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THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY MAY BE LAWFULLY OFFERED FOR SALE AND THEREIN ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES. NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED FOR SALE IN THIS PROSPECTUS AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

~~MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES.~~
PROSPECTUS
REC'D AUG 10 1989
NELSON, B.C.

NEW ISSUE

003375

FIRST MANHATTAN RESOURCES CORP.

(the "Issuer")

(Incorporated in British Columbia)

630,000 COMMON SHARES

Rcvd July 26/89

	Offering Price (1)	Commission	Net Proceeds to the Issuer (2)
Per Share	\$0.37	\$0.05	\$0.32
Total	\$233,100	\$31,500	\$201,600

- (1) The price was established pursuant to negotiations between the Issuer and the Agent.
- (2) Before deduction of the costs of this Prospectus estimated at \$18,000.

THERE IS PRESENTLY NO MARKET FOR THE SHARES OF THE ISSUER AND A PURCHASE OF THE SHARES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION. REFERENCE IS MADE TO THE SECTIONS CAPTIONED "RISK FACTORS" AND "DILUTION".

NO PERSON IS AUTHORIZED BY THE ISSUER TO PROVIDE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE ISSUE AND SALE OF THE SECURITIES OFFERED BY THE ISSUER.

FOR COMPARISON OF THE SECURITIES BEING OFFERED FOR CASH AND THOSE ISSUED TO PROMOTERS, DIRECTORS AND OTHER INSIDERS, REFERENCE IS MADE TO THE SECTION CAPTIONED "PRINCIPAL SHAREHOLDERS."

ONE OR MORE OF THE DIRECTORS OF THE ISSUER ARE DIRECTORS OF OTHER NATURAL RESOURCE COMPANIES AND HAVE POTENTIAL CONFLICTS OF INTEREST WHEN SERVING IN SUCH CAPACITIES. REFERENCE IS MADE TO THE SECTION CAPTIONED "DIRECTORS AND OFFICERS".

THE VANCOUVER STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SHARES OFFERED BY THIS PROSPECTUS. LISTING IS SUBJECT TO THE ISSUER FULFILLING ALL THE LISTING REQUIREMENTS OF THE VANCOUVER STOCK EXCHANGE ON OR BEFORE JULY 4, 1989, INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

THIS OFFERING IS NOT UNDERWRITTEN AND IS SUBJECT TO A MINIMUM SUBSCRIPTION BEING RECEIVED BY THE ISSUER ON OR BEFORE JULY 4, 1989. REFERENCE IS MADE TO THE SECTION CAPTIONED "PLAN OF DISTRIBUTION".

WE, AS AGENT, CONDITIONALLY OFFER THESE SECURITIES SUBJECT TO PRIOR SALE, IF, AS AND WHEN ISSUED BY THE ISSUER AND ACCEPTED BY US IN ACCORDANCE WITH THE CONDITIONS CONTAINED IN THE AGENCY AGREEMENT REFERRED TO IN THE SECTION CAPTIONED "PLAN OF DISTRIBUTION".

THIS PROSPECTUS IS DATED THE 4TH DAY OF APRIL, 1989.

GEORGIA PACIFIC SECURITIES CORPORATION

16th Floor, 555 Burrard Street
Vancouver, British Columbia
V7X 1S6

EFFECTIVE DATE: APRIL 7, 1989

PROPERTY FILE

PROSPECTUS SUMMARY

The Offering

Issuer:	FIRST MANHATTAN RESOURCES CORP.
Securities Offered:	630,000 Common Shares
Gross Proceeds:	\$233,100
Net Proceeds:	\$201,600
Price:	\$0.37 per Common Share
Commission:	\$0.05 per Common Share
Use of Proceeds:	The net proceeds from this Offering will be used to conduct Phase II of the recommended work program on the Issuer's Vermont mineral claims. The balance will be added to the Issuer's working capital.

THE ISSUER

The Issuer is in the business of acquiring, exploring and developing natural resource properties. Reference is made to the section captioned "Business and Property of the Issuer".

RISK FACTORS

Investment in the Common Shares must be considered speculative due to the nature of the Issuer's business and the present stage of its development. Reference is made to the sections captioned "Risk Factors" and "Dilution".

THE FOREGOING IS A SUMMARY ONLY AND SHOULD BE READ IN CONJUNCTION WITH THE MORE DETAILED INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS.

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and 1985.

Report of Alex Burton, P.Eng., dated August 1988.

Certificate of the Issuer, Promoters and Agent.

NAME AND INCORPORATION OF THE ISSUER

The Issuer was incorporated on February 14, 1984 under the laws of British Columbia by the registration of its Memorandum and Articles with the British Columbia Registrar of Companies, under the name Wyld River Explorations Ltd. On March 15, 1984, the Issuer changed its name to Golden Dreams Resources Ltd. and on July 28, 1987, the Issuer changed its name to First Manhattan Resources Corp.

The Head Office of the Issuer is located at Suite 608, 475 Howe Street, Vancouver, British Columbia, V6C 2B3. The Registered and Records Office of the Issuer is located at Suite 100, 200 Granville Street, Vancouver, British Columbia, V6C 1S4.

PLAN OF DISTRIBUTION

Offering

The Issuer by its Agent hereby offers (the "Offering") through the facilities of the Vancouver Stock Exchange (the "Exchange") 630,000 common shares of the Issuer (the "Shares") at a price of \$0.37 per share (the "Offering Price"), which price was established pursuant to negotiations between the Issuer and the Agent.

The Offering will be made in accordance with the rules and policies of the Exchange on a day (the "Offering Day") determined by the Agent and the Issuer, with the consent of the Exchange, on or before July 4, 1989.

A portion of this Offering may be sold to 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 Issuer's shares sold outside of Canada and the United States of America will be subject to and conducted in accordance with the securities laws of the countries in which these sales are made.

Appointment of Agent

By Agreement dated February 23, 1989 (the "Agency Agreement") the Issuer appointed **Georgia Pacific Securities Corporation** as its agent (the "Agent") to offer the Shares on a best efforts basis through the facilities of the Exchange.

The Agent will receive a commission of \$0.05 per share.

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

The obligations of the Agent under the Agency Agreement may be terminated prior to the opening of the market on the Offering Day at the Agent's discretion on the basis of its assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events.

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

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

The Directors, Officers and other insiders of the Issuer may purchase shares from the Offering.

Minimum Subscription

The Offering is subject to a minimum subscription of 630,000 shares being sold on the Offering Day. In the event that such minimum subscription is not obtained, all funds shall be returned to the purchaser without deduction. All funds shall be held in trust by Pacific Corporate Services Ltd. until such time as the minimum subscription is obtained.

Conditional Listing on the Exchange

The Exchange has conditionally listed the Shares being offered pursuant to this Prospectus. Listing is subject to the Issuer fulfilling the listing requirements of the Exchange on or before July 4, 1989, including prescribed distribution and financial requirements.

USE OF PROCEEDS

If all the Shares offered by this Prospectus are sold, the net proceeds to the Issuer will be \$201,600 which, when added to the Issuer's working capital deficit as at January 31, 1989 of approximately \$28,901, will total \$172,699. The total available funds, in order of priority, will be expended as follows:

1.	To pay the costs of this Prospectus.....	\$ 18,000
2.	To pay the estimated costs of Stage II of the work program on the Issuer's Vermont mineral claims as recommended by Mr. Alex Burton, P.Eng., in his report dated August 1988, a copy of which is included in this Prospectus.....	\$ 70,000
3.	Reserve for working capital.....	\$ 84,699
	TOTAL:	<u>\$172,699</u>

The foregoing represents the Issuer's best estimate as to how the proceeds of the Offering will be expended. However, the Issuer reserves the right to redirect any portion of the funds pursuant to the recommendations of a qualified engineer. In the event the Issuer's properties are abandoned or if arrangements are made for the performance of all or any portion of the recommended work programs by other parties, the Issuer may direct the funds so allocated to the acquisition or exploration of other natural resource properties acquired by the Issuer after the date of this Prospectus, based upon the recommendations of a qualified engineer.

No part of the proceeds will be used to invest, underwrite or trade in securities other than those that qualify as investments in which trust funds may be invested under the laws of the jurisdictions in which the Shares offered by this Prospectus may be lawfully sold except as may be permitted by the policies of the Superintendent and/or the Exchange should the shares of the Issuer become listed on the Exchange. Should the Issuer propose to use the proceeds to acquire other than trustee-type securities after the distribution of the Shares offered by this Prospectus, the consent of the Superintendent or the Exchange, as the case may be, and any other regulatory authority having jurisdiction over the sale of the Shares offered by this Prospectus, will be obtained.

DILUTION

Based upon the balance sheet of the Issuer as at January 31, 1989, the following table reflects the dilution which will result from the purchase of the Shares offered pursuant to this Prospectus:

Dilution per Share

Offering price per share.....	\$0.37
Book value before the Offering.....	\$69,173
Increase in book value attributable to the Offering.....	\$183,600 (1)
Book value after the Offering.....	\$252,773
Dilution per share offered.....	\$0.25 (2)
Percentage of dilution in relation to the Offering price.....	67.57%

- (1) After deduction of the Agent's commission and the estimated costs of this Prospectus.
- (2) Reflects the issuance of 50,000 common shares as disclosed in the section captioned "Business and Property of the Issuer".

RISK FACTORS

The Shares offered hereby must be considered speculative due to the nature of the Issuer's business and the present stage of its development. A prospective investor should consider carefully the following factors:

1. There is no current market for the shares of the Issuer and there can be no assurances given that one will develop.
2. Exploration for minerals is a speculative venture involving risk. Expenditures made on mineral properties may not result in the discovery of commercial quantities of ore. The mining industry in general is intensely competitive and there is no assurance that even if commercial quantities of ore are discovered, a ready market will exist for the sale of same.
3. There is no known body of commercial ore present on the properties of the Issuer. The purpose of the present offering is to raise funds to carry out further exploration with the objective of establishing ore of commercial tonnage and grade. If the Issuer's exploration programs are successful, additional funds will be required for the development of an economic ore body and to place it in commercial production.
4. The marketability of the minerals acquired by the Issuer may be affected by numerous factors beyond the control of the Issuer. The effect of these factors, which include mineral market fluctuations, cost and availability of processing equipment and government regulation (including regulations pertaining to royalties, importing, exporting and environmental protection) cannot be accurately determined.

5. The existence of title opinions should not be construed to suggest that the Issuer has good and marketable title to the properties described in this Prospectus. The Issuer follows usual industry practice in obtaining title opinions with respect to its properties.
6. The Issuer's properties consist of recorded mineral claims which have not been surveyed and, therefore, the precise location of the boundaries of such claims may be in doubt.

DIRECTORS AND OFFICERS

The names and municipality of residence of all the Directors and Officers of the Issuer, as well as their respective principal occupations within the five preceding years, are as follows:

Name, Municipality of Residence
and Position with the Issuer

Principal Occupation

MELAN MICHAEL PARDEK

820 Lillooet Street
Vancouver, British Columbia
V5K 4G9

President, Director and Promoter

Self employed mining consultant and prospector, 1970 to present; Director of Goldstar Resources Ltd., Burdett Resources Ltd. and Monte Carlo Resources Ltd.

HARRY CHEW

2425 Dundas Street
Vancouver, British Columbia
V5K 1P5

Secretary, Director and Promoter

Self employed accountant, 1982 to present; Director of Monte Carlo Resources Ltd. Gold Torch Resources Ltd., Goldstar Resources Ltd., Burdett Resources Ltd. and Unique Resources Ltd.

HARRY LEE

4277 Parkwood Crescent
Burnaby, British Columbia
V5G 2J4

Director

Engineer, British Columbia Power and Authority, 1982 to present.

PETER GORDON JOE
4339 Granville Street
Vancouver, British Columbia
V6H 3L6

General Manager, Sunrise
Market Ltd. 1977 to pre-
sent.

Director

Certain of the Directors may also serve as directors of other companies and, to the extent that such other companies may participate in ventures in which the Issuer may participate, the Directors of the Issuer may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment.

In accordance with the laws of British Columbia, the Directors of the Issuer are required to act honestly, in good faith and in the best interests of the Issuer. In determining whether or not the Issuer will participate in a particular program and the interest therein to be acquired by it, the Directors will primarily consider the degree of risk to which the Issuer may be exposed and its financial position at the time.

PROMOTERS

Melan Pardek, President and a Director of the Issuer and Harry Chew, Secretary and a Director of the Issuer, are promoters of the Issuer as that term is defined by the British Columbia Securities Act.

Messrs. Pardek and Chew have entered into transactions with the Issuer as disclosed in the sections captioned "Escrowed Shares", "Executive Compensation", "Interest of Management and Others in Material Transactions" and "Options to Purchase Shares".

BUSINESS AND PROPERTY OF THE ISSUER

The Issuer is engaged in the acquisition, exploration and development of natural resource properties. The Issuer owns interests in the mining properties described hereunder and intends to seek and acquire additional properties worthy of exploration and development.

