geochemical exploration with 7 silt, 1690 soil and 30 rock samples collected. The soil geochemical results defined several strong zinc trends which sub-parallel horizons of the favourable Nelway Formation. Follow-up prospecting of an 800 meter long, northeast trending, >500 ppm zinc anomaly, resulted in the discovery of the new, high-grade Yellow Zinc showing.

The writer examined the property on July 14, 1991 to evaluate chip samples from the Yellow Zinc Showing which ranged from 1.5 meters grading 29.38% zinc to 4.0 meters grading 12.07% zinc (Figure 8). The writer collected four samples from the Yellow Zinc Showing which are summarized below:

<u>Sample Location</u>	<u>Type</u>	<u>Width</u>	<u>oz Ag/t</u>	<u>%Pb</u>	<u>%Zn</u>	<u>Checks</u>
5964 Yellow Zinc	Chip	2.2M.	0.01	0.05	21.02	P-R8
5965 " "	Chip	4.0M.	0.01	0.01	12.82	P-R12
5966 " "	Chip	1.7M.	0.02	0.03	23.51	P-R10
5967 " "	Grab	-	0.01	0.01	13.08	

=====

The initial exploration program conducted for Timmax Resources Corporation has been successful in locating a new, high-grade, zinc showing and associated strong soil geochemical anomaly. The writer recommends drilling and trenching be conducted to trace the mineralized horizon.

A success contingent, staged exploration program is recommended for further development of the Libby Property. A recommended Stage 1 program of trenching and 300 meters of diamond drilling, for an initial test of the Yellow Zinc Showing, is estimated to cost \$100,000. A contingent Stage 2, trenching and 1,000 meter drill program is estimated to cost \$210,000.

## INTRODUCTION

Timmax Resources Corporation presently holds an option to earn a 100% interest in the Libby Property in the Nelson Mining Division, south-central British Columbia. The writer was retained by the management of Timmax to conduct a field examination of the Libby Property, review the 1991 work program, and to recommend a program of further exploration, if warranted. The writer examined the Libby Property on July 14, 1991 with Mr. Victor Guinet and geologist Robert Yorston of Guinet Management in order to check the work program and to obtain independent samples from showings.

The writer's and other sampling of the Libby Property indicate strong zinc values in dolomite of the Nelway Formation. Results to date provide justification of an initial, Stage 1 drill and trenching program. This report reviews previous exploration results and outlines a success contingent staged exploration program for further evaluation of the Libby Property.

## LOCATION AND ACCESS (Figures 1 & 2)

The property is located in the Nelson Mining Division south-central British Columbia (Figure 1). The claims are centred at geographic coordinates 49° 00' 20"N. latitude and 117° 11' 10"W. longitude in N.T.S. map sheet 82F/3E about 60 kilometers south of Nelson and 20 kilometers Salmo, British Columbia. The Canada-United States border forms the southern property boundary.

The property straddles the South Salmo River, Lead Creek and Stagleap Creek. Highway 3 passes through the center of the property with old mining roads extending to the B.C.-Washington border on the Libby 1 claim. The mining roads were established to explore the Ed lead-zinc showing. An A-frame was constructed for access over the South Salmo River and a foot-bridge was constructed for personnel movement.

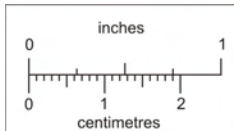
The Libby Property is situated in the Nelson Range subdivision of the Selkirk Mountains, and covers part of the southern flank of Lost Mountain and westerly flank of Ripple Mountain. Elevations on the property range from about 2600 feet (792M.) in the South Salmo River to over 5,000 feet (1524M.) on a ridge in the northeast corner of Libby 3 and on a ridge in the center of Libby 2. The property has steep terrain which can generally be traversed.

## PROPERTY DEFINITION

The Libby Property, consisting of 4 modified grid claim totalling 63 units, covers about 1575 ha (3892 acres) in the Nelson Mining Division. The claims are held under option by Timmax Resources Corporation from Victor Guinet of Vancouver, British Columbia. The writer examined the location of the 4N2E identification posts for the Libby 1 claim and 3W identification post for the Libby 3 claim. The common LCP for the Libby 1 and Libby 2 is situated on the cut, Canada-B.C. border. The claims are located approximately as shown on Figures 2 and 3 with pertinent claim data summarized on table 1.



**PROPERTY  
LOCATION**



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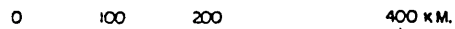


**TIMMAX RESOURCES CORPORATION**

**LIBBY PROPERTY  
LOCATION MAP**

N.T.S. 82F-3E

NELSON M.D., B.C.

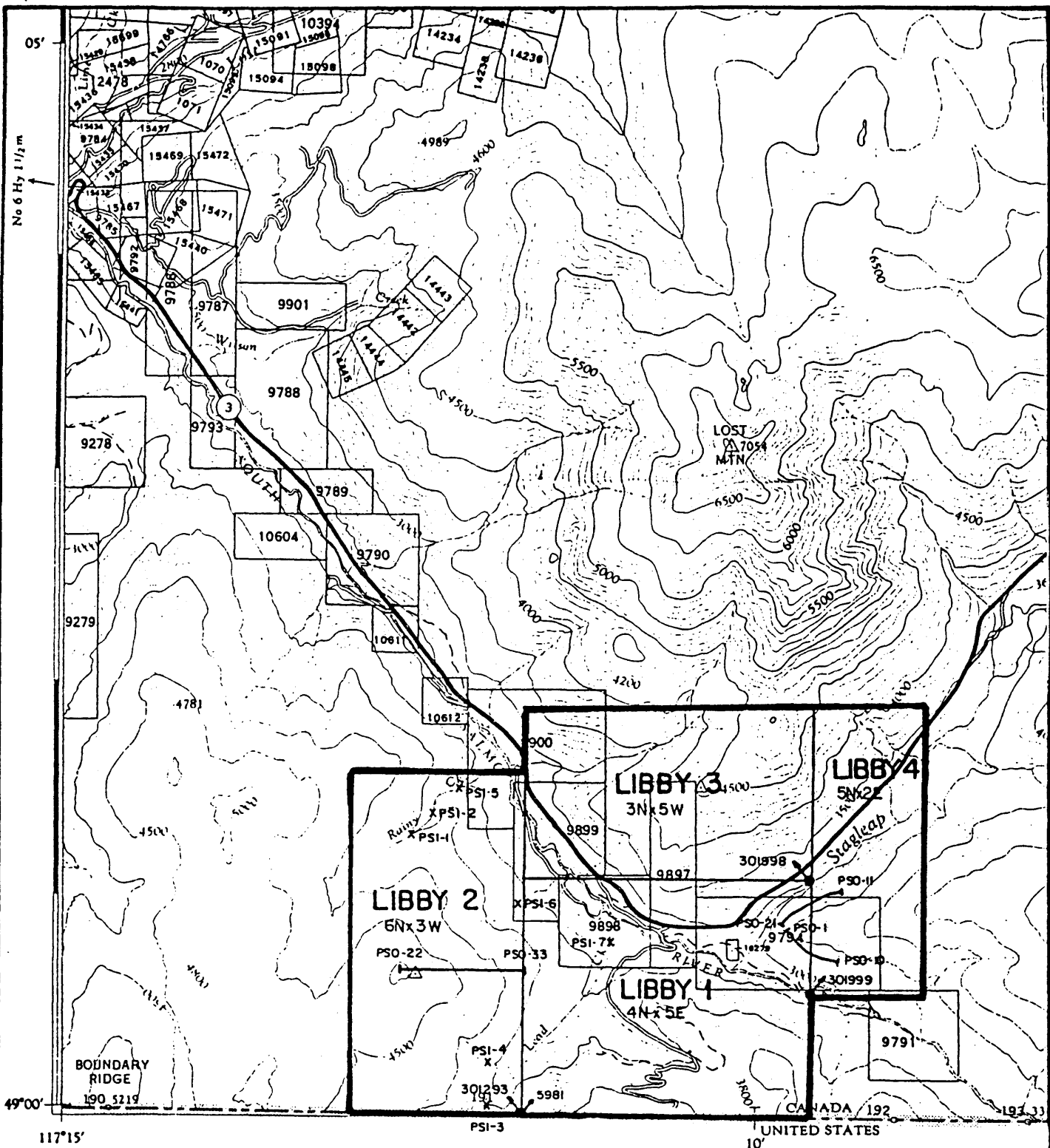


**P.A. CHRISTOPHER & ASSOCIATES INC.**

SCALE 1:8,000,000




JULY 1991

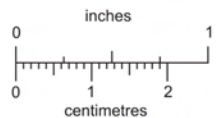
FIGURE 1



117°15'

107°

-  LEGAL CORNER POST
-  SOIL SAMPLE LINE (RECONNAISSANCE)
-  SILT SAMPLE



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<b>TIMMAX RESOURCES CORPORATION</b>		
<b>LIBBY PROPERTY CLAIM MAP</b>		
N.T.S. 82F-3E	NELSON M.D., B.C.	
		
<b>P.A. CHRISTOPHER &amp; ASSOCIATES INC.</b>		
SCALE 1:50,000	JULY 1991	FIGURE 2

TABLE 1. PERTINENT CLAIM DATA

<u>NAMES</u>	<u>UNITS/SHAPE</u>	<u>RECORD #</u>	<u>EXPIRY*</u>	<u>Staker</u>
LIBBY 1	20/4Nx5E	59821	Oct. 24/93	Victor Guinet
LIBBY 2	18/6Nx3W	301293	June 18/92	Victor Guinet
LIBBY 3	15/3Nx5W	301998	July 4/92	Robert Yorston
LIBBY 4	10/5Nx2E	301999	July 3/92	Robert Yorston

=====

\* Prior to recording 1991 work program.

HISTORY

The Libby Property covers the old Ed (Condor) lead-zinc prospect with British Columbia Government Mineral Inventory Number 82F/SW-3. The property was initially worked in the 1950's by International Lead and Zinc Mines Ltd. of Vancouver, B.C. with the first report in the 1952 Minister of Mines. In 1952 a jeep road was built to the showings and bulldozer stripping was conducted on prospects south of Lead Creek.

In 1953 hand cobbled high grade was mined from a shallow shaft and 1.5 tons of "ore" was shipped with a gross content of 5 ounces of silver, 2357 pounds of lead and 44 pounds of zinc (Fyles & Hewlett, 1959, p. 94). A 26 meter adit was driven toward the mineralized surface showing (Figure 9).

The B.C. Government Mineral Inventory reported a shipment of 255 tonnes yielding 124 grams of gold, 1,306 grams of silver, 577 kg. lead and 764 kg. zinc in 1970. Prospecting conducted in 1991 has not confirmed the location of the shipment but considerable rock movement has occurred in the area of the North Ridge Showing (Figure 11).

The Ed showing have been covered by claims since 1970 but no reports exist on work on the claims. In October 1989, Victor Guinet acquired the Libby 1 claim and optioned the property to Worthington Resources Ltd. In 1990, an initial geological and geochemical assessment program was conducted for Worthington Resources on the Libby Property by geologist Robert Yorston (Yorston, 1990). Between August 20th and August 26th, 1990, a total of 196 soil samples and 19 rock samples were collected. Soil values up to 2282 ppm lead and 3649 ppm zinc and up to 203 ppm lead and 2523 ppm zinc were obtained from the "North" and "South" grid areas, respectively. Yorston recognized thin layered replacements and disseminations conformable to layering in dolomite of the Nelway Formation and breccia and fracture controlled mineralization. Values up to 9.2% zinc across 1.2 meters were obtained by Yorsten with grid geological and geochemical coverage for areas around the "shaft" and "North Ridge Showing".

By agreement dated April 8, 1991 Worthington Resources Inc.'s option on the Libby Property was acquired by Timmax Resources Corporation. Peter Christopher & Associates Inc. was retained by the management of Timmax to review the qualifying exploration program conducted for the company, to conduct an engineering examination, and prepare assessment and engineering reports. The writer examined the Libby Property with geologist Robert Yorston and Victor Guinet on July 14, 1991.



