

THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY MAY BE LAWFULLY OFFERED FOR SALE AND THEREIN ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES.

NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

PROSPECTUS

DATED: DECEMBER 15, 1989

MULTIPLEX RESOURCES LTD.

(the "Issuer")
304 - 701 West Georgia Street
Vancouver, B.C.
V7Y 1G5

003784

PUBLIC OFFERING — NEW ISSUE 675,000 COMMON SHARES

Shares	Price To Public	Commission Payable	Proceeds to Be Received by Issuer
Per Share	\$0.35*	\$0.05	\$0.30
Total	\$236,250	\$33,750	\$202,500**

* The price of the securities has been determined by the Issuer in negotiation with the Agent.

** Before deduction of the cost of this issue estimated to be \$15,000.

THERE IS NO MARKET THROUGH WHICH THESE SECURITIES MAY BE SOLD.

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED AS SPECULATION. ALL OF THE PROPERTIES IN WHICH THE ISSUER HAS AN INTEREST ARE IN THE EXPLORATION STAGE ONLY AND ARE WITHOUT A KNOWN BODY OF COMMERCIAL ORE. NO SURVEY OF ANY PROPERTY OF THE ISSUER HAS BEEN MADE AND THEREFORE IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH THE PROPERTIES ARE SITUATE, THEIR EXISTENCE AND AREA COULD BE IN DOUBT. SEE HEADING "RISK FACTORS" HEREIN.

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.

THIS OFFERING IS SUBJECT TO A MINIMUM SUBSCRIPTION OF 675,000 SHARES BEING SOLD ON THE OFFERING DAY. THIS OFFERING IS FURTHER SUBJECT TO THE MINIMUM SUBSCRIPTION OF 600,000 SHARES BEING SOLD ON THE OFFERING DAY PURSUANT TO THE PROSPECTUS OF NORTRAN RESOURCES LTD., WHICH PROSPECTUS BEARS THE SAME EFFECTIVE DATE AS THIS PROSPECTUS. SEE HEADING "Minimum Subscription" UNDER "PLAN OF DISTRIBUTION" FOR DETAILS.

FOR COMPARISON OF THE SECURITIES BEING OFFERED TO THE PUBLIC FOR CASH AND THOSE ISSUED TO PROMOTERS, DIRECTORS AND OTHER INSIDERS OF THE ISSUER, REFERENCE IS MADE TO "RISK FACTORS" HEREIN. ASSOCIATES OF THE AGENT DO NOT HOLD ANY SHARES IN THE CAPITAL STOCK OF THE ISSUER.

ONE OR MORE OF THE DIRECTORS OF THE ISSUER ARE DIRECTORS OF OTHER REPORTING COMPANIES AND HAVE POTENTIAL CONFLICTS OF INTEREST WHEN SERVING IN SUCH CAPACITIES. REFERENCE IS MADE TO "CONFLICT OF INTEREST".

The Vancouver Stock Exchange has conditionally listed the securities being offered pursuant to this Prospectus. Listing is subject to the Issuer fulfilling all the listing requirements of the Exchange on or before July 3, 1990, including prescribed distribution and financial requirements.

REFERENCE SHOULD BE MADE TO THE HEADING "DILUTION" HEREIN TO ASCERTAIN THE PERCENTAGE OF DILUTION IN THE BOOK VALUE OF EACH SHARE OF THE ISSUER UPON COMPLETION OF THIS OFFERING.

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

Agent:

PACIFIC INTERNATIONAL SECURITIES INC.

1500 - 700 West Georgia Street
Vancouver, British Columbia
669-2174

EFFECTIVE DATE: JANUARY 2, 1990

— OS2K/11E-12E —

MULTIPLEX RESOURCES LTD.

P R O S P E C T U S

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SUMMARY OF PROSPECTUS

The information given below is intended to provide a summary only of the principal features of the Offering. Reference should be made to the more detailed information appearing elsewhere in this Prospectus.

The Offering: 675,000 Common Shares

Price: \$0.35 to Public
\$0.05 Agent's Commission
\$0.30 net to Issuer

Minimum Subscription: This Offering is subject to a minimum subscription of 675,000 Shares being sold on the Offering Day. This Offering is further subject to the offering of 600,000 shares of Nortran Resources Ltd. being completed. See "Minimum Subscription" for details.

The Issuer: The Issuer is a natural resource company engaged in the acquisition, exploration and development of mineral properties.

Issued and Authorized Capital: The Issuer is authorized to issue 20,000,000 common shares without par value, all of which rank equally as to voting rights and distribution of assets. The Issuer has 1,320,100 shares outstanding, all issued for cash. Of the issued shares, 750,000 are held as Principal's Escrow Shares by the holder of more than 50% of the issued and outstanding shares of the Issuer. See "Escrowed Shares" for details.

Key Personnel: David Patterson is the Chief Executive Officer, President and a Director of the Issuer. Barbara Atkins is its Chief Financial Officer and Secretary. Kenneth Taylor and Michael Seifert comprise the remainder of the Board of Directors. See "Directors and Officers" for details.

Risk Factors: The Issuer is a mining exploration and development company. There is no known body of commercial ore on any of the Issuer's properties, and no guarantee that the exploration work to be carried out from funds to be derived from this Offering will result in any of the Issuer's properties being put into commercial production. In addition, metal prices are subject to fluctuation, and

mining costs are constantly escalating. As a result, the monies raised by this Offering may not be sufficient to complete the proposed program of work. The purchase of the shares described herein should, therefore, be regarded as speculative. See "Risk Factors" for a more detailed description of risks.

Dividend Record: See "Dividend Record" for details respecting the payment of dividends by the Issuer.

Dilution: See Item 9 under "Risk Factors" for dilution particulars.

Use of Proceeds: The monies from this Offering will be used to make an option payment and to pay the Issuer's portion of a work program on the Lardeau Creek Project. See "Use of Proceeds" for details.

Property Held by Issuer: The Issuer has an option to acquire a 50% interest in 19 located claims and reverted Crown Grants known as the "Lardeau Creek Project" and situated in the Revelstoke Mining Division in southeastern British Columbia.

The Issuer intends to expend its portion of the cost of the Phase 1 work program recommended by M. Magrum, P.Eng. and C. von Einsiedel, B.Sc. in their report dated May 30, 1989. The proposed program is estimated to cost a total of \$180,000, one-half of which is the responsibility of the Issuer. See "Use of Proceeds" for further details. See "Description of Business and Property of the Issuer" herein and the Engineering Report attached hereto for details respecting the option, joint venture agreement and work program.

PLAN OF DISTRIBUTION

Offering

The Issuer by its Agent hereby offers (the "Offering") to the public through the facilities of the Vancouver Stock Exchange (the "Exchange"), 675,000 common shares (the "Shares"). The Offering will be made in accordance with the rules and policies of the Exchange and will take place on a day (the "Offering Day") as determined by the Agent and the Issuer, with the consent of the Exchange, within a period of 180 days from the Effective Date of this Prospectus, being the day upon which the securities of the Issuer are conditionally listed on the Exchange. The Offering Price of the Shares will be \$0.35 per Share.

Appointment of Agent

The Issuer, by an agreement dated November 15, 1989 (the "Agency Agreement") appointed Pacific International Securities Inc. as its agent (the "Agent") to offer the Shares through the facilities of the Exchange, on a best efforts basis.

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 other licenced broker-dealers, brokers and investment dealers, who may or may not be offered part of the commissions or bonuses derived from this Offering.

Up to 300,000 Shares from 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 by the Agent 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 the sales are made.

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

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

Minimum Subscription

This Offering is subject to a minimum subscription of 675,000 Shares being sold on the Offering Day.

This Offering is further subject to the minimum subscription of 600,000 shares being sold on the Offering Day pursuant to the Prospectus of Nortran Resources Ltd., which Prospectus bears the same Effective Date as the Prospectus of the Issuer.

All funds received from the sale of the Shares of the Issuer and Nortran Resources Ltd. will be held in trust by Pacific Corporate Services Limited until the minimum subscriptions have been sold and the subscription monies received. If the minimum subscriptions are not sold all funds will be returned to the purchasers without deduction. If the minimum subscriptions are sold and notice of the release of funds is given to the Superintendent of Brokers, the proceeds received from this Offering will be paid to the Issuer less the commission payable to the Agent.

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 Issuer fulfilling all the listing requirements of the Exchange on or before July 3, 1990, including prescribed distribution and financial requirements.

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

The Directors, Officers and other Insiders of the Issuer may purchase Shares from this Offering.

