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SUMMARY

The information on this page is a summary only and is qualified by more detailed information contained elsewhere in this Prospectus.

THE OFFERING

Issue: 300,000 Shares
Price: \$0.50 Per Share

Use of Proceeds: The estimated net proceeds of \$135,000 to be received by the Company from the Issue, together with working capital as at April 18th, 1988 of \$798 will be used as follows: \$10,000 for cost of this Issue; \$85,000 to carry out an exploration program on the Company's mineral property; and the remaining balance will be used for working capital.

The Company intends to carry out a program of geological mapping, soil surveying, road work, reconnaissance prospecting, trenching and diamond drilling on ten mineral claims located in the Trail Creek Mining Division, Province of British Columbia. The previous development and the future development plans in respect to these mineral claims are set out herein under the heading "Description of Business and Property" beginning on page 2.

There is no known body of ore on the Company's property. In the event that the Company's exploration program as described in this Prospectus is successful, the Company will require additional financing in order to further develop the Company's property. These funds may not be available. There is no existing market for the shares of the Company. Exploration for minerals is a speculative venture necessarily involving substantial risks in respect to discovering commercial quantities of ore, or if they are discovered, to funding exploration and development costs, or if put into production, to successfully market the materials produced. The Company's property include mineral claims which have not been surveyed and therefore, the precise location of these properties may be in doubt.

In addition, other "Risk Factors" are set out on pages 7, 8 and 9 of this Prospectus under that heading including dilution and methods to resolve possible conflicts of interest.

Upon completion of this Offering this issue will represent 20.69% of the shares then outstanding as compared to 56.9% that will then be owned by the controlling persons, promoters, directors and senior officers of the Company.

NAME AND INCORPORATION

Tobex Resources Ltd. (the "Company") was incorporated on July 7th, 1987 under the Company Act of the Province of British Columbia by the registration of its Memorandum and Articles. By the provisions of the Company Act, R.S.B.C. 1979 as amended, the Company will be deemed to be a reporting company upon the issue of a receipt for this Prospectus.

The head office of the Company is 616 - 837 West Hastings Street, Vancouver, B.C. V6C 1B6. The registered and records office of the Company is 430 - 580 Hornby Street, Vancouver, B.C. V6C 3B6.

DESCRIPTION OF BUSINESS AND PROPERTY

Business

The Company is a natural resource company engaged in the acquisition, exploration and development of mining properties. The Company has interests in the properties described below and intends to seek and acquire additional properties worthy of exploration and development.

Property

GOLD DUST-DECOY-AD CLAIM GROUPS
TRAIL CREEK MINING DIVISION
PROVINCE OF BRITISH COLUMBIA

The Company has a 100% interest in two groups of mineral claims located in Trail Creek Mining Division, Province of British Columbia which are described as follows:

<u>Claim Name</u>	<u>Record No.</u>	<u>Expiry Date</u>
(GOLD DUST GROUP)*		
Gold Dust #1 - 4 Inclusive	967 - 970 Inclusive	May 29th, 1991
Decoy	931	December 19th, 1990
Decoy #2	932	December 19th, 1990

(AD GROUP)**

AD #1 - 4
Inclusive

1049 - 1052
Inclusive

October 26th, 1988

The mineral claims were acquired as follows:

(a) Gold Dust #1 - 4, from Lawrence Lazeo in consideration for \$10,000;

(b) Decoy and Decoy #2 from Ronald G. Tjader in consideration for \$5,000.00;

(c) AD 1 - 4 by staking and recording.

* Four Crown Grants or reverted Crown Grants lie within the boundary of Decoy #2 and are not part of the property. The Decoy #2 and partly the Decoy cover part of the same ground as Gold Dust #1 and #2. One reverted Crown Grant lies within the boundaries of Gold Dust #3 and #4. The total area is thus approximately 2,000 hectares.

** These claims lie to the southeast of the Gold Dust. The two groups are separated by about 500 meters. About 1/4 of the AD claim ground is covered by a mineral and placer reserve. As a result of the reserve, the Company was required and did give to the provincial government, a release permitting the use or occupation of the area over which the reserve is granted, for any purposes connected with the development of hydro-electric power.

The north boundary of the Gold Dust claims lies approximately along the south city limits of Trail, B.C. It extends south of Lookout Mountain and is very approximately bounded by Ryan and Cambridge Creeks. The AD group lie to the southeast with the Columbia River to the east and the U.S. Border to the south. The two claim groups are separated by about 500 meters.

The north part of the Gold Dust group can be reached by an old narrow, overgrown mine road from the city limit, going south by switchbacks up the hillside and into the Gorge Creek basin. The southern and eastern part of the claims can best be reached by paved road to the small settlement of Casino, seven kilometers southeast of the City of Trail, and then by a logging road to the south part of Gold Dust #4 and a further two kilometers by a jeep road built by the Company, to about the centre of Gold Dust #3. The western part of the group, the Decoy and Decoy #2 can be reached by a dirt road up Cambridge

Creek and by an old logging road up the west hillside of Lookout Mountain. The AD group can be reached by a dirt road south along Columbia River to Shephard flats at about the southeast corner of the claim group. No roads cross the claims.

History

The Rossland-Trail area has a long and very active history of mineral exploration and production.

The first claim in the region, the Lily May, was located in 1887. The main producing claims were staked in 1890. Exploration was started immediately and small hand-picked ore shipments were sent to Smelter. Development and shipments gradually increased and a smelter at Trail was fired up in 1896. Peak production was reached in 1904 with 360,000 tons and averaged 286,000 tons for the next 13 years. It declined sharply in 1917 and continued to decline until 1928 when the main mines closed. Total output has been 5.4 million tonnes, at an average recovered grade of 15.68 grams gold per tonne; 19.65 grams silver per tonne and 1% copper was also recovered. At today's prices, this is worth about 1.3 billion dollars.

Several veins were located in the south belt (the eastern end of which is covered by the Gold Dust Decoy claims) such as the Mayflower-Blue Bird vein which has been traced for some 1,200 meters, the Homestake vein which may be over 2,200 metres long and the Crown Point vein which is west of the property. Considerable underground work has been done on these claims, but only modest production has taken place.

The Rossland-Trail area has a very large number of Crown Grants, reverted Crown Grants and surveyed Crown Granted claims which are no longer in existence. The claim group encompasses fully or in part five Crown Grants and reverted Crown Grants and also 55 Crown Grants no longer in existence.

Some of the above "claims" are found in the reference material. Ten different areas of mineralization are briefly described where exploration consisted of shafts, drifts and trenching. The majority of this work was done in the Gorge Creek basin near the south and west ridge on the Gold Dust #1 claim and further south and west on the Decoy claims. These references are from 1897.

Very little reference to the claim area is found in later years. Minor production is noted from the "Ural Claim" (4 tonnes grading 54.5 g/tonne) which is now in part covered by the Decoy claims.

About 1 1/2 kilometers east of the property is located the Casino Red Cap or WD Mine. It has recorded production of 5,514 tonnes grading 14.75 g gold, 4.34 g silver, 0.108% zinc and 0.109% lead per tonne.

Assessment work reports describe minor work by parties other than the Company in the vicinity of the AD claims exploring for gold near the Waneta Thrust Fault. The results were negative. The company carried out a soil survey over part of the Gold Dust claims during the fall of 1987. It consisted of 40.8 kilometers of line and a total of 1,617 samples which were analysed for copper, gold, silver, lead, zinc, antimony and arsenic. Several areas of anomalous soil values were located. Also, the Company carried out road construction, assaying and magnetometer work on the property. To date, the Company's total cost of exploration is \$72,807. The results of this work are set out in the report of E. Livgard, P.Eng. dated January 8th, 1988 which forms part of this Prospectus.

Little exploration work has apparently been carried out on the AD claims, however, a few old Crown Grants, not now in existence, were located on the ground and a property examination by Mike Gerg located several areas of highly oxidized rocks.

The Company intends to carry out Stage I of the program recommended in the report of E. Livgard, P.Eng. dated January 8th, 1988. Stage I consists of trenching, soil sampling, roadwork, geological mapping and reconnaissance prospecting and diamond drilling at an estimated cost of \$85,000. The report also recommends, contingent on the results of Stage I, as Stage II of the program of roadwork, diamond drilling, soil surveying, geological mapping, roadwork and trenching, at an estimated cost of \$135,500.

There is no surface or underground plant or equipment on the property.

THERE IS NO KNOWN BODY OF COMMERCIAL ORE ON THIS PROPERTY.

The proposed program is an exploratory search for ore.

INTERIM OPERATIONS

Since February 29th, 1988, the Company has not conducted any operations.

PLAN OF DISTRIBUTION

The Company, by an agreement (the "Agency Agreement") dated January 15th, 1988 appointed Continental Carlisle Douglas as its Agent ("Agent") to offer the Shares through the facilities of the Vancouver Stock Exchange (the "Exchange") on a Best Efforts basis.

The Company by its Agent hereby offers (the "Offering") to the public through the facilities of the Exchange 300,000 shares (the "Shares") of the Company at a price of \$0.50 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 Issuer, with the consent of the Exchange, within a period of 180 days from the date (the "Effective Date") upon which the Shares of the Company are conditionally listed on the Exchange.

The Agent will receive a commission of \$0.05 per share on the sale of the shares.

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 or 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 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 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.

CONDITIONAL LISTING ON THE VANCOUVER STOCK EXCHANGE

The Vancouver Stock Exchange has conditionally listed the securities being offered pursuant to this Prospectus. Listing is subject to the Company fulfilling

all the listing requirements of the Vancouver Stock Exchange on or before October 24th, 1988, including prescribed distribution and Financial Statements.

Minimum Subscription

In the opinion of the Directors of the Company, the proceeds of this Offering will be sufficient to carry out the recommended program of work and to maintain the Company's properties in good standing. In the opinion of the Company's Directors, it will be necessary to sell 300,000 shares offered by this Prospectus in order to raise sufficient funds to carry out the recommended program and to provide for administration and adequate working capital. All monies received from the sale of shares sold pursuant to this Prospectus in British Columbia during the 180 day period following the date of acceptance for filing of the Prospectus by the Superintendent, shall be held in trust by the Agent or the Company's Registrar or Transfer Agent until the minimum subscription has been sold, and if the minimum subscription of 300,000 shares have not been sold within 180 days of the acceptance, all monies will be returned in full to the subscribers.

MARKET FOR SECURITIES

The price to be paid to the Company for the shares offered for sale by the Prospectus was set by negotiations between the Company and the Agent.

RISK FACTORS

The shares offered by this Prospectus must be considered speculative, generally because of the nature of the Company's business. In particular:

1. There is no known body of ore on the Company's property. 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 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 source of future funds presently available to the Company is through the sale of equity capital. The only alternative for the financing of further exploration would be 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, which is not presently contemplated.

2. There is no established market for the shares of the Company.

3. Exploration for minerals is a speculative venture necessarily involving some substantial risk. There is no certainty that the expenditure to be made by the Company in the acquisition and exploration of the interests described herein will result in discoveries of commercial quantities of ore.

4. The mining industry in general is intensely competitive and there is no assurance that even if commercial quantities of ore are discovered, a ready market will exist for the sale of same. Factors beyond the control of the Company may affect the marketability of any substances discovered.

5. The existence of title opinions should not be construed to suggest that the Company has good and marketable title to all of the property described in this Prospectus. The Company follows usual industry practice in obtaining title opinions with respect to its properties. The Company must expend monies to carry out further work on the property described in this Prospectus in order to keep in good standing the interests as described under the heading "Business and Property" on page 2 of this Prospectus.

6. The Company's property include mineral claims which have not been surveyed, and therefore, the precise location of this property may be in doubt.

Certain of the Directors serve as director of other reporting companies or have significant shareholdings in other reporting companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the Directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a Board of Directors meeting, a Director who has such a conflict will abstain from voting for or against the approval of such a participation or such terms. 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 one 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 the Province of British Columbia, the Directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company 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 Company may be exposed and its financial position at that time.

The value of the net tangible assets of the company other than the value of its mineral property based on the Company's financial statements as at February 29th, 1988 is \$4,515. The proposed expenditures from the Use of Proceeds raised by the Offering described in this Prospectus will not increase net tangible assets owned by the Company other than the value of its mineral property.

DILUTION

The Shares offered under this Prospectus will be subject to a dilution of \$0.35 per Share (70%).

Upon completion of this Offering this issue will represent 20.69% of the shares then outstanding as compared to 56.9% that will then be owned by the controlling persons, promoters, directors and senior officers of the Company.

USE OF PROCEEDS

The net proceeds to be derived by the Company from the Offering will be the sum of \$135,000 which together with working capital (as at April 18th, 1988) of \$798 shall be spent as follows:

1. To pay the costs of Issue, estimated at	\$ 10,000
2. To carry out Stage 1 of the program recommended by E. Livgard, P.Eng., as set out in his report dated January 8, 1988 on the Company's property;	85,000
3. To reserve for working capital;	<u>40,798</u>
	<u>\$135,798</u>

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

The proceeds from the sale of shares offered by this Prospectus are intended to be used for the purposes set forth above, and in carrying out the above program of work and the Company will not discontinue or depart from the recommended program of work unless advised in writing by its consulting engineer to do so. Should the Company contemplate any such change or departure, notice thereof will be given to all shareholders.

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 completion of the primary distribution of the shares offered by this Prospectus, shareholders will be notified of changes in the affairs of the Company in accordance with the requirements of the appropriate regulatory authorities.

DESCRIPTION OF SHARES AND SHARE CAPITAL STRUCTURE

The authorized capital of the Company consists of 10,000,000 common shares without par value. As of the date of this Prospectus, 1,150,000 common shares were issued and outstanding.

All common shares of the Company, both issued and unissued, rank equally as to dividends, voting powers and participation in assets. No shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights and no provision for redemption, purchase for cancellation, surrender or sinking or purchase funds. Provisions as to the modifications, amendments or variations of such rights or such provisions are contained in the Company Act of the Province of British Columbia.

As at February 29th, 1988, the Company had no

contributed surplus or retained earnings. As at that date, the Company's Balance Sheet recorded a deficit of \$15,178.

Designation	Amount of Security Authorized	Amount Issued & Outstanding as of February 29, 1988	Amount Outstanding as of April 18, 1988	Amount Outstanding if all Securities are Sold
Common	10,000,000	1,150,000	1,150,000	1,450,000

PRIOR SALES

During the period from incorporation of the Company on July 7th, 1987 to the date of this Prospectus, the Company sold the following shares for cash:

<u>Number of Shares</u>	<u>Price per Share</u>	<u>Commissions Paid</u>	<u>Net Cash Received</u>
750,000 *	\$0.01	Nil	\$ 7,500
400,000 **	\$0.25	Nil	<u>100,000</u>
1,150,000			\$107,500

* These shares are held in escrow. Reference should be made to the item "Escrowed Shares" on page 14 of this Prospectus.

** 175,000 of these shares were sold on a flow-through basis. The subscriptions were expended on Canadian mineral claims. The purchasers of the shares issued as a result of flow-through share subscriptions shall receive certain benefits pursuant to the Income Tax Act (Canada). These benefits will vary in accordance with the subscribers circumstances.

Since incorporation, no shares have been issued for a consideration other than cash.

PRELIMINARY EXPENSES

Since incorporation to April 18th, 1988, the Company has expended \$17,240 on administrative expenses and \$74,442 for exploration and development expenses

including staking and recording fees as described on page 3. The Company expects to expend \$30,000 for administrative expenses, \$85,000 on exploration expenses during 1988. The proposed administrative expenses will include transfer agents fees, legal fees, audit and accounting fees, office and telephone expenses, printing costs and all other expenses normally required to carry out the administrative requirements of the Company.