## 1991 WORK PROGRAM

The 1991 exploration program on the Libby Property was conducted for Timmax Resources Corporation by Guinet Management between May 22nd and July 20th, 1991. Fieldwork was conducted by geologist Robert Yorston and prospectors Victor Guinet and Peter Newman. The writer examined the Libby Property on July 14, 1991 with R. Yorston and V. Guinet. The writer collected six samples (Table 2) to evaluate showings established by previous sampling. Rock sample descriptions are summarized in Appendix A with analytical results presented in Appendix B.

The exploration program consisted of road clearing for ATV access with an A frame and a foot bridge constructed for movement of supplies and personnel across the South Salmo River. A tent camp was established at about the 3500 foot elevation on the old mining access road. A base line and sub-base line were cut (2.15 KM) and used for establishing 45.8 kilometers of flagged cross lines. Cross lines were soil sampled at 25 or 50 meter intervals (Figures 5-7) with a total of 1690 soils collected. A total of 26 rock samples were collected for prospecting purposes and to evaluate showings. A total of 1690 soils were analyzed for ICP at Acme Analytical Laboratories in Vancouver, B.C. Soil sample results for zinc, lead and silver are plotted and contoured on Figures 5 through 7 with certificates of analyses presented in Appendix B of the assessment report. Geochemical analyses for soils were subjected to statistical analyses by Acme (Appendix B). Rock and silt samples were analyzed for ICP with selected rocks assayed for zinc, lead, silver and/or gold (Appendix B).

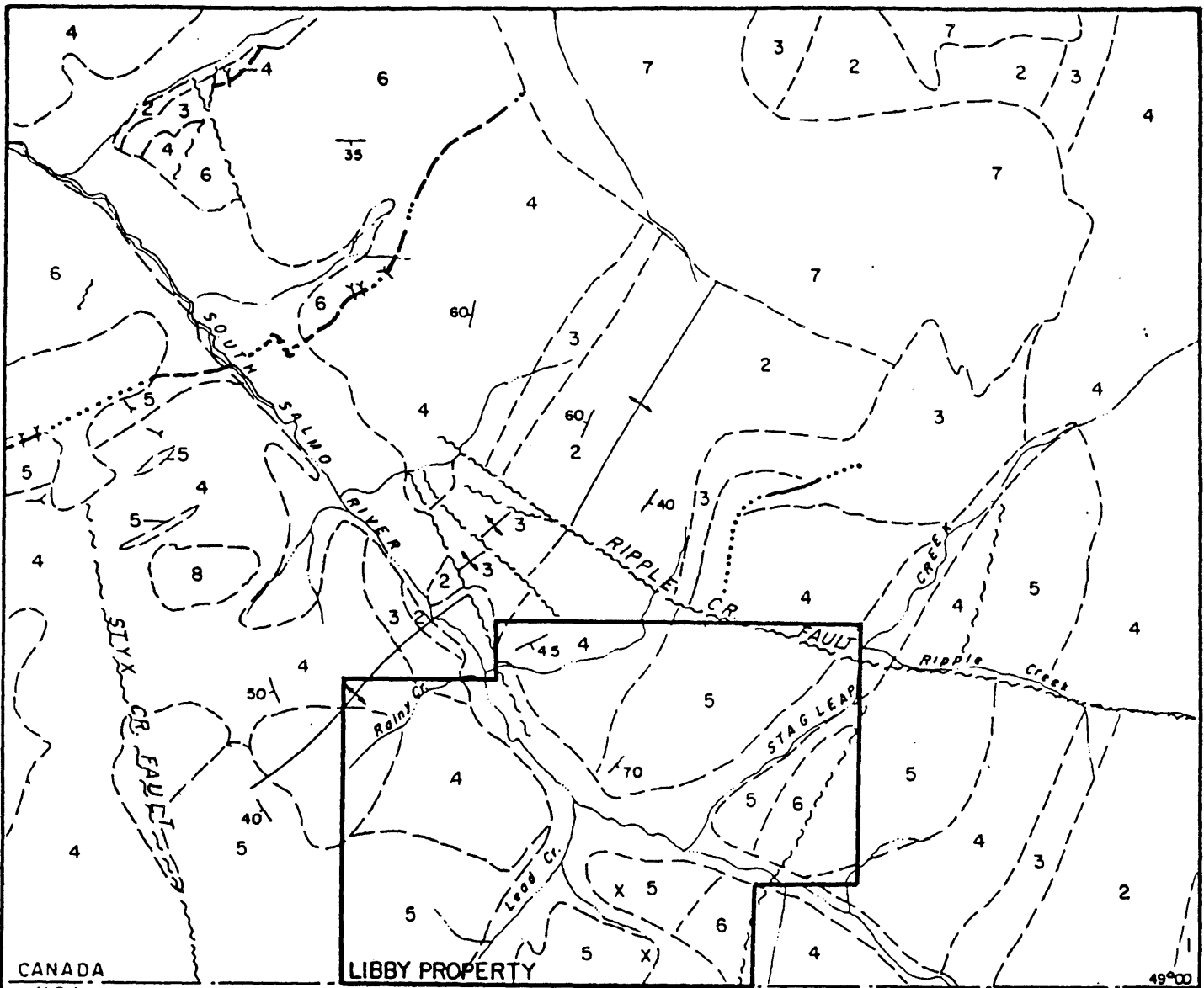
Prospecting was conducted over the entire property area with hand trenching ( 50 meters) mainly conducted on the new Yellow Zinc Showing. Mapping at 1:2500 scale was conducted over the grid area by geologist Robert Yorston (Figure 4) with detailed mapping conducted over the four strongest showings (Figures 8-11).

The cost statement presently as Appendix C in the assessment report outlines program costs totalling \$75,000.

## GENERAL GEOLOGY (Figure 3)

The Libby Property is situated in the Kootenay Arc Tectonic subdivision and the Omineca Tectonic Belt of the southern Canadian Cordillera. The Kootenay Arc is a curving belt of deformed sedimentary, volcanic and metamorphic rocks trending southeasterly near Revelstoke, southerly along Kootenay Lake and southwesterly for about 100 miles across Washington. The southerly extension is obscured by the Columbia River basalts. The ARC, consisting of a thick succession of Cambrian to late Mesozoic sedimentary and volcanic rocks, lies between the Prucell Anticlinorium on the east and gneiss of the Shuswap Metamorphic Complex on the west. The rock units show a general pattern with older rocks to the east and younger rocks to the west.

The geology of the Salmo area has been mapped by Fyles and Hewlett (1959) for the B.C. Department of Mines and by Walker (1934) and Little (1964) for the Geological Survey of Canada. The area of the Libby property is underlain by early Paleozoic rocks of the Cambrian

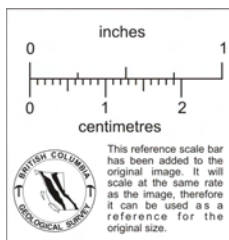


CANADA  
U.S.A.

LIBBY PROPERTY

117°10'

49°00'



- Heavily drill-cover area
- 8 Coryell Plutonic Rock
- 7 Nelson Plutonic Rock
- 6 Active Formation
- 5 Nelway Formation
- 4 Laid Formation
- 3 Reno Formation
- 2 Quartzite Range Formation
- 1 Three Sister Formation
- Fault
- Thrust fault
- Anticline
- Adit, pit & trench



After G.S.C. Map 1145A

TIMMAX RESOURCES CORPORATION	
LIBBY PROPERTY REGIONAL GEOLOGY	
N.T.S. 82F-3E	NELSON M.D., B.C.
P.A. CHRISTOPHER & ASSOCIATES INC.	
SCALE 1:63,360	JULY 1991
FIGURE 3	

carbonate units of Laib and Nelway Formations and dark shales and argillites of the Ordovician Active Formation (Figure 3). The units are shown to have north-northeast trends and generally steep easterly dips. The property is situated between the axis of the Sheep Creek Anticline to the west and the Laib Syncline to the east. Formations are shown to be partly in fault contact.

#### LOCAL GEOLOGY (Figures 4; 8-11)

Mapping by Yorston (1990) confirmed that the Libby 1 claim was underlain by dolomite of the Nelway Formation with argillite and subordinate limy members of the overlying Active Formation. The Nelway Formation consists of a lower member limestone, a middle member dolomite and an upper member limestone. The Nelway Formation is equivalent to the Metaline Formation of Washington State which contains the productive "Yellowhead" and "Josephine" horizons in dolomite and limestone of the upper member. The Josephine horizon is within 200 feet (61m.) of the overlying Ordovician rocks and is separated from the Yellowhead formation by about 1000 feet (305m.).

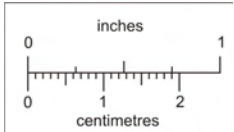
The 1991 geological mapping by Robert Yorston and Peter Newman is summarized on Figure 4 with detailed mapping and sample plans for the showings presented as Figures 8 through 11. All the mineral occurrences are within the upper member of the Nelway formation which has been recrystallized and dolomitized. Northwest and northeast trending faults act as controls for mineralization at the adit and shaft showing (Figure 9) and brecciation is associated with mineralization at the North Ridge Showing. The North Ridge Showing is probably closer to the Active Formation contact, since a similar stratigraphic position is occupied by mineralized breccia of the productive Josephine horizon in the Metaline District. The New Yellow Zinc showing (Figure 8) has no exposed breccia or strong faults and may represent a lower mineralized horizon like the productive Yellowhead horizon in the Metaline District.

#### MINERALIZATION

The strongest lead-zinc metallogenic province in the Cordillera crosses the British Columbia-U.S. boundary and includes the Kootenay Arc. Fyles (1970) has divided deposits of the Kootenay Arc into the Bluebell, Salmo and Metaline types.

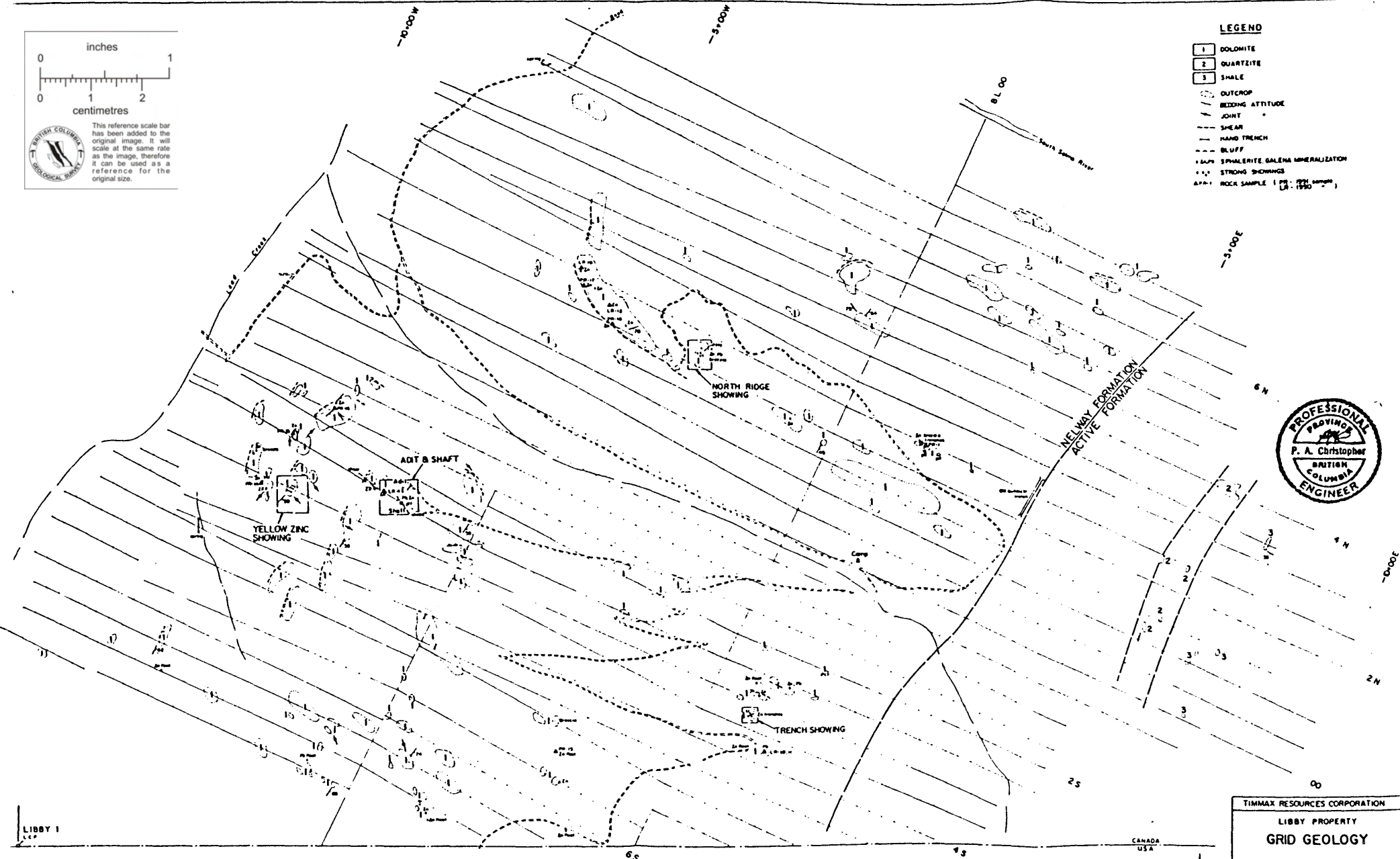
The Salmo type is represented and exemplified by the Reeves MacDonald, H.B and Jersey Mines which occur within Lower Cambrian Limestone which extends from the HB Mine about 16 kilometers north of the Libby Property through the Jersey Mine to the Reeves MacDonald Mine about 14 kilometers west of the Libby Property. To 1966, the three mines had combined production of about 16.8 million tons yielding about 0.1 oz Ag/ton, 1.26% lead and 3.93% zinc.