RISK FACTORS

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

1. There is no known body of ore on the Issuer's mineral properties. The purpose of the present offering is to raise funds to carry out further exploration with the objective of establishing an economic body of ore. If

the Issuer's exploration programs are successful, additional funds will be required for the development of an economic orebody and to place it in commercial production. The only sources of future funds presently available to the Issuer are the sale of equity capital, or the offering by the Issuer of an interest in its property to be earned by another party or parties carrying out further exploration or development thereof.

2. There is no established market for the Shares and no assurance that one will develop.
3. Exploration for minerals is a speculative venture necessarily involving some substantial risk. There is no certainty that the expenditures to be made by the Issuer as described herein will result in discoveries of commercial quantities of ore.
4. Resource exploration and development is a speculative business and involves a high degree of risk. The marketability of natural resources which may be acquired or discovered by the Issuer will be affected by numerous factors beyond the control of the Issuer. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of them may result in the Issuer not receiving an adequate return on invested capital.
5. Mining operations generally involve a high degree of risk. Hazards such as unusual or unexpected formations and other conditions are involved. The Issuer may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the Issuer's financial position.
6. While the Issuer has obtained the usual industry standard title report with respect to its property, this should not be construed as a guarantee of title. The property may be subject to prior unregistered agreements or transfers or native land claims, and title may be affected by undetected defects.
7. The Issuer's property consists of recorded mineral claims which have not been surveyed and, therefore, the precise area and location of such claims may be in doubt.

8. If this Offering and the offering of Nortran Resources Ltd. are not fully subscribed the Issuer will be unable to meet its obligations under the Mining Option and Joint Venture Agreement described under "Business and Property of the Issuer".
9. After the issuance of the securities offered by this Prospectus and prior to the exercise of any outstanding share purchase options or warrants, the Issuer will have a book value per common share of \$0.1567. Accordingly, purchasers of the securities offered under this Prospectus will experience an immediate and substantial dilution of \$0.1933 per share (55.22%) in the net tangible book value of their investment.
10. The majority shareholder of the Issuer is The Northern Queensland Company Limited ("NQC"), of Queensland, Australia, a public company whose shares trade on the Sydney Stock Exchange in Australia, is also the majority shareholder in one other public company whose shares are currently trading on the Vancouver Stock Exchange. Due to NQC's operational skills in mining operations in third world countries, NQC is periodically given the opportunity to acquire an interest in development situations at less than appraised values. NQC may, at its option, make these opportunities available to other mining companies, including the Issuer, at a value supported by an independent valuation. Reference is made to the heading "Directors and Officers" concerning possible conflicts of interest involving directors and officers of the Issuer.
11. The securities offered by this Prospectus (excluding any securities acquired by underwriters, directors or employees from the exercise of share purchase options or warrants) will represent 34% of the outstanding shares of the Issuer on completion of the Offering, as compared to 63% issued to Promoters, Directors, Officers, substantial security holders (as defined in the British Columbia Securities Act) and underwriters for cash, property and services (assuming no further purchases by such persons under the Offering).
12. The Issuer has not paid any dividends since the date of its incorporation and it is not anticipated that dividends will be declared in the near future.

USE OF PROCEEDS

The net proceeds to be derived by the Issuer from the Offering are \$202,500. These proceeds, less the Issuer's working capital deficit as at December 15, 1989 of \$18,406, which includes a provision to pay the costs of this Offering of \$15,000, will be spent for the following purposes:

(a) to pay the costs of this Offering	\$ *
(b) to make the cash payment due by January 31, 1990 under the Mining Option and Joint Venture Agreement to Nortran Resources Ltd.	12,500
(c) to pay the Issuer's 50% share of the cost of carrying out the Phase 1 work program recommended by M. Magrum, P.Eng. and C.A. von Einsiedel, B.Sc. in their report on the Lardeau Creek Project dated May 30, 1989, estimated to be \$180,000	90,000
(d) to provide reserve for working capital and general administrative purposes	81,594
TOTAL:	\$184,094

* included in the Issuer's working capital deficiency of \$18,406 as at December 15, 1989.

The funds required for the remaining 50% of the work program intended to be carried out on the Lardeau Creek Project are the responsibility of Nortran Resources Ltd. In order to raise these funds Nortran Resources Ltd. is making a best efforts agency offering of its common shares to the public in British Columbia by way of a prospectus which bears the same effective date as this Offering. Both offerings are subject to minimum subscriptions being met. **IF EITHER OF THE ISSUER OR NORTRAN RESOURCES LTD. DOES NOT MEET THE MINIMUM SUBSCRIPTION REQUIREMENTS THERE WILL NOT BE SUFFICIENT MONIES AVAILABLE TO COMPLETE THE WORK PROGRAM ABOVE DESCRIBED.** See "Other Material Facts" for additional details.

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

None of the remaining proceeds shall 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 jurisdiction in which securities offered by this Prospectus may lawfully be sold. Should the Issuer intend to use the proceeds to acquire other than trustee-type securities after the distribution of the securities offered by this Prospectus, approval by the shareholders of the Issuer must first be obtained and notice of the intention filed with the regulatory bodies having jurisdiction over the sale of the securities offered hereby.

SALES OTHERWISE THAN FOR CASH

None of the securities being offered under this Prospectus are to be offered otherwise than for cash.

SHARE AND LOAN CAPITAL STRUCTURE

Designation of Security and amount authorized	Amount outstanding as of date of financial statements attached hereto	Amount outstanding at date of this Prospectus	Amount outstanding if all securities are sold
20,000,000 Common	1,320,100	1,320,100	1,995,100*

* This figure does not include the 192,000 shares which have been allotted for issuance pursuant to incentive stock options.

The Issuer does not have any contributed surplus or retained earnings, but had a deficit of \$39,822 to October 31, 1989.

The Issuer does not have any long-term debts.

NAME AND INCORPORATION OF ISSUER

The name of the Issuer is Multiplex Resources Ltd.

The Issuer was incorporated by Articles and Memorandum under the British Columbia Company Act on June 18, 1987.

The address of the Head Office of the Issuer is #304 - 701 West Georgia Street, Vancouver, British Columbia, V7Y 1G5.

The address of the Registered Office of the Issuer is c/o Maitland & Company, Barristers and Solicitors, #700 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6.

The Records Office of the Issuer is located c/o Pacific Corporate Services Limited, #830 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6.

DESCRIPTION OF BUSINESS AND PROPERTY OF THE ISSUER

Business

The Issuer is a natural resource company engaged in the acquisition, exploration and development of natural resource properties. The Issuer is currently involved principally in mineral properties.

Property

By a mining option and joint venture agreement (the "Agreement") dated for reference January 5, 1989 and amended August 15 and August 31, 1989, made between the Issuer and Nortran Resources Ltd. ("Nortran") of Vancouver, British Columbia, the Issuer was granted an option to acquire a 50% interest in 19 contiguous located claims and reverted Crown Grants comprising 122 claim units (roughly equivalent to 20 square kilometres), situated in the Revelstoke Mining Division of British Columbia, known as the Lardeau Creek Project (the "Property"), and more particularly described as follows:

Claim Name	Record Number	No. of Units	Expiry Date
CV1	2514	1	February 25, 1992
CV2	2515	1	February 25, 1992
CV3	2516	1	February 25, 1992
CV4	2517	1	February 25, 1992
Drifter	2449	20	September 14, 1991
Drifter No.1	2450	20	September 14, 1991
Drifter No.2	2451	16	September 14, 1991
JR #1	2520	12	March 30, 1992
JR #2	2521	12	March 30, 1992
JR #3	2529	10	April 22, 1992
Silver Pick	2027	1	January 2, 1992
IXL	2056	1	March 15, 1994
Pit No.1	2370	1	April 16, 1994
Pit No.2	2371	1	April 24, 1994
Pit No.3	2372	1	April 16, 1994
Pit No.4	2373	1	April 16, 1994
Pit No.5	2374	1	April 16, 1994
Pit No.6	2375	1	April 16, 1994
Remote	2647	20	February 26, 1990

The Issuer, at the time of entering into the Agreement, was at arm's length to Nortran.