DIRECTORS AND OFFICERS

The names, addresses and principal business or occupations of which each of the Directors and Officers of the Company have been engaged during the immediately preceding five years are as follows:

<u>Name and Address and Office Held</u>	<u>Principal Occupation For Past Five Years</u>
KARL SCHINDLER * 4793 Commercial Drive Vancouver, B.C. V5N 4G8 DIRECTOR	Mine Manager & Director of Robert Mines Ltd.; Director of Palladin Fuel Energy Inc., Lemming Resources Ltd. & Westron Venture Ltd.
WILLIAM EDWARD SCHMIDT * 2920 West 20th Avenue Vancouver, B.C. V6L 1H5 DIRECTOR	Self-Employed Barrister and Solicitor with Hemsworth, Schmidt
MICHAEL GERG * 3856 Winlake Crescent Burnaby, B.C. V5A 2G5 PRESIDENT & DIRECTOR	Retired Businessman; Presi- dent & Director of Westron Venture Ltd.
SUZANNE MARGUERITE TAKEUCHI 7948 Lakefield Drive Burnaby, B.C. V5E 3W8 SECRETARY	Secretary, Norsemont Mining 1983-1987; Secretary Glen- coe Management Ltd. 1987 to Present

* member of the Audit Committee.

Egil Livgard, P.Eng. has agreed to act as the consultant to the Board of Directors of the Company in respect to property development. Mr. Livgard has not

entered into a contract with the Company in this regard. Mr. Livgard has practiced his profession for over 25 years. He is a consulting geological engineer registered with the Association of Professional Engineers of British Columbia since 1976.

EXECUTIVE COMPENSATION

One of the executive officers, Michael Gerg, is employed on a full time basis by the Company. He receives no management fee or other consideration in this respect nor is any such remuneration or compensation expected to be paid to Mr. Gerg or other officers of the Company at the present time. There are no directors or employees stock options granted. William E. Schmidt, a Director of the Company, is a partner in the law firm of Hemsworth, Schmidt which has received \$5,500.00 from the Company for legal fees and which will be paid for legal services from time to time.

ACQUISITIONS

During the past year, the Company acquired the following property interests located in Trail Creek Mining Division, British Columbia:

- (a) Gold Dust #1 - 4 from Lawrence Lazeo in consideration for \$10,000.00;
- (b) Decoy and Decoy #2 from Ronald G. Tjader in consideration for \$5,000.00;
- (c) AD #1 - 4 by staking and recording.

Reference should be made to the item "Description of Business and Property" on page 2 of this Prospectus for a description of the properties.

PRINCIPAL HOLDERS OF SECURITIES

As of the date of this Prospectus, the following table sets forth the number of shares owned of record or beneficially, directly or indirectly, by each person who owns more than 10% of the Company's shares.

<u>Name and Address</u>	<u>Type of Ownership</u>	<u>Designation of Class</u>	<u>Number of Shares</u>	<u>Percentage of Shares Outstanding</u>
GMK INVESTMENTS LTD. * 3856 Winlake Cres. Burnaby, B.C. V5A 2G5	Direct, Beneficial	Common	780,000	67.83%

* Michael Gerg and his wife, Kaethe Gerg each own 50% of the issued shares of GMK Investments Ltd.

The percentage of common shares held by all directors, promoters, senior officers or their associates, beneficially owned, directly or indirectly, of the Company are as follows:

<u>Designation of Class</u>	<u>Percentage of Class</u>
Common	71.74%

ESCROWED SHARES

As of the date of this Prospectus, 750,000 common shares are held in escrow by Yorkshire Trust Company, 1100 Melville Street, Vancouver, B.C. subject to the direction or determination of the Office of Superintendent of Brokers ("Superintendent"). The escrow restrictions provide that the 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 shares without the consent of the Superintendent.

The complete text of the escrow agreement is available for inspection at the registered office of the Company at 430 - 580 Hornby Street, Vancouver, B.C.

<u>Designation of Class</u>	<u>Number of Shares Held in Escrow</u>	<u>Percentage of Class</u>
Common	750,000	65.22%

POOLED SHARES

None.

DIVIDEND RECORD

The Company has not since the incorporation of the Company on July 7th, 1987 paid any dividends on any of its shares. The Company has no present intention to pay dividends, but, the future dividend policy will be determined by the Board of Directors on the basis of earnings, financial requirements and other relevant factors.

PROMOTERS

By virtue of the definition as set out in Section 1(1) of the Securities Act (British Columbia) the Directors of the Company are the Promoters of the Company.

The Promoters have acquired the following common shares in the capital of the Company:

<u>Name</u>	<u>No. of Shares</u>	<u>Price per Share</u>
Michael Gerg *	750,000	\$0.01 (cash paid)
	30,000	\$0.25 (cash paid)
Karl Schindler	5,000	\$0.25 (cash paid)

* Held indirectly.

Under the heading "Executive Compensation" there are set out further details in respect to the Promoters.

PENDING LEGAL PROCEEDINGS

The Company is not a party with respect to any legal proceedings nor does it contemplate any legal proceedings at this time.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Directors and Senior Officers of the Company have no interest in any material transactions in which the Company has participated or intends to participate at this time, save and except as disclosed in this Prospectus.

MATERIAL CONTRACTS

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

The material contracts of the Company include the following:

1. The Agency Agreement dated January 15th, 1988.
2. An Escrow Agreement in respect to 750,000 shares.
3. Bills of Sale transferring the mineral claims to the Company for the consideration described on page 3 of this Prospectus.

Material contracts may be inspected at the offices of Hemsworth, Schmidt, of 430 - 580 Hornby Street, Vancouver, B.C. during normal business hours during the period of primary distribution of the securities being offered under this Prospectus.

OTHER MATERIAL FACTS

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

TRANSFER AGENTS AND REGISTRARS AND AUDITORS

The Registrar and Transfer Agent for the Company is Yorkshire Trust Company, 1100 Melville Street, Vancouver, B.C. The Auditor for the Company is Bruce F. Jamieson & Co., Certified General Accountant, of 407 - 325 Howe Street, Vancouver, B.C.

PURCHASER'S STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

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

TOBEX RESOURCES LTD.
FINANCIAL STATEMENTS
FEBRUARY 29, 1988

TOBEX RESOURCES LTD.
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AUDITOR'S REPORT

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STATEMENT OF OPERATING, FINANCING AND INVESTING ACTIVITIES

SCHEDULE OF DEFERRED EXPLORATION AND DEVELOPMENT COSTS

NOTES TO THE FINANCIAL STATEMENTS

Exhibit A

Exhibit B

Exhibit C

Schedule I

BRUCE F. JAMIESON & CO.
CERTIFIED GENERAL ACCOUNTANT

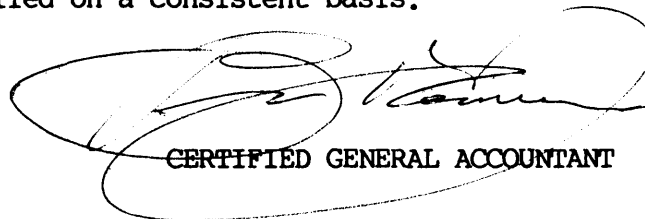
#407 - 325 HOWE STREET
VANCOUVER, B.C. V6C 1Z7
Telephone: (604) 684-3354

AUDITOR'S REPORT

To the Shareholders of
Tobex Resources Ltd.

I have examined the balance sheet of Tobex Resources Ltd. as at February 29, 1988, the statement of administration costs and deficit, the statement of operating, financing and investing activities, and the schedule of deferred exploration and development costs for the period July 7, 1987, date of incorporation, to February 29, 1988. 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 February 29, 1988 and the results of its operations and changes in its financial position for the period then ended, in accordance with generally accepted accounting principles applied on a consistent basis.



CERTIFIED GENERAL ACCOUNTANT

Vancouver, B.C.
March 18, 1988

TOBEX RESOURCES LTD.
 BALANCE SHEET
 FEBRUARY 29, 1988

ASSETS

Current Assets	
Bank accounts	\$ 4,486
Prepaid expense	<u>1,029</u>
	5,515
Mineral Properties, including deferred costs (Notes 2 and 4)	<u>87,807</u>
	<u>\$ 93,322</u>

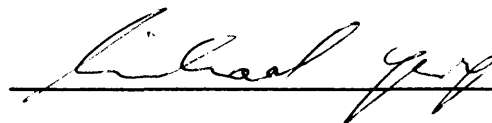
LIABILITIES

Current Liabilities	
Accounts payable	\$ 1,000

SHAREHOLDERS' EQUITY

Share Capital (Note 5)	107,500
Deficit	<u>(15,178)</u>
	<u>\$ 93,322</u>

Approved on Behalf of the Board:

 Director

 Director

The accompanying notes are an integral part of the financial statements.

TOBEX RESOURCES LTD.

STATEMENT OF ADMINISTRATION COSTS AND DEFICIT

FOR THE PERIOD JULY 7, 1987, DATE OF INCORPORATION, TO FEBRUARY 29, 1988

ADMINISTRATION COSTS:

Bank charges	\$ 43
Insurance	637
Office	134
Professional fees	8,506
Stock exchange listing fees	4,350
Telephone	59
Transfer agent	850
Travel and promotion	<u>599</u>
INCREASE IN DEFICIT FOR PERIOD	15,178
DEFICIT AT BEGINNING OF PERIOD	<u>-</u>
DEFICIT AT END OF PERIOD	<u>\$ 15,178</u>

The accompanying notes are an integral part of the financial statements.

TOBEX RESOURCES LTD.

STATEMENT OF OPERATING, FINANCING AND INVESTING ACTIVITIES
 FOR THE PERIOD JULY 7, 1987, DATE OF INCORPORATION, TO FEBRUARY 29, 1988

OPERATING ACTIVITIES:	
Increase in accounts payable	\$ 1,000
Decrease (Increase) in prepaid expense	(1,029)
Decrease (Increase) in deficit	<u>(15,178)</u>
	<u>(15,207)</u>
FINANCING ACTIVITIES:	
Issue of share capital for cash	<u>107,500</u>
INVESTING ACTIVITIES:	
Acquisition of mineral properties	15,000
Deferred exploration and development costs	<u>72,807</u>
	<u>87,807</u>
INCREASE IN CASH DURING PERIOD	4,486
CASH AT BEGINNING OF PERIOD	<u>-</u>
CASH AT END OF PERIOD	<u>\$ 4,486</u>
Cash Consists of:	
Bank accounts	<u>\$ 4,486</u>

The accompanying notes are an integral part of the financial statements.

TOBEX RESOURCES LTD.

SCHEDULE OF DEFERRED EXPLORATION AND DEVELOPMENT COSTS

FOR THE PERIOD JULY 7, 1987, DATE OF INCORPORATION, TO FEBRUARY 29, 1988

Accommodation and meals	\$ 2,324
Assays	1,796
Contract labour	1,875
Drafting	750
Equipment rental	10,668
Engineering	10,300
Licence and recording fees	880
Linecutting	1,250
Miscellaneous	1,420
Staking	4,180
Supplies	1,393
Surveys	34,104
Travel	<u>1,867</u>
COSTS INCURRED DURING PERIOD	72,807
BALANCE AT BEGINNING OF PERIOD	<u>-</u>
BALANCE AT END OF PERIOD	<u>\$ 72,807</u>

The accompanying notes are an integral part of the financial statements.

TOBEX RESOURCES LTD.
NOTES TO THE FINANCIAL STATEMENTS
FEBRUARY 29, 1988

1. NATURE OF OPERATIONS

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Deferred Costs

The company is in the exploration stage with respect to its investment in natural resource properties and accordingly follows the practice of capitalizing all costs related to the exploration project, until such time as the project is put into commercial production, sold or abandoned. If commercial production commences, these capitalized costs will be amortized on a unit-of-production basis.

Exploration costs renounced due to flow-through share subscription agreements remain capitalized, however, the company has no right to these expenses nor the depletion allowance for tax purposes.

b. Administration Costs

The company has adopted the accounting policy of allocating administration costs to deficit in the period incurred.

c. Values

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

3. INCORPORATION

The company was incorporated under the British Columbia Company Act on July 7, 1987.

4. MINERAL PROPERTIES

Capitalized
Costs

- a. By a Bill of Sale dated September 14, 1987, the company acquired 100% interest in four (4) mineral claims described as the Gold Dust #1-4, located in the Trail Creek Mining Division of British Columbia, for consideration of:

Acquisition costs, paid \$ 10,000

- b. By a Bill of Sale dated November 12, 1987, the company acquired 100% interest in two (2) mineral claims described as the Decoy and the Decoy #2, located in the Trail Creek Mining Division of British Columbia, for consideration of:

Acquisition costs, paid 5,000

- c. The company acquired by staking 100% interest in four (4) mineral claims described as the AD #1-4, located in the Trail Creek Mining Division of British Columbia.

Total Deferred Exploration and Development Costs,
Including Staking Costs

72,807
\$ 87,807

5. SHARE CAPITAL

The authorized share capital of the company is 10,000,000 common shares without par value.

The company has issued shares of its capital stock as follows:

	<u>Number of Shares</u>	<u>Amount \$</u>
For cash	225,000	\$ 56,250
For cash (flow-through)	175,000	43,750
For cash (escrow)	<u>750,000</u>	<u>7,500</u>
	<u>1,150,000</u>	<u>\$ 107,500</u>

Transactions for the Issue of Share Capital During the Period:

- a. The issue of 750,000 escrow common shares at a price of \$.01 per share to net the corporate treasury \$7,500.
- b. The issue of 225,000 common shares at a price of \$.25 per share to net the corporate treasury \$56,250.

5. SHARE CAPITAL (CONT'D)

- c. By Subscription Agreement with certain shareholders, the company has agreed to incur costs which qualify under S.66 of the Income Tax Act of Canada as Canadian Exploration Expenses. These costs will be incurred solely for the benefit of the shareholders. In addition, the shareholders will be issued "flow-through" shares of the company on a basis of one common share for every \$0.25 of cost incurred. To date, a total of 175,000 shares have been subscribed for and allotted. A total of \$43,750 in costs has been incurred to date.

6. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

No direct remuneration was paid or is payable to the Directors or Senior Officers of the subject company during the current period.

7. RELATED TRANSACTIONS

Legal fees and disbursements of \$5,500 have been paid during the period to a law firm in which a Director of the subject company is a partner.

8. ADDITIONAL INFORMATION

The company plans to offer a public financing, by way of a Primary Prospectus, consisting of 300,000 shares of its capital stock at a price of \$0.50 per share to net the corporate treasury \$135,000.

REPORT

ON THE

GOLD DUST - DECOY - AD CLAIM GROUPS

IN TRAIL CREEK MINING DISTRICT

FOR

TOBEX RESOURCES LTD.


E. Livgard, P.Eng.
Livgard Consultants Ltd.
January 8, 1988



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INTRODUCTION

The writer was asked by Mike Gerg, President of Tobex Resources Ltd., to examine, evaluate and if warranted recommend and supervise an exploration program on the Gold Dust claims at Trail, B.C. Some road work and an extensive geochemical soil survey were subsequently carried out by Montgomery Consultants Ltd. under the writer's supervision. This was followed by examination and sampling by the writer and by a small test magnetometer survey. The writer spent the following days on the property: September 25-26, October 16-18, November 2-4 and November 23-25, 1987.

During the above work additional claim ground was acquired consisting of the two Decoy claims on the west side of the Gold Dust claims and the AD claims to the southeast. The writer has not examined the AD claims other than a brief examination of rocks along the road on the claims and conversation with local prospectors regarding its mineral potential. This report is based on the writer's work on and examination of the property as well as the references as listed in the Appendix.



RESULTS



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SUMMARY

The property consists of 158 units in two claim groups. The northern group, consisting of the Gold Dust and Decoy claims lies immediately south of Trail and surrounding Lookout Mountain. The claims cover Rosslund volcanics which has been intruded by Rosslund monzonite, Nelson, Coryell and Sheppard intrusives.

The AD group lies south of Trail, just west of the Columbia River. It covers Rosslund volcanics which have been intruded by Sheppard granitic rocks.