Deposits of the Bluebell type consist of massive and disseminated sulphides in limestone adjacent to fractures and faults. The best examples are the Bluebell Mine and Lucky Jim Mine about 25 miles (40Km.) northeast and 35 miles (56Km.) north of Nelson, respectively. The Bluebell Mine produced 4.078 million tons yielding 1.35 oz. Ag/ton, 4.9% lead and 5.1% zinc.



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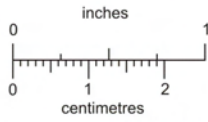
- LEGEND**
- 1 DOLOMITE
  - 2 QUARTZITE
  - 3 SHALE
  - OUTCROP
  - BEDDING ATTITUDE
  - JOINT
  - SHEAR
  - HAND TRENCH
  - BLUFF
  - SPHALERITE-GALENA MINERALIZATION
  - STRONG SHOWINGS
  - WEAK SHOWINGS
  - ▲ ROCK SAMPLE (1981 SAMPLE)
  - ▲ ROCK SAMPLE (1982 SAMPLE)



LIBBY 1

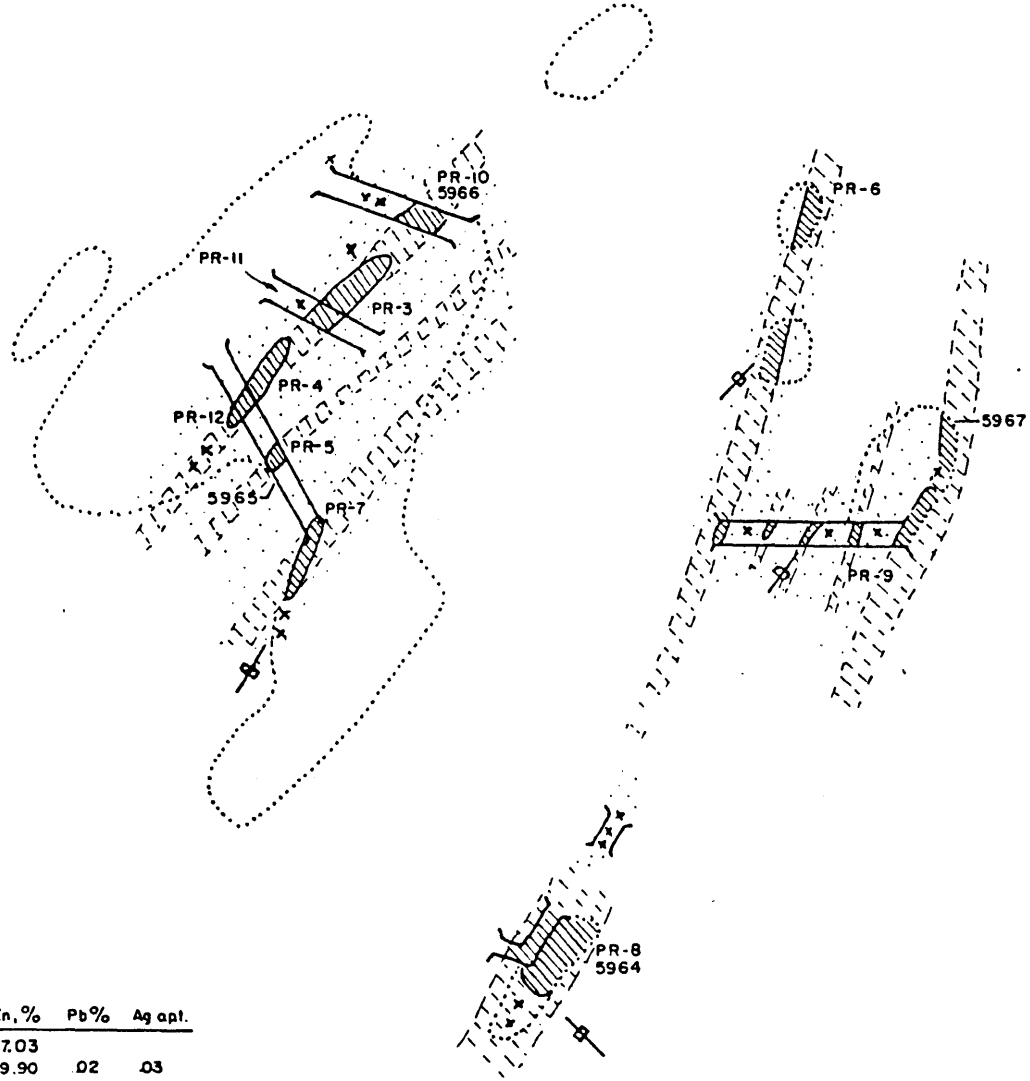
CANADA  
USA

TIMMAX RESOURCES CORPORATION  
LIBBY PROPERTY  
**GRID GEOLOGY**  
NTS 027-3E NELSON M.D. & C.  
P.A. CHRISTOPHER & ASSOCIATES INC.  
SCALE 1:2500 JULY 1991 FIGURE 4



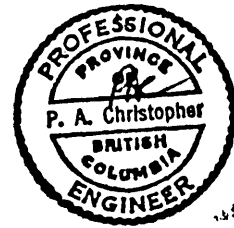
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3-00S, 8-50W



SAMPLE N <sup>o</sup>	WIDTH	Zn, %	Pb%	Ag apt.
PR - 3	grab	37.03		
-4	"	9.90	.02	.03
-5	"	34.46	.02	.01
-6	"	4.23	.01	.02
-7	"	20.76	.01	.01
-8	1.5m	29.38		
-9	4.8m	3.84		
-10	1.75m	25.91		
-11	2.25m	15.49		
-12	4 m.	12.07		
5964	2.2m	21.02	.05	.01
5	4.0m	12.82	.01	.01
6	1.7 m	23.51	.03	.02
7	Grab	13.08	.01	.01

} Writer's samples



- DOLOMITE OUTCROP
- HAND TRENCH
- SEMI MASSIVE TO MASSIVE SPHALERITE
- MINOR SPHALERITE
- JOINTS
- DISS. SPHALERITE



TIMMAX RESOURCES CORPORATION

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**LIBBY PROPERTY**  
**YELLOW ZINC SHOWING**

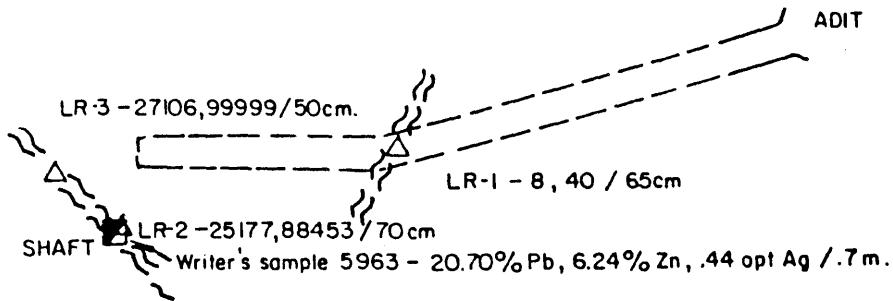
N.T.S. 82F-3E NELSON M.D., B.C.

0 5 10 METRES

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**P.A. CHRISTOPHER & ASSOCIATES INC.**

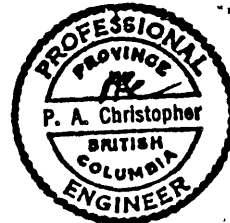
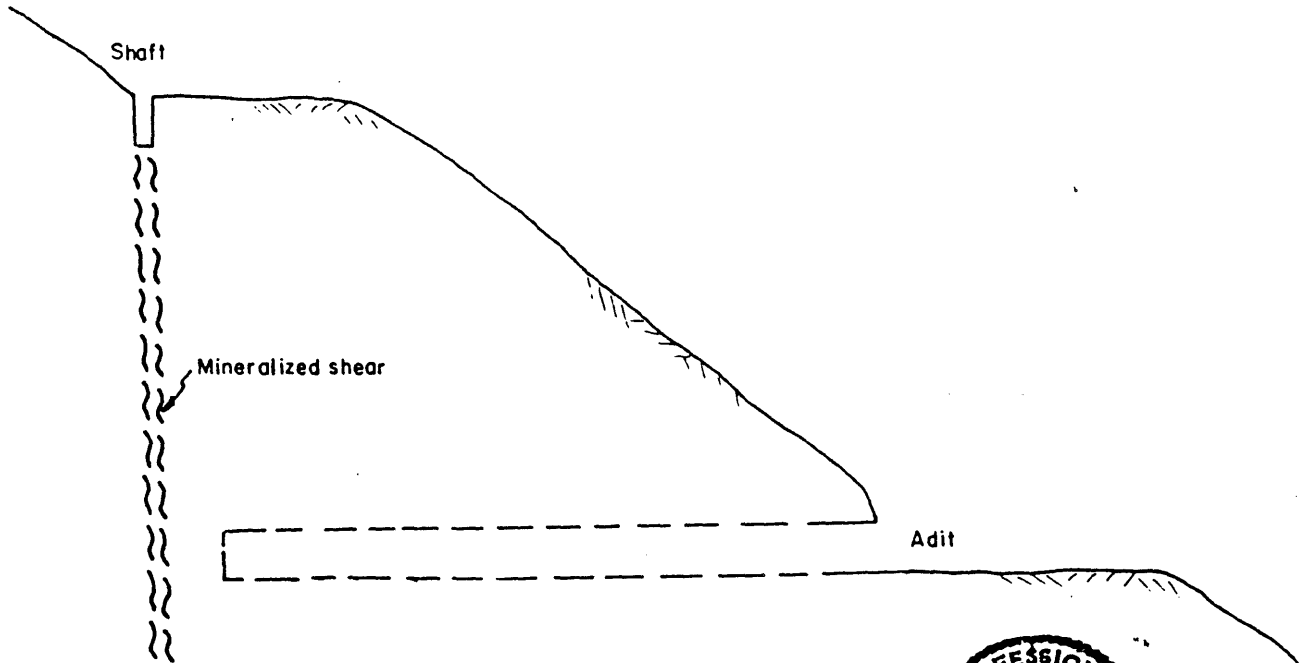
SCALE 1:200 JULY 1991 FIGURE 8



Rock sample №. - Pb ppm, Zn ppm / Width

PLAN

SECTION



TIMMAX RESOURCES CORPORATION

LIBBY PROPERTY

ADIT AND SHAFT

N.T.S. 82F-3E

NELSON MD., B.C.