The Pit No. 1 to Pit No. 6 claims were acquired by agreement dated May 30, 1987 by Nortran from Edward W. Marlow ("Marlow") of Nakusp, British Columbia at a cost of \$10,000, and Marlow retains an annual royalty interest in the Property equal to 5% of net profits derived therefrom. The remainder of the claims which comprise the Property were purchased by Nortran by Bills of Sale at a total cost of \$12,500, details of which are as follows:

Claim Name	Name of Vendor	Date	Purchase Price
Drifter and Drifter 1 & 2	Edward W. Marlow	October 15/87	\$5,000
Silver Pick	T. Smithson	July 17/87	\$1,000
I.X.L.	Jack Denny	July 17/87	\$1,500
JR 1,2 & 3	Ed W. Marlow	April 14/88	\$2,000
CV 1,2,3 & 4	Ed W. Marlow	April 14/88	\$3,000

Messrs. Marlow, Smithson and Denny were at the dates above set out and at the date of this Prospectus at arm's length with Nortran and the Issuer.

Nortran is a private British Columbia company controlled by David Alexander of Vancouver, British Columbia and Kadesh Investments Ltd. of Hong Kong. Kadesh is controlled by Martin Christen of Nassau, Bahamas.

Nortran has a prospectus which bears the same effective date as the Prospectus of the Issuer, and this Offering and the offering of Nortran will be done concurrently. The successful completion of each Prospectus is contingent upon the completion of the other. See "Minimum Subscription" for details.

Nortran has applied to list its common shares on the Vancouver Stock Exchange. Nortran has no directors in common with the Issuer and has no interest in the shares of the Issuer.

Pursuant to the Agreement, the Issuer is obligated to pay Nortran the total sum of \$20,000, of which \$7,500 has been paid. The remaining \$12,500 will be paid from funds derived from this Offering, but in any event, no later than January 31, 1990. Should the Issuer not be able to make the cash payment of \$12,500 by December 31, 1989, The Northern Queensland Company Limited, of Queensland, Australia, a public company whose shares trade on the Sydney Stock Exchange in Australia and the majority shareholder of the Issuer, has undertaken to make the required payment to Nortran on behalf of the Issuer.

In addition, the Issuer has agreed to incur cumulative exploration costs in a total amount of \$500,000 over three years, as follows:

\$200,000 by June 30, 1990;
\$350,000 by December 31, 1990;
\$500,000 by December 31, 1991.

Upon completion of the obligations by the Issuer as above set out, the option shall have been exercised and the joint venture arrangement contained in the Agreement will automatically take effect. The property shall thereafter be owned as to a 50% interest by each of the Issuer and Nortran.

Under the terms of the Agreement, prior exploration costs must be incurred in a total amount of \$400,000 by Nortran.

The Issuer shall be the operator of the Property.

The Property extends several kilometres west, north and east of the abandoned community of Ferguson located approximately 70 kilometres southeast of Revelstoke in southeastern British Columbia.

Access to Ferguson is via government maintained, all-weather road from either Revelstoke, Nakusp or Kaslo. From Ferguson four wheel drive tracks extend northwest into the western part of the claim area, north along Ferguson creek to the central part of the claims and east along Lardeau Creek to the eastern parts of the claims.

A report on the Property was prepared for the joint venture by M. Magrum, P.Eng. and C.A. von Einsiedel, BSc. dated May 30, 1989. A copy of the report is attached to and forms part of this Prospectus. The report contains a "Summary and Recommendations" which states, in part:

"...These claims are within the "Central" or "Camborne" Mineral Belt, the most important of two parallel belts of gold, silver and base metal occurrences collectively referred to as the Trout Lake Mining District.

Sporadic exploration of the project area since the late 1800's has identified 5 productive vein systems which exhibit polymetallic mineralization on several mine levels. Two of these mines (True Fissure and Nettie L.) are situated on crown granted claims within, but which do not form part of, the subject claims. Similar mines are located roughly 5 kilometers to the northwest (Spider - Eclipse) and southeast (Silver Cup mine). Published technical data regarding observed ore grades and thicknesses suggests that these vein structures have potential to host good grade polymetallic deposits in

the 250,000 to 500,000 ton range. Although production records are incomplete available data suggests an average grade ranging from 0.1 to 0.2 oz/ton gold, 10 to 20 oz/ton silver and 7 to 15% combined lead-zinc.

The central part of the property covers a wide, overburden covered valley which separates the True Fissure and Nettie L. prospects. During the 1970's, Columbia Metals Ltd. (presently Vanada Resources Ltd.) conducted an evaluation of the True Fissure and reported proven and probable reserves of approximately 100,000 tons at an average grade of 10 oz/ton silver, 9.0% zinc and 6.0% lead (note: gold values not reported). It is important to note that this work was restricted to shallow drilling at only one of several mineralized zones known in the True Fissure mine area. A more recent evaluation by Esso Minerals Ltd. (1983) suggests potential to substantially increase reserves in the True Fissure area and also notes additional, lower grade zones averaging 0.06 oz/ton gold, 4.5 oz/ton silver, 3.1% zinc, 0.9% copper and 1.9% lead.

Although detailed records are limited concerning the Nettie L. generalized mine plans and Ministry of Mines production records (circa 1899 to 1914) show that approximately 11,000 tons of "shipping ore" was hand sorted and shipped in rawhide sacks to Trail. This material reportedly averaged 0.23 oz/ton gold, 35.0 oz/ton silver and 10% combined base metals. Ministry of Mines records further note that "shipping ore" was restricted to narrow, high grade lenses within wider zones of mineralization and it is assumed that this prospect has reserve potential similar to the True Fissure mine area.

Published exploration data shows that in addition to the True Fissure and Nettie L. described in paragraph one there are at least three other areas of exposed mineralization within the claim area. These include the Gold Bug Showing (located in the eastern part of the property), the IXL (adjoins the Nettie L. prospect on the west side) and an unnamed adit (adjoins the True Fissure on the south side). . . Preliminary geological mapping could not locate the latter showings however a detailed examination was made of underground workings at the Gold Bug Showing.

Airborne geophysical surveys carried out during 1987 showed that mineralization in the True Fissure mine area has an EM signature and identified several similar responses in other parts of the claim group. Of particular interest is a cluster of EM responses located in the south central part of the property. Although this area is completely overburden covered follow-up

ground geophysical surveys carried out in 1989 delineated parallel, north trending shear zones which may represent a True Fissure type target. Overall this target rates the highest priority for the entire survey area.

To evaluate the Gold Bug prospect a program of detailed underground mapping and sampling, ground geophysical surveys and diamond drilling was carried out. Underground mapping showed a 1.5 - 2.5 metre wide shear containing quartz and scattered, discontinuous sulfide mineralization samples of which assayed between 0.015 and 0.030 oz/ton gold, 0.5 to 25.7 oz/ton silver, 0.2 to 4.5% lead and 0.2 to 20.5% zinc. Ground geophysical surveys show that the Gold Bug vein is localized along a bedding plane fault developed at a quartzite/graphite schist contact. Diamond drilling downdip of the underground workings encountered stockwork type mineralization (including a 0.75 meter section which assayed: 0.038 oz/ton gold, 2.35 oz/ton silver and 4.4% combined lead-zinc), however, controls on mineralization remain unclear and further drilling is proposed.

In summary, several target areas which may represent "True Fissure" style mineralization have been identified within the Lardeau Creek Claim Group. ..."

To date, a total of \$440,894 has been expended on the Property, \$319,809 by Nortran and \$121,085 by the Issuer.

The Issuer intends to carry out Stage 1 of a two-stage program recommended by Messrs. Magrum and von Einsiedel in their report. The estimated cost of the Stage 1 program is \$180,000. One-half of this amount will be expended by the Issuer from the funds derived from this Offering, which will meet the Issuer's obligation to expend \$200,000 in cumulative exploration costs by June 30, 1990. The remaining \$90,000 will be expended by Nortran, which will meet Nortran's obligation to expend a total of \$400,000 in prior exploration costs under the Agreement. See "Use of Proceeds" for an explanation respecting the method by which Nortran will raise its share of the proposed work program.

After completion of the Stage 1 program, further work will be carried out by the Issuer alone up to a total amount of \$500,000. When the Issuer has exercised the option by the expenditure of \$500,000, the Issuer and Nortran will share any further work on the Property on a 50/50 basis.

None of the claims continuous to the Property are owned by parties who are not at arm's length to the Issuer or Nortran.

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

DILUTION

The following table reflects the dilution which will result from the purchase of the Shares from this Offering:

Dilution per Share

Offering price per Share	\$0.35
Net tangible book value before the Offering\$110,179
Increase of net tangible book value attributable to the Offering\$202,500
Net tangible book value after the Offering\$312,679
Net tangible book value per share after the Offering	\$0.1567
Dilution to the subscribers	\$0.1933
Percentage of dilution in relation to the Offering Price	55.22%

PROMOTERS

Pursuant to the definition contained in the British Columbia Securities Act, David Patterson is the Promoter of the Issuer. No direct remuneration has been paid to Mr. Patterson. Strategic Systems Inc., a private British Columbia company with which the Issuer has a management contract, is owned as to 50% by Mr. Patterson. See "Other Material Facts" for details respecting the management agreement. See also "Options to Purchaser Securities of the Issuer" for details respecting an incentive stock option granted to Mr. Patterson.