The Rosslund group of rocks has been the location of numerous deposits of gold ore. The mineralization consists of pyrrhotite, chalcopryrite and gold or arsenopyrite, pyrrhotite, pyrite and gold. The deposits are veins attaining at times great width and striking east-west to northwest.

A large number of old claims were located in the property area in the early days of the camp. References suggest that a number of mineralized structures exist on the property. Prospecting has relocated some of this mineralization. The old G.R. Sovereign workings are the most extensive. It appears that the pyrrhotite, chalcopryrite, gold mineralization is concentrated on north trending fractures within a broad northeast band with minor disseminated mineralization. Other similar mineralized areas have also been located concentrated mainly on the Gold Dust #1 and the Decoy #2 M.C. Samples taken by the writer assayed up to 7 g/tonne gold. Old references mention values up to \$68.- which is about 100 g/tonne.

No record of exploration on the property since the early days has been found. The company carried out an extensive soil survey program covering 40.8 kilometers of line and some road work in the fall of 1987.

The soil survey located several areas of anomalous values in gold, copper and arsenic. The main old workings do not have associated soil anomalies. The anomalies which do exist are thus of considerable interest and an exploration program consisting of more soil sampling, geological mapping, roadwork, trenching and diamond drilling is recommended.



CONCLUSIONS

The Rossland group of rocks are very favourable for location of gold deposits as shown by the history of the Rossland camp. In the writer's opinion the area has been curiously neglected for the past 50 years as far as exploration is concerned. An opportunity therefore exists here to carry out work on ground which the writer concludes is one of the best exploration areas in B.C. The property has a large number of mineral showings typical of the Rossland group in a geological setting which is very similar to the main producing areas of the camp. Very little if any exploration has apparently been carried out on the property since the early years of the camp. The writer concludes that the property merits a thorough exploration program.

RECOMMENDATIONS

The grid system and soil surveying should be continued in areas where anomalies extend to its present border. On the Trail grid this is on the north and south on the west part of the grid. The survey should also be extended to parts of the west slopes of Gold Dust #1 and Decoy #2. Near the east boundary short lines should be run across the Rossland volcanics and their boundary to the Rossland Monzonite. About 10 kilometers of line should be surveyed. In areas of known or reported old workings, areas of soil anomalies and known mineralization the grid system should be used to do more detailed geological mapping.

Road access must be constructed into the Gorge Creek basin. Two alternative routes are possible. The first and perhaps best involves doing minor rehabilitation work on the old logging road up the west slope of Lookout Mountain and extending this road about 20 kilometers to the north.

Some trenching should be carried out on known showings and the trenches mapped and sampled. The above work should be followed by a short diamond drilling program. 400 meters drilling is recommended. Several short (25 meters) holes should first be drilled to get some idea about strike and dip. This should be followed by deeper drilling. Two or three of the main showings should be drilled.



If the above work, in the opinion of an independent engineer, gives successful results then a second stage of exploration should be entered into consisting of 1,000 meters of diamond drilling.

Favourable areas on the AD claims should be mapped and soil surveyed. This should be followed by roadwork and trenching.

ESTIMATED COSTS OF RECOMMENDATIONS

Soil Surveying	
10 kilometers, 400 samples @ \$20	\$ 8,000
Roadwork	
2.0 kilometers + rock work	12,000
Trenching, 4 days @ \$1,250	5,000
Geological Mapping	
Geologist and helper, 10 days @ \$550/day - all inclusive	5,500
Diamond Drilling, 400 meters @ \$60/m	24,000
Core Logging - Sampling	
Geologist, 7 days @ \$400/day - all inclusive	2,800
Travel, Assaying, Supplies	2,700
Maps and Report	<u>3,000</u>
	\$ 63,000
Contingency	<u>6,000</u>
	\$ 69,000
AD Claims	
Reconnaissance prospecting - geology, rock sampling and soil sampling	<u>16,000</u>
TOTAL ESTIMATED COST STAGE 1	<u><u>\$ 85,000</u></u>



ESTIMATED COSTS OF SECOND STAGE RECOMMENDATIONS

Roadwork and Drill Sites		\$ 10,000
Diamond Drilling, 1,000 meters @ \$60/m		60,000
Geologist - Logging and Supervision 20 days @ \$400/day - all inclusive		8,000
Mobilization - Travel - Supply		<u>5,000</u>
		83,000
Maps and Report		<u>5,000</u>
		88,000
Contingency		<u>9,000</u>
		\$ 97,000
AD Claims		
20 kilometers grid	\$ 2,000	
Soil Survey		
800 samples @ \$20	16,000	
Geological Mapping		
10 days @ \$400/day - all inclusive	4,000	
Roadwork and Trenching		
8 days @ \$1250/day	<u>10,000</u>	
	32,000	
Maps and Report	<u>3,000</u>	
	35,000	
Contingency	<u>3,500</u>	
		\$ <u>38,500</u>
TOTAL ESTIMATED COST STAGE 2		<u><u>\$ 135,500</u></u>



GEOGRAPHY



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PROPERTY

The property consists of the following staked claims.

<u>Claim Name</u>	<u>Record Number</u>	<u>Recorded Date</u>
Gold Dust #1	967	Recorded 29th May, 1987
Gold Dust #2	968	Recorded 29th May, 1987
Gold Dust #3	969	Recorded 29th May, 1987
Gold Dust #4	970	Recorded 29th May, 1987
Decoy	931	Recorded December 19, 1986
Decoy #2	932	Recorded December 19, 1986

- A Total of 94 units -

Assessment work has been filed on the above claims for three years by the writer in the name of Tobex Resources Ltd.

Four Crown Grants or reverted Crown Grants lie within the boundary of Decoy #2 and are not part of the property. The Decoy #2 and partly the Decoy cover part of the same ground as Gold Dust #1 and #2. One reverted Crown Grant lies within the boundaries of Gold Dust #3 and #4. The total area is thus approximately 2,000 hectares.

In addition to the above claims the company had contract staked, four additional claims each of 16 units named:

<u>Claim Name</u>	<u>Record Number</u>	<u>Recorded Date</u>
AD #1	1049	Recorded October 26/87
AD #2	1050	Recorded October 26/87
AD #3	1051	Recorded October 26/87
AD #4	1052	Recorded October 26/87

These claims lie to the southeast of the Gold Dust. the two groups are separated by about 500 meters. About 1/4 of the AD claim ground is covered by mineral and placer reserve, with "Release Required".



The writer has only examined one claim post on the ground, the common west corner post of Gold Dust #1 and #2. It is located approximately as indicated on the Claim Map.

LOCATION AND ACCESS

The claims lie in the Trail Creek Mining Division on Map Sheet 82F/4W. The latitude covered extends from about 49° 01' to 49° 05' north and the longitude from 117° 38' to 117° 44' west.

The north boundary of the Gold Dust claims lies approximately along the south city limits of Trail, B.C. It extends south of Lookout Mountain and is very approximately bounded by Ryan and Cambridge Creeks. The AD claims lie to the southeast with the Columbia River to the east and the U.S. Border to the south. The two claim groups are separated by about 500 meters.

The north part of the Gold Dust group can be reached by an old narrow, overgrown mine road from the city limit, going south by switchbacks up the Hillside and into the Gorge Creek basin. The southern and eastern part of the claims can best be reached by paved road to the small settlement of Casino, seven kilometers southeast of the city of Trail, and then by a logging road to the south part of Gold Dust #4 and a further two kilometers by a jeep road built by the company, to about the centre of Gold Dust #3. The western part of the group, the Decoy and Decoy #2 can be reached by a dirt road up Cambridge Creek and by an old logging road up the west hillside of Lookout Mountain. The AD group can be reached by a dirt road south along Columbia River to Shepherd flats at about the southeast corner of the claim group. No roads cross the claims.

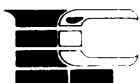


TOPOGRAPHY AND CLIMATE

Lookout Mountain lies in the centre of the Gold Dust claims and reaches an elevation of about 1,350 meters A.S.L. The mountain extends north-south with two spurs northwest and northeast on each side of Gorge Creek basin. The western hillsides falls steeply into Cambridge Creek. The eastern hillside gradually flattens into the Ryan Creek basin.

The AD claims cover quite rugged terrain with numerous steep gullies on both sides of the central Sheppard Creek which flows southeast into Columbia River. The elevations range from about 1,200 meters A.S.L. southwest and northeast of Sheppard Creek to about 450 meters A.S.L. near Columbia River.

The climate is generally one of rather long cold winters and cold summers in the higher laying areas and with relatively high totals of rain and snow. The low lying valleys have in contrast warm summers, shorter winters and lower precipitation. The claim ground may receive a snowfall of about $1\frac{1}{2}$ meters.



HISTORY



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HISTORY

The Rossland - Trail area has a long and very active history of mineral exploration and production.

The first claim in the region, the Lily May, was located in 1887. The main producing claims were staked in 1890. Exploration was started immediately and small hand-picked ore shipments were sent to Smelter. Development and shipments gradually increased and a smelter at Trail was fired up in 1896. Peak production was reached in 1903 with 360,000 tons and averaged 286,000 tons for the next 13 years. It declined sharply in 1917 and continued to decline until 1928 when the main mines closed. Total output has been 5.4 million tonnes, at an average recovered grade of 15.68 grams gold per tonne; 19.65 grams silver per tonne and 1% copper was also recovered. At today's prices, this is worth about 1.3 billion dollars. (Grades averaged by the writer from information in J.T. Fyles Bull. 74.)

Several veins were located in the south belt (the eastern end of which is covered by the Gold Dust Decoy claims) such as the Mayflower-Blue Bird vein which has been traced for some 1,200, metres, the Homestake vein which may be over 2,200 metres long and west of the property, the Crown Point. Considerable underground work has been done on these claims, but only modest production has taken place.

The Rossland - Trail area has a very large number of Crown Grants, reverted Crown Grants and surveyed Crown Granted claims which are no longer in existence. The claim ground encompasses fully or in part five Crown Grants and reverted Crown Grants and also 55 Crown Grants no longer in existence. Listing of these are found in the Appendix.

Some of the above "claims" are found in the references. Ten different areas of mineralization are briefly described where exploration consisted of shafts, drifts and trenching. The majority of this work was done in the Gorge Creek basin near the south and west ridge on Gold Dust #1 claim and further south and west on the Decoy claims. This reference is from 1897.



Very little reference to the clam area is found in later years. Minor production is noted from the "Ural Claim" (4 tonnes grading 54.5 g/tonne) which is now in part covered by the Decoy claims.

About 1½ kilometers east of the property is located the Casino Red Cap or WD Mine. It has a recorded production of 5,514 tonnes grading 14.75 g gold, 4.34 g silver, 0.108% zinc and 0.109% lead per tonne.

Assessment work reports describe minor work in the vicinity of the AD claims exploring for gold near the Waneta Thrust Fault. The results were negative.

The company carried out a soil survey over part of the Gold Dust claims during the fall of 1987. It consisted of 40.8 kilometers of line and a total of 1,617 samples which were analysed for copper, gold, silver, lead, zinc, antimony and arsenic. Several areas of anomalous soil values were located.

Little exploration work has apparently been carried out on the AD claims, however, a few old Crown Grants, not now in existence, were located on the ground and property examination by Mike Gerg located several areas of highly oxidized rocks.



GEOLOGY



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REGIONAL GEOLOGY

Structure

The Rossland area is structurally complex and has a long intrusive history. The dominant regional feature is the Kootenay Arc which curves southwesterly from the Lardeau District. A number of extensive thrust faults are located to the southeast. Local faulting and the general structural trend is northeasterly. The rocks appear to dip homoclinally and moderately to the northwest. Violin Lake fault lies along Cambridge Creek in the west.

Rock Types

The area is underlain by sedimentary and volcanic rocks which have been repeatedly intruded and metamorphosed by igneous rocks. The oldest formation is the Carboniferous Mount Roberts Formation, which consists of siltstone, sandstone, conglomerate and minor limestone. This is overlain by the Rossland Group of Jurassic age which consists of andesitic volcanic breccia, tuff, volcanic sandstone, conglomerate, augite porphyry and lenses of black siltstone subdivided into the Hall, Elise and Archibald formations. These rocks have been intruded repeatedly in sequence as follows:

Ultrabasic Intrusions (Lower Cretaceous)	Serpentinized Peridotite
Rossland Monzonite (Lower Cretaceous)	Monzonite (Nelson Intrusives)
Other Nelson Intrusives (Lower Cretaceous)	Granitic and other phases
Coryell Plutons (Tertiary)	Porphyritic Monzonite and Syenite
Sheppard Intrusions (Tertiary)	Alkali Granite and Syenite

Most of these formations have been faulted and intruded by a very large number of dykes of various composition from syenite to basalt, which strike northerly and dip steeply to the east. Lamprophyre dykes are numerous in and near the ore zones and are important in defining the ore bodies. The relative age of the ore and the dykes has been a matter of discussion.



Mineralization

The mineralization is closely related to the Monzonite-Rosslund group contact. It occurs mainly in the Augite porphyry and volcanics and to a lesser degree in the Monzonite. In the main veins or fractures the rock has been extensively replaced forming ore bodies up to 130 feet wide. The vein fractures strike east-northeast and east-southeast. They are interrupted by the north-south striking dykes (pre or post ore). The minerals have been placed in the following sequence:

Molybdenite
Pyrite-Magnetite
Pyrrhotite
Pyrite
Chalcopyrite
Pyrrhotite-Sphalerite-Arsenopyrite

The gold follows mostly the chalcopyrite-pyrrhotite. The early pyrrhotite generally has relatively low gold values.

The mineralization has been classified as follows:

- a) Massive pyrrhotite and chalcopyrite with minor pyrite and arsenopyrite - often with good gold values.
- b) Massive coarse-grained pyrrhotite with minor chalcopyrite - generally low gold values.
- c) Veins of pyrite and marcasite with arsenopyrite, galena and sphalerite - silver and lesser gold values may be important.
- d) Impregnations of arsenopyrite, pyrrhotite, pyrite, molybdenite and lesser amounts of bismuthinite - gold values occasionally are good.
- e) Gold bearing quartz veins.



A zoning is caused by chemical and temperature changes outward from one or two mineralization centres.

- 1) Central - massive pyrrhotite and minor chalcopyrite with gold values.
- 2) Intermediate - arsenopyrite, pyrite, molybdenite and minor cobalt and bismuth and rare sphalerite.
- 3) Outer - galena, sphalerite, tetrahedrite and/or boulangerite with lesser arsenopyrite, pyrite and bismuth.

Alteration in the wall rock of the veins is wide spread. It consists of silicification in the central area and development of secondary biotite. With increasing depth epidote and garnet is found indicating contact - metamorphic conditions with high temperature and pressure.

SOUTHERN BELT

The "south belt" mineralization is that which lies near the southern contact to the Rosslund Monzonite. This belt is from about 1.5 km to 2.5 km south of the centre of the town of Rosslund. It extends some 10-12 km east-west, and the property is at the eastern end of this belt.

Geology

The rock types in the south belt consists of the Rosslund Monzonite and south of it mostly the Rosslund group rocks which here consist largely of green volcanics and augite porphyry. The contact strikes east-west except in the east end where the relationship is more complex. The strikes and dips of the Rosslund group rocks are complex but a northeasterly trend predominates both in strike of the rocks and in the trend of the rock types.



Pervasive alteration giving a green cast to the rocks, tends to obliterate rock differences making identification difficult. Minor fine grained pyrrhotite and some pyrite is found over large areas. It is notable that in some places contact-metamorphic type rock alteration occurs and superimposed on it is occasionally found intermediate to outer type mineralization.

A very large number of dykes of varying composition are found throughout the area, but perhaps more frequently to the east. They generally strike north-south or northeast and dip steeply east. A large number of small Tertiary plugs of acidic intrusives mapped as Coryell and a few as Sheppard intrusives are found throughout, but more frequently to the east in and around the property.