VERMONT MINERAL CLAIMS

Pursuant to a Memorandum of Agreement dated July 29, 1987 made between the Issuer and Laurence Lazeo, as amended by Amending Agreement dated December 31, 1988, (the "Agreement") the Issuer obtained the right to acquire a 100% interest in and to three (3) mineral claims, subject to a three percent (3%) Net Smelter Return Royalty reserved to Mr. Lazeo. In consideration therefor, the Issuer agreed:

- (i) to pay \$40,000 in aggregate, as follows:
 - (a) \$10,000 upon execution of the Agreement, which sum has been paid;
 - (b) \$15,000 upon receipt of the approval thereto from the Superintendent of Brokers for the Province of British Columbia; and
 - (c) \$15,000 on or before August 1, 1989.
- (ii) to issue 50,000 of its shares upon receipt of the approval thereto from the Superintendent of Brokers;
- (iii) to incur exploration expenditures aggregating \$570,000 on the subject claims on or before the following dates:
 - (a) \$60,000 on the first phase of an exploration program, which phase has now been completed;
 - (b) an additional \$60,000 on or before July 31, 1989;
 - (c) an additional \$150,000 on or before July 31, 1990;
 - (d) an additional \$150,000 on or before July 31, 1991; and
 - (e) an additional \$150,000 to be completed on or before July 11, 1992.

Pursuant to an Assignment Agreement dated March 11, 1988, Mr. Lazeo assigned all his interest in and to the subject mineral claims and the Agreement to Mr. Norman McCartney of 1799 Berkley Street, City of North Vancouver, British Columbia.

Description and Location

This property consists of three metric mineral claims totaling approximately 56 units, located in the Trail Creek Mining Division, British Columbia, and more particularly described as follows:

<u>Claim Name</u>	<u>Units</u>	<u>Record Number</u>	<u>Record Date</u>	<u>Expiry Date</u>
Vermont #1	16	976	May 29, 1987	May 29, 1992
Vermont #2	20	977	May 29, 1987	May 29, 1992
Vermont #3	20	978	May 29, 1987	May 29, 1992

The claims are situate in the Monashee Mountains, south-

west of the town of Rossland, on Mount Sophia and extend north from the border with the United States of America. The area is accessible by means of old logging roads that have become partially overgrown but which could be cleared and easily rehabilitated.

Regional History

Rossland is a famous old gold-copper mining camp whose mines helped develop the Kootenay region and the town of Trail. Historically, prospectors explored westward from the Rossland camp and found many showings on the slopes of Mount Sophia. The best known mining operation was the Velvet Mine, located on the lower western slopes of Mount Sophia, which produced a gold rich copper ore.

Mineralization

Known mineralization, consisting mainly of gold, occurs in certain mineral claims situate on the west side of the Vermont #2 claim; most of these zones strike NW-SE and strike into the Vermont #2 claim.

Copper mineralization has also been identified on the western boundary of the Vermont #2 claim, in volcanics and ultra-basics.

The eastern and northern portions of the Vermont claim group have not been mapped nor surveyed in detail.

Previous Exploration

During 1987 - 1988, certain geophysical, geochemical and geological surveys were conducted over the claims at a cost exceeding \$80,000. Exploration to date has centered mainly on the western portion of the claims.

Conclusions and Recommendations

As stated on pages 17 and 18 of the appended Report dated August, 1988 prepared by Alex Burton:

"In the western part of the property north-west trending gold veins in the Mt. Sophia formation occur with geochemical anomalies extending the zones further to the southeast. A gold plus base metal geochemical and geophysical anomaly with no known explanation extends in a north-south direction along the west side of the mountain peak. Scattered gold plus base metal soil geochemical anomalies occur in the eastern portion of the grid over the favourable Elise Formation rocks.

All of the geochemical anomalies should be explored. In addition, the untested eastern and northern parts of the claims should be explored. Geochemical soil sampling and magnetometer readings on a grid with 100 metre spacings is adequate combined

with prospecting and geological mapping. The anomalies and showings presently discovered need to be trenched, blasted and sampled...."

Recommended Exploration Program

Mr. Burton has recommended that a Stage II program of exploration be conducted on the eastern and northern portions of the Vermont claim group, which program is to consist of soil grid, geochemistry, geophysics, prospecting, trenching, drilling and blasting and is estimated to cost \$70,000.

THERE IS NO KNOWN BODY OF COMMERCIAL ORE ON THE PROPERTIES AND THE PROPOSED PROGRAMS MUST BE CONSIDERED AN EXPLORATORY SEARCH FOR ORE.

ACQUISITIONS

The only material acquisition made by the Issuer during the past two years consists of the Vermont mineral claims, being the Vermont #1, #2 and #3, situate in the Trail Creek Mining Division, Province of British Columbia.

Reference is made to the section captioned "Business and Property of the Issuer" for particulars of the acquisition of the Vermont mineral claims.

SHARE AND LOAN CAPITAL STRUCTURE

The authorized capital of the Issuer consists of 99,250,000 common shares without par value of which 1,454,000 shares have been issued as fully paid and non-assessable.

The common shares of the Issuer rank equally as to dividends, voting rights and as to any distribution of assets on winding-up or liquidation.

The share and loan capital structure of the Issuer is as follows:

Designation of security	Amount authorized	Amount outstanding as at January 31, 1989	Amount outstanding as at April 4, 1989	Amount outstanding if all shares are sold (1) (2)
Common Shares	99,250,000	1,454,000	1,454,000	2,084,000

- (1) Does not give effect to the 213,000 common shares of the Issuer that may be issued upon the exercise of certain incentive stock options granted by the Issuer.
- (2) Does not include the 50,000 common shares to be issued pursuant to the terms of the Memorandum of Agreement dated July 29, 1987 disclosed in the section captioned "Business and Property of the Issuer".
- (3) As at January 31, 1989, the Issuer had no contributed surplus and had an accumulated deficit aggregating \$103,727.

PRIOR SALES

Shares Issued for Cash

Since incorporation to the date of this Prospectus, the Issuer has sold 1,454,000 common shares for cash as follows:

<u>Designation of class</u>	<u>Number of Shares</u>	<u>Price per Share</u>	<u>Commissions paid per Share</u>	<u>Net proceeds to Issuer</u>
Common Shares	750,000(1)	\$0.01	Nil	\$ 7,500
Common Shares	181,000(2)	\$0.15	Nil	\$ 27,150
Common Shares	<u>523,000(3)</u>	\$0.25	Nil	<u>\$130,750</u>
TOTAL:	<u>1,454,000</u>			<u>\$165,400</u>

- (1) These common shares are held in escrow and reference is made to the section captioned "Escrowed Shares" for further details.
- (2) These common shares are held in pool and reference is made to the section captioned "Pooled Shares" for further details.
- (3) Of this total, 301,000 common shares were issued as flow-through shares, as more particularly described in the section captioned "Interest of Management and Others in Material Transactions".

POOLED SHARES

The 181,000 common shares of the Issuer sold for \$0.15 per share are held by Pacific Corporate Services Limited pursuant to the terms of a Pooling Agreement. The said Agreement provides for release of the shares on the following bases:

- (a) 25% of the shares on the listing date of the Issuer's shares on the Exchange (the "Listing Date");
- (b) 25% of the shares three months following the Listing Date;
- (c) 25% of the shares six months following the Listing Date;
- (d) the balance of the shares nine months following the Listing Date.

The Pooling Agreement also provides that the shareholder shall not sell, deal-in, assign or transfer in any manner whatsoever any of the said shares or beneficial ownership of or any interest in them, except with the written consent of the Superintendent.

ESCROWED SHARES

There are a total of 750,000 common shares of the Issuer held in escrow as follows:

<u>Designation of class</u>	<u>Number of Shares held in escrow</u>	<u>Percentage of class</u>
Common Shares	750,000	51.581%

The 750,000 common shares of the Issuer (the "Principals' Shares") were issued for cash at \$0.01 per share to the persons ("Principals") as follows:

<u>Principals</u>	<u>Number of Principals' Shares Issued</u>
Melan M. Pardek	375,000
Harry Chew	375,000
TOTAL:	<u>750,000</u>

These Principals' Shares are held in escrow by Pacific Corporate Services Limited pursuant to a Principals' Shares Escrow Agreement dated October 10, 1988.

The Principals' Shares are issued to the Principals as an incentive to them to give diligent support to the affairs of the Issuer in the prospect that there will be resultant accretion in the value of the Principals' Shares and to give the Principals some measure of control over the Issuer in order that the development of the Issuer may proceed in an orderly fashion.

The Principals' Shares are subject to the order of the Superintendent or the Exchange, should the shares of the Issuer become listed on the Exchange. The Principals' Shares Escrow Agreement provides that, if the Issuer becomes successful due in part to the efforts of the escrow shareholders, the escrow shareholders shall be entitled to a release of the Shares from time to time in accordance with the general policies of the Superintendent or the Exchange, as the case may be. Any Principals' Shares not released from escrow before the expiration of ten years from the date a receipt is issued for this Prospectus shall be cancelled.

Until the Principals' Shares are released from escrow, the Principals' Shares shall not be sold, assigned, hypothecated, alienated, released from or transferred within escrow or in any other manner dealt with without the written consent of the Superintendent or the Exchange, as the case may be.

PRINCIPAL SHAREHOLDERS

As at the date of this Prospectus, the number and percentage of common shares of the Issuer owned of record or beneficially, directly or indirectly, by each person or company who owns of record or is known by the Issuer to own beneficially, directly or indirectly, more than 10% of the said shares are as follows:

<u>Name and Address</u>	<u>Designation of Class</u>	<u>Type of Ownership</u>	<u>Number of Shares Owned (1)</u>	<u>Percentage of Class</u>
Melan M. Pardek	Common Shares	Of record and beneficially; Direct	375,000 escrowed Principals' Shares	25.79%
Harry Chew	Common Shares	Of record and beneficially; Direct	(i)375,000 escrowed Principals' Shares (ii)12,000 free trading shares	26.616%

(1) Messrs. Pardek and Chew hold an option to purchase 25,000 and 30,000 shares, respectively, of the Issuer as more particularly described in the section captioned "Other Material Facts".

The total number and percentage of common shares of the Issuer beneficially owned, directly or indirectly, by all the Directors and Senior Officers of the Issuer as a group and by all Underwriters as a group are as follows:

MATERIAL CONTRACTS

Except for material contracts made in the ordinary course of the Issuer's business, the only material contracts entered into by the Issuer within the two years preceding the date of this Prospectus are as follows:

1. The Agency Agreement disclosed in the section captioned "Plan of Distribution".
2. The Memorandum of Agreement dated July 29, 1987 disclosed in the section captioned "Business and Property of the Issuer".
3. The Amending Agreement dated December 31, 1988 disclosed in the section captioned "Business and Property of the Issuer".
4. The Assignment Agreement dated March 11, 1988 disclosed in the section captioned "Business and Property of the Issuer".
5. The Pooling Agreement disclosed in the section captioned "Pooled Shares".
6. The Principals' Shares Escrow Agreement disclosed in the section captioned "Escrowed Shares".
7. The Administrative Services Agreement disclosed in the section captioned "Interest of Management and Others in Material Transactions".
8. The Stock Option Agreements referred to in the section captioned "Options to Purchase Shares".
9. The Option to Purchase Agreement dated July 17, 1987 and the Amended Option to Purchase Agreement dated December 9, 1988 referred to in the section captioned "Other Material Facts".

All material contracts herein described may be inspected at Suite 100, 200 Granville Street, Vancouver, British Columbia during normal business hours during the distribution of the securities offered hereunder and for a period of thirty days thereafter.

OTHER MATERIAL FACTS

Pursuant to an Option Agreement dated July 17, 1987, as amended by an Amended Option to Purchase Agreement dated December 9, 1988, Richard E. Mosher granted to Melan Pardek, Harry Chew, Harry Lee and Peter Joe, all of whom are Directors of the Issuer, an option to purchase, in aggregate, 75,000 shares of the Issuer

at a price of \$0.25 per share, in accordance with certain stipulated terms and conditions.

There are no other material facts relating to the shares offered by this Prospectus which are not disclosed under the foregoing captions.

STATUTORY RIGHTS OF RESCISSION AND WITHDRAWAL

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

FIRST MANHATTAN RESOURCES CORP.

FINANCIAL STATEMENTS

JANUARY 31, 1989 AND

JULY 31, 1988, 1987 AND 1986

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HARI B. VARSHNEY

1.

CHARTERED ACCOUNTANT

TELEPHONE: (604) 684-2181
TELECOPIER: (604) 266-9914

301 - 535 HOWE STREET
VANCOUVER, B.C. V6C 2Z4

AUDITOR'S REPORT

To the Directors of
First Manhattan Resources Corp.

I have examined the balance sheets of First Manhattan Resources Corp. (a British Columbia corporation) as at January 31, 1989 and July 31, 1988, 1987 and 1986 and the related statements of deferred exploration, operations and deficit and changes in financial position for the period August 1, 1988 to January 31, 1989 and for the years ended July 31, 1988, 1987 and 1986. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Company as at January 31, 1989 and July 31, 1988, 1987 and 1986 and the results of its operations and the changes in its financial position for the period August 1, 1988 to January 31, 1989 and for the years ended July 31, 1988, 1987 and 1986 in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

February 14, 1989
Vancouver, B.C.