Carl von Einsiedel was the former promoter of the Issuer. Mr. von Einsiedel resigned from the Board of the Issuer in December 1988. Ram Explorations Ltd. ("Ram"), a private British Columbia company controlled by Mr. von Einsiedel, carried out the exploration work and assisted in the preparation of the engineering report submitted with this Prospectus. The Issuer has paid the sum of \$13,450 to Ram for services carried out to date.

Mr. von Einsiedel was also a former director and promoter of Nortran Resources Ltd. He resigned from Nortran's board of directors on October 20, 1987. Neither Mr. von Einsiedel nor Ram has any direct or indirect interest in the shares or property of the Issuer or Nortran.

LEGAL PROCEEDINGS

The Issuer is not a party to any legal proceedings nor are any such proceedings contemplated.

ISSUANCE OF SHARES

The share capital structure of the Issuer consists of one class of common shares only. All shares of the Issuer, both issued and unissued, rank equally as to dividends, voting rights and as to any distribution of assets on winding-up or liquidation. There are no indentures or agreements limiting the payment of dividends and there are no conversion rights. The presently outstanding share capital is not subject to any call or assessment and the Shares offered hereby when issued and sold as described in this Prospectus will not be subject to any call or assessment.

DIRECTORS AND OFFICERS

The names and addresses of the Directors and Officers of the Issuer and the principal business or occupation in which each of them has been engaged during the immediately preceding five years are as follows:

DAVID MICHAEL PATTERSON

West Vancouver, British Columbia
Chief Executive Officer, President and Director

Mr. Patterson is a Promoter of the Issuer. He is also president and a director of Royal Crystal Resources Ltd. and vice-president and a director of Camborne Industries Ltd. Mr. Patterson is president and co-owner of Strategic Systems Inc., which has management contracts with five public British Columbia companies, Royal Crystal Resources Ltd., Steelhawk Resources Ltd., Camborne Industries Ltd., Consolidated Trout Lake Mines Ltd. and Silver Drake Resources Ltd. The shares of all these companies trade on the Exchange. Royal Crystal Resources Ltd., Consolidated Trout Lake Mines Ltd. and Silver Drake Resources Ltd. are all mineral exploration and development companies with properties in British Columbia. Camborne Industries Ltd. operates a clad steel plant in Neath, South Wales. Steelhawk Resources Ltd. is currently halted from trading on the Exchange pending the satisfactory completion of a proposed acquisition.

KENNETH DUDLEY TAYLOR

Sydney, Australia
Director

Mr. Taylor is the Executive Chairman and has directed the management of The Northern Queensland Company Limited ("NQC") since its inception. NQC, which holds 75% of the issued and outstanding shares of the Issuer, is a public Australian company whose shares trade on the Associated Stock Exchanges of Australia. Mr. Taylor holds directly 18.08% of the issued and outstanding shares in the capital

stock of NQC. He is also the Chairman of the Board of Prominent Resources Corporation, which is listed on the Exchange, and Goldstocks Limited, a public Australian investment company whose shares trade on the Associated Stock Exchanges of Australia. Prominent Resources Corporation operates a producing gold mine in Ghana.

MICHAEL LEE SEIFERT

West Vancouver, British Columbia
Director

Mr. Seifert is a partner of the law firm Maitland & Company, and practices law in Vancouver, British Columbia. He is the solicitor responsible for the preparation and filing of this Prospectus. Mr. Seifert serves on the boards of Arakis Capital Corporation, Camborne Industries Ltd. and Prominent Resources Corporation, the shares of which all trade on the Exchange.

BARBARA ATKINS

North Vancouver, British Columbia
Chief Financial Officer and Secretary

Ms. Atkins is co-owner of Strategic Systems Inc., which has management contracts with five public British Columbia companies other than the Issuer. Ms. Atkins is a director of Royal Crystal Resources Ltd and a director and secretary of Camborne Industries Ltd. See the details set out above under David Michael Patterson respecting the companies managed by Strategic Systems Inc.

Mr. Patterson and Ms. Atkins, in their capacities as Directors and Officers of the Issuer and as managers of the Issuer's day-to-day business affairs through their management company, Strategic Systems Inc., will devote as much of their time to the Issuer as is necessary to carry on its business in an efficient manner. Strategic Systems Inc. spends whatever time is required on each of the six companies managed by it, depending upon current needs and circumstances.

Audit Committee

The Audit Committee of the Issuer consists of Messrs. Patterson, Taylor and Seifert.

CONFLICT OF INTERESTS

The Directors of the Issuer are aware of their fiduciary duties and will deal with any conflicts of interest which may arise in accordance with the provisions of the Company Act (British Columbia). In order to avoid any possible conflict of interest which may arise between the Directors' duties to the Issuer and their duties to other companies on

whose boards they serve, the Directors of the Issuer will allocate business prospects between the various companies on the basis of prudent business judgment and the relative financial abilities and needs of such companies.

EXECUTIVE COMPENSATION

The Issuer has two Executive Officers, namely David Patterson, its President, and Barbara Atkins, its Secretary. No cash compensation, which includes salary, fees, director's fees, commissions and bonuses, among other things, has been paid by the Issuer to its Executive Officers during the period since incorporation. See "Options to Purchase Securities" for details relating to incentive stock options granted to Mr. Patterson and Ms. Atkins. Strategic Systems Inc., a private British Columbia company with which the Issuer has a management agreement is owned as to 50% each by Mr. Patterson and Ms. Atkins. See "Other Material Facts" for details respecting the management agreement.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

No Director, Senior Officer, proposed nominee for election as a director of the Issuer or associate or affiliate of any such Director, Senior Officer or proposed nominee is or has been indebted to the Issuer since incorporation.

OPTIONS TO PURCHASE SECURITIES

By agreements dated August 28, 1989, the Issuer has granted options to its Directors and employees on a total of 192,000 shares. The following options were granted by the Issuer, exercisable at \$0.35 per share for a period of two years from the Effective Date:

Executive Officers (2)	66,000 shares
Directors, other than Executive Officers (2)	126,000 shares

Prior to exercise of the options granted to Directors of the Issuer, the agreements or any subsequent amendments thereto must be ratified by the shareholders of the Issuer.

ESCROWED SHARES

Designation of Class	Number of Shares Held in Escrow	Percentage of Class
Common	750,000	57%

Pursuant to an agreement dated July 4, 1989, there are 750,000 shares of the Issuer held in escrow by Pacific Corporate Services Limited, subject to the direction and determination of the British Columbia Securities Commission.

If and when the Issuer's shares are listed for trading on the Exchange, the Exchange will assume jurisdiction of the escrowed shares.

The shares were purchased by The Northern Queensland Company Limited, the holder of 75% of the issued and outstanding shares of the Issuer, at a price of \$0.01 per share.

The escrow restrictions provide that the shares held in escrow may not be traded in, dealt with in any manner whatsoever, or released, nor may the Issuer, its transfer agent or an escrowholder make any transfer or record any trading of shares without the consent of the Superintendent or the Exchange, as the case may be.

The escrow arrangements also provide, among other things:

- (a) the consent of the appropriate regulatory authority to effect a transfer of shares within escrow to succeeding principals of the Issuer; and
- (b) that any escrow shares not released at the end of ten (10) years from the date of issuance by the Superintendent of a receipt for a prospectus relating to the Issuer's first primary distribution to the public shall be cancelled.

PRINCIPAL HOLDERS OF SECURITIES

The following table sets forth those parties who own, beneficially, directly or indirectly, more than 10% of the issued securities of the Issuer:

Name and Address	Class	Type of Ownership	No. of Securities Owned	Percentage of Class
The Northern Queensland Company Limited*	Common	Of Record Beneficial	990,000	75%
Emerald Investment Holdings Ltd.**	Common	Of Record Beneficial	264,000	20%

* The Northern Queensland Company Limited is a public Australian company whose shares trade on the Sydney Stock Exchange in Australia.