Mineralization

The main mines of the district north and west of Rossland are considered the core - higher temperature - mineralization while the "south belt" is considered intermediate and outer in a mineral zoning. This seems excessively simplified. It has been suggested that a second mineralizing system is to be found in the "south belt" centered on the Crown Point mine (Cominco). The mineralization at the Crown Point is of the central massive pyrrhotite and minor auriferous chalcopyrite type. Thorp (1967) mentions that ore from the Crown Point is virtually identical to that from the central core. The wallrocks are extensively altered and silicified. Both east and west of the Crown Point is found an intermediate type containing arsenopyrite, pyrite, magnetite, gold, and cobalt.

Numerous mineralized veins have in the past been found in the south belt and underground exploration and development has taken place on many, but relatively little production has resulted.

The outer type mineralization generally contains better silver values than gold values, but the gold content can be variable and not necessarily dependent on sulphide content. The mineralization is vein type but some substantial widths (up to 38 feet) have been recorded by diamond drilling (below the Mayflower workings) west of the property.



Age and Origin of the Mineralization

Most geological reports are in agreement that the age of the Rosslund mineralization is Tertiary, but the question as to its origin is unresolved. G. Addie in his paper (Ref.) points out that the Coryell Pulaskite dykes were emplaced both before, and after, the mineralization thus linking the Coryell Batholith to the mineralization at least in time if not as source. He further proposed that the Rosslund Monzonite, an other potential source of the mineralization, simply acted as a buttress against which the sedimentary-volcanic rocks were broken to give the vein structures.

PROPERTY GEOLOGY

The geology as mapped (Map 1504A G.S.C.) shows a complex relationship of the Rosslund group, mainly the Elise formation volcanics (IJEV) but also augite porphyry (IJEI) and siltstone of the Archibald formation (IJES) of Lower Jurassic age. These rocks have been intruded by the Rosslund Monzonite which underlies most of Gold Dust #3 and also outcrops on the Decoy claim. A large body of Nelson intrusive lies along the northern border of the Gold Dust claims, and a small body is located on the northern AD claims.

The Coryell intrusion is found in several bodies on Gold Dust #4 and Gold Dust #2 intruding a large body of Sheppard intrusion which extends south onto the AD #1 and 3 claims. The AD #1, 2, 3, 4 claims cover mostly Rosslund group volcanics.

A large number of dykes associated with the Sheppard intrusion are found mainly east of the Gold Dust Claims and on the AD claims.

MINERALIZATION

The mineralization located on the claims is typically that of the Rosslund camp. It consists of pyrrhotite, chalcopyrite and pyrite with gold values and also arsenopyrite, pyrrhotite, pyrite with gold values.



The Gorge Creek basin on the western higher slopes and west across the ridge has a number of old workings, mineral showings and soil anomalies. The area is underlain by Rossland volcanics and augite porphyry. Along the crest of the west ridge and to the east and west of it large outcrops of dark brown oxidized outcrops are found. Pyrrhotite with minor pyrite and occasional specks of chalcopyrite are found disseminated and in streaks. There appears to be two or three broad oxidized bands which strike northeast. Fracturing, occasionally dense, strikes northerly and contains streaks of sulphides with more pyrite, chalcopyrite and perhaps arsenopyrite than the northeast trend.

On the east side of Lookout Mountain northeast striking oxidized bands coincide with weak soil anomalies.

The contact between Rossland group and Rossland Monzonite is a favourable location for mineralization. This contact runs approximately east along the Gold Dust #3 and #4 boundary. About 2 kilometers east of the claim ground along this contact is found the Casino Red Cap or WD Mine. The mine has a recorded production of 5,514 tonnes from which was recovered 81,334 g gold (14.75 g/tonne), 23,949 g silver (4.34 g/tonne), 5,982 kilogram zinc (0.108%) and 6,009 kilograms lead (0.109%). The minerals were obtained from narrow quartz veins carrying minor amounts of pyrite, sphalerite, galena and arsenopyrite along the Monzonite intrusive - Rossland volcanic contact. High gold values were associated with the arsenopyrite.

OLD WORKINGS

G.R. Sovereign (Grid 9400E, 11625-75N) (L1226)

The old Sovereign workings were relocated by prospecting. Two shafts separated by about 25 meters extend to at least an estimated 30 meters depth. It appears they followed a north striking vein within a broad band of sparsely mineralized volcanics. Samples 8369 to 8373 were taken from here.



References report (Mining in Southern B.C. 1897):

"A shaft was first sunk, following down a body of low grade pyrrhotite in diorite gangue, in which copper pyrites, quartz and calcite gradually came in, with rising gold values, which at 50 feet was about \$50. A crosscut is in 175 feet to tap the ledge at a depth of 250 feet, and at ninety feet struck a cross ledge carrying several feet of ore."

The crosscut referred to has not been located, but another short adit was found which exposed a narrow northwest striking vein. A sample (8373) across the vein, 0.1 meter wide, assayed, 7.41 g/tonne and another (8372) across 0.15 meters assayed 1.28 g/tonne.

Last Chance (Grid 9060E, 11,550N) (L4611)

Some old workings relocated by prospecting are thought to be on the old Last Chance claim (none existent Crown Grant). No reference to this claim have been found.

The workings consist of a shaft and two short pits aligned in a north to northwest direction. The dump is quite large and the shaft must be quite deep or have other workings from it.

The volcanics(?) around the workings are highly oxidized and contain disseminated pyrrhotite. North and northwest fractures contain pyrrhotite, pyrite and chalcopryrite. The fractures extend at least over the width of the shaft (2.2 meter). Samples 8362, 8363 and 8364 were taken from here.

Some 300 meters further south a 7.0 meter long trench exposes densely fractured volcanics (?) which strike northwesterly. The fractures are well mineralized with pyrrhotite. Sample 8365 was taken from here.



Marquise (L1691) (Grid 9600E, 1600N)

Prospecting located a 3.0 m deep old pit which explore a northerly striking structure 2.0 m wide(?) with streaks of massive pyrrhotite with specks of chalcopyrite. Sample 8366 was taken here.

Vinon (Grid 8600E, 11900 - 12000N)

Prospecting located large areas of highly oxidized volcanics containing disseminated pyrrhotite and occasional chalcopyrite, thought to be on the old Vinon claim. High soil anomalies occur on the claim. Samples 8360 and 8361 were taken from these outcrops.

Mining in Southern B.C. (1897) states:

"The Vinon - has a large surface showing of ore averaging \$13. A crosscut, now in twenty feet, will tap the ledge in sixty feet."

The cross-cut has not yet been located.

Other old workings are reported in the 1897 publication of Mining in Southern B.C.

The Stemwinder

Located northwest of the Sovereign and probably north of the soil grid.

"On the Stemwinder Group of four claims ... has sunk twenty-two feet, showing an 18 inch streak of copper pyrites, assaying \$16 gold and copper, and widening with depth, and has tunneled forty feet from the surface."

These workings have not been located. The comment that the vein widens with depth is one that is often claimed, but which in the Rossland Camp, in the writer's experience, is often true.



The Emma C

The Emma C is located west of the Vinon on or near the western Gold Dust boundary.

"The Emma Group of three claims on a series of heavy iron caps on the northwest slope of Lookout Mountain."

The showing has not yet been located.

Other properties mentioned in Mining in Southern B.C. (1897):

The Red Point (L1200)

"The first claim staked on Lookout Mountain was the Red Point, located in 1893 and now being developed by the Red Point Gold Mining Company. The surface ore assayed \$68 gold and \$10 silver, and the ledge will be tapped in twenty-five feet more at a depth of 350 feet by a cross-cut which is in 275 feet."

These workings are located on the Decoy #2 but have not yet been located.

The Little Giant (L1992)

This old claim is located east of Ryan Creek, east of the soil grid and near the east border of the claim ground. The area has not been prospected.

"The Little Giant Group of four claims ... has three ledges in which extensive open cuts have shown beneath the capping arsenical and sulphide ore two to three feet wide and widening with depth, average assays from the surface showing \$11.75 in gold."

Nipissing and the Ida Queen Groups

These groups are reported to be on Lookout Mountain, but exact location is uncertain.



The report on these claim groups mentions three and one vein respectively with drifting on the veins being carried out.

The Ad claims over an area where very little information is available. The Waneta Thrust Fault south and west of the property has been explored for gold with negative results. Large areas of highly oxidized Rossland volcanics has been noted. An old Crown Grant no longer in existence was located on the peak east of Sheppard Creek.



SURVEYS



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MAGNETIC SURVEY

A small magnetic test survey was carried out in the area of high gold soil values. The survey covered 4.6 km.

The writer's past experience in the Rossland district has shown that if magnetic readings are taken sufficiently closely, even quite narrow veins carrying pyrrhotite can be successfully outlined.

The survey was terminated early due to heavy snowfall. It did, however, indicate that magnetic surveying may be a very useful exploration tool in that high magnetic variations are associated with soil anomalies.

SOIL SURVEY

A geochemical soil survey was carried out during the Fall of 1987 under the writer's supervision. 40.8 km of line was surveyed with 1,617 samples collected. The lines were run 100 meters apart and samples taken every 25 meters. The survey was done on two grids. The "Trail" grid covered a large part of Gorge Creek Basin on the north half of Gold Dust #1 claim and Decoy #2 claim. The Casino Grid covers the west slope of Lookout Mountain to Ryan Creek on Gold Dust #3 and #4. The samples were analyzed for copper, gold, silver, lead, zinc, arsenic and antimony. The results indicate that contamination of lead and zinc from the Cominco smelter fumes has hidden any possible anomalies of these metals. The Casino Grid values were generally low and only subtle anomalous trends were indicated. Of interest were two parallel northeast trends of partly coincident anomalies in gold, copper, silver and arsenic. An examination of rock outcrops in the area showed oxidized Elise Formation trending northeast. An old shaft was located toward the northeast end. The dump consists of oxidized volcanic rock with occasional pyrite, pyrrhotite and arsenopyrite.



Mineralization which on analysis gave gold values (8357, 58, 59). Other anomalous indications are found to the east in the area of old Crown Grants near Ryan Creek. The anomalies are small and low grade, but due to the apparent heavy overburden in the area, they are of interest. The Trail Grid gave generally higher values and several anomalies areas. The best area is located at the northwest corner of the grid. The area shows roughly coincident anomalous values in gold, arsenic, copper and silver. The area has large dark brown oxidized outcrops which contain scattered pyrite and pyrrhotite and occasional specks of chalcopyrite. The rocks are volcanics (Elise Formation) which have been in part brecciated, sealed and fractured. Several old pits and trenches were noted by the magnetic survey crew. Samples taken by the writer from two outcrops (8360, 8361) did not give gold or silver values. The writer took ten soil samples in the area to check the anomaly, and the results confirmed it. The anomaly extends off the grid to the north and west. Another anomalous area is found at the southwest corner of the grid. This area is highly anomalous in arsenic with smaller and lower values in gold and copper. The anomaly is partly off the claim ground and extends off the grid to the west.

The two main areas of old workings located to date in the survey area (G.R. Sovereign and Last Chance workings) have no attendant anomalous values in either gold, copper or arsenic in spite of large dumps of in part well mineralized material, which has been there for 100 years. A small partly coincident anomaly in arsenic and copper is, however, located about 200 m northeast and downhill from the Last Chance workings.

Respectfully submitted,



E. Livgard, P.Eng.

Livgard Consultants Ltd.



LIVGARD CONSULTANTS LTD.

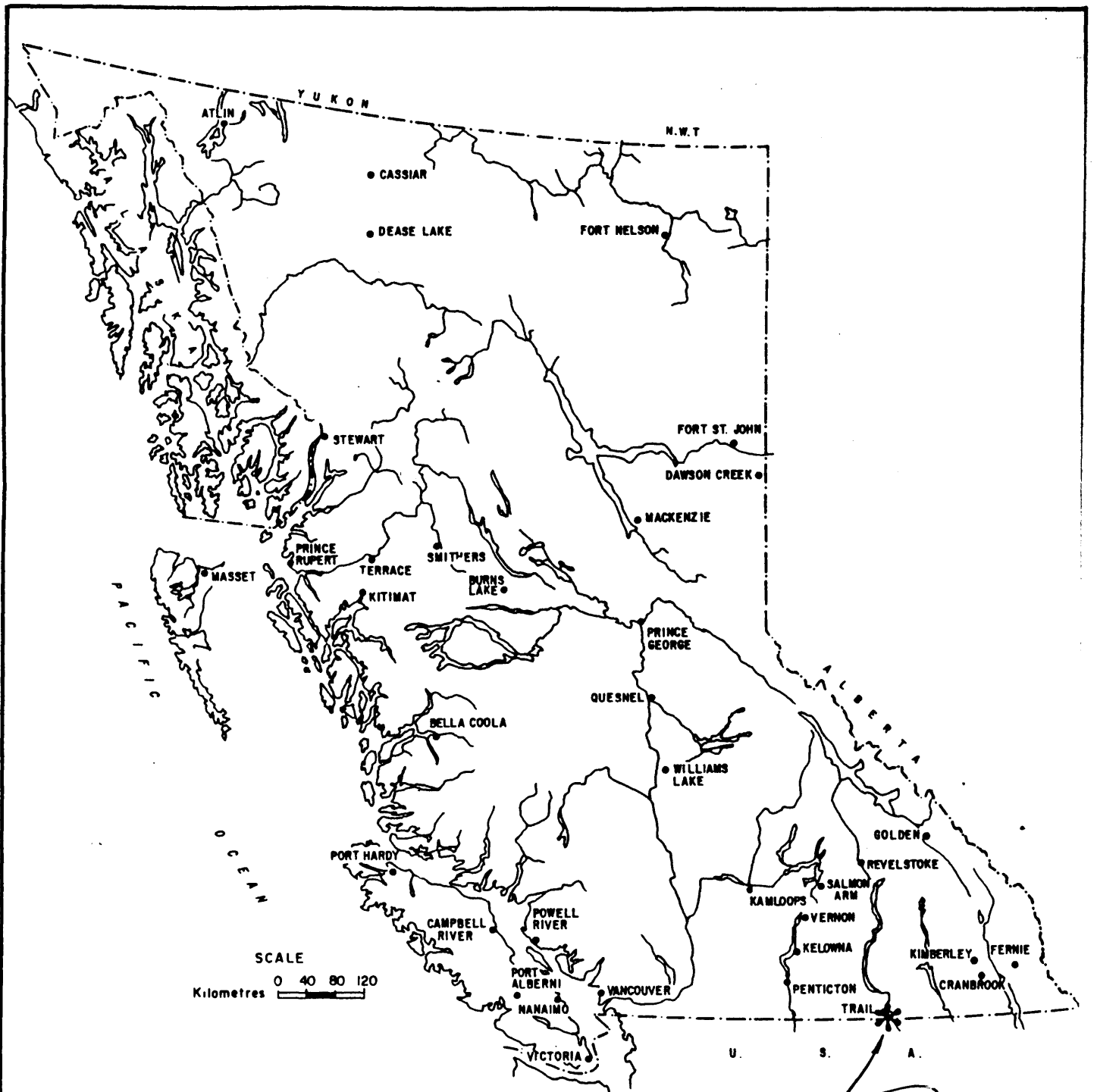
717 - 837 West Hastings, Vancouver, B.C. V6C 1B6 Ph. 669-2426

M A P S



LIVGARD CONSULTANTS LTD.