CHARTERED ACCOUNTANT



Member, Institute of Chartered Accountants of British Columbia

FIRST MANHATTAN RESOURCES CORP.
BALANCE SHEET
AS AT JANUARY 31, 1989 AND
JULY 31, 1988, 1987 AND 1986

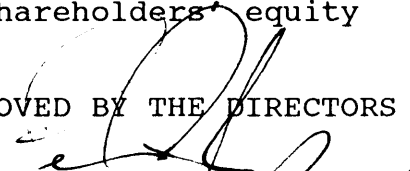
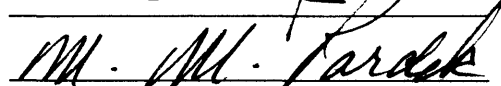
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ASSETS				
	<u>JANUARY 31,</u>		<u>JULY 31,</u>	
	<u>1989</u>	<u>1988</u>	<u>1987</u>	<u>1986</u>
Current				
Cash	\$ 2,073	\$ 5,588	\$28,745	\$ 4
Advances receivable	-	-	1,500	-
Prepaid expenses	1,000	1,000	1,000	-
Share subscriptions receivable	-	15,000	-	-
	<u>3,073</u>	<u>21,588</u>	<u>31,245</u>	<u>4</u>
Deferred Exploration (Note 2)	91,149	87,812	-	-
Mineral Property (Note 3)	10,000	10,000	10,000	-
Incorporation	500	500	500	500
	<u>104,722</u>	<u>119,900</u>	<u>41,745</u>	<u>504</u>
Total assets	\$104,722	\$119,900	\$41,745	\$ 504

LIABILITIES				
Current				
Accounts payable	\$ 31,974	\$ 17,914	\$ 9,835	\$14,670
Non-current				
Advance from shareholder	3,575	3,575	3,575	3,575
	<u>35,549</u>	<u>21,489</u>	<u>13,410</u>	<u>18,245</u>

SHAREHOLDERS' EQUITY				
Share Capital (company incorporated in British Columbia) (Notes 3 & 5)	\$165,400	167,900	81,400	34,650
Contributed surplus (Note (5(a)))	7,500	-	-	-
Deficit	(103,727)	(69,489)	(53,065)	(52,391)
	<u>69,173</u>	<u>98,411</u>	<u>28,335</u>	<u>(17,741)</u>
Total shareholders' equity	69,173	98,411	28,335	(17,741)
Total liabilities and shareholders' equity	<u>\$104,722</u>	<u>\$119,900</u>	<u>\$41,745</u>	<u>\$ 504</u>

APPROVED BY THE DIRECTORS


 _____ Director

 _____ Director

See notes to the financial statements.

FIRST MANHATTAN RESOURCES CORP.
STATEMENT OF DEFERRED EXPLORATION
FOR THE PERIOD AUGUST 1, 1988 TO JANUARY 31, 1989 AND
FOR THE YEARS ENDED JULY 31, 1988, 1987 AND 1986

	<u>PERIOD ENDED</u> <u>JANUARY 31,</u>	<u>YEARS ENDED JULY 31,</u>		
	<u>1989</u>	<u>1988</u>	<u>1987</u>	<u>1986</u>
DEFERRED EXPLORATION (Note 6):				
Geophysical, field work and supervision	\$ 3,187	\$33,967	\$ -	\$ -
Geological, engineering and mapping	-	20,907	-	-
Assaying	-	16,936	-	-
Supplies, lodging and travel	150	14,092	-	-
Fees and assessments	-	1,910	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Deferred Exploration	\$ 3,337	\$87,812	\$ -	\$ -
Deferred exploration, beginning of year	87,812	-	-	5,553
Less-exploration expenses relating to mineral property abandoned and written-off (Note 3)	-	-	-	(5,553)
	<hr/>	<hr/>	<hr/>	<hr/>
Deferred exploration, end of year	\$91,149 =====	\$87,812 =====	\$ - =====	\$ - =====

See notes to financial statements.

FIRST MANHATTAN RESOURCES CORP.
STATEMENT OF OPERATIONS AND DEFICIT
FOR THE PERIOD AUGUST 1, 1988 TO JANUARY 31, 1989 AND
FOR THE YEARS ENDED JULY 31, 1988, 1987 AND 1986

	<u>PERIOD ENDED</u> <u>JANUARY 31,</u>	<u>YEARS ENDED JULY 31,</u>		
	<u>1989</u>	<u>1988</u>	<u>1987</u>	<u>1986</u>
Expenses				
Professional fees	\$ 19,571	\$ 3,773	\$ 165	\$ 11,585
Management fee (Note 6)	7,000	12,000	500	-
Regulatory fees	5,847	-	-	-
Printing	1,169	-	-	-
Transfer agent	573	-	-	392
Telephone	-	336	-	-
Promotion	-	200	-	-
Licence and fees	-	-	-	410
Other	78	115	9	96
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	34,238	16,424	674	12,483
Write-off as a result of abandonment of mineral property (Note 3):				
- mineral claims	-	-	-	17,904
- deferred exploration	-	-	-	5,553
	<hr/>	<hr/>	<hr/>	<hr/>
Net Loss	\$ 34,238	\$ 16,424	\$ 674	\$ 35,940
Deficit, beginning of year (Note 4)	69,489	53,065	52,391	16,451
	<hr/>	<hr/>	<hr/>	<hr/>
Deficit, end of year	\$103,727	\$ 69,489	\$ 53,065	\$ 52,391
	=====	=====	=====	=====
Loss per share	\$.0238	\$.0115	\$.0007	\$.0386
	=====	=====	=====	=====

See notes to financial statements.

FIRST MANHATTAN RESOURCES CORP.
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE PERIOD AUGUST 1, 1988 TO JANUARY 31, 1989 AND
FOR THE YEARS ENDED JULY 31, 1988, 1987 AND 1986

	<u>PERIOD ENDED</u> <u>JANUARY 31,</u>	<u>YEARS ENDED JULY 31,</u>		
	<u>1989</u>	<u>1988</u>	<u>1987</u>	<u>1986</u>
Cash provided by (used in)				
Financial activities				
Shares subscribed	\$ 20,000	\$ 86,500	\$ 46,750	\$ -
Share subscriptions				
receivable	-	(15,000)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	20,000	71,500	46,750	-
	<hr/>	<hr/>	<hr/>	<hr/>
Cash provided by (used in)				
Operating activities				
Net loss	(34,238)	(16,424)	(674)	(35,940)
Add non-cash items				
Write-off of				
- mineral property	-	-	-	17,904
-Deferred exploration	-	-	-	5,553
	<hr/>	<hr/>	<hr/>	<hr/>
	(34,238)	(16,424)	(674)	(12,483)
Net changes in current assets				
and current liabilities				
Advance receivable	-	1,500	(1,500)	-
Prepaid expense	-	-	(1,000)	-
Deferred exploration	(3,337)	(87,812)	-	-
Accounts payable	14,060	8,079	(4,835)	8,912
Advance from shareholder	-	-	-	3,575
	<hr/>	<hr/>	<hr/>	<hr/>
	(23,515)	(94,657)	(8,009)	4
	<hr/>	<hr/>	<hr/>	<hr/>
Cash provided by (used in)				
Investing activities				
Purchase of				
mineral property	-	-	(10,000)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Increase (decrease) in cash	(3,515)	(23,157)	28,741	4
Cash, beginning of year	5,588	28,745	4	-
	<hr/>	<hr/>	<hr/>	<hr/>
Cash, end of year	\$ 2,073	\$ 5,588	\$ 28,745	\$ 4
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

See notes to financial statements.

FIRST MANHATTAN RESOURCES CORP.
NOTES TO FINANCIAL STATEMENTS
JANUARY 31, 1989 AND
JULY 31, 1988, 1987 AND 1986

1. Summary of Significant Accounting Policies

(a) Incorporation and Name Change

The Company was incorporated on February 14, 1984 under the name of Wyld River Explorations Ltd. and changed its name to Golden Dreams Resources Ltd. on March 15, 1984. On July 28, 1987 it changed its name again to First Manhattan Resources Corp.

(b) Mineral Properties

The company capitalizes all acquisition, exploration and development costs on a property by property basis until either commercial production is established or the property is abandoned. The costs of properties abandoned will be charged to expense in the year of abandonment. The cost of producing properties will be amortized on a unit-of-production method based upon estimated proven reserves.

(c) Loss per share

Loss per share has been calculated using the weighted average number of shares outstanding during the year.

(d) Change in accounting policies

Effective August 1, 1985, the company changed its capitalization policy relating to administrative costs. In prior years, all administrative costs were capitalized as part of the mineral property. Under its new policy, the company does not capitalize costs incurred for day-to-day corporate administration but charges them to earnings in the period incurred.

2. Deferred Exploration

Exploration costs relating to mineral properties are deferred until the property is brought into production, at which time the deferred costs are to be amortized on a unit of production basis, or until the property is abandoned or sold, at which time the deferred costs are to be written off.

The amounts shown as mineral property and deferred exploration represent unamortized costs to date and do not necessarily reflect present or future values.

During the years ended July 31, 1988 and 1987, the company incurred \$51,500 and \$23,750 respectively of exploration and development costs on behalf of shareholders pursuant to flow-through share subscriptions. The tax advantages applicable to \$75,250 of the exploration costs incurred by the company are available to the subscribers of shares and not to the company.

3. Mineral Property

During the year ended July 31, 1986, the company abandoned its 39 mineral claims located in the Thunder Bay Mining Division of Ontario. Accordingly, the exploration costs incurred on these claims in the amount of \$5,553 together with the acquisition costs of \$17,904 have been written-off.

By an agreement dated July 29, 1987, the Company acquired an option from Laurence Lazeo of Vancouver to acquire three unpatented mining claims located in Trail Creek Mining Division, B.C. By an agreement dated March 11, 1988, Laurence Lazeo assigned all his interest in the above claims to Norman McCartney of North Vancouver. The option was acquired for a purchase price of \$40,000. In addition, the Company has a commitment to issue 50,000 shares to the vendor.

Of the purchase price of \$40,000, the company paid \$10,000 upon execution of the agreement; \$15,000 is due upon the approval of the company's prospectus and the balance of \$15,000 on or before August 1, 1989.

To keep the option in good standing, the company is required to incur the following exploration expenditures on the claims:

- \$60,000 on or before December 31, 1987;
- an additional \$ 60,000 on or before December 31, 1988;
- an additional \$150,000 on or before December 31, 1989;
- an additional \$150,000 on or before December 31, 1990;
- an additional \$150,000 on or before December 31, 1991

The claims are subject to a 3% Net Smelter Return royalty (NSR). The company may acquire the vendor's entire interest in and to the NSR upon the payment of a sum of \$500,000 to the vendor.

No survey of the mineral property of the Company has been made and therefore in accordance with the laws of the jurisdiction in which the property is situated, its existence and area could be in doubt.

4. Prior Period Adjustment

As explained in Note 1 (d) the company changed its capitalization policy relating to administrative costs. As a result of this change, the balance of retained earnings (deficit) has been adjusted at July 31, 1985 by the cumulative amount of \$16,451. Out of this amount \$3,252 is applicable to 1985 and has been charged to income for that year. The remainder is applicable prior to August 1, 1984 and the balance of retained earnings (deficit) at that date has been adjusted accordingly.

5. Share Capital-(continued)

(c) Escrowed Shares

Effective October 10, 1988, 750,000 shares of the Company became the subject of an escrow agreement under which the shares may not be transferred, assigned or otherwise dealt with without the consent of the relevant regulatory body having jurisdiction thereon.

(d) Committed Shares

The Company has a commitment to issue 50,000 shares pursuant to the mineral property option referred to in Note 3.

6. Related Party Transactions

(a) Myntek Management Services Inc., a company 50% owned by one of the Directors, was paid \$7,000 during the period ended January 31, 1989, \$12,000 during the year ended July 31, 1988 and, \$500 during the year ended July 31, 1987 for providing management services.

(b) Ultraline Mining Services Inc., a company affiliated to one of the Directors, was paid \$42,449 for geophysical, geological and engineering services and related costs during the year ended July 31, 1988.

(c) One of the Directors was paid \$5,569 for geophysical work and related costs during the year ended July 31, 1988.

7. Subsequent Events

(a) Prospectus Filing

Subsequent to the balance sheet date, the Company intends to file a prospectus with the regulatory authorities of British Columbia constituting an offering to the public of 630,000 common shares of the Company at \$.35 per share.

(b) Stock Options

Effective February 9, 1989, stock options were granted to three directors and an employee of the Company to acquire in total 213,000 shares at \$.35 per share. The options are exercisable within a period of five years from the effective date of the prospectus referred to in Note 7(a).

REPORT

on the

VERMONT #1, #2, and #3 MINERAL CLAIMS
Trail Creek Mining Division , B.C.