** Emerald Investment Holdings Ltd. is a private Bahamian company controlled by Martin Christen of Nassau.

The following table sets forth the percentage of voting securities of the Issuer held beneficially, directly or indirectly, by all directors and senior officers of the Issuer, as a group:

Designation of Class	Percentage of Class
Common	13.5%*

* The 13.5% interest is held, indirectly, by Mr. Kenneth Taylor, a director of the Issuer, through his 18.08% interest in The Northern Queensland Company Limited, of Queensland, Australia (75% x 18.08% = 13.5%).

PRIOR SALES

(a) Shares Sold for Cash

Since incorporation, the Issuer has allotted and issued the following shares for cash:

Number of Shares	Price per Share	Commissions Paid per Share Sold	Cash Received
750,100*	\$0.01	Nil	\$ 7,501
570,000**	\$0.25	Nil	\$142,500

* 750,000 of these shares are held in escrow.

** 480,000 of these shares were issued as CEE Flow-Through Shares. See "Other Material Facts" for details of the benefits accruing to these shares by the Issuer and the holders thereof.

(b) Shares Issued for Other than Cash

There have been no shares issued other than for cash.

DIVIDEND RECORD

The Issuer has not paid any dividends on any of its shares. The Issuer has no present plans to pay dividends, but any future dividend policy will be determined by the Directors of the Issuer based on earnings, financial requirements and other relevant factors.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than disclosed elsewhere in this Prospectus (see "Other Material Facts" - Management Agreement and "Options to Purchase Securities"), none of the Directors and/or Officers of the Issuer have any interest in material transactions.

SOLICITORS

The solicitors of the Issuer are Maitland & Company, Barristers and Solicitors, 700 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6. Maitland & Company also act as the Registered Office for the Issuer.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The Auditor for the Issuer is Yip & Deck, Chartered Accountants, 222 - 470 Granville Street, Vancouver, B. C.

The Transfer Agent and Registrar for the Issuer's shares is Pacific Corporate Services Limited, 830 - 625 Howe Street, Vancouver, B. C.

ACQUISITIONS

No material acquisitions or dispositions have been made by the Issuer since its incorporation other than as disclosed elsewhere in this Prospectus.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of the Issuer's business, the only material contracts entered into by the Issuer since its incorporation are the following:

1. Agency Agreement referred to under "Plan of Distribution".
2. Option and Joint Venture Agreement between the Issuer and Nortran Resources Ltd. referred to under "Description of Business and Property of the Issuer".
3. Canadian Exploration Expense Flow-Through Agreements referred to under "Other Material Facts".
4. Director and Employee Stock Option Agreements referred to under "Options to Purchase Securities of the Issuer".
5. Escrow Agreement referred to under "Escrowed Shares".
6. Management Agreement referred to under "Other Material Facts".

Copies of the foregoing contracts may be inspected at the Registered Office of the Issuer, c/o Maitland & Company, 7th Floor, 625 Howe Street, Vancouver, British Columbia, during normal business hours while primary distribution of the securities offered hereunder is in progress and for the period of 30 days thereafter.

OTHER MATERIAL FACTS

Issuance of Shares on Canadian Exploration Expenditures

Pursuant to Flow-Through Agreements made in December 1987 and December 1988 between the Issuer and various investors, the Issuer raised a total of \$120,000. These funds were spent as on qualified exploration expenditures. Pursuant to the provisions of the agreements, a total of 480,000 shares (the "Flow-Through Shares") were allotted and issued in the capital stock of the Issuer at a deemed price of \$0.25 per share. In accordance with the terms of the Flow-Through Agreements, and the Income Tax Act (Canada), the tax benefits related to the Canadian Exploration Expenditures accrued to the benefit of the investors in the 1987 and 1988 taxation years.

Upon renunciation of the Flow-Through Shares to the investors in 1987 and 1988, the right of the Issuer to claim the exploration monies raised by way of the flow-through agreements as an income tax resource deduction was forfeited.

The Flow-Through Shares were purchased from the CEE shareholders by The Northern Queensland Company Limited, the majority shareholder of the Issuer, in July, 1989. The Northern Queensland Company Limited, of Queensland, Australia, is a public company whose shares trade on the Sydney Stock Exchange in Australia.

Management Agreement

The Issuer has a management agreement dated July 5, 1989 (the "Agreement") with Strategic Systems Inc. ("Strategic"), a private company of Vancouver, British Columbia. Strategic is owned as to 50% each by David M. Patterson, a Director of the Issuer, and Barbara Atkins, the Issuer's Secretary. Under the terms of the Agreement the Issuer will pay Strategic the sum of \$2,000 per month (\$1,000 for management services, \$700 for rent and \$300 for limited office services and supplies). The Agreement is for an initial six-month term commencing on July 5, 1989 and is renewable thereafter on a yearly basis on terms to be negotiated between Strategic and the Issuer.

The management services provided by Strategic under the Agreement, include liaising with regulatory bodies, preparing press releases, quarterly reports and insider trading reports, and co-ordinating legal, audit and technical matters.

Public Relations Services

The Issuer has no written or oral arrangements for promotional or public relations services, and does not intend to formalize any such arrangements in the near future.

There are no other material facts not elsewhere disclosed in this Prospectus.

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.

MULTIPLEX RESOURCES LTD.

FINANCIAL STATEMENTS

FOR THE FOUR MONTHS ENDED OCTOBER 31, 1989

(UNAUDITED)

YIP & DECK

Chartered Accountants

Rogers Building,
Suite 222 - 470 Granville Street,
Vancouver, B.C. V6C 1V5

Tel: (604) 685-8769

Fax: (604) 685-4025

REVIEW ENGAGEMENT REPORT

To the Directors of
Multiplex Resources Ltd.

We have reviewed the balance sheet of Multiplex Resources Ltd. as at October 31, 1989 and the statements of operations and deficit and changes in cash position for the four months then ended. Our review was made in accordance with generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the company.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with generally accepted accounting principles.

Vancouver, B.C.
November 17, 1989


CHARTERED ACCOUNTANTS

MULTIPLEX RESOURCES LTD.

BALANCE SHEET

OCTOBER 31, 1989

(UNAUDITED)

ASSETS

Current Assets:	
Accounts and advances receivable	\$ 9,343
Mineral properties and deferred costs (Note 3)	<u>128,585</u>
	<u>\$ 137,928</u>

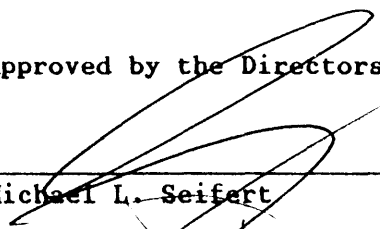
LIABILITIES

Current Liabilities:	
Cash overdraft	\$ 5
Accounts, payable and accrued	<u>27,744</u>
	<u>27,749</u>

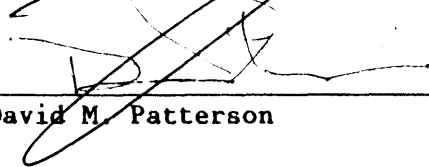
SHAREHOLDERS' EQUITY

Share capital (Note 4)	150,001
Deficit	<u>(39,822)</u>
	<u>110,179</u>
	<u>\$ 137,928</u>

Approved by the Directors:



Michael L. Seifert Director



David M. Patterson Director

See accompanying notes.

MULTIPLEX RESOURCES LTD.

STATEMENT OF OPERATIONS AND DEFICIT

FOR THE FOUR MONTHS ENDED OCTOBER 31, 1989

(UNAUDITED)

REVENUE	\$ <u> -</u>
GENERAL AND ADMINISTRATIVE EXPENSES	
Listing fees	4,070
Office and miscellaneous	134
Professional fees	6,350
Prospectus	23,344
Travel and promotion	<u>660</u>
	<u>34,558</u>
NET LOSS	(34,558)
DEFICIT, beginning	<u>(5,264)</u>
DEFICIT, ending	<u>\$ (39,822)</u>
Basic loss per share	<u>\$ (0.02)</u>

See accompanying notes.

MULTIPLEX RESOURCES LTD.

STATEMENT OF CHANGES IN CASH POSITION

FOR THE FOUR MONTHS ENDED OCTOBER 31, 1989

(UNAUDITED)

OPERATING ACTIVITIES

Operations	
Net loss	\$ (34,558)
Cash provided by changes in non-cash working capital items	<u>20,659</u> <u>(13,899)</u>
DECREASE IN CASH	(13,899)
CASH, BEGINNING	<u>13,894</u>
CASH (DEFICIENCY), ENDING	<u>\$ (5)</u>

See accompanying notes.

MULTIPLEX RESOURCES LTD.