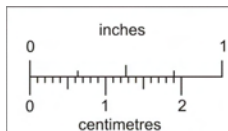
717 - 837 West Hastings, Vancouver, B.C. V6C 1B6 Ph. 669-2426



PROPERTY

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FIGURE 1

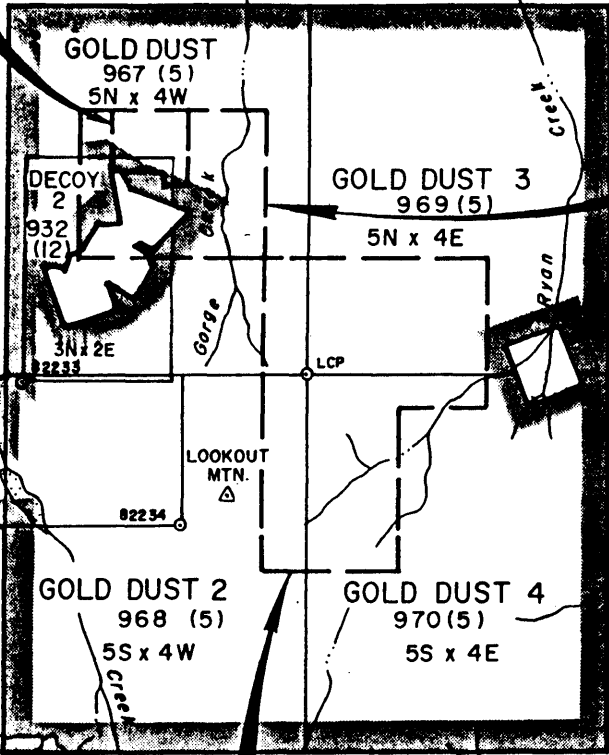


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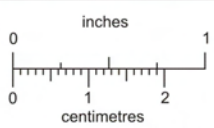
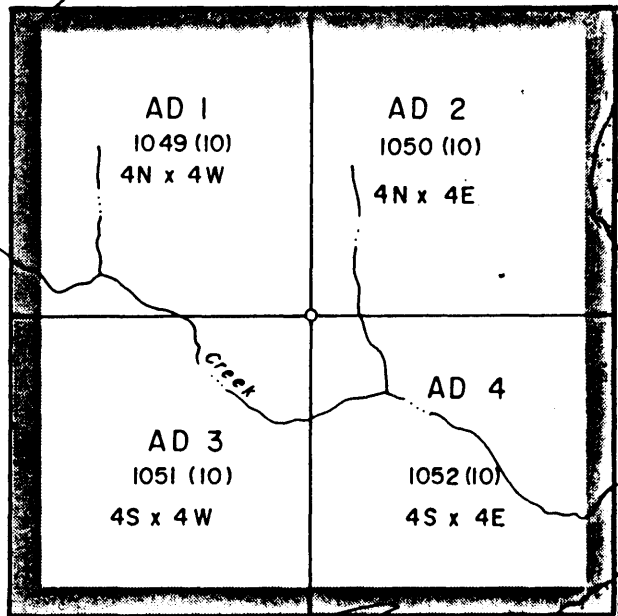
TOBEX RESOURCES LTD.	
GOLD DUST PROPERTY TRAIL CREEK MINING DIVISION, B. C.	
LOCATION MAP	
LIVGARD CONSULTANTS LTD.	
SCALE: 1:8,000,000	DATE: DECEMBER, 1987

TRAIL
OUTLINE OF MAGNETIC
SURVEY SEE FIGURE 13



OUTLINE OF TRAIL GRID
FOR DETAIL SEE
FIGURES 5, 6, 7 & 8

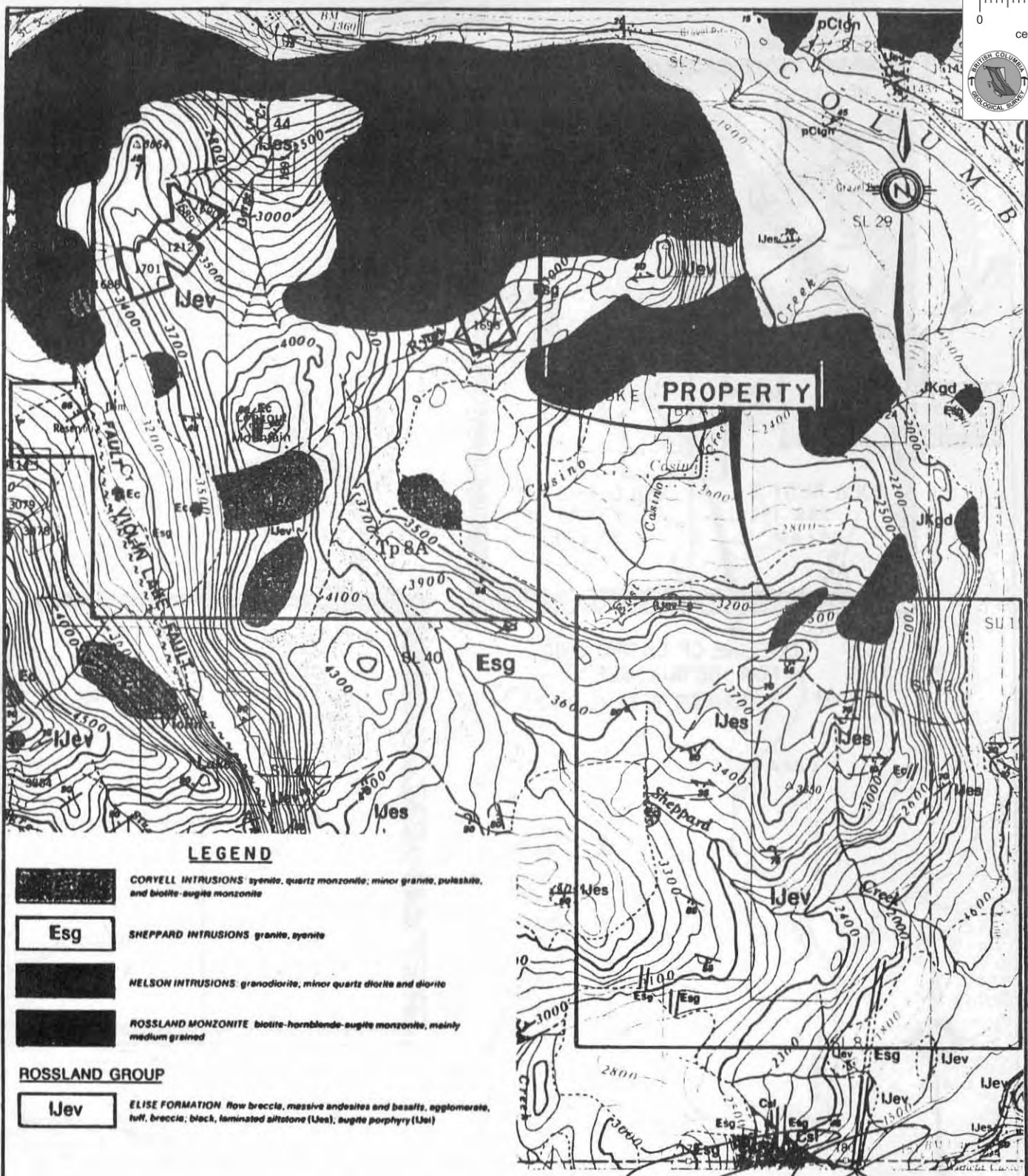
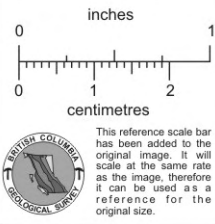
OUTLINE OF CASINO GRID
FOR DETAIL SEE
FIGURES 9, 10, 11 & 12








 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.

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FIGURE 2

TOBEX RESOURCES LTD.	
GOLD DUST PROPERTY TRAIL CREEK MINING DIVISION, B. C.	
CLAIM MAP WITH SOIL GRID	
LIVGARD CONSULTANTS LTD.	
SCALE: 1: 50,000	DATE: DECEMBER, 1987



LEGEND

-  **CORVELL INTRUSIONS** syenite, quartz monzonite, minor granite, pulaskite, and biotite-sugite monzonite
-  **SHEPPARD INTRUSIONS** granite, syenite
-  **NELSON INTRUSIONS** granodiorite, minor quartz diorite and diorite
-  **ROSSLAND MONZONITE** biotite-hornblende-sugite monzonite, mainly medium grained
- ROSSLAND GROUP**
-  **ELISE FORMATION** flow breccia, massive andesites and basalts, agglomerate, tuff, breccia, black laminated siltstone (Ues), sugite porphyry (Uei)

- Geological boundary (defined, approximate, assumed)
- Bedding, tops known (inclined, vertical, overturned)
- Bedding tops unknown (inclined, vertical)
- Schistosity (inclined, vertical)
- Foliation in igneous intrusions and layered gneisses (inclined, vertical)
- Lamination (inclined)
- Fault (defined, approximate, assumed; arrow indicates downthrow side)
- Thrust fault (defined, approximate, assumed)
- Fossil locality
- Fossil locality described in text



After GSC Rosland-Trail Geology Map 1504A

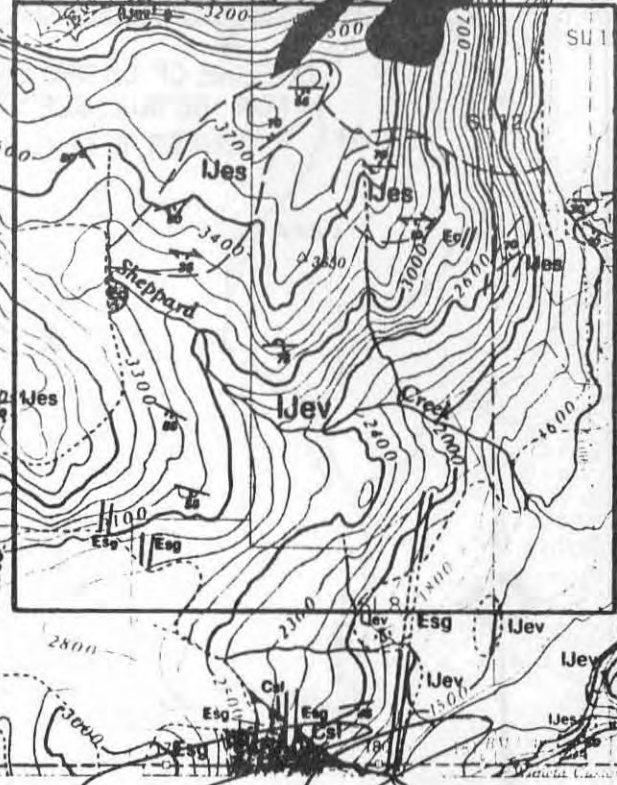


FIGURE 3

TOBEX RESOURCES LTD.	
GOLD DUST PROPERTY TRAIL CREEK MINING DIVISION, B.C.	
REGIONAL GEOLOGY	
LIVGARD CONSULTANTS LTD.	
SCALE: 1: 50,000	DATE: DECEMBER, 1987

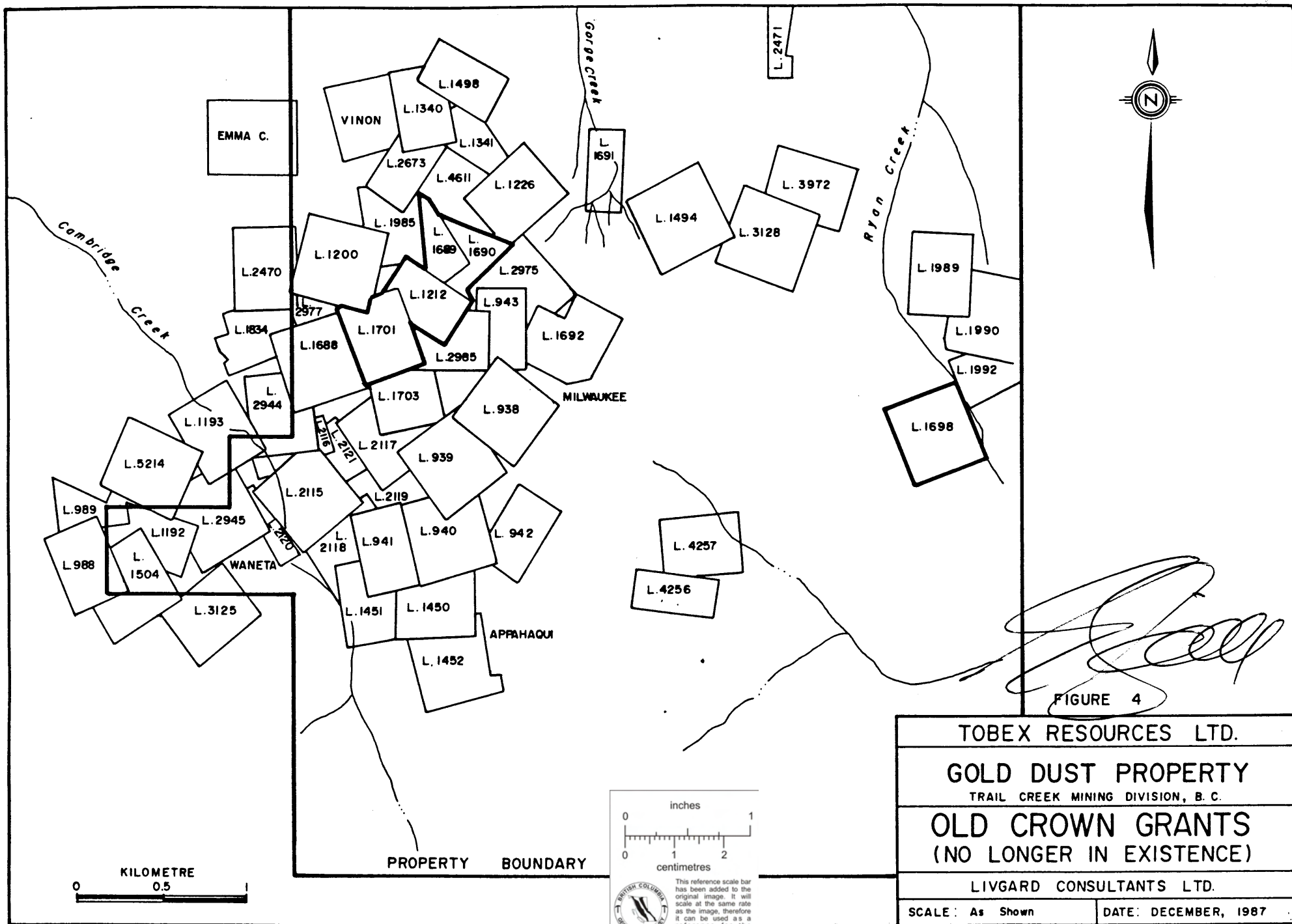
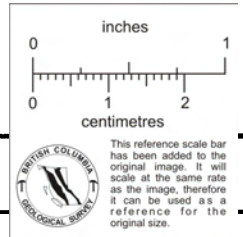
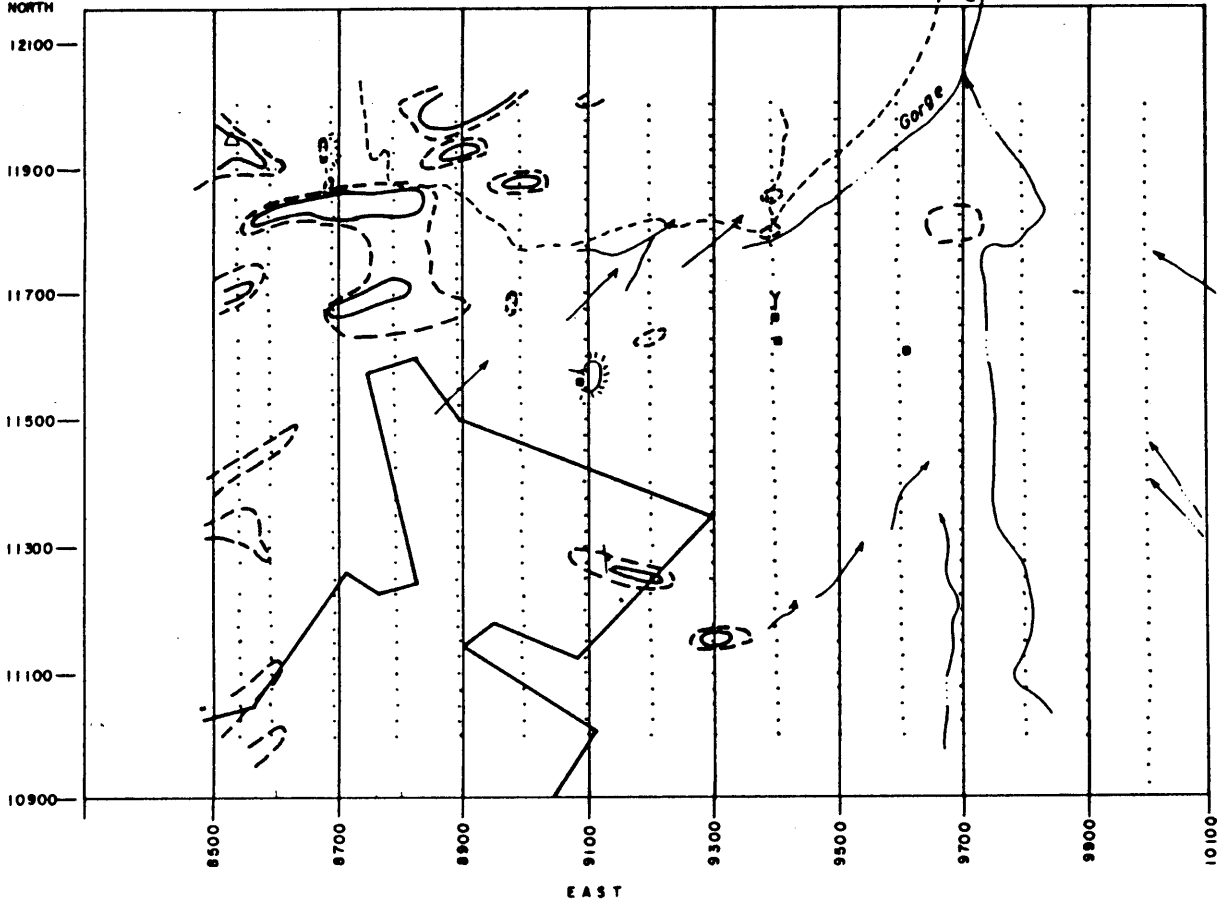