N.T.S. 82 F 4W
Longitude 117 deg. 54'W
Latitude 49 deg. 03'N

for

FIRST MANHATTAN RESOURCES CORP.
605 - 475 Howe Street
Vancouver, B.C. V6C 2B3

by

ALEX BURTON, P. Eng.,
Burton Consulting Inc.,
901 - 626 West Pender Street,
Vancouver, B.C. V6B 1V9

AUGUST, 1988

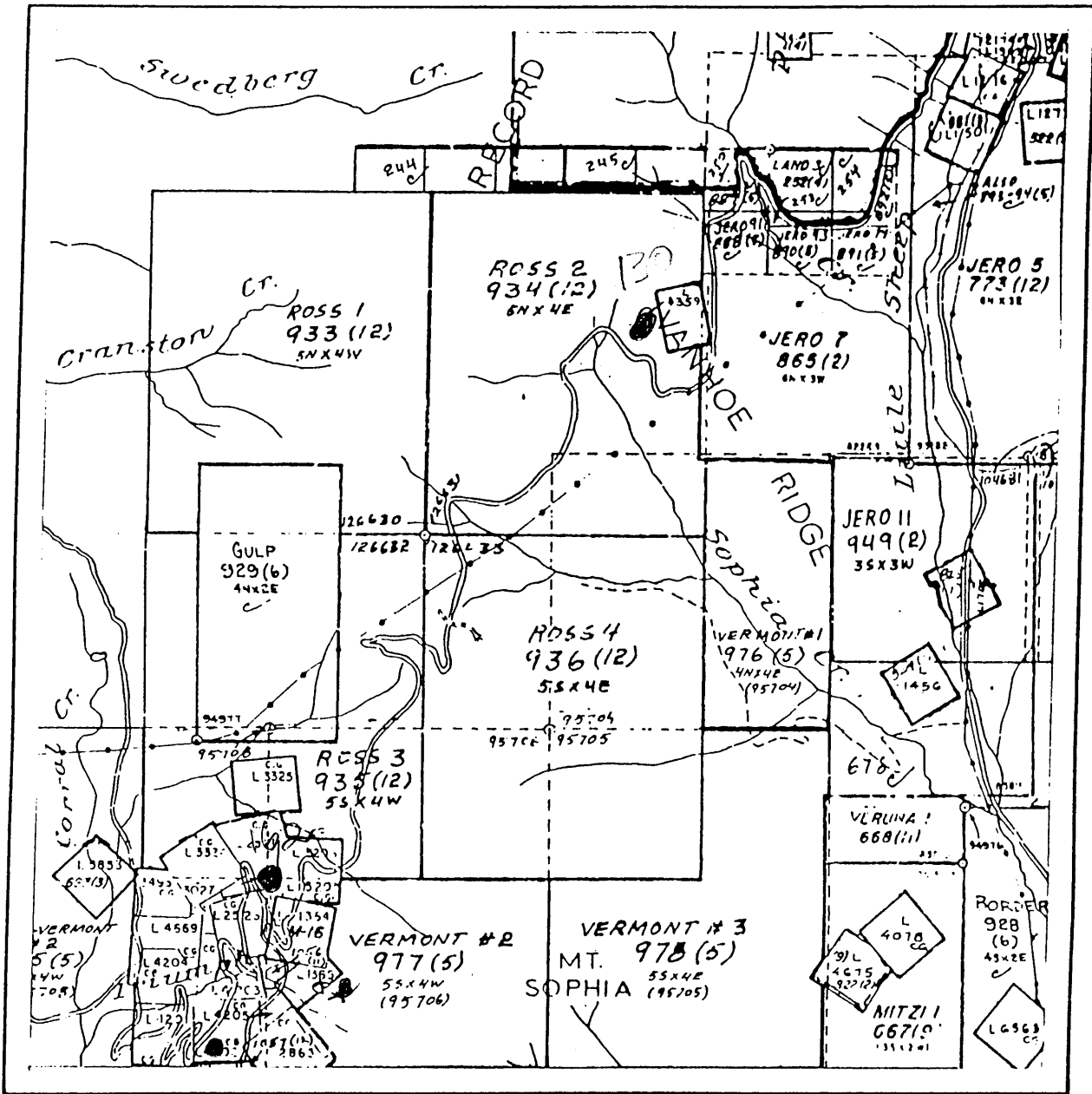
BURTON CONSULTING INC.

they are plotted on the government Claim Map. The claims overly old crown grants within their boundaries which do not exist any more and also overly existing crown grants along the west boundary which do exist and which do remove about four units from the west boundary of the Vermont #2 claim. Other claims along the north boundary have precedence and remove some area from the north of Vermont #2 and the west side of Vermont #1.

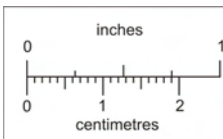
Work covered in this report was filed. On acceptance of the assessment work the claims will be valid till May 29, 1992.

DESCRIPTION OF PROPERTY

The claims are in the Monashee Mountains southwest of the town of Rossland on Mount Sophia between Little Sheep Creek on the east and Big Sheep Creek on the west. The claims extend north from the border with the United States of America. The claims consist of Vermont #1, Record No. 976, (16 units); Vermont #2, Record No. 977, (20 units) and Vermont #3, Record No. 978, (20 Units).



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This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.



FIRST MANHATTEN RESOURCES CORP.			
<h1>CLAIM MAP</h1>			
ROSA VERMONT CLAIM GROUP			
SCALE:	DATE:	MAP:	N.T.S.
1:50,000	AUG 88	2	82/F4

HISTORY

Rossland is a famous old gold-copper mining camp whose mines helped develop the Kootenays and Trail. Prospectors spread out from the Rossland camp westwards and found many showings on the slopes of Mount Sophia some of which were explored and registered as Crown Grant Mineral Claims. The Velvet Mine on the lower western slopes of Mount Sophia was the best known . It produced a gold rich copper ore. There remains an almost solid block of valid Crown Grant Mineral Claims between the western side of the Vermont #2 Claim and the Velvet Mine.

Within the area of the three Vermont Claims there are at least 11 old cancelled Crown Grant Mineral Claims. Exact positions await detailed surveying and mapping, but the list includes:

Ruth	L 3229
Ruth Fr.	L 3231
Golden Circle	L 4709
Esther	L 3230
Lisp	L 4693
Gertrude Emily	L 2878
Ethel Mary	L 2877
The Brothers	L 3602
Jungle Fr.	L 3603
Canada	L 4358
Swan	L 4357

There are another 5 to 10 cancelled Crown Grant Claims near the eastern and western borders of the Vermont Claims.

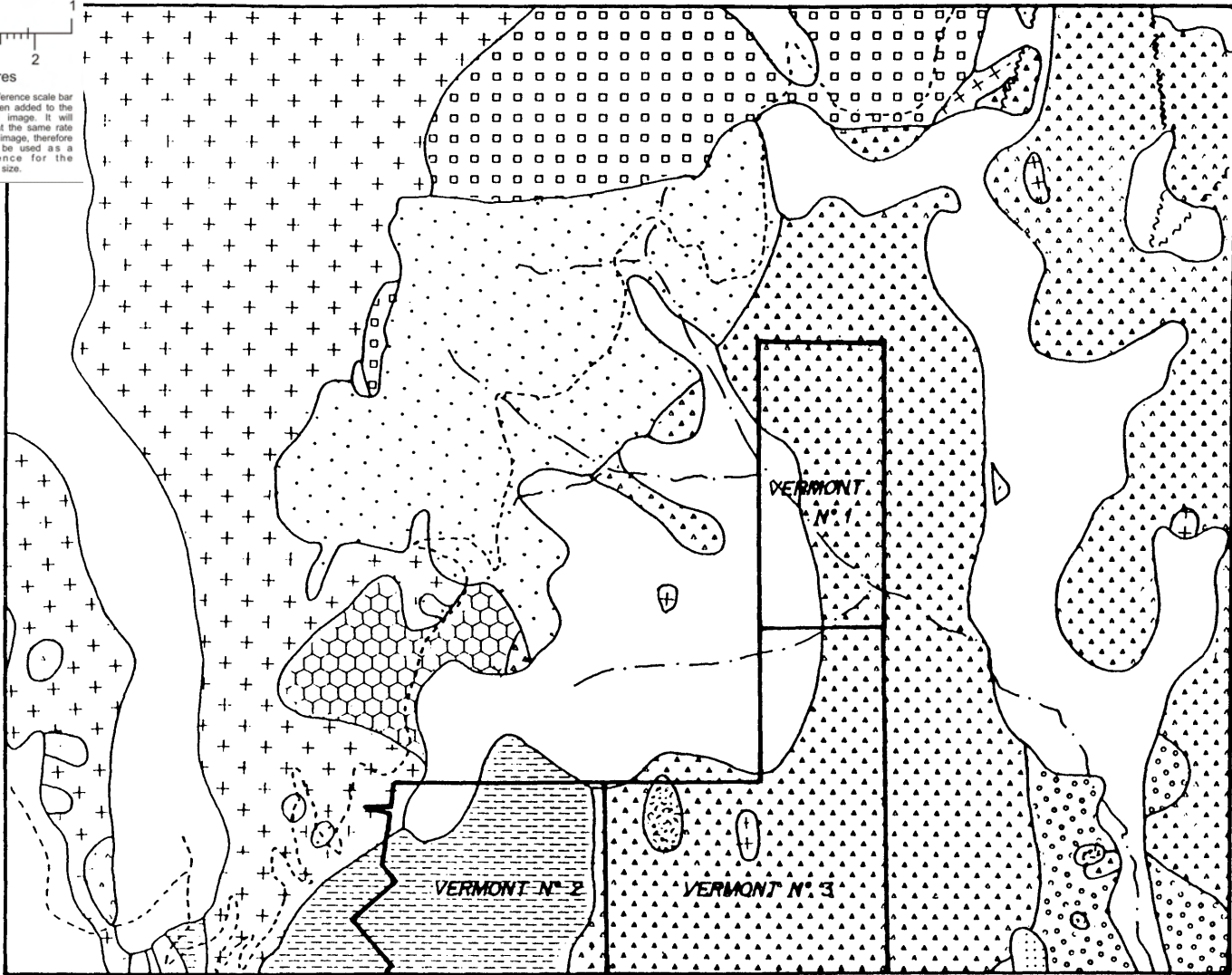
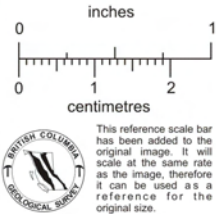
Known mineralization, seen by the author, mainly of gold, occurs on the west side of the Vermont #2 in the Eva L 4202, Douglas L 2865, Eva Fr. L 4205, Victory L 1365, and Triumph L 1364. Most of these zones strike NW-SE and strike into the Vermont #2 Claim.

Copper mineralization was also seen on the western boundary of the Vermont 2 in volcanics and ultrabasics.

The eastern and northern portions of the Vermont Claims have not yet been mapped or surveyed in detail.

GEOLOGY

The Rosslund camp has had much geological work by many prominent geologists. The most recent publications on the geology are Paper 79 - 26 published in 1982 by the Geological Survey of Canada with map at a scale of 1:50,000, and Bulletin 74 published in 1984 by the B.C. Ministry of Mines with map at a scale of 1:12,000. The map in Bulletin 74 is more detailed, but only reaches to the northern portion of the claims while the G.S.C. map covers all the claims.



MANHATTEN RESOURCES

L E G E N D

ROSA VERMONT CLAIM GROUP

GEOLOGY MAP

- | | |
|--|--|
| <p>QUATERNARY</p> <p>[Blank box] Unconsolidated sediments: till, sand, gravel, silt</p> <p>TERTIARY</p> <p>[Cross pattern box] Coryell intrusions: syenite, quartz monzonite, minor granite, pulaskite, & biotite-augite monzonite</p> <p>[Dotted pattern box] Sheppard intrusion: granite, syenite</p> <p>[Square grid pattern box] Marron formation: augite and/or hornblende and/or biotite andesite, trachyandesite</p> <p>[Scattered dots pattern box] Map unit TI (minor intrusion): hornblende-feldspar and hornblende porphyries</p> <p>CARBONIFEROUS (?)</p> <p>[Dotted pattern box] Ultramafic intrusion: serpentinite, some dunite</p> | <p>CRETACEOUS</p> <p>[Horizontal lines pattern box] Sophie Mountain Formation: coarse conglomerate with minor interbeds of siltstone and arenaceous argillite</p> <p>JURASSIC</p> <p>[Triangle pattern box] Elise Formation: flow breccia, massive andesites and basalts, agglomerate, tuff, breccia, black, laminated siltstone (Ijes) augite porphyry (IJeI)</p> <p>JURASSIC AND/OR CRETACEOUS</p> <p>[Hexagonal pattern box] Map unit Kap: quartz-feldspar porphyry</p> <p>CARBONIFEROUS (?)</p> <p>[Scattered dots pattern box] Mount Roberts Formation: black siltstone and argillaceous quartzite, slate, greywacke, chert pebble conglomerate, lava, limestone (PMrl), paragneiss (PMrgn)</p> |
|--|--|



SCALE 1: 50 000

In general terms the two maps agree. There is a Paleozoic sequence of sediments and ultramafics that are generally thought to be Carboniferous (Pennsylvanian) in age followed by a sequence of Mesozoic (Lower and middle Jurassic) volcanics and associated sediments. These two sequences are followed by the Jurassic or Cretaceous Intrusions. There is then an Upper Cretaceous conglomerate called the Mount Sophie Formation which occurs largely on the southern part of the claims. Eocene volcanics and sediments along with various intrusions complete the geological section. Glaciation has covered portions of the area with unconsolidated sediments.