NOTES TO THE FINANCIAL STATEMENTS

OCTOBER 31, 1989

(UNAUDITED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mineral claims acquisition costs and related exploration expenditures are capitalized in the accounts of the company. It is the company's policy to capitalize these costs until the property is placed into production, abandoned or sold. Costs applicable to abandoned properties or claims are charged to operations in the year of abandonment.

Capitalized costs are not intended to reflect present or future values.

2. NATURE OF OPERATIONS

The company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

The recoverability of amounts shown for mineral properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, confirmation of the company's interest in the underlying mineral claims, the ability of the company to obtain necessary financing to complete the development and future profitable production or proceeds from the disposition thereof.

3. MINERAL PROPERTIES AND DEFERRED COSTS

Lardeau Creek Property
Acquisition
Exploration

\$ 7,500
121,085
\$ 128,585

(a) The Lardeau Creek Property is comprised of nineteen mineral claims located in the Revelstoke Mining Division, British Columbia.

(b) During the prior year the company entered into an option agreement on the Lardeau Creek Property, providing the company the right to earn a 50% interest in the property for the following consideration:

Cash option payments:

\$7,500 (paid) upon execution of the agreement;

\$12,500 to be paid from the proceeds of the public offering described in Note 7, but in any event, to be paid by no later than January 31, 1990.

MULTIPLEX RESOURCES LTD.

NOTES TO THE FINANCIAL STATEMENTS

OCTOBER 31, 1989

(UNAUDITED)

3. MINERAL PROPERTIES AND DEFERRED COSTS (continued)

(c) Cumulative exploration costs to be incurred:

\$200,000 by June 30, 1990;
\$350,000 by December 31, 1990;
\$500,000 by December 31, 1991.

Upon exercising the option, the company and the optionor shall participate in a joint venture for the purpose of further exploring the property.

4. SHARE CAPITAL

(a) Authorized: 20,000,000 common shares without par value.

(b) Issued: Share capital has been issued for the following consideration to October 31, 1989:

	<u>Number</u>	<u>Amount</u>
For cash	<u>1,320,100</u>	<u>\$ 150,001</u>

No shares were issued during the period.

750,000 of the issued and outstanding shares are held in escrow, and are not to be released without the consent of regulatory authorities.

(c) Stock Options:

The company has granted stock options for 192,000 common shares exercisable at \$0.35 per share for the period of two years from the effective date of receiving the final receipt for the prospectus (Note 7) from the Superintendent of Brokers of British Columbia.

The stock options are allocated as follows:

To executive officers	66,000 shares
To directors other than executive officers	<u>126,000</u> shares
	<u>192,000</u> shares

MULTIPLEX RESOURCES LTD.

NOTES TO THE FINANCIAL STATEMENTS

OCTOBER 31, 1989

(UNAUDITED)

5. RELATED PARTY TRANSACTIONS

The company has entered into a management agreement with a company which is jointly controlled by a director and an employee of Multiplex. Under the terms of the agreement, Multiplex will pay the sum of \$2,000 per month (\$1,000 for management services, \$700 for rent and \$300 for limited office services and supplies). The agreement is for an initial six-month term commencing on July 5, 1989 and is renewable thereafter on a yearly basis on terms to be negotiated.

6. COMPARATIVE FIGURES

Comparative figures for the 1988 fiscal period were not available.

7. SUBSEQUENT EVENT

Prospectus

The company has signed a "best efforts" agency agreement with Pacific International Securities Inc. to offer 675,000 common shares to the public at \$0.35 per share, to net the company \$202,500 after agent's commission.

MULTIPLEX RESOURCES LTD.
FINANCIAL STATEMENTS
FOR THE MONTH AND YEARS ENDED
JUNE 30, 1987, 1988 AND 1989

YIP & DECK

Chartered Accountants

Rogers Building,
Suite 222 - 470 Granville Street,
Vancouver, B.C. V6C 1V5

Tel: (604) 685-8769

Fax: (604) 685-4025

AUDITORS' REPORT

To the Directors of
Multiplex Resources Ltd.

We have examined the balance sheet of Multiplex Resources Ltd. as at June 30, 1987, 1988 and 1989 and the statements of operations and deficit and changes in cash position for the month and years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at June 30, 1987, 1988 and 1989 and the results of its operations and the changes in its cash position for the month and years then ended in accordance with generally accepted accounting principles applied on a consistent basis.

Vancouver, B.C.
August 29, 1989 except for
Note 7(d) which is as of
August 31, 1989 and Note 7(a)
which is as of November 15, 1989.



CHARTERED ACCOUNTANTS

MULTIPLEX RESOURCES LTD.

BALANCE SHEET

JUNE 30, 1987, 1988, AND 1989

ASSETS

	<u>1989</u>	<u>1988</u>	<u>1987</u>
Current Assets:			
Cash	\$ 13,894	\$ -	\$ -
Accounts receivable (Note 8)	<u>3,915</u>	<u>1</u>	<u>1</u>
	<u>17,809</u>	<u>1</u>	<u>1</u>
Mineral properties and deferred costs (Note 4)			
	<u>128,585</u>	<u>10,000</u>	<u>-</u>
	<u>\$ 146,394</u>	<u>\$ 10,001</u>	<u>\$ 1</u>

LIABILITIES

Current Liabilities:			
Accounts payable (Note 8)	<u>\$ 1,657</u>	<u>\$ 573</u>	<u>\$ -</u>

SHAREHOLDERS' EQUITY


Share capital (Note 5)	150,001	10,001	1
Deficit	<u>(5,264)</u>	<u>(573)</u>	<u>-</u>
	<u>144,737</u>	<u>9,428</u>	<u>1</u>
	<u>\$ 146,394</u>	<u>\$ 10,001</u>	<u>\$ 1</u>

Approved by the Directors:



Michael L. Seifert

Director



David M. Patterson

Director

See accompanying notes.

MULTIPLEX RESOURCES LTD.

STATEMENT OF OPERATIONS AND DEFICIT

	Year Ended June 30, <u>1989</u>	Year Ended June 30, <u>1988</u>	One Month Ended June 30, <u>1987</u>
REVENUE			
Interest	\$ <u>11</u>	\$ <u>57</u>	\$ <u>-</u>
GENERAL AND ADMINISTRATIVE EXPENSES			
Office and miscellaneous	46	130	-
Professional fees	<u>4,656</u>	<u>500</u>	-
	<u>4,702</u>	<u>630</u>	-
NET LOSS	(4,691)	(573)	-
DEFICIT, beginning	<u>(573)</u>	<u>-</u>	<u>-</u>
DEFICIT, ending	<u>\$ (5,264)</u>	<u>\$ (573)</u>	<u>\$ -</u>
Basic loss per share	<u>\$ (0.003)</u>	<u>\$ (0.014)</u>	<u>\$ -</u>

See accompanying notes.

MULTIPLEX RESOURCES LTD.

STATEMENT OF CHANGES IN CASH POSITION

	Year Ended June 30, <u>1989</u>	Year Ended June 30, <u>1988</u>	One Month Ended June 30, <u>1987</u>
OPERATING ACTIVITIES			
Operations			
Net loss	\$ (4,691)	\$ (573)	\$ -
Cash provided (used) by changes in non-cash working capital items	<u>(2,830)</u> <u>(7,521)</u>	<u>573</u> <u>-</u>	<u>(1)</u> <u>(1)</u>
FINANCING ACTIVITIES			
Common shares issued	<u>140,000</u>	<u>10,000</u>	<u>1</u>
INVESTING ACTIVITIES			
Mineral claims - option and acquisition costs	(7,500)	-	-
Deferred exploration expense	<u>(111,085)</u> <u>(118,585)</u>	<u>(10,000)</u> <u>(10,000)</u>	<u>-</u> <u>-</u>
INCREASE IN CASH	13,894	-	-
CASH, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
CASH, ENDING	<u>\$ 13,894</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

MULTIPLEX RESOURCES LTD.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1987, 1988, AND 1989

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mineral claims acquisition costs and related exploration expenditures are capitalized in the accounts of the company. It is the company's policy to capitalize these costs until the property is placed into production, abandoned or sold. Costs applicable to abandoned properties or claims are charged to operations in the year of abandonment.

Capitalized costs are not intended to reflect present or future values.

2. NATURE OF OPERATIONS

The company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

The recoverability of amounts shown for mineral properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, confirmation of the company's interest in the underlying mineral claims, the ability of the company to obtain necessary financing to complete the development and future profitable production or proceeds from the disposition thereof.

3. INCORPORATION

The company was incorporated on June 18, 1987 under the Company Act of British Columbia.