FIGURE 4

TOBEX RESOURCES LTD.	
GOLD DUST PROPERTY	
TRAIL CREEK MINING DIVISION, B. C.	
OLD CROWN GRANTS	
(NO LONGER IN EXISTENCE)	
LIVGARD CONSULTANTS LTD.	
SCALE: As Shown	DATE: DECEMBER, 1987





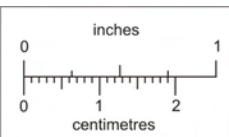
To Trail
0.4 km



LEGEND

- ==== Gravel road
- Trail
- Creek
- └ Adit
- Shaft
- Trench

- CONTOUR INTERVALS**
- 20 ppb
 - 50 ppb

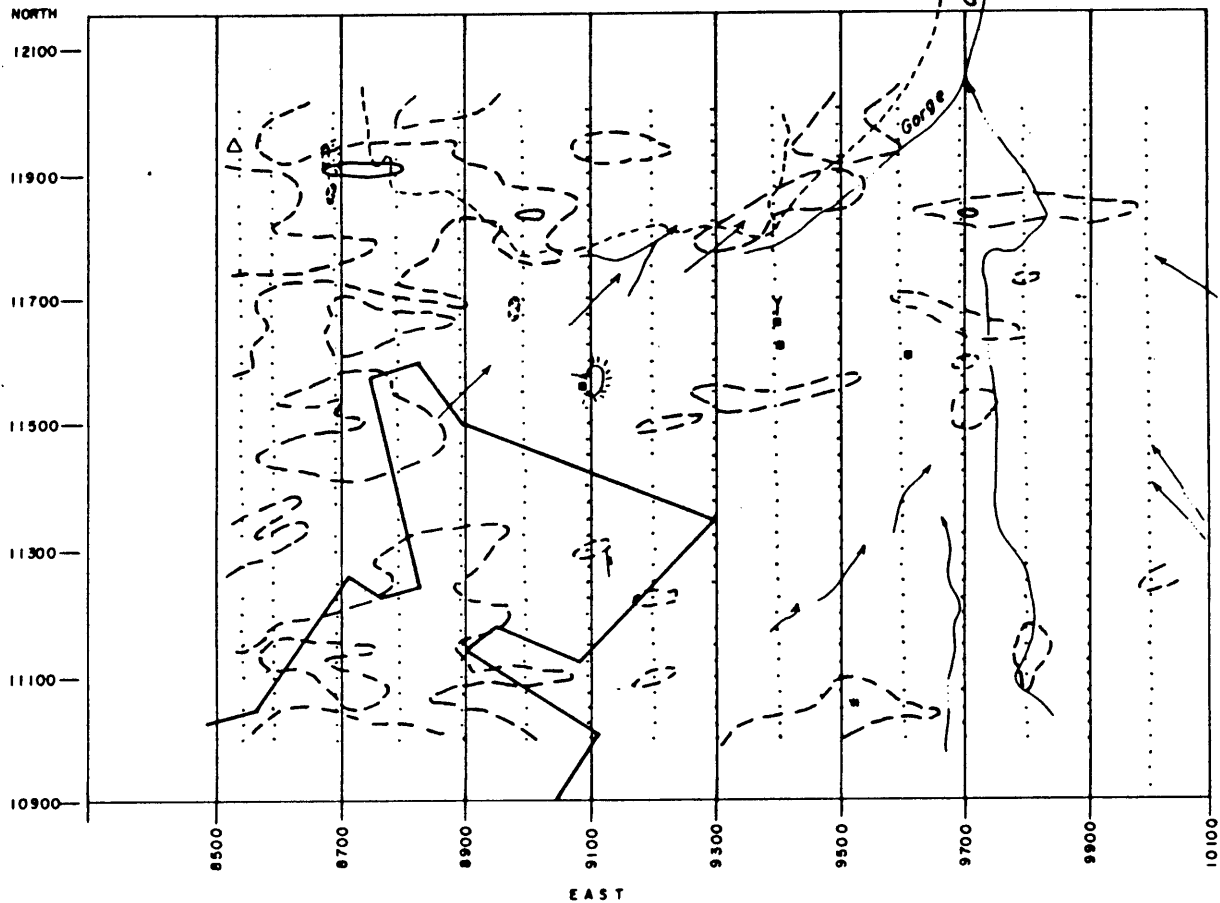


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FIGURE 5

TOBEX RESOURCES LTD.	
GOLD DUST PROPERTY TRAIL CREEK MINING DIVISION, B. C.	
TRAIL GRID GEOCHEMICAL SURVEY GOLD (PPB)	
LIVGARD CONSULTANTS LTD.	
SCALE: As Shown	DATE: DECEMBER, 1987