Significant differences between the two maps occur in the assigning of sediments to either the Carboniferous Mount Roberts Formation or the sedimentary sections of the Lower and Middle Jurassic Rossland Group. The assignment to the correct age grouping is difficult because of similarity of rock types and the lack of identifying fossils.

Rock chips were collected during the soil sample collection. Where outcrop was seen samples were chipped from the bedrock. In most cases no outcrop was seen so the chips were collected from the soil sample pit.

BURTON CONSULTING INC.

The rock chips were examined by a geologist later in town and an attempt was made to relate the chips to bedrock geology and to note any associated mineralization. In general the areas of Coryell intrusive rocks, and the Mount Sophia conglomerates were outlined well by the chips, but also were spread out further to the east over areas underlain by the Elise Formation. This is probably due to a combination of more competent fragments and the generally easterly trend to the glacial movement of material. Surprisingly the plot of chips with sulphides matched the areas of known mineralization and the geochemical anomalies in a rough manner. This technique may have value in overburden covered areas.

ECONOMIC GEOLOGY

Mines in the Rosslund Group produced gold and copper. The most famous of these were the Le Roi, Centre Star, War Eagle, and Josie. Red Mountain Mines Limited produced molybdenum from 1966 to 1972. These mines are north and east of the claims. The Velvet Mine which also produced significant gold and copper is west of the claims. Some 50 other mines within the camp have had some recorded production.

There are three main types of mineral deposits in the camp. The copper - gold veins with minor lead and zinc, the gold veins, and the molybdenum deposits. The mines mentioned in the previous paragraph produced the great bulk of ore from the copper - gold veins.

The gold veins are generally southwest of Red Mountain cutting volcanics and sediments. Their spectacular shoots of high grade mineralization continue to attract attention.

Except for the molybdenum deposits the veins occupy fissures or fractures related to regional fracture systems or subordinate to major faults.

On the Vermont Claims gold veins occupy northwest trending fissures that are sub parallel to intruding Coryell dykes. Adits and pits on the Victory Lot 1365 continue southeast onto the Vermont #2 and relate to gold in soil geochemical anomalies that extend even further southeast into the Vermont #2 Claim.

Copper mineralization was seen close to the western boundary of the Vermont #2.

The eastern portion of the Vermont Claims which includes the reverted crown grant mineral claims listed in the history section have not yet been prospected, the number of showings on them is not known.

SURVEY GRID

Compass and hip chain was used to run a metric north south base line along the western boundary of the Vermont #2 Claim. This base line was called 1250 West. Another north-south base line was run at zero west. East-west cross lines were run at 100 metre spacings with stations every 25 metres. The grid covered the ground controlled by the Vermont #2 and the western half of the ground controlled by the Vermont #3. No grid or other work was done on the Vermont #1.

Line 1500 South roughly coincides with the American border.

The most northerly line is zero south. Lines go from the base line at 1250 West to zero East and on to 1250 East. Lines were blazed and marked with flagging tape.

GEOPHYSICS

Magnetometer Survey

Magnetometer readings were taken in the field by technicians using a Scintrex MP-3 Proton magnetometer with another as a base station in Rossland. Readings were taken at each 25 metre station on east-west lines 100 metres apart.

After adjustment for any diurnal variation readings were plotted to the nearest gamma or tenth of a gamma. The base station was assumed at 56,500 gammas, contours were at 200 gammas.

Values ranged from a low of 125 to a high of 2436.6 gammas. Most readings are within a couple hundred gammas from the 1,000 gamma contour line, which is the most common. The 1,000 gamma contour is only rarely exceeded by 4 or 5 contour lines (800 to 1,000 gammas) and then mainly by single reading anomalies.

Similarly the readings are seldom lower than the 1,000 gamma contour line by more than 1 or 2 contour lines (200 to 400 gammas).

This pattern suggests a magnetically uniform survey area with individual sharp variations. The sharp variations may be due to magnetite in the ultrabasics, whether in bedrock or glacial material.

The grid is 25 metres wide in an east-west direction and 100 metres long in a north-south direction, so tends to emphasize north-south contour directions. More contour lines run north-south than any other direction. There are some noticeable variations from this trend. The northwestern portion of the survey has an area that is three contour intervals above the common 1,000 gamma contour. This northwest portion of the survey essentially coincides with the eastern edge of the Coryell intrusive rocks shown on the geological maps.

The southwestern part of the survey with 1,000 or lower gamma readings down to 700 or 800 gammas coincides with the Mount Sophia conglomerate. This conglomerate extends easterly to about line 450 east, when the geology from the government maps are plotted on the 1:5,000 scale base map. When the magnetic readings are compared with the geology it looks like the Mount Sophia conglomerate extends two hundred metres further east to about 650 East on the grid where a different magnetic

pattern matches the plotted position of the Elise Formation which here consists of andesitic to basaltic volcanics with interbedded siltstones. Magnetics over the Elise have a background in the 1,000 to 1,400 gamma range with sharp peaks from 2,000 to 2,400 gammas.

An area mapped as hornblende feldspar porphyry intrusive matches a flat area of magnetics in the 700 to 900 gamma range.

The magnetics mirror the bedrock geology by outlining the Mount Sophia conglomerates, the Coryell intrusives, the Elise formation, and the porphyry. The ultrabasic bodies known to the northwest did not show up.

Electromagnetic Survey (VLF)

A Scintrex VLF 3 instrument was used to take very low frequency electromagnetic readings at each station in conjunction with the magnetic readings. At each station readings were taken using the Annapolis, Hawaii, and Seattle transmissions. Readings were plotted as unfiltered in-phase and as quadrature readings. Fraser filtered in-phase readings were plotted separately.

No major structures showed up on either the unfiltered or the filtered readings. The southeastern quadrant of the survey area showed greater amplitudes in the Fraser filtered in-phase readings.

It is possible that with detailed work on the property some of the crossovers may relate to the known N.W. faulting direction or other detailed features.

ASSAYS

Grab samples taken by Prospector Mr. Mel Pardek on the property and from adjacent showings are listed in Acme Analytical Laboratories Ltd., Certificate No. 88-2584. Samples D35612,14,15,20,21 and 24 were from showings on the Vermont Claims. Samples D35610,13,16,19 and 25 were from Mt. Sophia conglomerates. The remainder of the samples were from adjacent showings.

The conglomerate contains minor amounts of silver and gold. The showings on the Vermont Claims contain copper, lead, zinc, silver and gold in significant amounts.

ACME ANALYTICAL LABORATORIES LTD. DATE RECEIVED: JULY 11 1988
 852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
 PHONE(604)253-3158 FAX(604)253-1716 DATE REPORT MAILED: *July 15/88*

ASSAY CERTIFICATE

- SAMPLE TYPE: P1 ROCK P2 PAN-CONS.
 AU** AND AG** BY FIRE ASSAY FROM 1/2 A.T.

ASSAYER: *C. Leong* D. TOYE OR C. LEONG, CERTIFIED B.C. ASSAYERS

FIRST MANHATTEN RES. File # 83-2584 Page 1

SAMPLE#	Cu %	Pb %	Zn %	Ag** OZ/T	Au** OZ/T
D 35606	.21	7.80	5.90	3.15	.001
D 35607	2.95	1.21	31.20	8.28	.001
D 35608	.03	4.58	.34	1.71	.004
D 35609	.14	7.98	7.22	2.44	.002
D 35610	-	-	-	.04	.001
D 35611	.22	6.55	9.57	2.39	.003
- D 35612	.08	10.29	4.07	1.46	.001
D 35613	-	-	-	.01	.001
- D 35614	.12	20.19	9.32	2.91	.002
- D 35615	.13	4.82	3.98	1.10	.002
D 35616	-	-	-	.07	.001
D 35617	1.02	5.09	9.83	17.74	.001
D 35618	2.77	4.79	36.40	12.63	.001
D 35619	-	-	-	.46	.002
- D 35620	-	.04	.11	.10	.001
- D 35621	-	.49	.52	.09	.002
D 35622	.14	4.20	4.11	1.53	.002
D 35623	.19	2.87	4.56	1.41	.003
- D 35624	-	-	-	.11	.001
D 35625	-	-	-	.06	.001

GEOCHEMISTRY

Soil samples were collected at each station as the geophysical readings were taken. Samples were taken by digging below the snow at each 25 metre station on lines 100 metres apart. Generally soil was collected from below the organic layer in the shallow partially developed soil. On the upper slopes soils were shallow, in the order of a few centimetres lying on fresh bedrock. Areas of deeper soils were on the lower slopes where soil thicknesses would reach a metre or two. Thicker soils usually are in deeper stream drainages or are glacial material. In one area transported glacial material was seen lying unconformably above a weathered and oxidized sulphide zone.

In spite of this when the -80 mesh sized portion of the soil was geochemically analyzed there were some significant relationships to bedrock mineralization.

Gold in the -80 mesh part of the soil showed a strong correlation to known gold veins in the western portion of the soil grid. This is centered on the Ruth lot 3229, an abandoned Crown Grant within the Vermont #2 Mineral Claim.

The gold (from 20 to +100 ppb) anomaly was confirmed by a good lead anomaly (+100 ppb) and moderate zinc (+200 ppm) and silver (+1 ppm) anomalies. These anomalous zones could not be related to individual veins when field checked later in the year after the snow had melted. But they could be related to the general zone of gold bearing veins seen in that area.

It appears that there are two more gold bearing zones within the confines of the survey area.

The first zone is north trending along the west flank of the peak of Mount Sophia. This is an area that has always been somewhat difficult of access, there are no abandoned Crown Grants over this anomalous zone. The gold values (+100 ppb) are erratic but within the zone, are backed up by a very linear north-south strong lead (+40 ppm) anomaly, and supported by strong zinc (+100 ppm) and silver values (1 to 300 ppm) within the north-south anomaly. Chrome is somewhat higher in this anomalous zone.

RECOMMENDATIONS

All of the geochemical anomalies should be explored. In addition, the untested eastern and northern parts of the claims should be explored. Geochemical soil sampling and magnetometer readings on a grid with 100 metre spacings is adequate combined with prospecting and geological mapping. The anomalies and showings presently discovered need to be trenched, blasted and sampled. A third stage of diamond drilling is programmed, subject to approval of a Professional Engineer. A budget has been prepared for Stages Two and Three, Stage one having been completed.

BUDGET

Stage One

In excess of \$80,000.00 has been expended in exploration on the property by First Manhattan mainly on the western portion of the claims.

Stage Two
Eastern and Northern Portion of the Claims

Soil grid, geochemistry, geophysics, and prospecting	\$ 20,000.00
Road access, trenching, drilling and blasting	40,000.00
Contingency	<u>10,000.00</u>
Total Stage Two	<u>\$ 70,000.00</u>

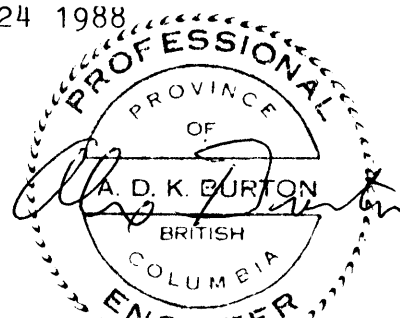
Stage Three

Stage Three diamond drilling is conditional on the recommendations of a Professional Engineer.

Diamond drilling	\$ 60,000.00
Total Stage Three	<u>\$ 60,000.00</u>

Total Stage Two & Three \$130,000.00

October 24 1988



BURTON CONSULTING INC.

REFERENCES

Memoir 38, G.S.C. by R.A. Daly. Geology of the Forty-Ninth Parallel Map 81A.

Special Map of Rossland No. 1002 by R.W. Brock, Young, & Boyd. 1909 G.S.C.

Memoir 308, Nelson Map Area, West Half, H.W. Little, 1960

Open File 1195, Geological Notes, Nelson West Half, 1973

Geological Setting of the Rossland Mining Camp, Bulletin 74, Minister of Energy Mines & Pet. Res., 1984

Paper 79-26, Geology of the Rossland-Trail Map Area, 1982.

C E R T I F I C A T E

I, ALEX BURTON do hereby certify that I am an independent Consulting Geologist with offices at 901 - 626 West Pender Street, Vancouver, B.C. V6B 1V9.

I FURTHER CERTIFY THAT:

1. I am a geology graduate of the University of British Columbia and am a registered Professional Engineer in B.C. with Certificate No. 6262 and a Fellow of the Geological Association of Canada.