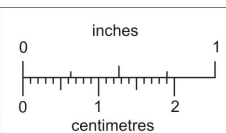
0 5 10 15 METRES

P.A. CHRISTOPHER & ASSOCIATES INC.

SCALE 1:300

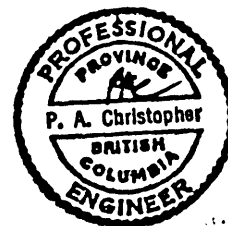
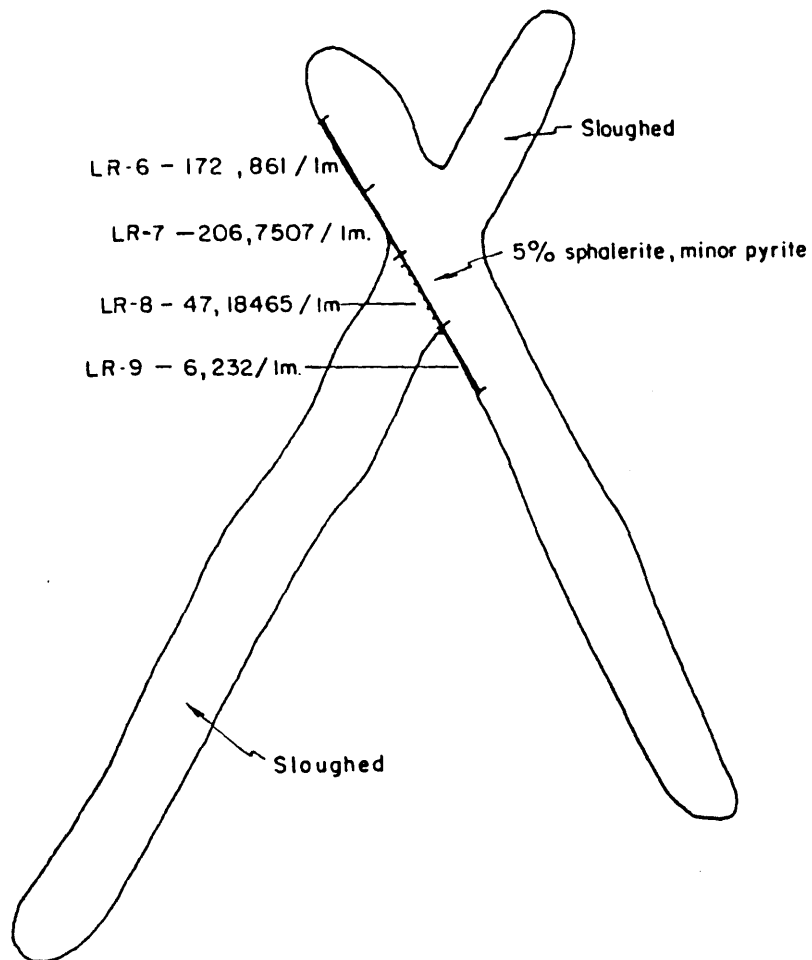
JULY 1991

FIGURE 9

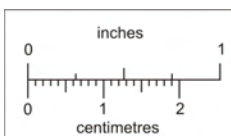


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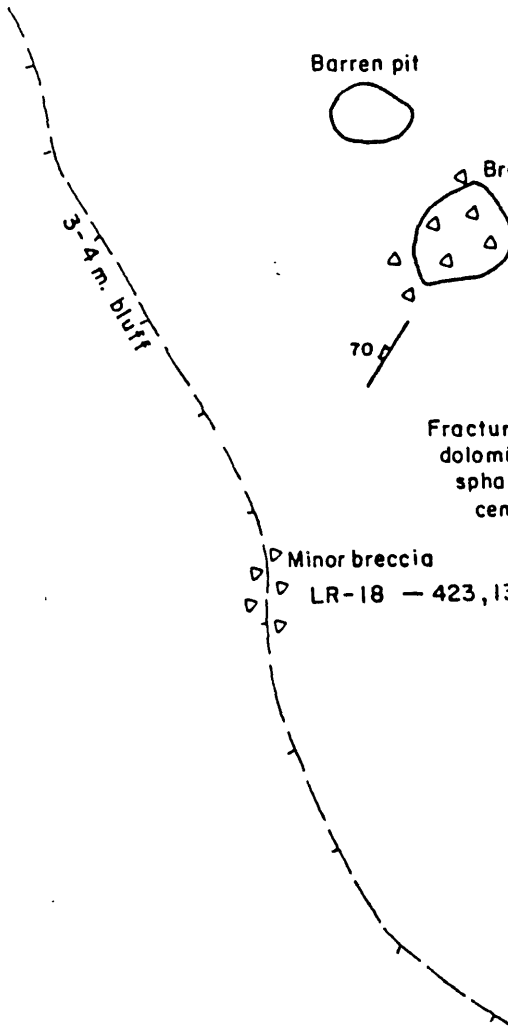
Sample No - Pb ppm, Zn ppm / width



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TIMMAX RESOURCES CORPORATION	
LIBBY PROPERTY	
TRENCH SHOWING	
N.T.S. 82F-3E	NELSON M.D., B.C.
P.A. CHRISTOPHER & ASSOCIATES INC.	
SCALE 1:100	JULY 1991
FIGURE 10	



Barren pit

Breccia pit  
 LR-13 - 123,54620 / grab  
 14 - 27284, 39922 / 1m.  
 Writer's sample 5968 - .33% Pb, 4.74% Zn, .05opt Ag / 1m chip

70°

Fractured dolomite sphalerite cemented  
 LR-15 - 100,39312 / 1m.  
 LR-16 - 228,92771 / 1.2 m.

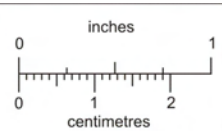
Minor breccia  
 LR-18 - 423,1311 / 1m.

Minor breccia  
 LR-17 - 20,15342 / 70cm.

3-4 m bluff



Rock sample N<sup>o</sup> - Pb ppm, Zn ppm / width



BRITISH COLUMBIA GEOLOGICAL SURVEY  
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TIMMAX RESOURCES CORPORATION		
LIBBY PROPERTY		
NORTH RIDGE SHOWING		
N.T.S. 82F-3E	NELSON MD, B.C.	
0 1 5 METRES		
P.A. CHRISTOPHER & ASSOCIATES INC.		
SCALE 1:100	JULY 1991	FIGURE 11



The Metaline type include lenticular, stratiform deposits in relatively undeformed upper Cambrian carbonates. The best examples are the Pend Oreille, Granview and Metaline Mines about 15 kilometers southwest of the Libby Property near Metaline Falls. Addie (1970) reported that from 1906 through 1969 the Metaline District produced 657,109 ounces of silver, 394 million pounds of lead and 837 million pounds of zinc from ores with combined lead-zinc grade of about 4%.

Lead-zinc mineralization on the Libby Property is of the Metaline type with mineralization consisting of galena and honey-coloured sphalerite in cherty dolomite of the upper part of the Nelway Formation (Metaline equivalent). Old showings indicated that lead and zinc mineralization occurred in similar setting to deposits near Metaline Falls. Rock sampling was conducted to evaluate old showings and prospecting of a strong zinc in soil anomaly resulted in the discover of the new Yellow Zinc showing. Significant rocks samples collected during the 1991 field program and the writer's check samples are summarized in Table 2 and on Figures 4 and 8 through 11. Rock sample description are presented in Appendix A.

Table 2. Summary of 1991 Rock Sampling Results.

<u>Sample</u>	<u>Location</u>	<u>Type</u>	<u>Width</u>	<u>oz Ag/t</u>	<u>%Pb</u>	<u>%Zn</u>	<u>Checks</u>
<u>Writer's Samples</u>							
5963	2+50S 6+50W	Chip	70CM.	0.44	20.70	6.24	LR-2
5964	Yellow Zinc	Chip	2.2M.	0.01	0.05	21.02	P-R8
5965	" "	Chip	4.0M.	0.01	0.01	12.82	P-R12
5966	" "	Chip	1.7M.	0.02	0.03	23.51	P-R10
5967	" "	Grab	-	0.01	0.01	13.08	
5968	Ed Showing	Chip	1.0M	0.05	0.33	4.74	LR-14
<u>Samples by Guinet Management</u>							
P-R1	2+50N 1+25E	Select	-	0.01	0.01	1.67	
P-R2	3+00S 8+30W	Grab	-	0.04	0.02	27.36	
P-R3	" "	Grab	-	0.03	0.02	37.03	
P-R4	Yellow Zinc	Grab	-	0.03	0.02	9.90	
P-R5	" "	Grab	-	0.01	0.02	34.46	
P-R6	" "	Grab	-	0.02	0.01	4.23	
P-R7	" "	Grab	-	0.01	0.01	20.76	
P-R8	" "	Chip	1.5M.			29.38	
P-R9	" "	Chip	4.8M.			3.84	
P-R10	" "	Chip	1.75M.			25.91	
P-R11	" "	Chip	2.25M.			15.49	
P-R12	" "	Chip	4.0M.			12.07	
P-R13	3+00S 9+00W	Chip	1.0M	0.01	0.01	13.46	
P-R14	3+00S 8+90W	Grab	-	0.08	0.01	13.82	
P-R15	5+50S 2+00W	Grab	-	0.02	0.01	0.19	
P-R16	1+50S 8+30W	Grab	-	0.01	0.01	6.43	
P-R17	2+00N 4+75W	Grab	-	0.04	0.01	1.44	
P-R18	2+00N 4+75W	Grab	-	0.02	0.01	8.37	

In the North Ridge Showing area (Fig. 4 & 11), mineralization consists of disseminations and lenses of galena and sphalerite in cherty brecciated dolomite. Samples from the North Ridge showing by Yorston (1990) contained up to 9.3% zinc over a 1.2 meters chip sample LR-16. The writer's chip sample 5968 contained 0.33% lead and 4.74% zinc over 1.0M. and supported Yorston's sample LR-14 which contained 27284 ppm lead and 39922 ppm zinc. Fyles and Hewlett (1959) stated that, "In the showings north of Lead Creek, cherty and brecciated dolomite, containing disseminated sphalerite and galena, is exposed over an area 600 to 700 feet from east to west and about 500 feet from north to south.