- LEGEND**
- ==== Gravel road
 - Trail
 - > Creek
 - +— Adit
 - Shaft
 - Trench

CONTOUR INTERVALS

- - - - 1.2 ppm
- ~~~~~ 2.4 ppm

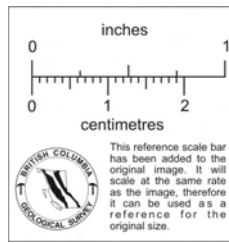
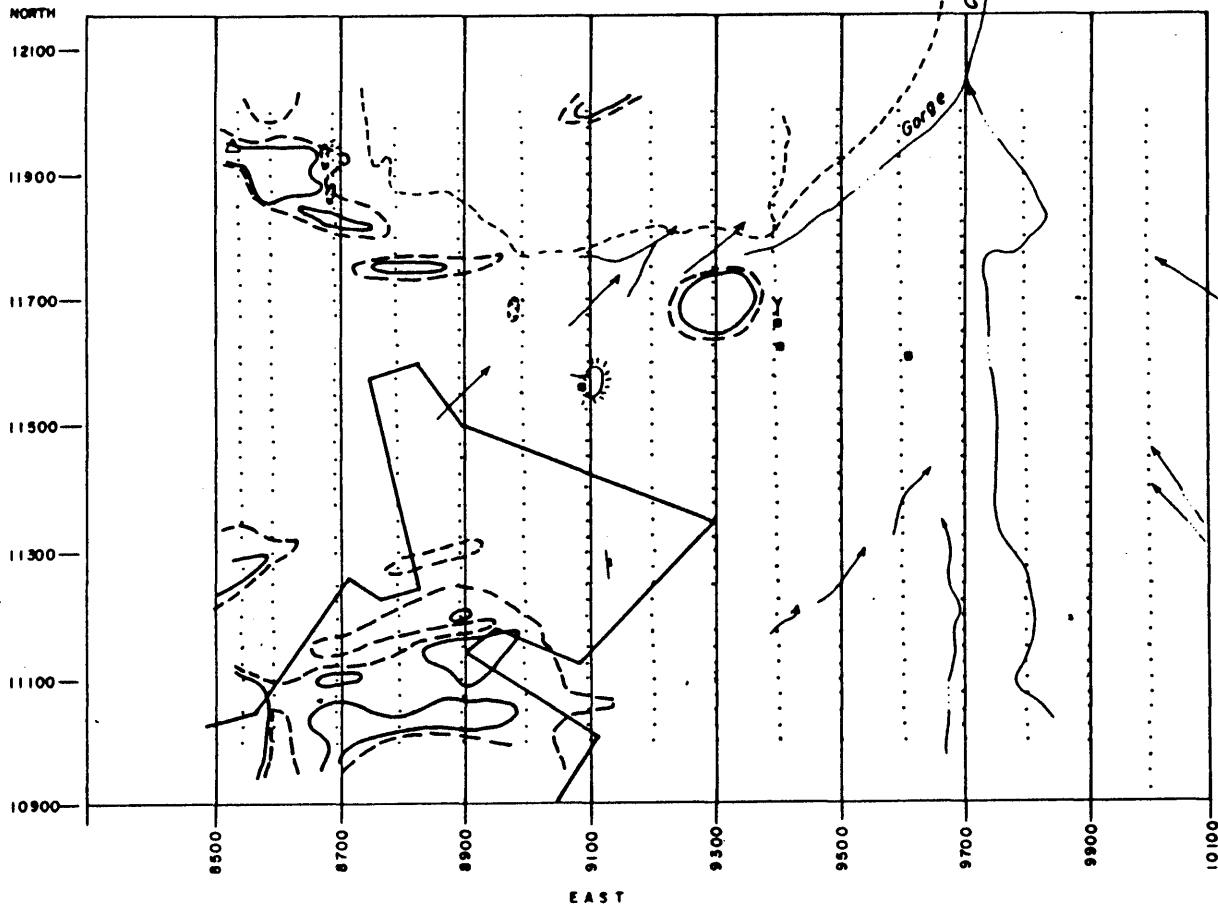


FIGURE 6

TOBEX RESOURCES LTD.	
GOLD DUST PROPERTY TRAIL CREEK MINING DIVISION, B. C.	
TRAIL GRID GEOCHEMICAL SURVEY SILVER (PPM)	
LIVGARD CONSULTANTS LTD.	
SCALE: As Shown	DATE: DECEMBER, 1987

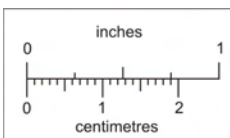


LEGEND

- ==== Gravel road
- Trail
- Creek
- Adit
- Shaft
- Trench

CONTOUR INTERVALS

- 40 ppm
- 80 ppm



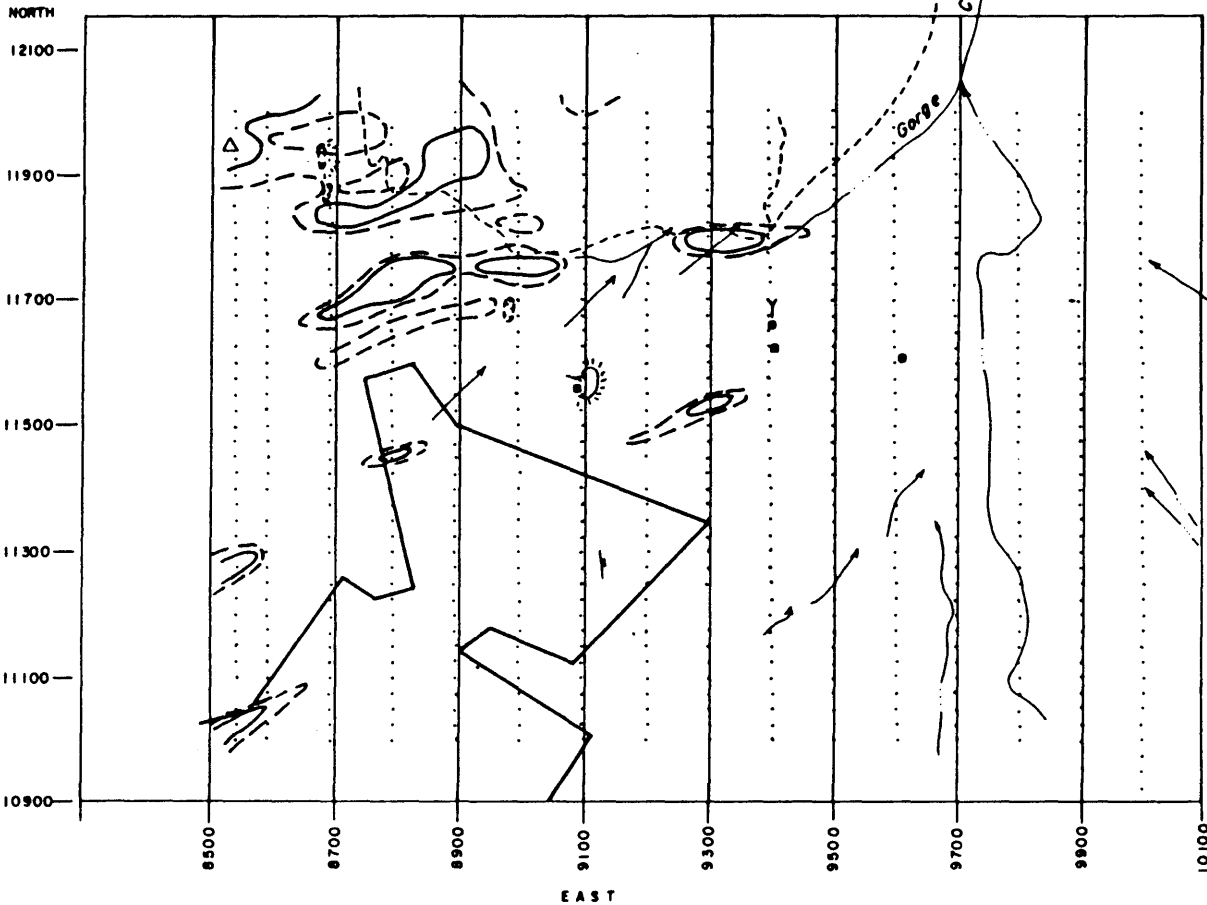
This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.



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FIGURE 7

TOBEX RESOURCES LTD.	
GOLD DUST PROPERTY TRAIL CREEK MINING DIVISION, B. C.	
TRAIL GRID GEOCHEMICAL SURVEY ARSENIC (PPM)	
LIVGARD CONSULTANTS LTD.	
SCALE: As Shown	DATE: DECEMBER, 1987

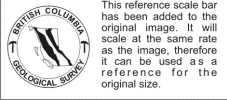
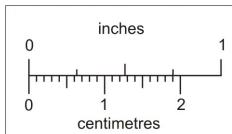


LEGEND

- ==== Gravel road
- - - - Trail
- Creek
- Adit
- Shaft
- Trench

CONTOUR INTERVALS

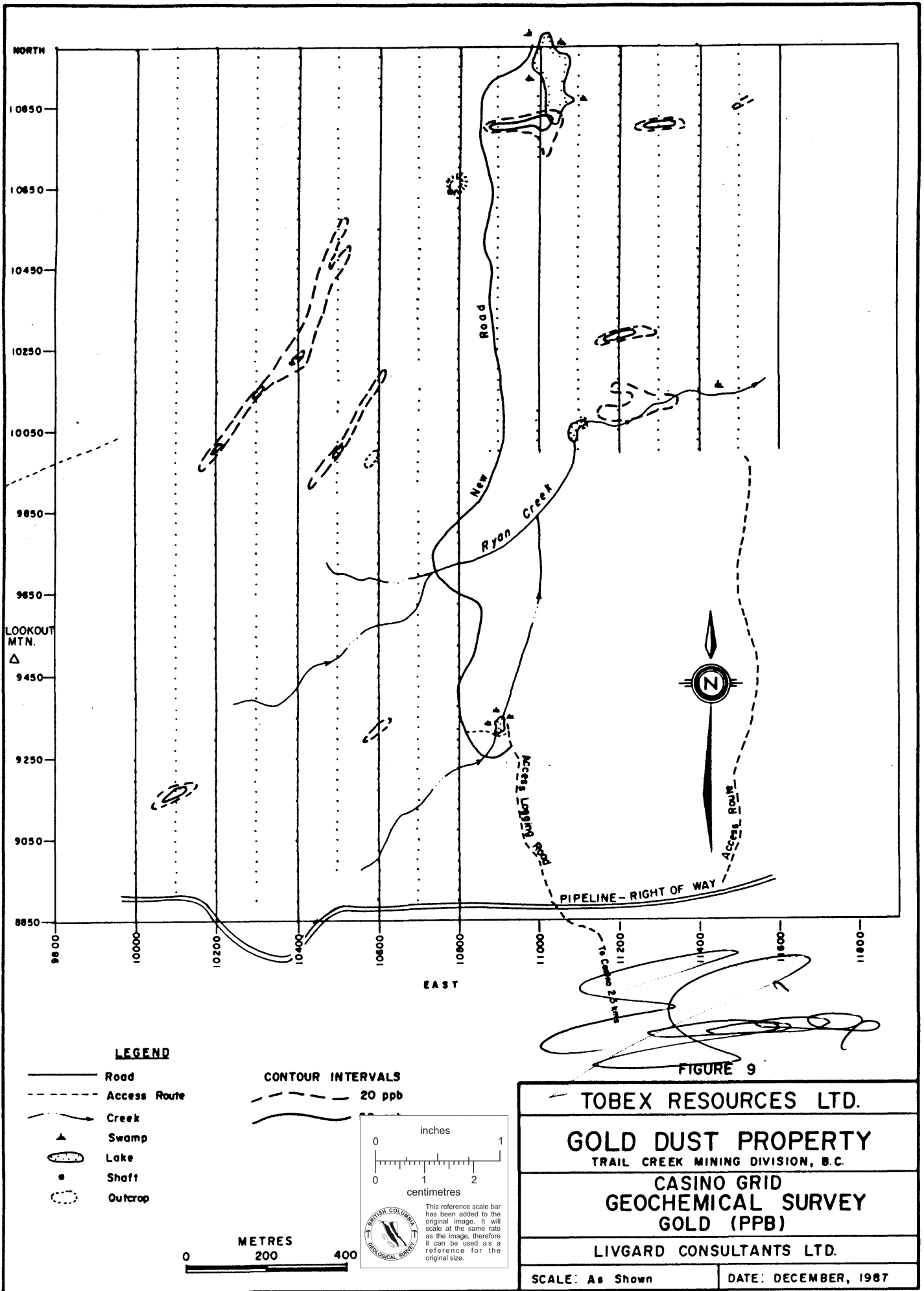
- - - - 100 ppm
- 170 ppm

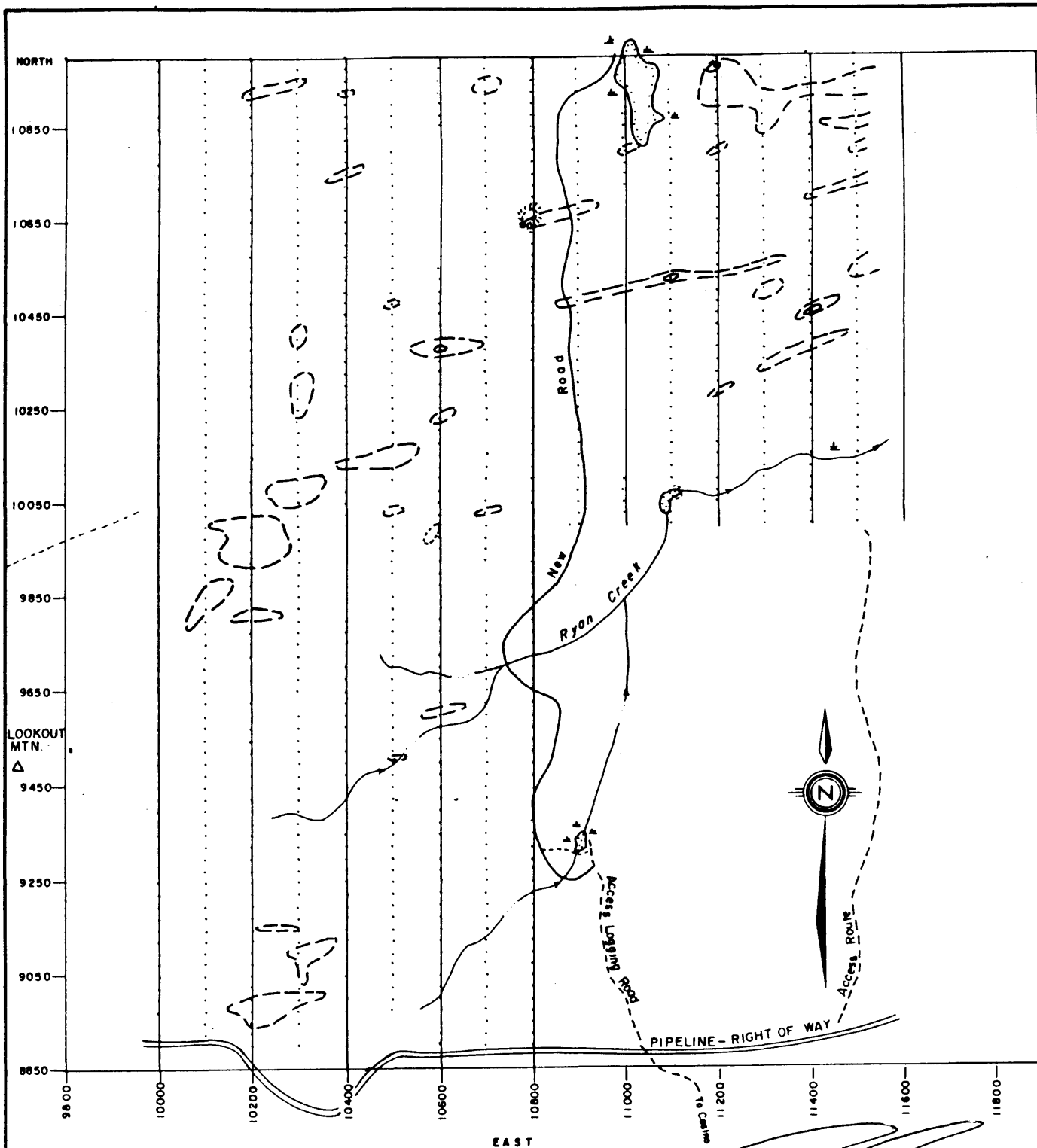


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FIGURE 8

TOBEX RESOURCES LTD.	
GOLD DUST PROPERTY TRAIL CREEK MINING DIVISION, B. C.	
TRAIL GRID GEOCHEMICAL SURVEY COPPER (PPM)	
LIVGARD CONSULTANTS LTD.	
SCALE: As Shown	DATE: DECEMBER, 1987

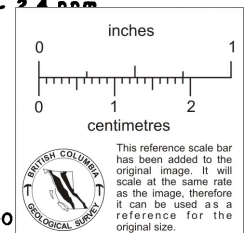




- LEGEND**
- Road
 - - - Access Route
 - ~ Creek
 - ▲ Swamp
 - Lake
 - Shaft
 - Outcrop

CONTOUR INTERVALS

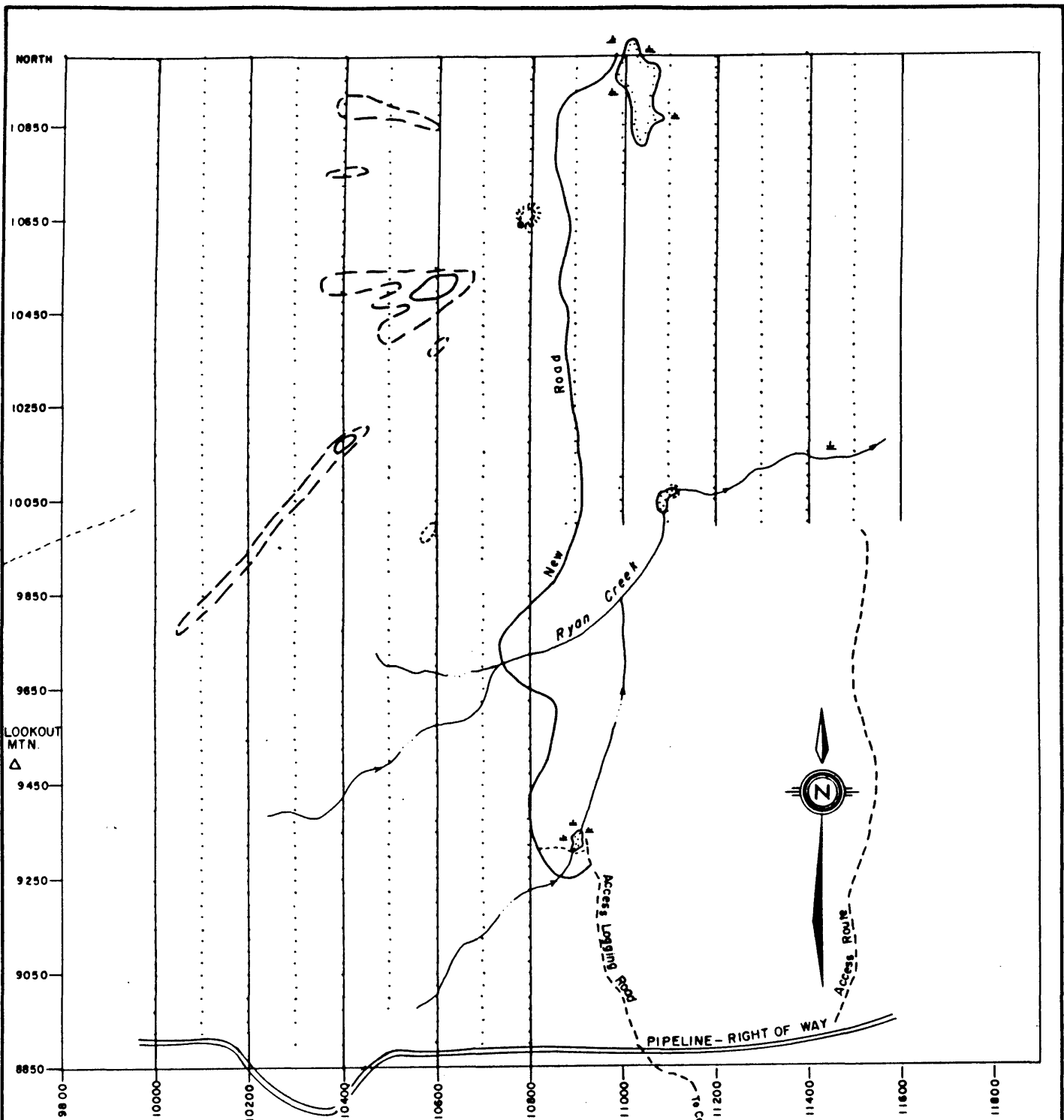
- - - 1.2 ppm
- ~ 2.4 ppm



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FIGURE 10

TQBEX RESOURCES LTD.	
GOLD DUST PROPERTY TRAIL CREEK MINING DIVISION, B.C.	
CASINO GRID GEOCHEMICAL SURVEY SILVER (PPM)	
LIVGARD CONSULTANTS LTD.	
SCALE: As Shown	DATE: DECEMBER, 1987

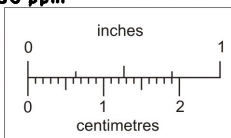


LEGEND

- Road
- - - Access Route
- ~ Creek
- ▲ Swamp
- Lake
- Shaft
- Outcrop

CONTOUR INTERVALS

- - - 30 ppm
- 80 ppm



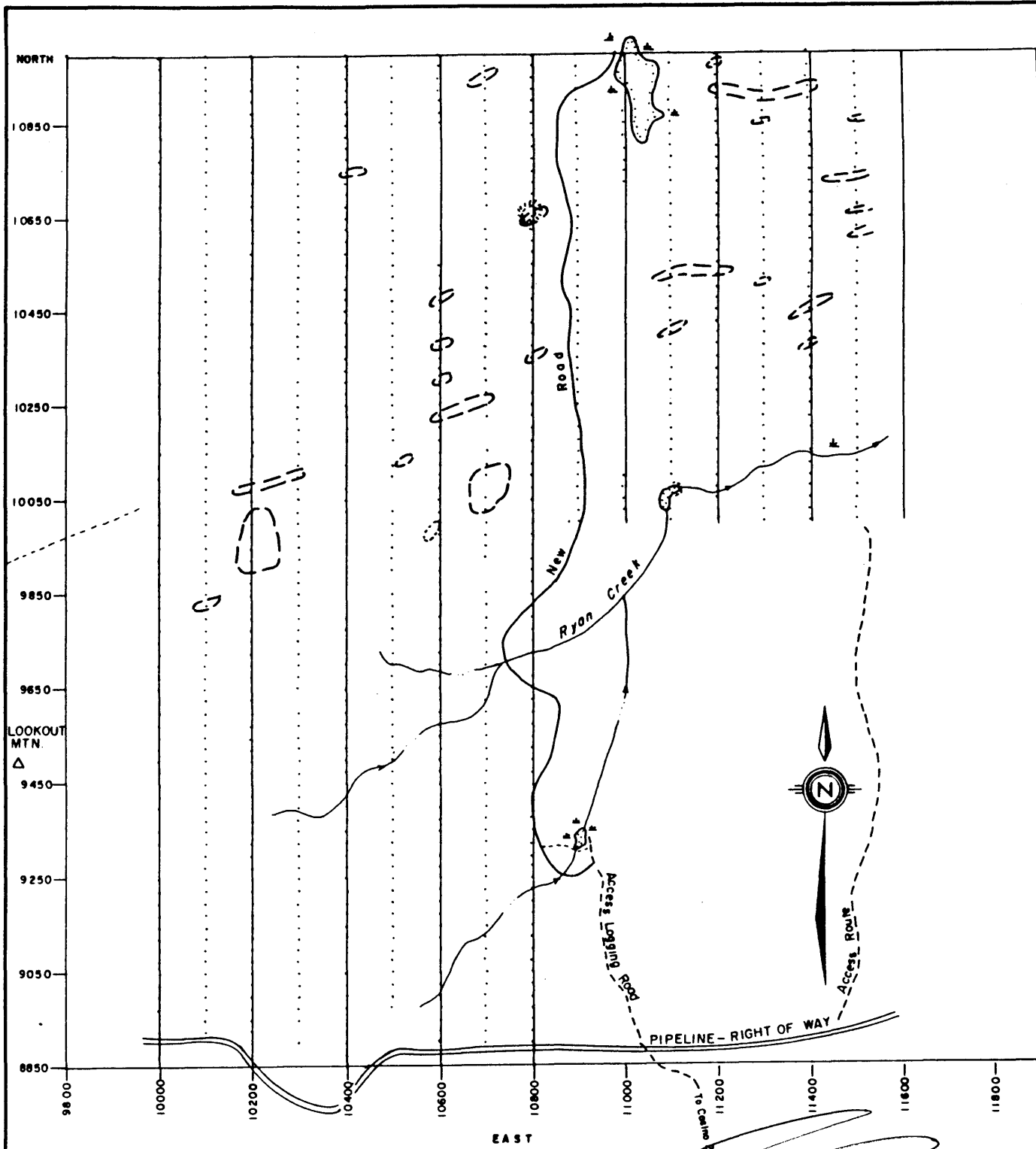
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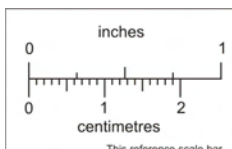
FIGURE 11

TOBEX RESOURCES LTD.	
GOLD DUST PROPERTY TRAIL CREEK MINING DIVISION, B.C.	
CASINO GRID GEOCHEMICAL SURVEY ARSENIC (PPM)	
LIVGARD CONSULTANTS LTD.	
SCALE: As Shown	DATE: DECEMBER, 1987



- LEGEND**
- Road
 - - - Access Route
 - ~ Creek
 - ▲ Swamp
 - Lake
 - Shaft
 - Outcrop

CONTOUR INTERVALS
- - - 50 ppm



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.

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FIGURE 12

TOBEX RESOURCES LTD.	
GOLD DUST PROPERTY TRAIL CREEK MINING DIVISION, B.C.	
CASINO GRID GEOCHEMICAL SURVEY COPPER (PPM)	
LIVGARD CONSULTANTS LTD.	
SCALE: As Shown	DATE: DECEMBER, 1987

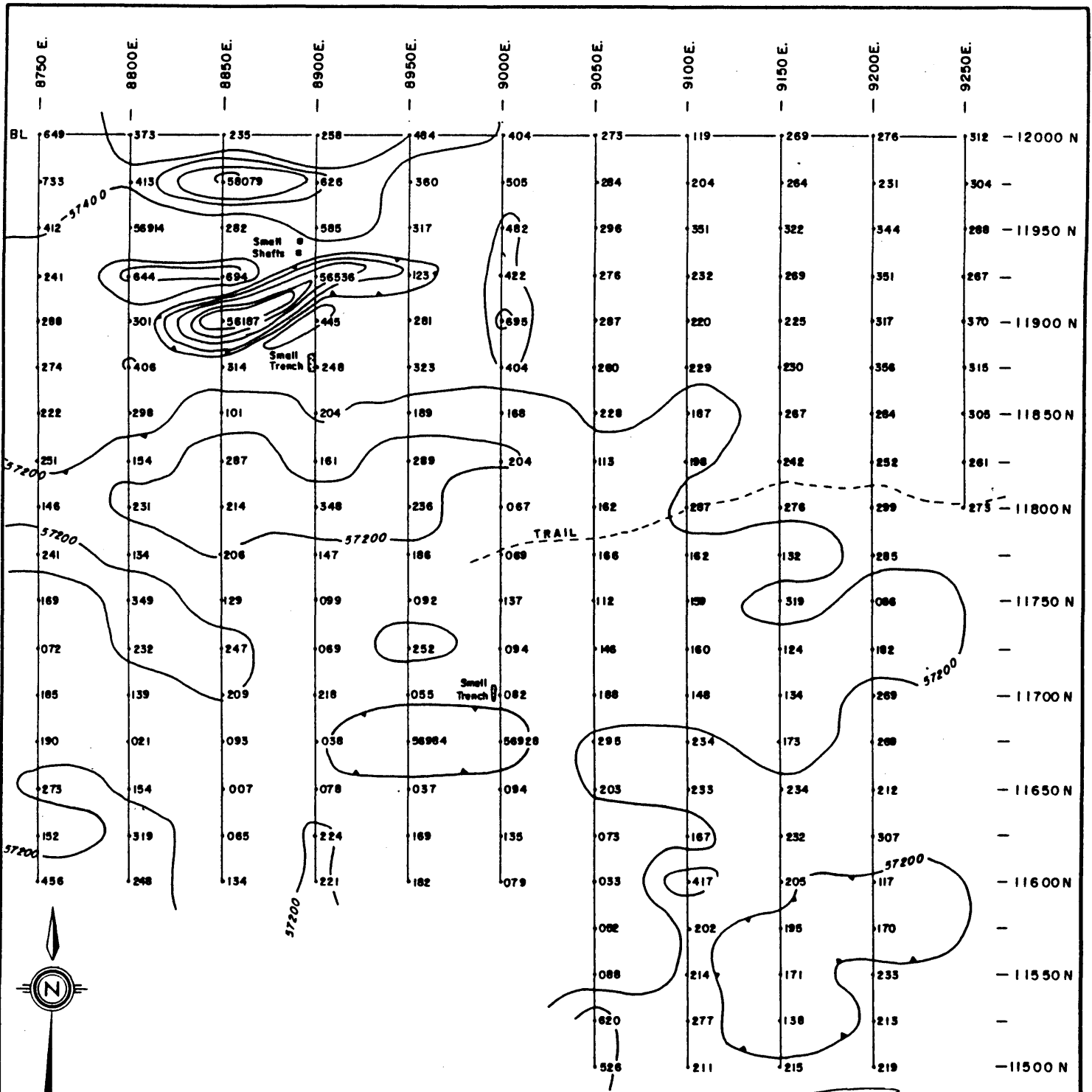


FIGURE 13

TOBEX RESOURCES LTD.	
GOLD DUST PROPERTY	
TRAIL CREEK MINING DIVISION, B.C.	
MAGNETIC SURVEY	
LIVGARD CONSULTANTS LTD.	
SCALE: 1:3000	DATE: DECEMBER, 1987

inches
0 1
centimetres
0 1 2

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METRES
0 50 100

APPENDICES



LIVGARD CONSULTANTS LTD.

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MIN-EN LABORATORIES LTD.

Specialists in Mineral Environments

705 West 15th Street North Vancouver, B.C. Canada V7M 1T2

PHONE: (604) 980-5814 OR (604) 988-4524

TELEX: VIA USA 7601067 UC

Certificate of Assay

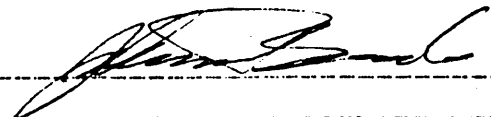
Company: LILVARD CONSULTANTS
Project: GOLD DUST
Attention: E. LILVARD

File: 7-1686/F1
Date: OCT 24/87
Type: ROCK ASSAY

We hereby certify the following results for samples submitted.

Sample Number	AG G/TONNE	AG OZ/TON	AU G/TONNE	AU OZ/TON	
8357	.6	0.02	2.52	0.074	SHAFT CASING GRIO - Volc. pyrrh.
8358	2.0	0.06	6.45	0.188	" " Arsenopy - Volc
8359	.4	0.01	.12	0.004	" " FINE MUCK
8360	1.0	0.03	.01	0.001	THRO RIDGE
8361	.3	0.01	.02	0.001	TRAIL outcrop

Certified by _____



MIN-EN LABORATORIES LTD.

MIN-EN LABORATORIES LTD.

Specialists in Mineral Environments

705 West 15th Street North Vancouver, B.C. Canada V7M 1T2

PHONE: (604) 980-5814 OR (604) 988-4524

TELEX: VIA USA 7601067 UC

Certificate of ASSAY

Company: LIVGARD CONSULTANTS
Project: GOLD DUST
Attention: E. LIVGARD

File: 7-1854/F1
Date: NOV 11/87
Type: ROCK ASSAY

We hereby certify the following results for samples submitted.

Sample Number	CU %	AG G/TONNE	AG OZ/TON	AU G/TONNE	AU OZ/TON
8362	.040	2.1	0.06	.52	0.015
8363	.126	1.9	0.06	.60	0.018
8364	.362	4.0	0.12	4.28	0.125
8365	.025	1.3	0.04	.02	0.001
8366	.049	1.7	0.05	.07	0.002
8367	.411	2.2	0.06	2.79	0.081
8368	.298	3.9	0.11	3.94	0.115
8369	.044	1.7	0.05	.15	0.004
8370	.595	3.9	0.11	6.81	0.199
8371	.224	1.1	0.03	5.21	0.152
8372	.076	4.0	0.12	1.28	0.037
8373	.133	19.4	0.57	7.41	0.216

Certified by



MIN-EN LABORATORIES LTD.

COMPANY: LIVGARD CONSULTANTS
PROJECT NO: MELWOOD
ATTENTION: E. LIVGARD

MIN-EN LABS ICP REPORT
705 WEST 15TH ST., NORTH VANCOUVER, B.C. V7M 1T2
(604)980-5814 OR (604)988-4524

(ACT:F31) PAGE 1 OF 1
FILE NO: 7-2011
* TYPE SDIL GEOCHEM * DATE: DEC 7, 1987