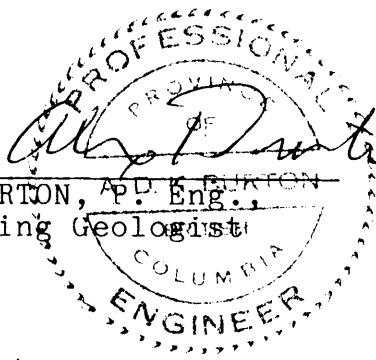
2. I have practised my profession for over 30 years both as an independent consultant and in senior managerial capacity for major mining companies in Canada and other countries.

3. I reviewed the work done by First Manhattan Resources Corp. on the Vermont #1, #2 and #3 Mineral Claims. I visited the property three times over the course of this work.

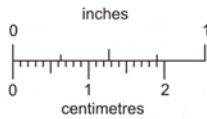
4. I have no personal interest, directly or indirectly in the securities of FIRST MANHATTAN RESOURCES CORP. or the Claims, nor do I expect to receive directly or indirectly any interest in such property or securities.

5. I consent to the use of this report by FIRST MANHATTAN RESOURCES CORP., in any prospectus or Statement of Material Facts in any Stock Exchange.

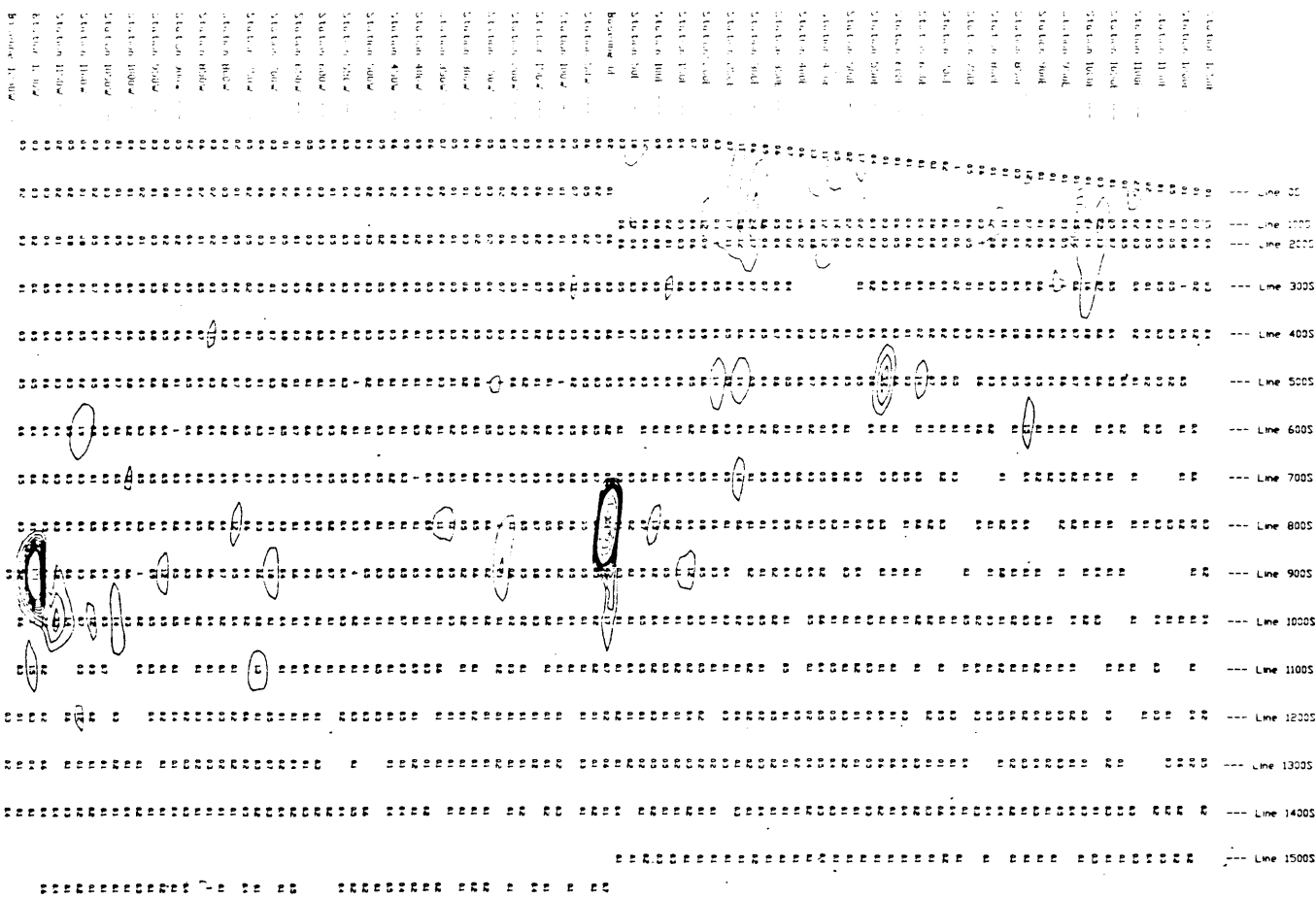
Dated this August 12, 1988 in Vancouver, B.C.


ALEX BURTON, P. Eng.,
Consulting Geologist

BURTON CONSULTING INC.

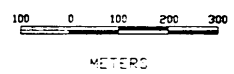
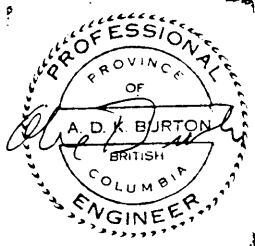
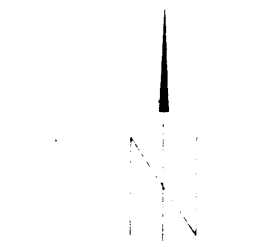


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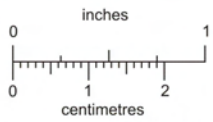


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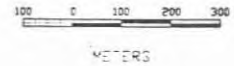
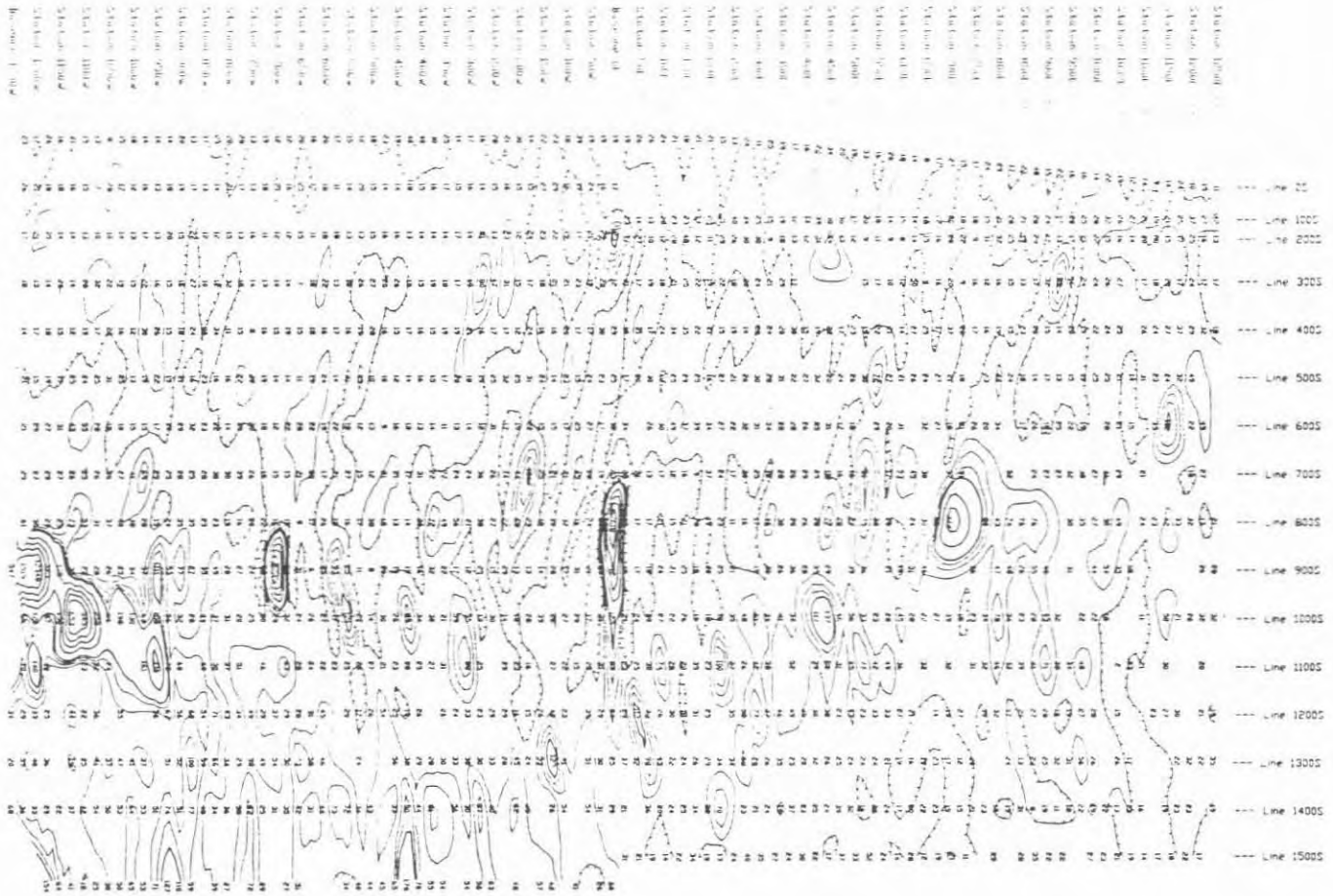
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ROSA VERMONT CLAIM GROUP	
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SOIL GEOCHEMISTRY	
SILVER	
ROOSELAND BC	
DATE: MARCH 1988	FIGURE NO.