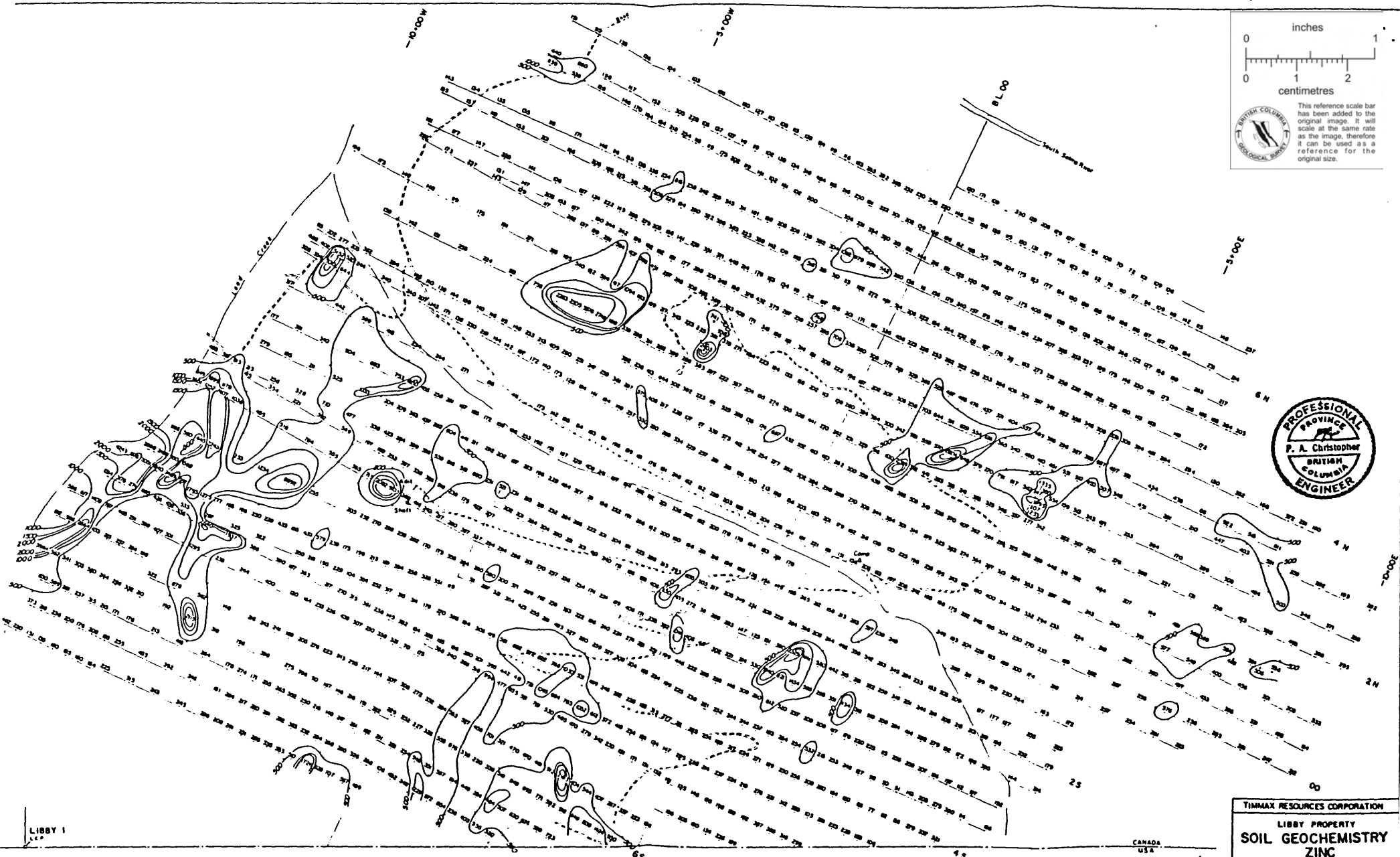
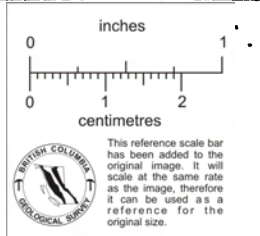
At the Adit and Shaft Showing (Figure 9), sphalerite and galena mineralization occurs within a northwest trending shear. A 3 meter deep shaft was sunk on a lens of strongly mineralized medium-grained galena and light-coloured sphalerite. A 27 meter adit was driven westerly toward the shaft area, but because the zone was striking about 315° and dipping vertically to steeply southwest, the adit did not reach the target. Chip sample 5963, collected by the writer from the north face of the shaft, contained 20.70% lead, 6.24% zinc and 0.44 opt Ag over 0.7M.

Grid line 3S crossed outcroppings with up to 1 meter of massive sphalerite in a mineralized zone which has been exposed by hand trenching over a 20 meter width. The zone has a number of massive to semi-massive sphalerite layers in siliceous dolomite containing disseminated mineralization. The sphalerite layers conform to the northeast trend and steep easterly dip of the local stratigraphy. The sphalerite is honey to yellow in colour and the new showing was named the Yellow Zinc Showing. Assays up to 37.03% zinc have been obtained for grab samples (ie. P-R3) with 1.5 meter chip sample P-R8, collected by Peter Newman, containing 29.38% zinc. Three chip samples, collected by the writer, varied between 4.0 meters grading 12.82% zinc and 1.7 meters grading 23.51% zinc. The writer's sample support the high grade nature of the Yellow Zinc Showing. The strongest and largest mineralized zone in the Metaline District occurs in restricted stratigraphic intervals which appears to be the setting of the Yellow Zinc showing.

Several smaller showings and areas of mineralized float were found during the 1991 field program. Further exploration is required to evaluate these occurrences.

#### GEOCHEMICAL PROGRAM (Figures 5 - 7)

The geochemical program consisted of 30 rock samples, 7 silt samples, and 1690 soil samples with over 48 line kilometers of soil sampling. Silt and soils were submitted to Acme Analytical Laboratories Ltd. in Vancouver for 30 element ICP. Rock samples all assayed for zinc and selectively for lead, silver, gold, and cadmium. The writer collected 6 samples which were assayed for lead, zinc and silver. Soil samples were general from 20cm to 30cm depths with an attempt made to collect B horizon material. Rock description are



LIBBY 1  
L.P.C.

CANADA  
USA

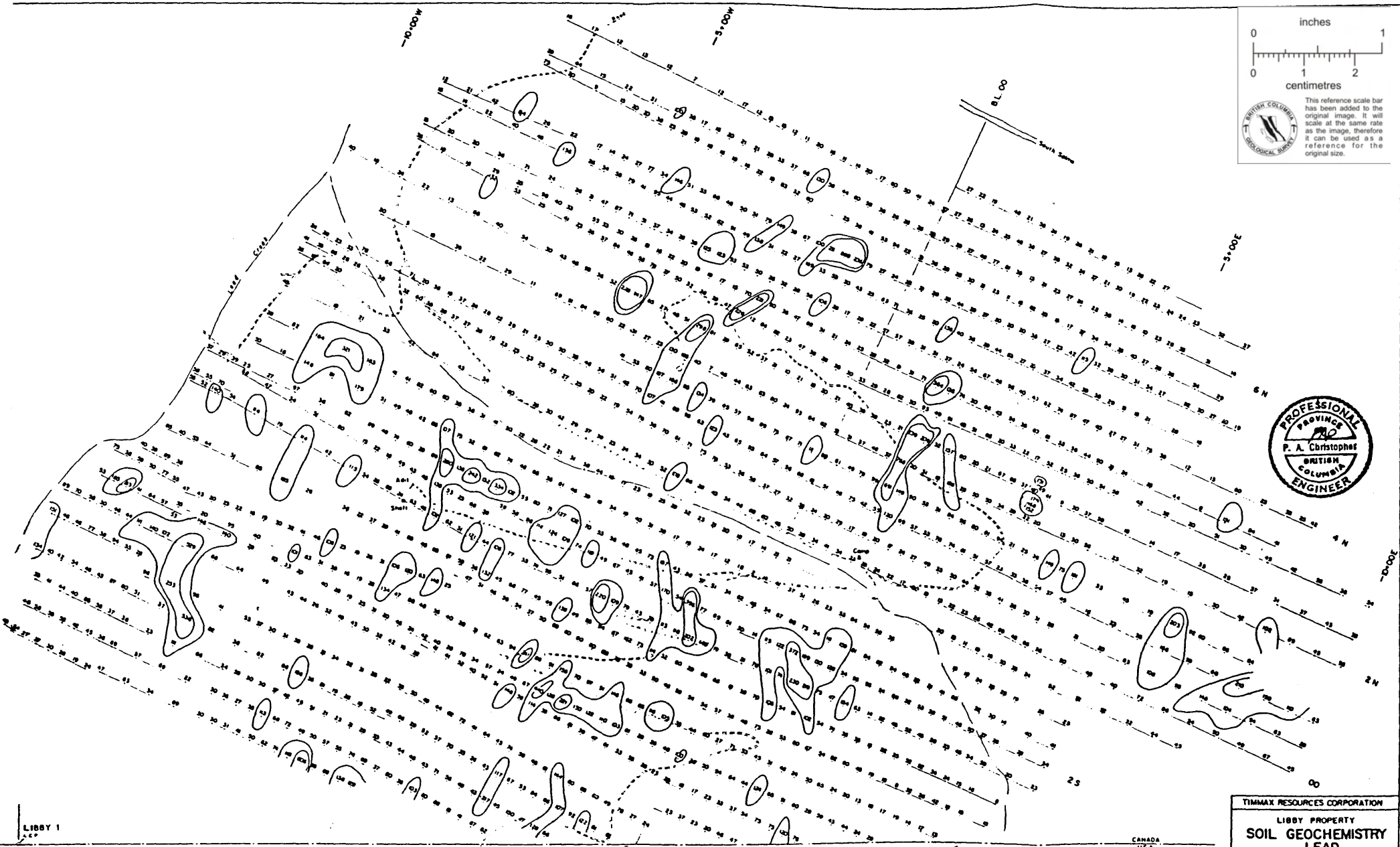
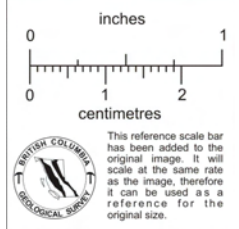
OFF GRID LINE HIGH ZN VALUE SAMPLE - 1990  
ZINC CONTOURS AT 500, 1000, 1500, 2000 PPM

TIMMAX RESOURCES CORPORATION

LIBBY PROPERTY  
**SOIL GEOCHEMISTRY  
ZINC**

MTS 027-36 NELSON B.C.  
08-04-1990

P.A. CHRISTOPHER & ASSOCIATES INC.  
SCALE 1:2500 JULY 1991 FIGURE 5



LIBBY 1

CANADA  
USA

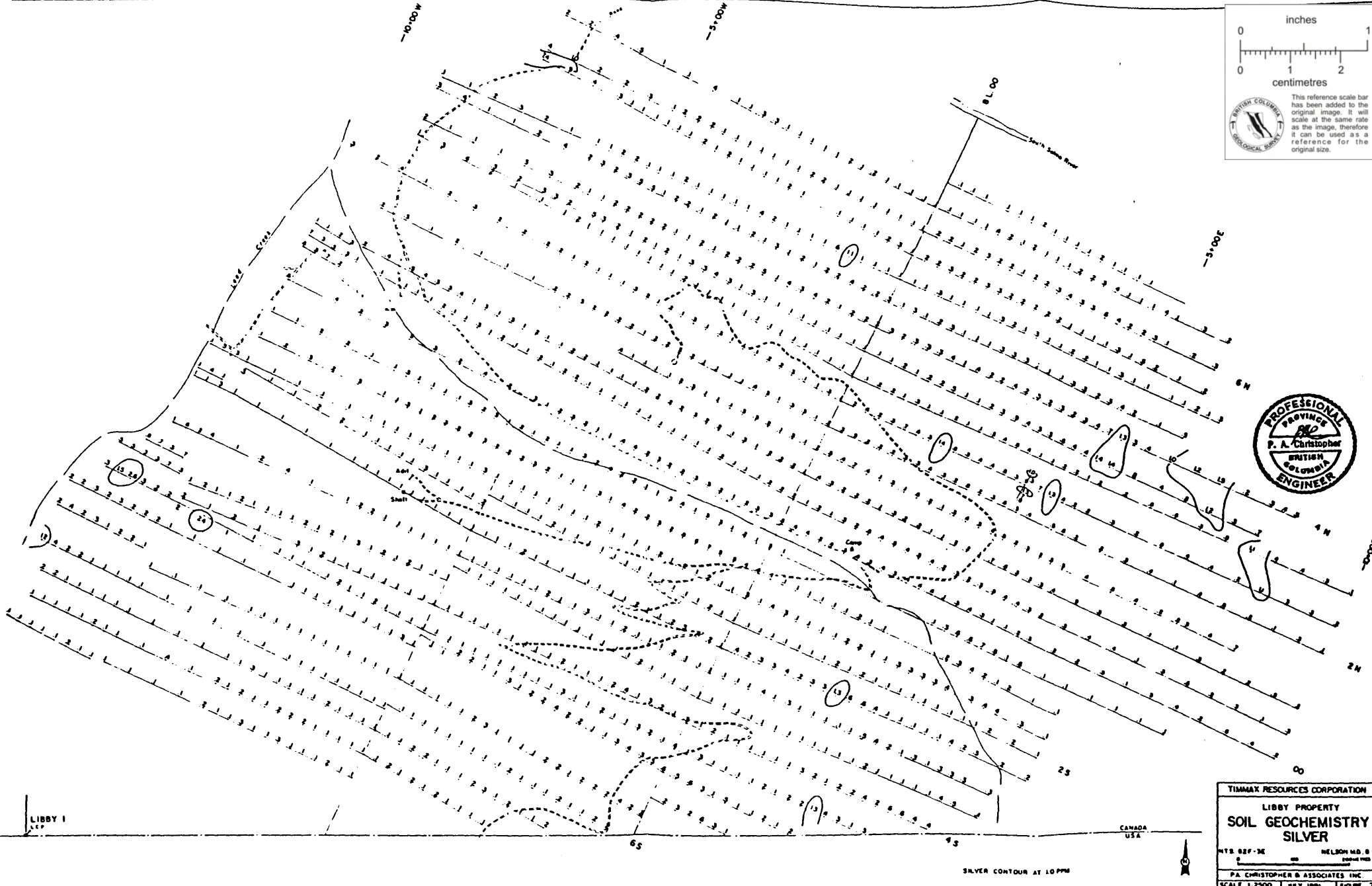
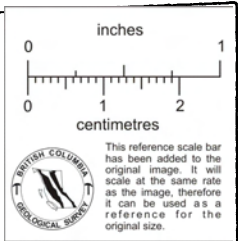
LEAD CONTOURS AT 100,000 PPM

TIMMAX RESOURCES CORPORATION

LIBBY PROPERTY  
**SOIL GEOCHEMISTRY  
LEAD**

MTS 82F-36 NELSON B.C. CANADA  
1991

P.A. CHRISTOPHER & ASSOCIATES INC.  
SCALE 1:2500 JULY 1991 FIGURE 6



TIMMAX RESOURCES CORPORATION  
LIBBY PROPERTY  
SOIL GEOCHEMISTRY  
SILVER

MTS 82F-3E NELSON B.C. ENGINEERED

P.A. CHRISTOPHER & ASSOCIATES INC.  
SCALE 1:2500 JULY 1991 FIGURE 7

presented in Appendix A with analytical results presented in Appendix B and summarized on Figures 4 and Figures 8 through 11. Soil geochemical results are presented in Appendix B of the assessment report (Christopher, 1991) with zinc, lead and silver values contoured on Figures 5 through 7, respectively. The initial 1514 soil samples were graphed and statistically analyzed by Acme with results presented in appendix B. Discussion of zinc, lead and silver results follow.