(VALUES IN PPM)	AG	AS	CU	PB	SB	ZN	AU-PPB
8550E 11910N	1.3	51	260	117	6	228	120
8550E 11920N	1.1	13	181	226	7	291	60
8550E 11930N	.8	13	83	178	11	273	50
8575E 11900N	1.3	28	108	161	5	261	610
8575E 11910N	1.0	54	138	193	8	216	60
8575E 11920N	.9	26	185	69	7	174	70
8575E 11930N	1.0	10	79	60	5	128	150
8575E 11940N	.5	33	85	34	1	85	25
8690N 11850E	1.0	30	75	124	6	214	40
8800E 11840N	.9	8	64	169	5	270	50

CHECK SOILS

SAMPLES TAKEN BY THE WRITER

No.	% Cu	g Au/ Tonne	g Ag/ Tonne	Grid Location		Description
8362	.04	0.52	2.1	9075E	11550N	North brow of shaft 2.0 m - highly fractured oxidized volcanics.
8363	.126	0.60	1.9	"	"	Centre pit - very hard silici- fied volcanics with disseminated pyrrhotite.
8364	.362	4.28	4.0	"	"	North pit - 3 m deep silici- fied volcanics, 1.6 m wide fracturing with pyrrhotite- chalcopyrite.
8365	.025	.02	1.3	9110E	11275N	Chips over 5 m in rock trench, dense fracturing (2cm) in silicified volcanics.
8366	.049	.07	1.7	9595E	11630N	Rock trench, 0.5 m random chip.
8367	.411	2.79	2.2	"	"	Picked massive pyrrhotite with minor chalcopyrite with quartz eyes.
8368	.298	3.94	3.9	9415E	11625N	Shaft fracture 0.2 m, 50% pyrrhotite and minor chalc.
8369	.044	.15	1.7	9410E	11670N	Rock cut sheared volcanics 0.6 m wide.
8370	.595	6.81	3.9	"	"	Rock cut sheared volcanics 0.6 m wide.
8371	.224	5.21	1.1	9415E	11625N	Shaft dump picked higher, pyrrhotite, pyrite, chalcopyrite, bornite
8372	.076	1.28	4.0	9110E	11650N	Sovereign adit oxidized vein striking 332° dip 78° NE 0.35 m wide.
8373	.133	7.41	19.4	"	"	Sovereign adit oxidized vein strike 196° dip 86° W width 0.10 m.



**CROWN GRANTS NO LONGER IN EXISTENCE
LOCATED FULLY OR PARTLY WITHIN THE PROPERTY**

L 5214	Agnes	938	Beechwood
L 989	Ida	?	Milwaukee
1192	Detroit	?	Waneta
1504	Iron Queen	988	Spotted Tail
3125	Black Diamond	?	Emma C
2945	High Ore No. 2	?	Vinon
1441	Volney	2985	Victoria
1193	Ottawa #1	943	Magnolia
2120	Notstupn	1692	Wisonsin
2470	Gray Cliff	2975	Pink
1834	Black Pearl	1985	Prince of Wales
2944	Wral	2673	E.V.DEBBS?
2116	Qupaunnie?	4611	Last Chance
2115	Emu	1226	Gr. Sovereign
1200	Red Point	1340	Boice
1688	Wolverin	1493	Stemwinder
2121	Emu Fr.	1341	Imperial
2118	Winrrod	1691	Marquise
1452	Goulah	2877	Wolverin Fr.
?	Appahaqui?	1494	Sultana
1450	Kiwi	3128	Fandang
1451	Scarabaeus	3972	Columbia
941	Glass Pendray	2971	Brant Fr.
940	Little Pittsburg	1989	Little Vita
942	Lost Boy	1990	Tilly Ho
2119	Gorilla	1992	Little Giant Fr.
939	Silver Star	4257	Big Casino
2117	Kurrajong	4256	Ben Bolt
1703	St. Croix	?	Eureka

**CROWN GRANTS AND REVERTED CROWN GRANTS
WITHIN THE PROPERTY**

1701	Oriental (M97)
1212	April Fool
1690	Joker
1689	St. Charles
1698	Blue Chip
1628	Norway



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Assessment Report #14495 Prosepcting Report "Border" MCS

Assessment Report #13484 Soil Survey Violin MCS.

#025

January 1948

Rosland Claims, Valley Mining Co.

Geology and SP Survey East of Crown Point

by E.P. Kaiser, R.C. MacDonald, H.C. Guinning, Engineers

#1094

October 28, 1967

Geochemical Survey - South Belt

Rosland Mines Ltd. by Dr. A.C. Skerle

#11441

August 25, 1983

Geochemical and Geophysical Report on the
Jero #1 to #4 Claims for Jero Resources Ltd.

D.G. Allen, P.Eng.



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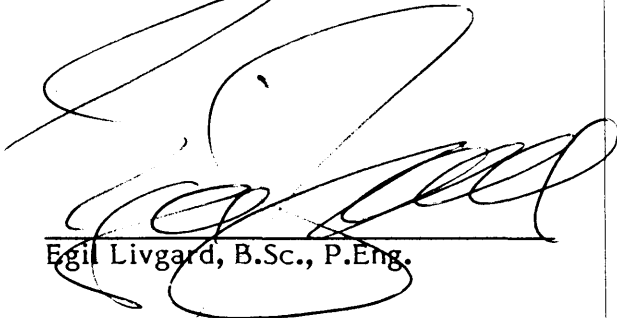
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CERTIFICATE

I, EGIL LIVGARD, of 1990 King Albert Avenue, Coquitlam, B.C., DO HEREBY CERTIFY:

1. I am a Consulting Geological Engineer, practicing from #616 - 837 West Hastings Street, Vancouver, B.C.
2. I am a graduate of the University of British Columbia, with a B.Sc., 1960 in Geological Sciences.
3. I am a registered member in good standing of the Association of Professional Engineers of the Province of British Columbia.
4. I have practised my profession for over 25 years.
5. I have no direct, indirect or contingent interest in the Gold Dust - Decoy - Ad Claim Groups (or any nearby property) which is held by Tobex Resources Ltd., in the securities of Tobex Resources Ltd., direct or indirect, nor in any associated company, nor do I intend to receive any such interest.
6. This report dated January 8, 1988 is based on an examinations of the property on September 26, October 16-18, November 2-4 and 23-25, 1987, and on references as listed.

DATED AT VANCOUVER, BRITISH COLUMBIA THIS 8TH OF JANUARY, 1988.


Egil Livgard, B.Sc., P.Eng.



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CERTIFICATE

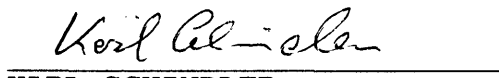
The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the Securities Act and its regulations.

DATED: April 18th, 1988



Chief Executive Officer
MICHAEL GERG


Chief Financial Officer
SUZANNE MARGUERITE TAKEUCHI

On behalf of the Directors of the Company:


KARL SCHINDLER
- Director


WILLIAM EDWARD SCHMIDT
- Director


MICHAEL GERG - Promoter


KARL SCHINDLER - Promoter


WILLIAM EDWARD SCHMIDT - Promoter

CERTIFICATE

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.

CONTINENTAL CARLISLE DOUGLAS

Per:  _____

DATED this 18th day of April, A.D. 1988.