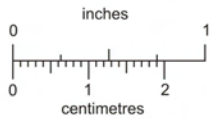
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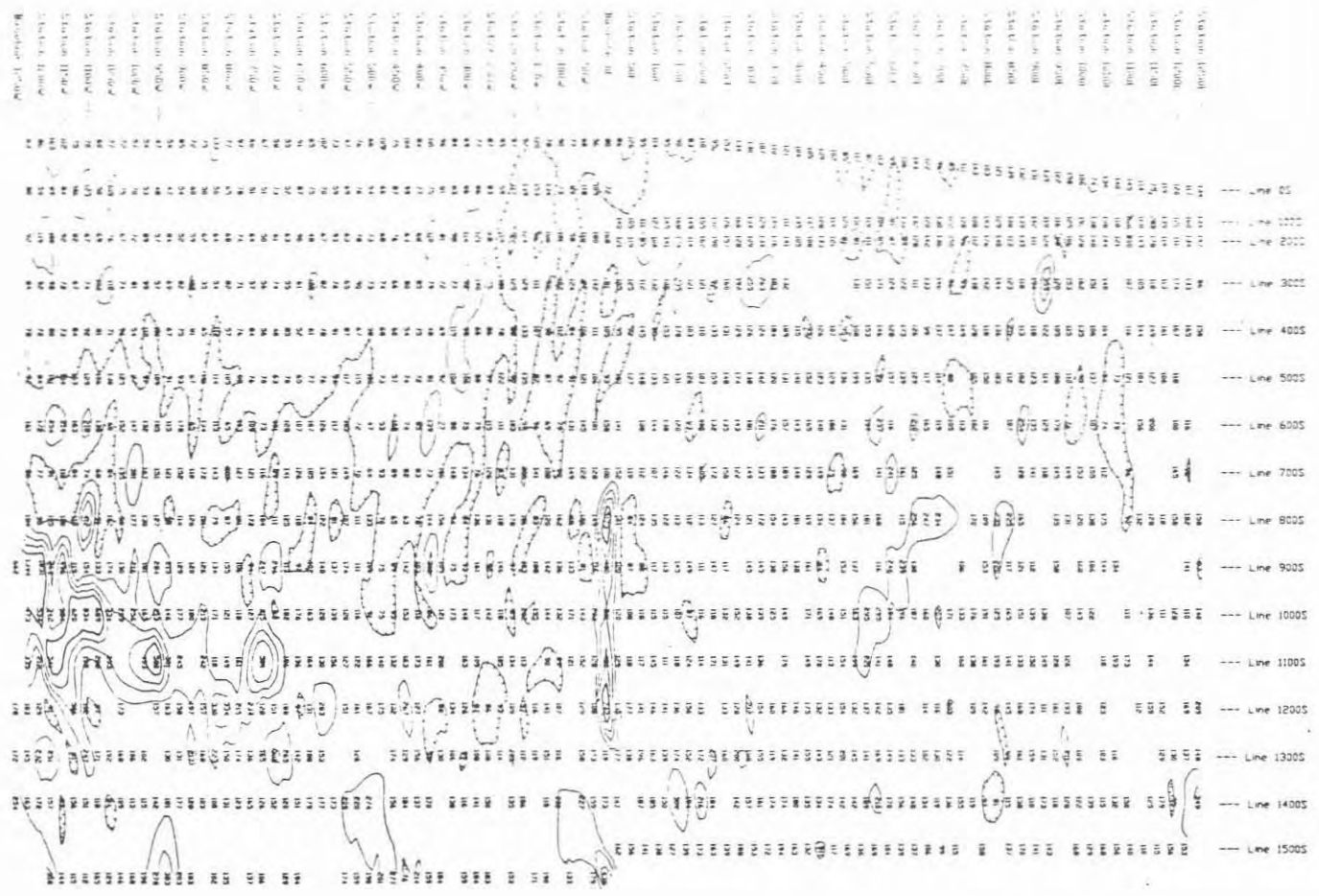
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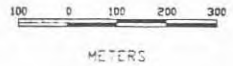
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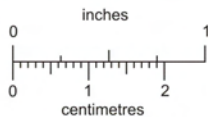
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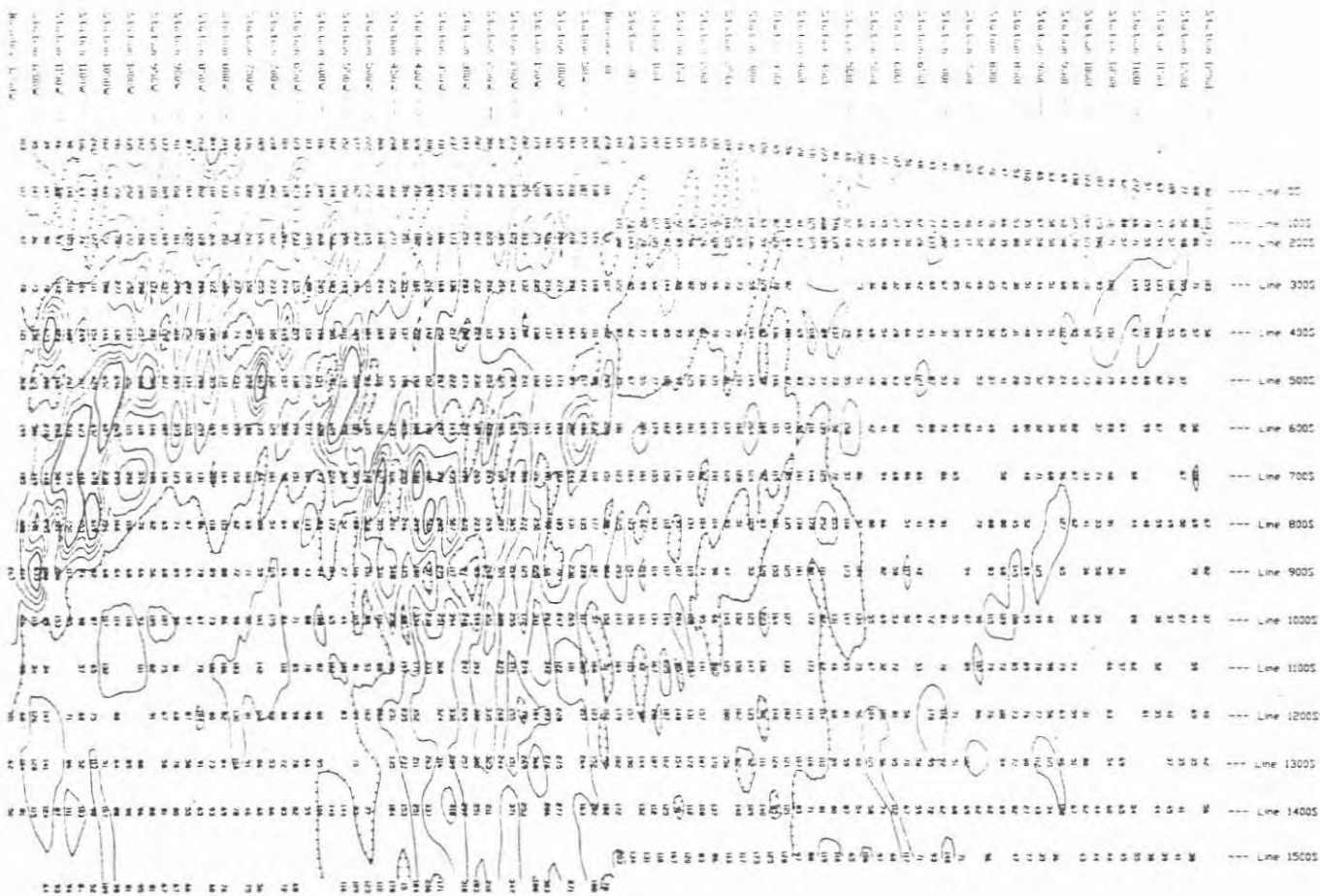
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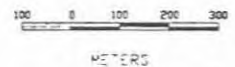


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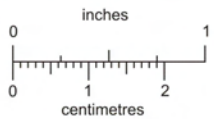


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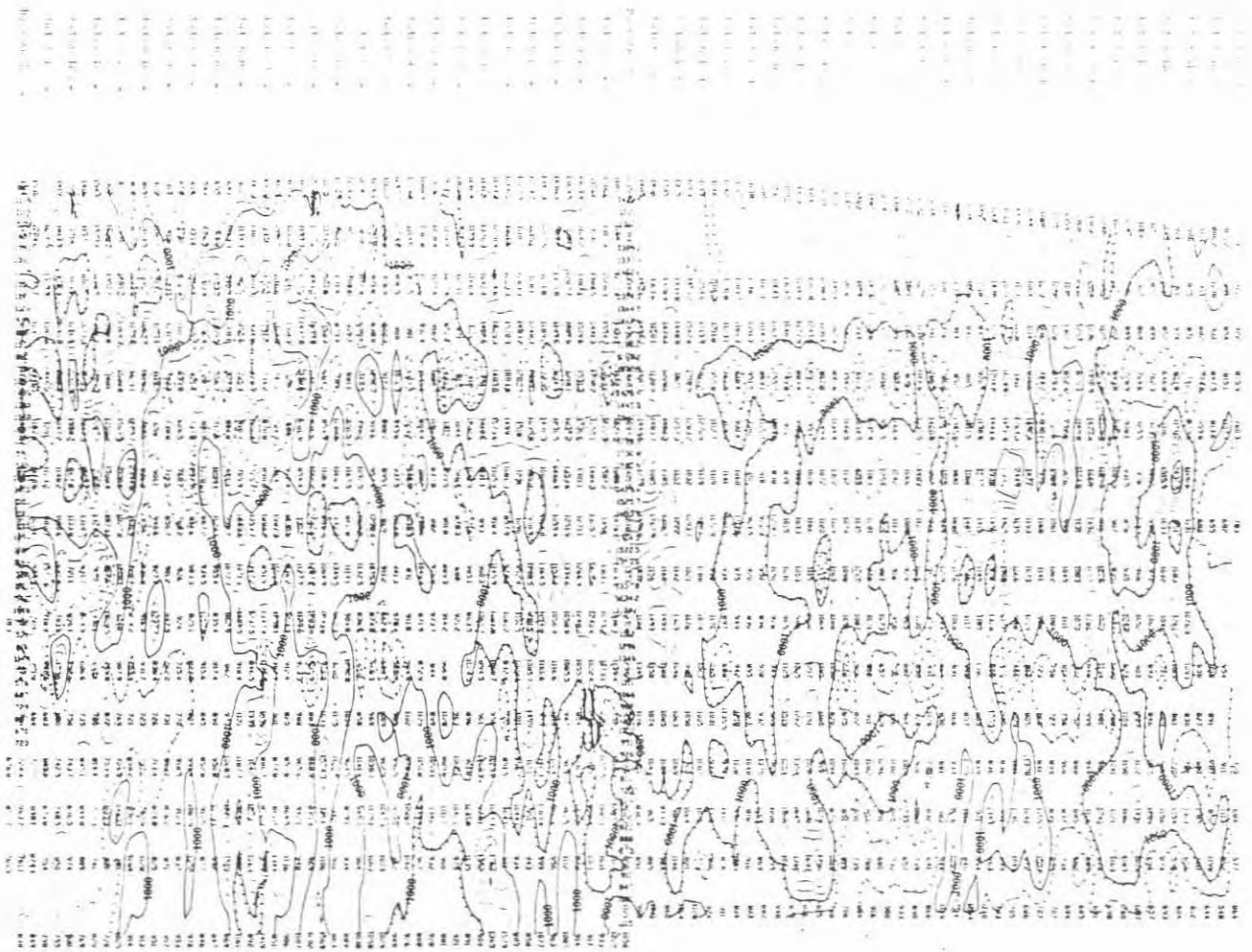
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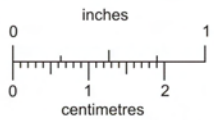


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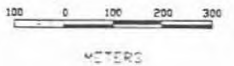
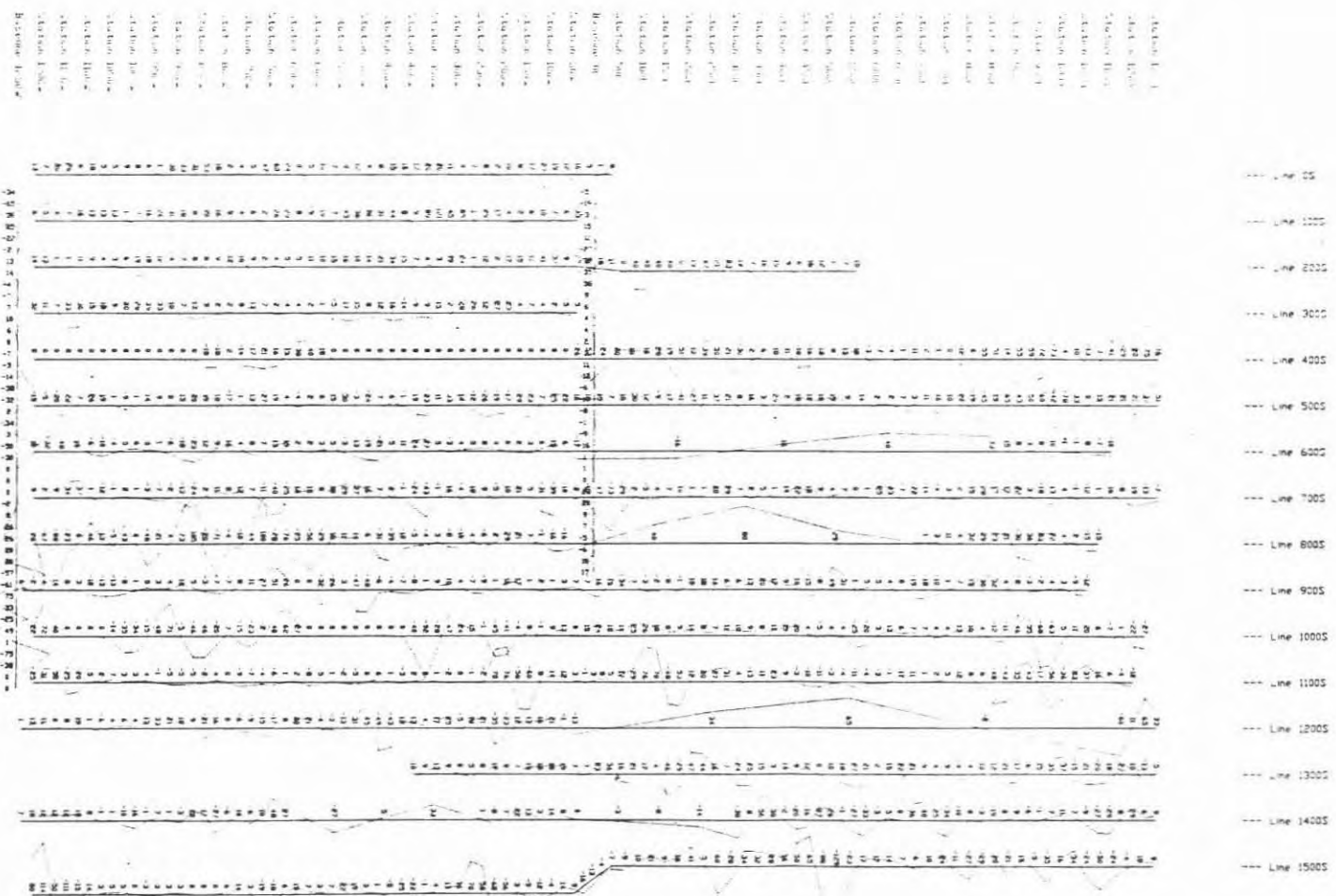