### Zinc

Zinc values in soils vary from a minimum of 50 ppm to 9103 ppm from below the Shaft and Adit showing. A value of 8892 ppm zinc was obtained from soil down hill from the Yellow Zinc Showing. The data plot shows a bimodal distribution of values with strongly anomalous values over 500 ppm. Soils are contoured at 500, 1000, 1500, and >2000 ppm on Figure 5. An 800 meter, northeast trend anomaly with values >500 ppm zinc is associated with the Yellow Zinc Showing. The anomaly is up to 200 meters wide and open west of Lead Creek. The terrane slopes steeply westerly in the area of the Yellow Zinc Showing and the anomaly may have spread down slope.

### Lead

Lead values in soils vary from 2 ppm to 1147 ppm with the strongest response from the area of the North Ridge Showing. Lead values are contoured at 100 ppm and 200 ppm on Figure 6 with an number of anomalous trends sub-parallel to stratigraphy. Prospecting is required to explain may of the stronger responses.

### Silver

Silver values varied from the detection limit of 0.1 ppm to 7.1 ppm with strongest response at the northwest corner of the grid. A total of 22 values  $\geq$  1.0 ppm are outlined on Figure 7. The lack of strong silver response is consistent with the low precious metal content of the Metaline type lead-zinc deposits.

## DISCUSSION

The Libby Property has several known lead-zinc occurrences with limited production reported from a shear zone at the Shaft and Adit Showing (Fig. 9) and a breccia zone at the North Ridge Showing (Figure 11). A grid geochemical program conducted for Timmax Resources Corporation has been successful in locating a new zinc showing called the Yellow Zinc Showing (Figure 8) with the name assigned because of outcropping massive yellow sphalerite. A 20 meter wide, stratiform mineralized zone, has been exposed by hand trenching but only a small section of an 800 meter, northeast trending zinc >500 ppm soil anomaly has been tested. Since the Yellow Zinc Showing contains little pyrite or pyrrhotie, trenching and drilling are the best methods to trace the showing and test the associated zinc soil anomaly.

## CONCLUSIONS AND RECOMMENDATION

The initial exploration program conducted for Timmax Resources Corporation has been successful in locating a new, high-grade, zinc

showing and associated strong soil geochemical anomaly. The writer recommends drilling and trenching be conducted to trace the mineralized horizon.

A success contingent, staged exploration program is recommended for further development of the Libby Property. A recommended Stage 1 program of trenching and 300 meters of diamond drilling, for an initial test of the Yellow Zinc Showing, is estimated to cost \$100,000. A contingent Stage 2, trenching and 1,000 meter drill program is estimated to cost \$210,000.


COST ESTIMATES

STAGE 1. DIAMOND DRILLING & TRENCHING

PROJECT PREPARATION & MOBILIZATION.....	\$	1,000
TRANSPORTATION AND LIVING ALLOWANCE.....		9,000
ROADS, TRENCHING & RECLAMATION .....		15,000
SUPERVISION & LOGGING .....		15,000
DIAMOND DRILLING 300 METERS @ 100/METER .....		30,000
GEOCHEMICAL ANALYSES 700 @ \$ 15 EA. ....		6,000
CONSULTING AND REPORT PREPARATION .....		6,000
G.S.T. ....		6,000
RECORDING .....		3,000
CONTINGENCY .....		<u>9,000</u>
STAGE I TOTAL		\$ <u>100,000</u>

STAGE 2. DIAMOND DRILLING & TRENCHING

PROJECT PREPARATION .....	\$	2,000
TRANSPORTATION AND LIVING ALLOWANCE.....		15,000
ROADS, TRENCHING & RECLAMATION .....		25,000
SUPERVISION & LOGGING.....		30,000
DIAMOND DRILLING 1,000 METERS @ 90/METER.....		90,000
SUPPLIES AND MATERIALS.....		3,000
GEOCHEMICAL ANALYSES.....		10,000
CONSULTING AND REPORT PREPARATION.....		10,000
G.S.T.....		10,000
CONTINGENCY.....		<u>15,000</u>
STAGE 2 TOTAL		\$ <u>210,000</u>


  
*Peter A. Christopoulos*
  
 Peter A. Christopoulos P.Eng.
   
 July 30, 1991

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- Yorston, R., 1990. Geology and Geochemistry Report on the Libby 1 Claim. Assessment Report for Worthington Resources, dated September, 1990.



CERTIFICATE

I, Peter A. Christopher, with business address at 3707 West 34th Avenue, Vancouver, British Columbia, do hereby certify that:

1) I am a consulting geological engineer registered with the Association of Professional Engineers of British Columbia since 1976.

2) I am a Fellow of the Geological Association of Canada and a member of the Society of Economic Geologists.


3) I hold a B.Sc. (1966) from the State University of New York at Fredonia, a M.A. (1968) from Dartmouth College and a Ph.D. (1973) from the University of British Columbia.

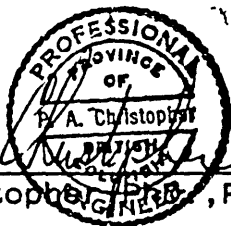
4) I have been practising my profession as a Geologist for over 25 years.

5) I have no direct or indirect interest, nor do I expect to receive any interest directly or indirectly in the property or securities of Timmax Resources Corporation.

6) I have based this report on all available geological data on the property and adjacent mineral deposits. I conducted a field examination of the Libby Property on July 14, 1991 to collect check samples and to review the 1991 work program.

7) I consent to the use of this report by Timmax Resources Corporation in any Filing Statement, Statement of Material Facts, Prospectus, or for filing assessment work.

  
Peter A. Christopher, P.Eng.  
July 30, 1991



**Peter Christopher & Associates Inc.**  
GEOLOGICAL & EXPLORATION SERVICES  
3707 West 34th Ave., Vancouver, B.C. V6N 2K9

Office/Res: 263-6152


July 30, 1991


Timmax Resources Corporation  
368-1199 West Pender Street  
Vancouver, B.C. V6E 2R1

Dear Sirs:

I Peter A. Christopher, Ph.D., P.Eng., hereby consent to the use of my report dated July 30, 1991 on the Libby Property, Nelson Mining Division, British Columbia, in any Filing Statement, Statement of Material Facts, Prospectus, or for assessment filing by Timmax Resources Corporation.

DATED at Vancouver, British Columbia, this 30th day of July, 1991.

  
Peter A. Christopher Ph.D., P.Eng.



Appendix A

Table A1. Description of Samples by P.A. Christopher, P.Eng.

Sample	Location	Type	Width	Description
5963	2+50S 6+50W	Chip	70CM.	Fault Breccia Zone, Galena & Sphalerite, 310' 80'SW.
5964	Yellow Zinc	Chip	2.2M.	Sphalerite Rich Dolomite Ck. PR8
5965	" "	Chip	4.0M.	Sphalerite Rich Dolomite Ck. PR12
5966	" "	Chip	1.7M.	Heavy yellow sphalerite Ck. PR10 & PR 2.
5967	" "	Grab	-	Heavy Yellow sphalerite, single piece chipped from otc.
5968	Ed Showing	Chip	1.0M	Checks 1990 sample LR-14

=====

Table A2. Description of Rock Samples by Guimet Management.

Sample	Location	Type	Width	Description
P-R1	2+50N 1+25E	Select	-	Qtz.-carb. breccia float, Sph. from old trench.
P-R2	3+00S 8+30W	Grab	-	Local float with >15% Sph.
P-R3	" "	Grab	-	Otc. >20% Sph.
P-R4	Yellow Zinc	Grab	-	Otc. banded dolomite 8% Sph. Minor Py.
P-R5	" "	Grab	-	Otc. >12% Sph.
P-R6	" "	Grab	-	Breccia with 5% Sph.
P-R7	" "	Grab	-	Sph. bearing rock.
P-R8-12	" "	Chips	See Fig. 8	Various Sph. bearing chip samples
P-R13	N. 3+00S 9+00W	Chips	1.0M	Breccia with disseminated Sph. exposed 1.5x1.0M.
P-R14	3+00S 8+90W	Grab	-	Sph. 1.0mx5M. zone, fracture @ 30'vert. controls min.
P-R15	5+50S 2+00W	Grab	-	Breccia Float 1M. diameter, reacts to Zn Zap.
P-R16	1+50S 8+30W	Grab	-	Small Sph. showing.
P-R17	2+00N 4+75W	Grab	-	Breccia Zone, several meters wide with patchy sph. in matrix.
P-R18	2+00N 4+75W	Grab	-	Float with sph. on fractures.
P-R19	3+00S 4+75W	Grab	-	Limonitic dolomite float, Sph.

=====

APPENDIX B  
CERTIFICATES OF ANALYSES  
STATISTICAL PLOTS

JUL-23-1991 12:51

FROM ACME ANALYTICAL

TO 263-6152

P.002

ALMA ANALYTICAL LABORATORIES LTD. 504 E. HASTINGS ST. VANCOUVER B.C. V6A 1K0  
PHONE (604) 253-3158 FAX (604) 253-1716



# ASSAY CERTIFICATE



Peter A. Christopher PROJECT LIBBY FILE # 91-2555

377 W. 41st Ave. Vancouver, B.C. V6M 2C9

SAMPLE #	Pb %	Zn %	Ag oz/t
Y 5963	20.70	6.24	.44
Y 5964	.05	21.02	.01
Y 5965	.01	12.82	.01
Y 5966	.03	23.51	.02
Y 5967	.01	13.08	.01
Y 5968	.33	4.74	.05

- 1 GM SAMPLE LEACHED IN 50 ML AQUA - REGIA, ANALYSIS BY ICP.  
- SAMPLE TYPE: ROCK

DATE RECEIVED: JUL 15 1991

DATE REPORT MAILED: July 23/91.