4. MINERAL PROPERTIES AND DEFERRED COSTS

	Balance June 30, <u>1987</u>	Expenditures Year Ended <u>June 30/88</u>	Expenditures Year Ended <u>June 30/89</u>	Balance June 30, <u>1989</u>
Lardeau Property				
Acquisition	\$ -	\$ -	\$ 7,500	\$ 7,500
Exploration	-	<u>10,000</u>	<u>111,085</u>	<u>121,085</u>
	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 118,585</u>	<u>\$128,585</u>

(a) The Lardeau Creek Property is comprised of nineteen mineral claims located in the Revelstoke Mining Division, British Columbia.

MULTIPLEX RESOURCES LTD.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1987, 1988, AND 1989

4. MINERAL PROPERTIES AND DEFERRED COSTS (continued)

(b) During the current year the company entered into an option agreement on the Lardeau Creek Property, providing the company the right to earn a 50% interest in the property for the following consideration:

Cash option payments:

\$7,500 (paid) upon execution of the agreement; \$12,500 to be paid by September 1, 1989 (amended subsequent to June 30, 1989 - Note 7d).

(c) Cumulative exploration costs to be incurred:

\$ 75,000 by December 31, 1989;
\$250,000 by December 31, 1990;
\$500,000 by December 31, 1991.

Subsequent to June 30, 1989, the option agreement was amended with respect to exploration costs (Note 7e).

Upon exercising the option, the company and the optionor shall participate in a joint venture for the purpose of further exploring the property.

5. SHARE CAPITAL

(a) Authorized: 20,000,000 common shares without par value.

(b) Issued: Share capital has been issued for the following consideration to June 30, 1989:

	<u>1989</u>		<u>1988</u>		<u>1987</u>	
	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>
For cash	<u>1,320,100</u>	<u>\$150,001</u>	<u>40,100</u>	<u>\$10,001</u>	<u>100</u>	<u>\$ 1</u>

(c) Shares issued:

One month ended June 30, 1987:

100 common shares for cash at \$0.01 per share.

Year ended June 30, 1988:

40,000 common flow-through shares for cash at \$0.25 per share.

MULTIPLEX RESOURCES LTD.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1987, 1988, AND 1989

5. SHARE CAPITAL (continued)

Year ended June 30, 1989:

- 750,000 common shares for cash at \$0.01 per share;
- 90,000 common shares for cash at \$0.25 per share;
- 440,000 common flow-through shares for cash at \$0.25 per share.

The 750,000 shares issued above are held in escrow and are not to be released without the consent of regulatory authorities.

6. INCOME TAX

Expenditures financed from flow-through shares are those of the company, but are then renounced to the subscribers, reducing any cumulative resource expenditures available for deduction from any future income of the company.

7. SUBSEQUENT EVENTS

(a) The company has signed a "best efforts" agency agreement with Pacific International Securities Inc. to offer 675,000 common shares to the public at \$0.35 per share, to provide net proceeds of \$202,500.

(b) The company has granted stock options for 192,000 common shares exercisable for \$0.35 per share for the period of two years from the effective date of receiving the final receipt for the prospectus (for the issue of 675,000 shares above) from the Superintendent of Brokers of British Columbia, as follows:

Executive officers	66,000 shares
Directors other than executive officers	<u>126,000</u> shares
	<u>192,000</u> shares

(c) The company has entered into a management agreement as described in Note 8b.

(d) An amendment to the Lardeau Creek Property option agreement (Note 4b) now provides that the \$12,500 option payment is to be paid from the proceeds of the company's common share offering to the public (Note 7a), but in any event, by no later than January 31, 1990.

(e) The Lardeau Creek Property option (Note 4) has been amended as to the terms of the cumulative exploration costs to be incurred by the company. The amended agreement requires expenditures as follows:

MULTIPLEX RESOURCES LTD.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1987, 1988, AND 1989

7. SUBSEQUENT EVENTS (continued)

\$200,000 by June 30, 1990;
\$350,000 by December 31, 1990;
\$500,000 by December 31, 1991.

8. RELATED PARTY TRANSACTIONS

- (a) A geological service company (controlled by an individual who acted as a director and officer of Multiplex) carried out exploration expenditures (Note 4) in the amount of \$111,085 during the year ended June 30, 1989. This geological service company owes Multiplex \$3,915 at June 30, 1989. The same individual was also an officer and director of the optionor of the Lardeau Creek Property (Note 4). This individual resigned as the officer and director of Multiplex on December 8, 1988. Multiplex owes this individual \$657 at June 30, 1989.
- (b) The company has entered into a management agreement (Note 7c) with a company which is jointly controlled by a director and an employee of Multiplex. Under the terms of the agreement, Multiplex will pay the sum of \$2,000 per month (\$1,000 for management services, \$700 for rent and \$300 for limited office services and supplies). The agreement is for an initial six-month term commencing on July 5, 1989 and is renewable thereafter on a yearly basis on terms to be negotiated.

MULTIPLEX RESOURCES LTD.

SCHEDULE OF DEFERRED EXPLORATION EXPENSES

	Year Ended June 30 <u>1989</u>	Year Ended June 30 <u>1988</u>	One Month Ended June 30 <u>1987</u>
Revelstoke Mining division Southeaster British Columbia			
Lardeau claims			
Data compilation and report production	\$ 8,320	\$ -	\$ -
Field supplies, camp and equipment, rent	29,471	-	-
Geological consulting, engineering and wages	13,450	-	-
Geochemical and geophysical survey	43,845	-	-
Road construction and drilling site preparation	12,296	10,000	-
Transportation	<u>3,703</u>	<u>-</u>	<u>-</u>
DEFERRED EXPLORATION EXPENSES	111,085	10,000	-
BALANCE, beginning	<u>10,000</u>	<u>-</u>	<u>-</u>
BALANCE, ending (Note 4)	<u>\$ 121,085</u>	<u>\$ 10,000</u>	<u>\$ -</u>

See accompanying notes.

RAM EXPLORATIONS LTD.

**SUMMARY REPORT AND
PROPOSED EXPLORATION PROGRAM
ON THE
LARDEAU CREEK JOINT VENTURE**

FOR

**NORTRAN RESOURCES LTD.
MULTIPLEX RESOURCES LTD.**

**REVELSTOKE MINING DIVISION
SOUTH EASTERN BRITISH COLUMBIA**

Location:

Longitude: 117 ° 15' west

Latitude: 50 ° 38' north

NTS: 82K11W / 82K12E

Mineral Claims:

CV 1 to 4, Record No.s 2514 - 2517

Pit No. 1 - No. 6, Record Nos. 2370 - 2375

JR#1, JR#2, JR#3, Record No.s 2520,2521, 2529

Drifter, Drifter No. 1, No. 2, Record Nos. 2449, 2450, 2451

Silver Pick, Record No. 2027

IXL, Record No. 2056

Remote, Record No. 2647

Reported By:

M. Magrum, P.Eng.

and

C.A. von Einsiedel, BSc.

Submitted: May 30, 1989

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TERMS OF REFERENCE

Between 1987 and 1989 Nortran Resources Ltd. and joint venture partner Multiplex Resources Ltd. acquired a large claim group located near Revelstoke in southeastern British Columbia. The property (termed Lardeau Creek Joint Venture) covers the entire central part of an abandoned silver mining area known as the Trout Lake / Lardeau Mining District.

Near the turn of the century the Trout Lake area was extensively explored for silver and base metals. Several lode discoveries were made however, until recently a lack of adequate transportation facilities has greatly restricted development of even the most promising of these prospects.

The subject property includes large areas of basically unexplored, overburden covered ground between and surrounding two of the most important known discoveries. Logging operations since 1980 have greatly improved access to these areas and the project is considered a promising "grass roots" prospect.

During 1982, a previous operator (Westmin Resources Ltd.) completed reconnaissance soil geochemical surveys over parts of the subject property and concluded that there is potential for additional discoveries.

Between 1987 and 1989 Nortran and Multiplex carried out a preliminary exploration program which included: geological mapping and sampling; airborne and ground geophysical surveys; and, diamond drilling designed to evaluate exposed mineralization in the eastern part of the claim area.

This report summarizes results of exploration to date and outlines a staged program of continued exploration.

SUMMARY AND RECOMMENDATIONS

The Lardeau Creek property consists of 19 located claims and reverted Crown Grants which cover an area equivalent to roughly 20 square kilometers along the lower slopes of Ferguson and Lardeau Creeks. These claims are within the "Central" or "Camborne" Mineral Belt, the most important of two parallel belts of gold, silver and base metal occurrences collectively referred to as the Trout Lake Mining District.