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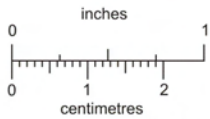
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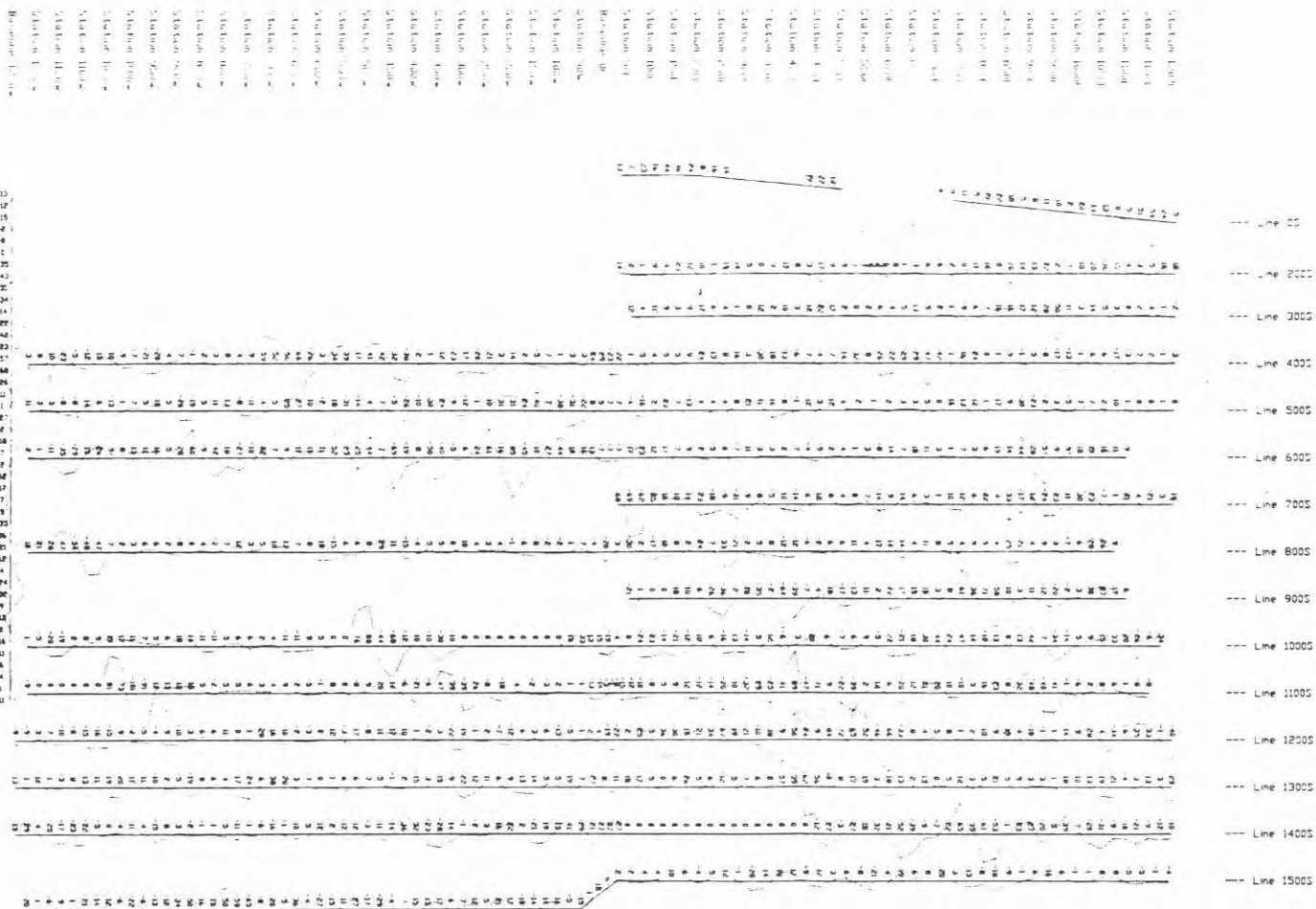
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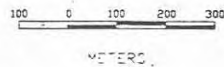


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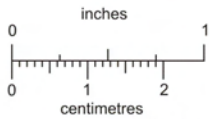


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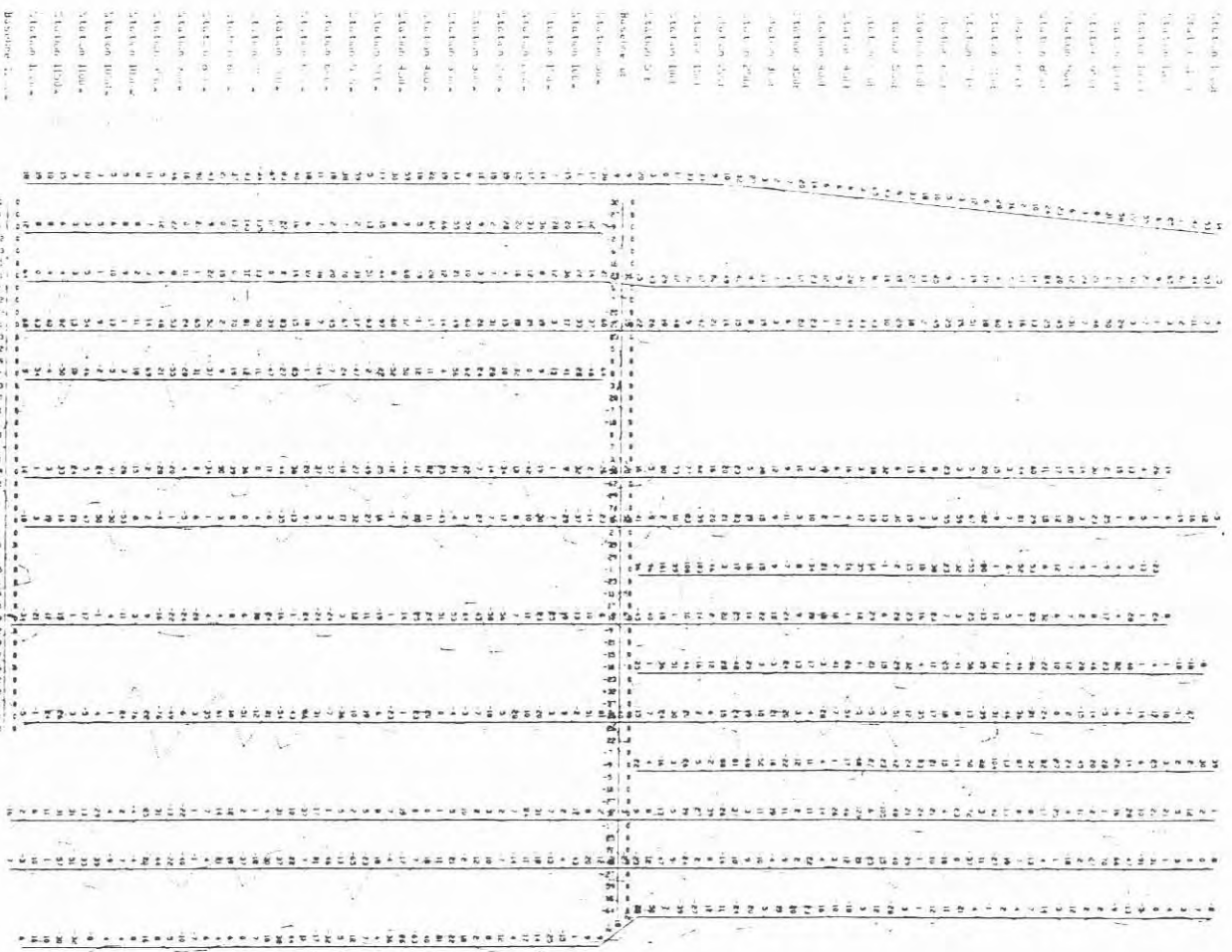
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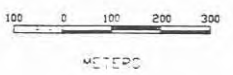


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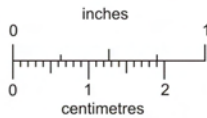
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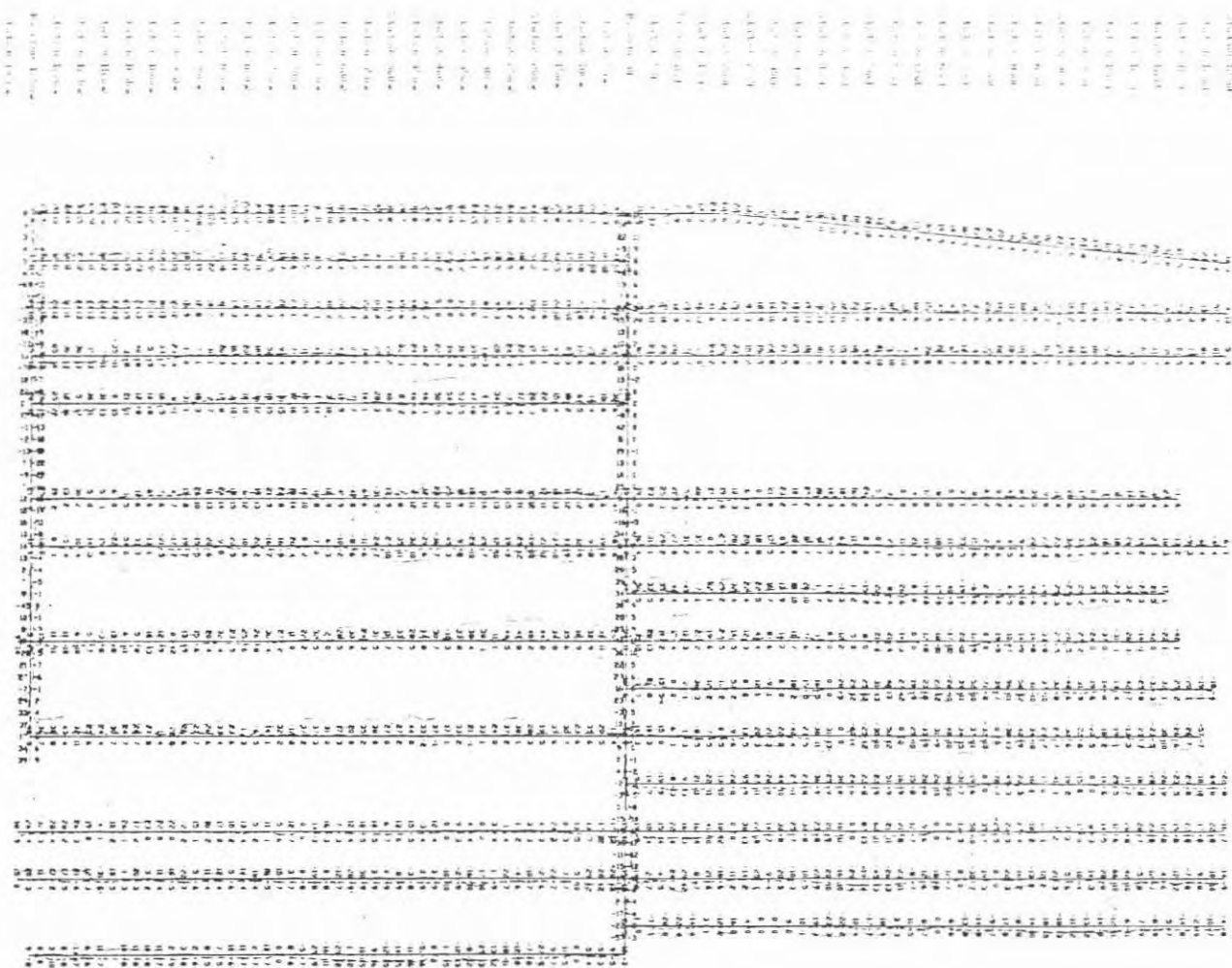


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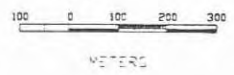
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ROSA VERMONT CLAIM GROUP
PLOTTER: DPM MAPPING
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DATE: MARCH 1998
PLOTTER BY: RPA



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PROFILE AMPLITUDE
 FOR BOTH INPHASE AND QUADRATURE
 PERCENT

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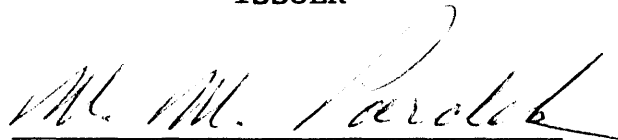
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DATE BY: J. A.	DATE PLOTTED: 1988
BY: J. A.	FILE NO.

C E R T I F I C A T E

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the Securities Act and its regulations.

DATED: April 4, 1989


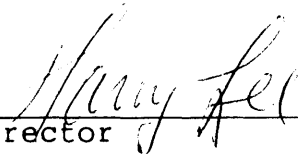
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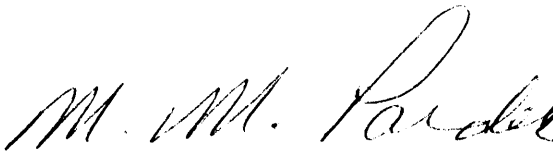
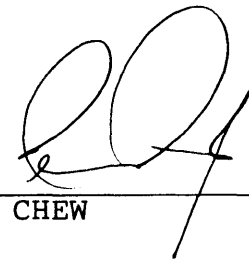
MELAN M. PARDEK

President and Chief Executive Officer

ON BEHALF OF THE BOARD OF DIRECTORS


Director
Director

PROMOTERS


MELAN M. PARDEK
HARRY CHEW

AGENT

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the Securities Act and its regulations.

GEORGIA PACIFIC SECURITIES CORPORATION

Per: 