SIGNED BY: *C. Leong* D. TOYE, C. LEONG, J. WANG; CERTIFIED B.C. ASSAYERS



**ASSAY CERTIFICATE**



Guinet Management PROJECT LIBBY FILE # 91-2596

305 855 W. Hastings St., Vancouver B.C. V6C 1E1 Attn: Y. GUINET

SAMPLE#	Pb %	Zn %	Ag oz/t	Cd %
PR-1	.01	1.67	.01	.01
PR-2	.02	27.36	.04	.07
PR-4	.02	9.90	.03	.02
PR-5	.02	34.46	.01	.10
PR-6	.01	4.23	.02	.01
PR-7	.01	20.76	.01	.07
PR-13	.01	13.46	.01	.03
PR-14	.01	13.82	.08	.05
PR-15	.01	.19	.02	.01
PR-16	.01	6.43	.01	.02
PR-17	.01	1.44	.04	.01
PR-18	.01	8.37	.02	.02
STANDARD R-1	1.36	2.31	2.87	.05

- 1 GM SAMPLE LEACHED IN 50 ML AQUA - REGIA, ANALYSIS BY ICP. AG - 10 GM ACID LEACHED / MIBK, ANALYSIS BY AA.  
 - SAMPLE TYPE: ROCK

DATE RECEIVED: JUL 17 1991

DATE REPORT MAILED: *July 24/91*

SIGNED BY: *[Signature]* D. TOYE, C. LEONG, J. WANG; CERTIFIED B.C. ASSAYERS



## ASSAY CERTIFICATE



Guinet Management PROJECT LIBBY FILE # 91-2373 Page 6

305 - 850 W. Hastings St., Vancouver BC V6C 1E1

SAMPLE#	Zn %	Au* ppb
LYR-1	.57	6
LYR-2	.77	-
P-R-3	37.03	-
P-R-8	29.38	-
P-R-9	3.84	-
P-R-10	25.91	-
P-R-11	21.50	-
P-R-12	15.49	-
P-R-13	12.07	-

- 1 GM SAMPLE LEACHED IN 50 ML AQUA - REGIA, ANALYSIS BY ICP.  
 - SAMPLE TYPE: P1-P4 SOIL P5 SILT P6 ROCK  
 GEOCHEM AU (10gm) ANALYSIS BY ACID LEACH/AA

DATE RECEIVED: JUL 7 1991

DATE REPORT MAILED: July 15/91.

SIGNED BY.....*C. Chung*.....D.TOYE, C.LEONG, J.WANG; CERTIFIED B.C. ASSAYERS



# ASSAY CERTIFICATE



Guinet Management FILE # 91-2208  
305 - 850 W. Hastings St., Vancouver BC V6C 1E1

SAMPLE#	ZN %
LB 1	33.70

- SAMPLE TYPE: ROCK

DATE RECEIVED: JUL 3 1991

DATE REPORT MAILED: July 4/91

SIGNED BY.....*Chung*.....D.TOYE, C.LEONG, J.WANG; CERTIFIED B.C. ASSAYERS



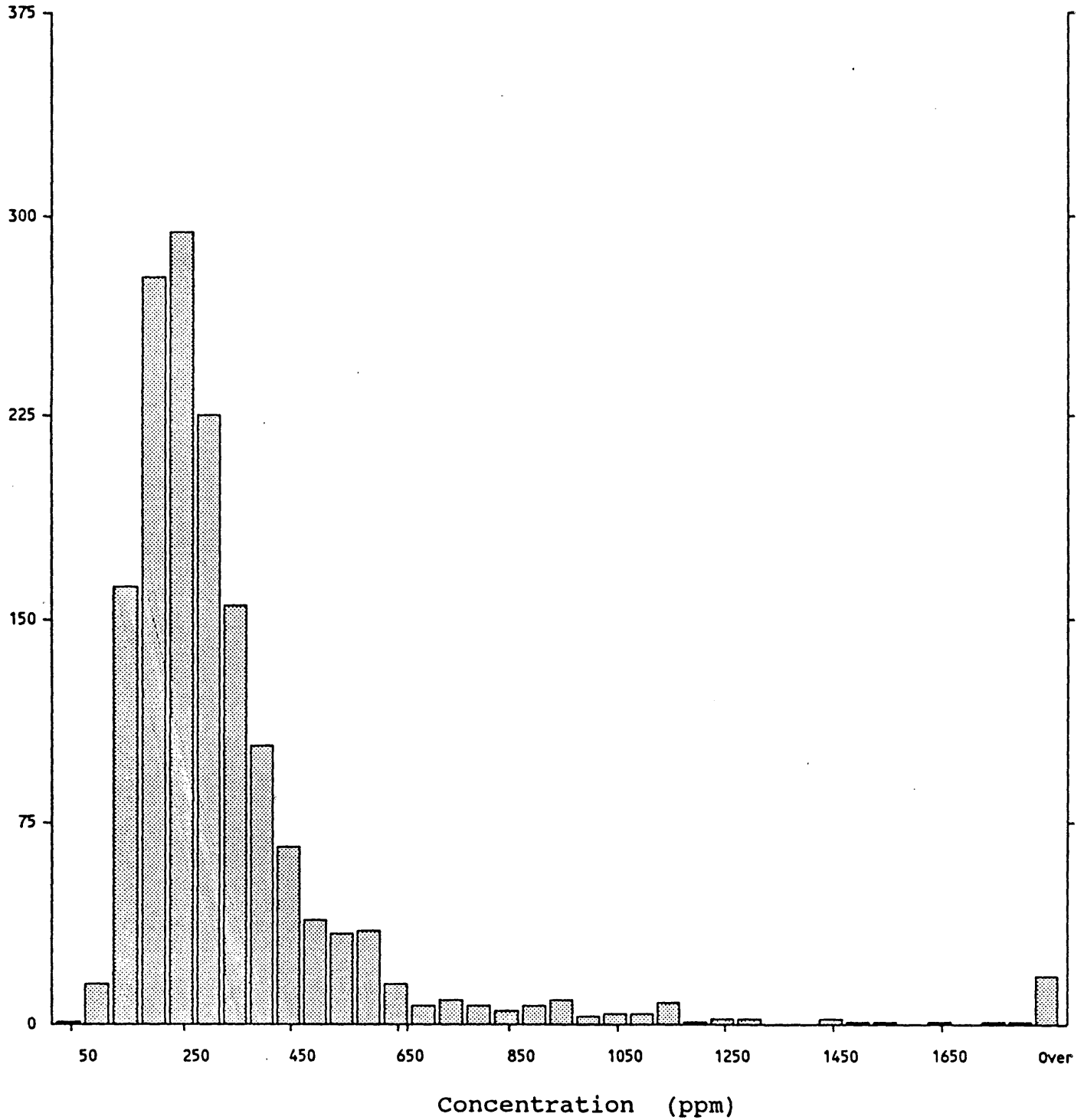


SAMPLE#	Mo ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	Ni ppm	Co ppm	Mn ppm	Fe %	As ppm	U ppm	Au ppm	Th ppm	Sr ppm	Cd ppm	Sb ppm	Bi ppm	V ppm	Ca %	P %	La ppm	Cr ppm	Mg %	Ba ppm	Ti %	B ppm	Al %	Na %	K %	W ppm
P-R-3	2	8	188	99999	1.1	5	1	100	.32	10	5	ND	1	14	876.6	2	2	4	6.79	.016	2	2	3.76	4	.01	2	.03	.02	.01	1

# GUINET MANAGEMENT

## Zn

Number of  
Samples



1514 Samples

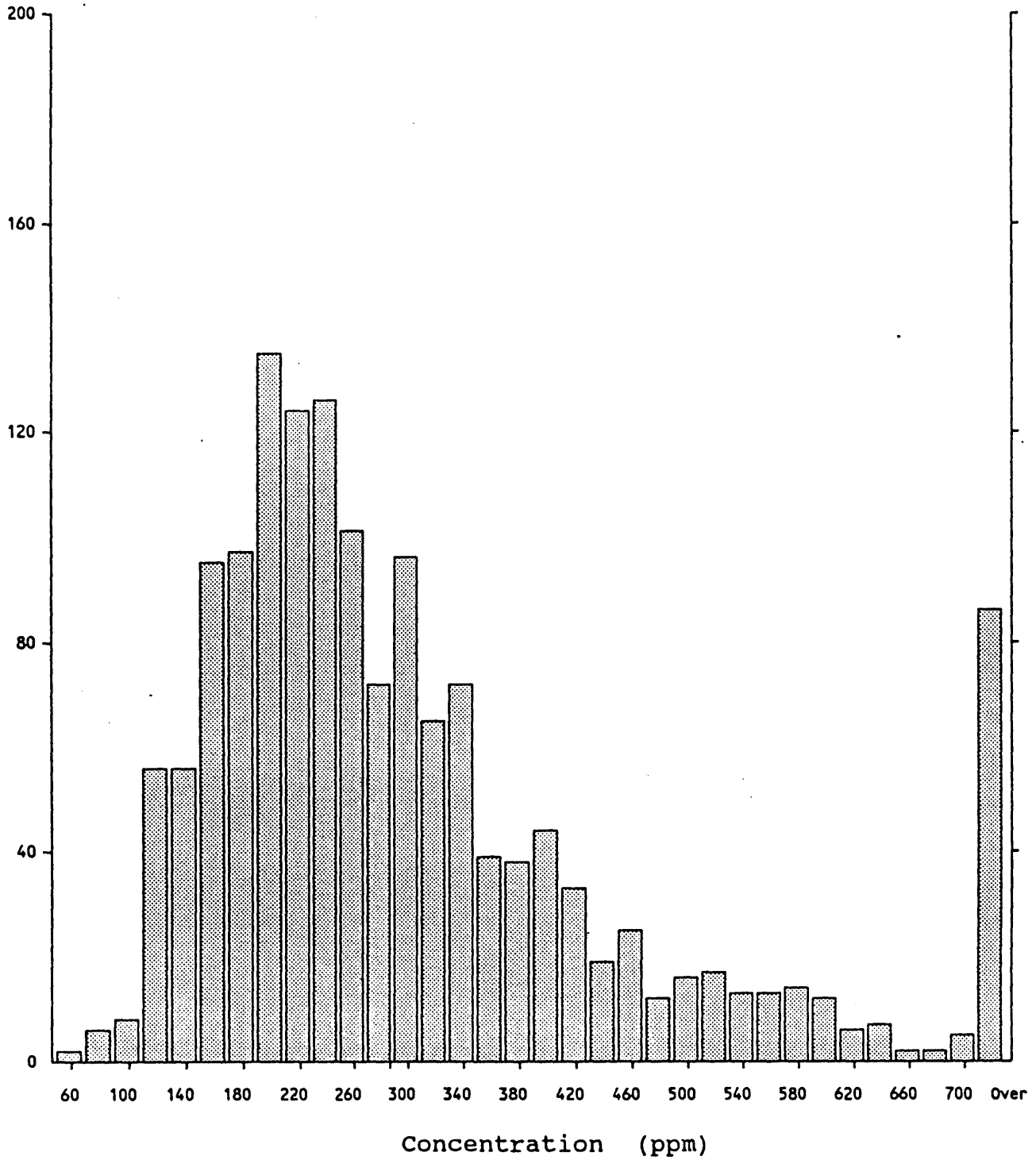
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Minimum: 50

Mean: 339  
Median: 252  
Standard Deviation: 443

# GUINET MANAGEMENT

## Zn

Number of  
Samples



1514 Samples

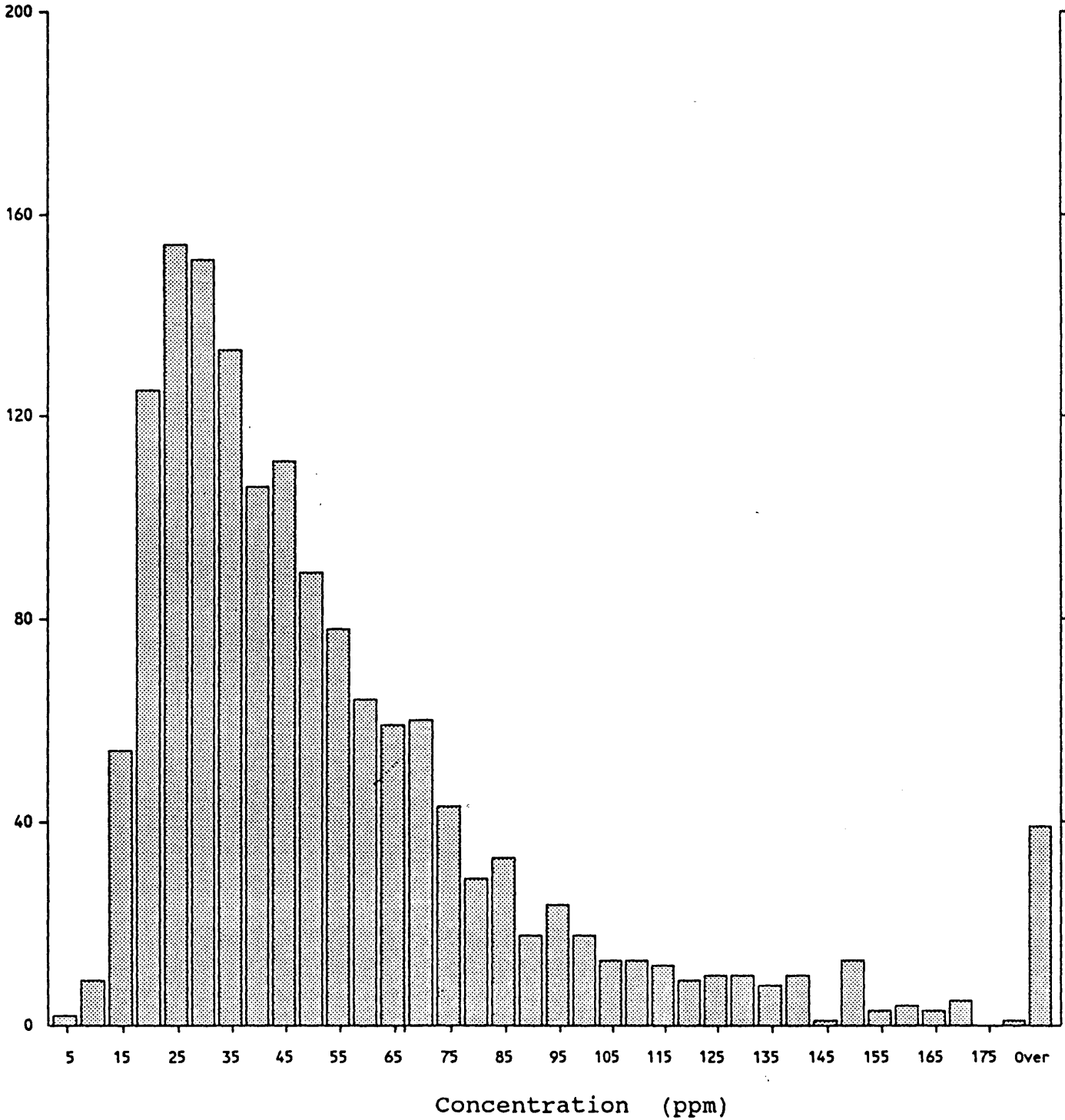
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Minimum: 50

Mean: 339  
Median: 252  
Standard Deviation: 443

# GUINET MANAGEMENT

Pb

Number of  
Samples



1514 Samples

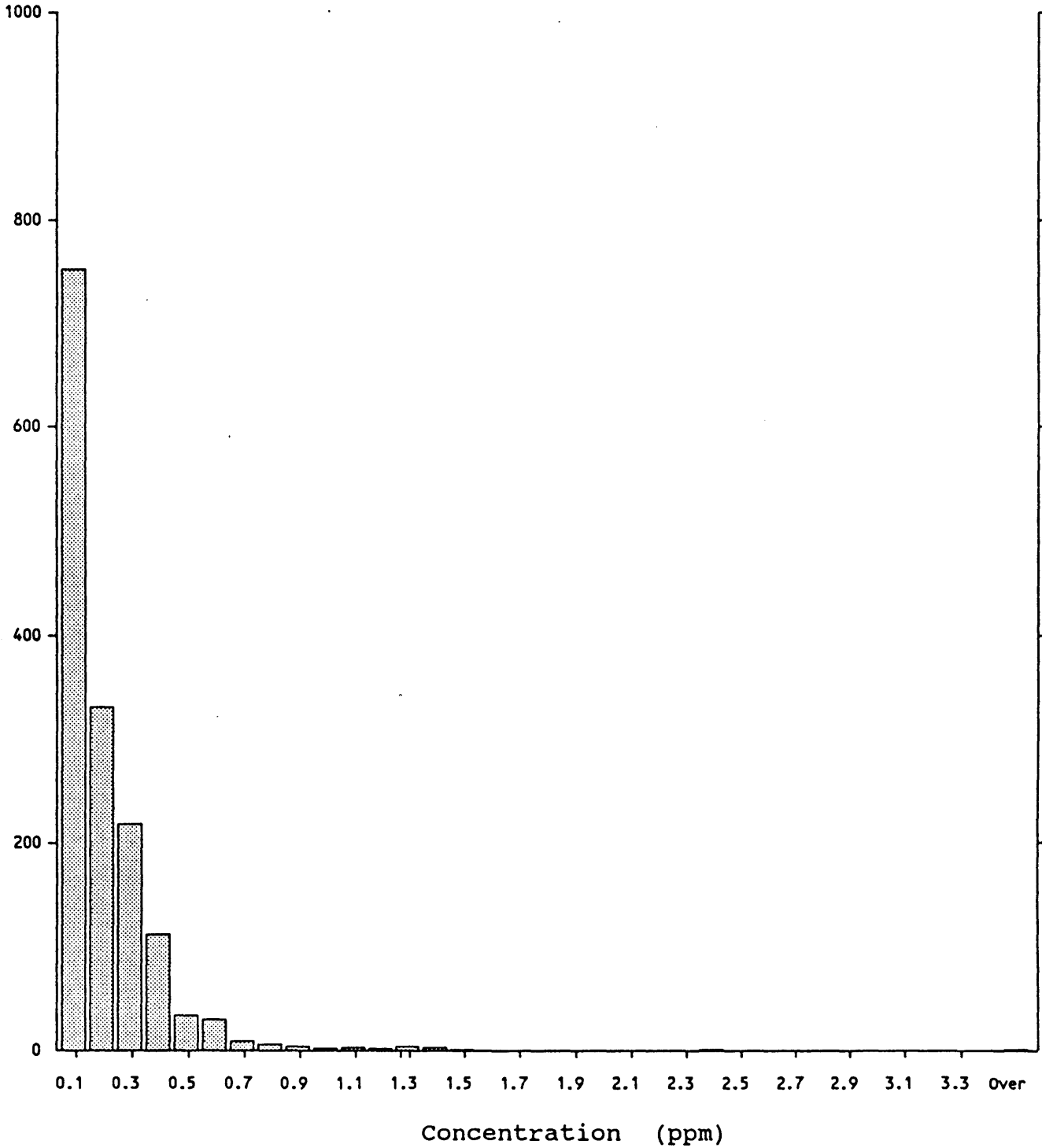
Maximum: 1147  
Minimum: 2

Mean: 57  
Median: 41  
Standard Deviation: 65

# GUINET MANAGEMENT

## Ag

Number of  
Samples



1514 Samples

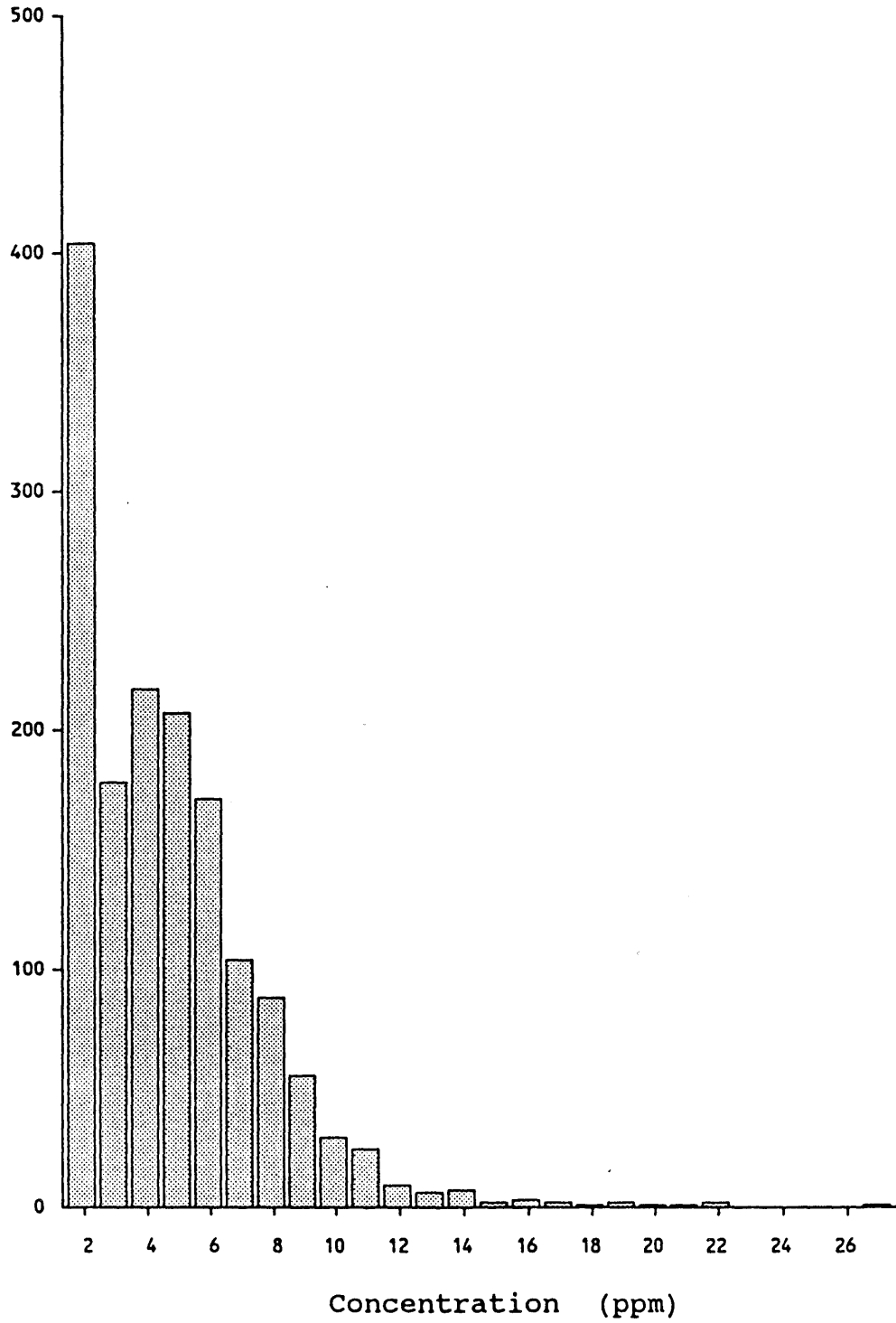
Maximum: 7.4  
Minimum: 0.1

Mean: 0.2  
Median: 0.2  
Standard Deviation: 0.3

# GUINET MANAGEMENT

As

Number of  
Samples



1514 Samples

Maximum: 27  
Minimum: 2

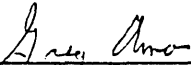
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Standard Deviation: 3

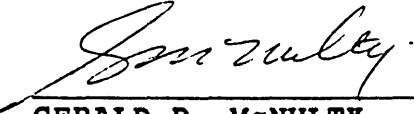
**CERTIFICATES.**

**The Company**


The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities being offered by this Prospectus as required by Part 7 of the British Columbia Securities Act and the regulations thereunder.


DATED at Vancouver, British Columbia, this 7th day of November, 1991.

  
\_\_\_\_\_  
**GREGORY F. AMOR**  
President, Director &  
Chief Executive Officer

  
\_\_\_\_\_  
**GERALD D. McNULTY**  
Secretary, Director, Promoter  
& Chief Financial Officer

On behalf of the Board of Directors

  
\_\_\_\_\_  
**LOGAN B. ANDERSON**  
Director

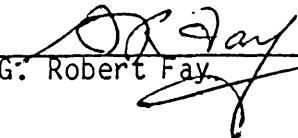
  
\_\_\_\_\_  
**KARL A. MILLER**  
Director

**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 being offered by this Prospectus as required by Part 7 of the British Columbia Securities Act and the regulations thereunder.

DATED at Vancouver, British Columbia, this 7th day of November, 1991.

**YORKTON SECURITIES INC.**

Per:   
\_\_\_\_\_  
G. Robert Fay