Geological maps published by the G.S.C. (Open File Map Nos. 432 and 464, Read, 1974) show that the Trout Lake District forms the northern terminus of arcuate belt of past producing silver and base metal mines (termed the Kootenay Arc). Rocks within the project area comprise complexly folded, Paleozoic aged metasediments and metavolcanics belonging to the Lardeau Group (Fyles, 1963).

Sporadic exploration of the project area since the late 1800's has identified 5 productive vein systems which exhibit polymetallic mineralization on several mine levels. Two of these mines (True Fissure and Nettie L.) are situated on crown granted claims within, but which do not form part of, the subject claims. Similar mines are located roughly 5 kilometers to the northwest (Spider - Eclipse) and southeast (Silver Cup mine). Published technical data regarding observed ore grades and thicknesses suggests that these vein structures have potential to host good grade polymetallic deposits in the 250,000 to 500,000 ton range. Although production records are incomplete available data suggests an average grade ranging from 0.1 to 0.2 oz/ton gold, 10 to 20 oz/ton silver and 7 to 15% combined lead-zinc.

The central part of the property covers a wide, overburden covered valley which separates the True Fissure and Nettie L. prospects. During the 1970's, Columbia Metals Ltd. (presently Vanada Resources Ltd.) conducted an evaluation of the True Fissure and reported proven and probable reserves of approximately 100,000 tons at an average grade of 10 oz/ton silver, 9.0% zinc and 6.0% lead (note: gold values not reported). It is important to note that this work was restricted to shallow drilling at only one of several mineralized zones known in the True Fissure mine area. A more recent evaluation by Esso Minerals Ltd. (1983) suggests potential to substantially increase reserves in the True Fissure area and also notes additional, lower grade zones averaging 0.06 oz/ton gold, 4.5 oz/ton silver, 3.1% zinc, 0.9% copper and 1.9% lead.

Although detailed records are limited concerning the Nettie L. generalized mine plans and Ministry of Mines production records (circa 1899 to 1914) show that approximately 11,000 tons of "shipping ore" was hand sorted and shipped in rawhide sacks to Trail. This material reportedly averaged 0.23 oz/ton gold, 35.0 oz/ton silver and 10% combined base metals. Ministry of Mines records further note that "shipping ore" was restricted to narrow, high grade lenses within wider zones of mineralization and it is assumed that this prospect has reserve potential similar to the True Fissure mine area.

Published exploration data shows that in addition to the True Fissure and Nettie L. described in paragraph one there are at least three other areas of exposed mineralization within the claim area. These include the Gold Bug Showing (located in the eastern part of the property), the IXL (adjoins the Nettie L. prospect on the west side) and an unnamed adit (adjoins the True Fissure on the south side) marked on G.S.C. Map No.45. Preliminary geological mapping could not locate the latter showings however a detailed examination was made of underground workings at the Gold Bug Showing.

Airborne geophysical surveys carried out during 1987 showed that mineralization in the True Fissure mine area has an EM signature and identified several similar responses in other parts of the claim group. Of particular interest is a cluster of EM responses located in the south central part of the property. Although this area is completely overburden covered follow-up ground geophysical surveys carried out in 1989 delineated parallel, north trending shear zones which may represent a True Fissure type target. Overall this target rates the highest priority for the entire survey area.

To evaluate the Gold Bug prospect a program of detailed underground mapping and sampling, ground geophysical surveys and diamond drilling was carried out. Underground mapping showed a 1.5 - 2.5 m. wide shear containing quartz and scattered, discontinuous sulfide mineralization samples of which assayed between 0.015 and 0.030 oz/ton gold with 0.5 to

25.7 oz/ton silver, 0.2 to 4.5% lead and 0.2 to 20.5% zinc. Ground geophysical surveys show that the Gold Bug vein is localized along a bedding plane fault developed at a quartzite / graphite schist contact. Diamond drilling downdip of the underground workings encountered stockwork type mineralization (including a 0.75 meter section which assayed: 0.038 oz/ton gold, 2.35 oz/ton silver and 4.4% combined lead-zinc) however, controls on mineralization remain unclear and further drilling is proposed.

In summary, several target areas which may represent "True Fissure" style mineralization have been identified within the Lardeau Creek claim area. To further evaluate these targets a two stage exploration program is recommended at an estimated cost of \$365,000.

Respectfully submitted,



A handwritten signature in black ink, appearing to read "C. von Einsiedel".

C. von Einsiedel, B.Sc.
Consulting Geologist

1.1 **Program Objectives and Cost Estimate**
(please refer to figure no.2)

Stage 1

1. Locate and sample IXL workings (IXL grid area) to assess potential for extension of Nettie L. mineralization.
2. Evaluate reported geochemical anomalies (Westmin Resources) and reported mineralization south of True Fissure workings. Complete approximately 15 line kilometers of soil geochemical surveys and geophysical surveys between the southern limit of the True Fissure claim area and Ferguson Creek.
3. Diamond drill test north trending fault zones identified in south central part of Ferguson Grid - allow 500 meters drilling.
4. Carry out reconnaissance prospecting and mapping in northwest part of claim area to assess significance of geochemical anomalies identified by Westmin and airborne EM anomalies identified during preliminary exploration.
5. Diamond drill test down dip extent of Gold Bug workings - allow 500 meters drilling.

Estimated Costs of Stage 1

Engineering / supervision / reports	\$ 15,000
Geochemical and geophysical surveys	15,000
Road Construction and drill site preparation	10,000
Camp and crew accommodation	15,000
Diamond drilling	
-Ferguson Grid area (allow 500 m @ \$110/m inclusive)	55,000
-Gold Bug Showing (allow 500 m @ \$110/m inclusive)	55,000
Contingency	15,000
	<hr/>
Total	\$ 180,000

Stage 2

1. Provision for 1,000 meters of diamond drilling to test targets delineated during Stage 1.

Estimated Cost of Stage 2

Engineering/supervision/reports	\$ 20,000
Road construction / drill site preparation	20,000
Camp and crew accommodation	15,000
Unallocated diamond drilling (allow 1,000 m @ 110/m)	110,000
Contingency	20,000
	<hr/>
Total	\$ 185,000

The estimated total cost of the proposed program is \$365,000. Program objectives will be revised on an ongoing basis as additional data becomes available.

SECTION 2 - PROPERTY DESCRIPTION

2.1 Property Location, Access, Ownership (please refer to figure no.1, 1a)

2-1

The Lardeau Creek Property consists of 19 contiguous located claims and reverted Crown Grants comprising 122 claim units (roughly equivalent to 20 square kilometers). The property extends several kilometers west, north and east of the abandoned community of Ferguson located approximately 70 kilometers southeast of Revelstoke in southeastern British Columbia. Access to Ferguson is via government maintained, all weather road from either Revelstoke, Nakusp or Kaslo.

From Ferguson four wheel drive tracks extend northwest into the western part of the claim area, north along Ferguson Creek to the central part of the claims and east along Lardeau Creek to the eastern parts of the claims. The location of these roads is illustrated in figure no.1a.

Topography within the claim area is highly variable. The central part of the property consists of a wide, overburden covered valley formed at the junction of Ferguson and Lardeau Creeks at elevations of between 1,000 and 1,250 meters a.s.l.. The western part of the claims extends from an elevation of roughly 1,000 meters a.s.l. at Ferguson Creek to over 2,000 meters a.s.l. at the height of land formed by Great Northern Mountain. The northern and eastern parts of the property cover the western and southern slopes of Nettie L. Mountain at elevations of between 1,000 and 2,250 meters a.s.l..

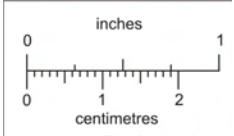
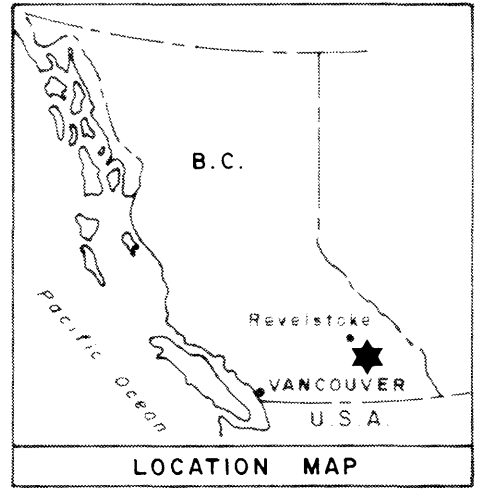
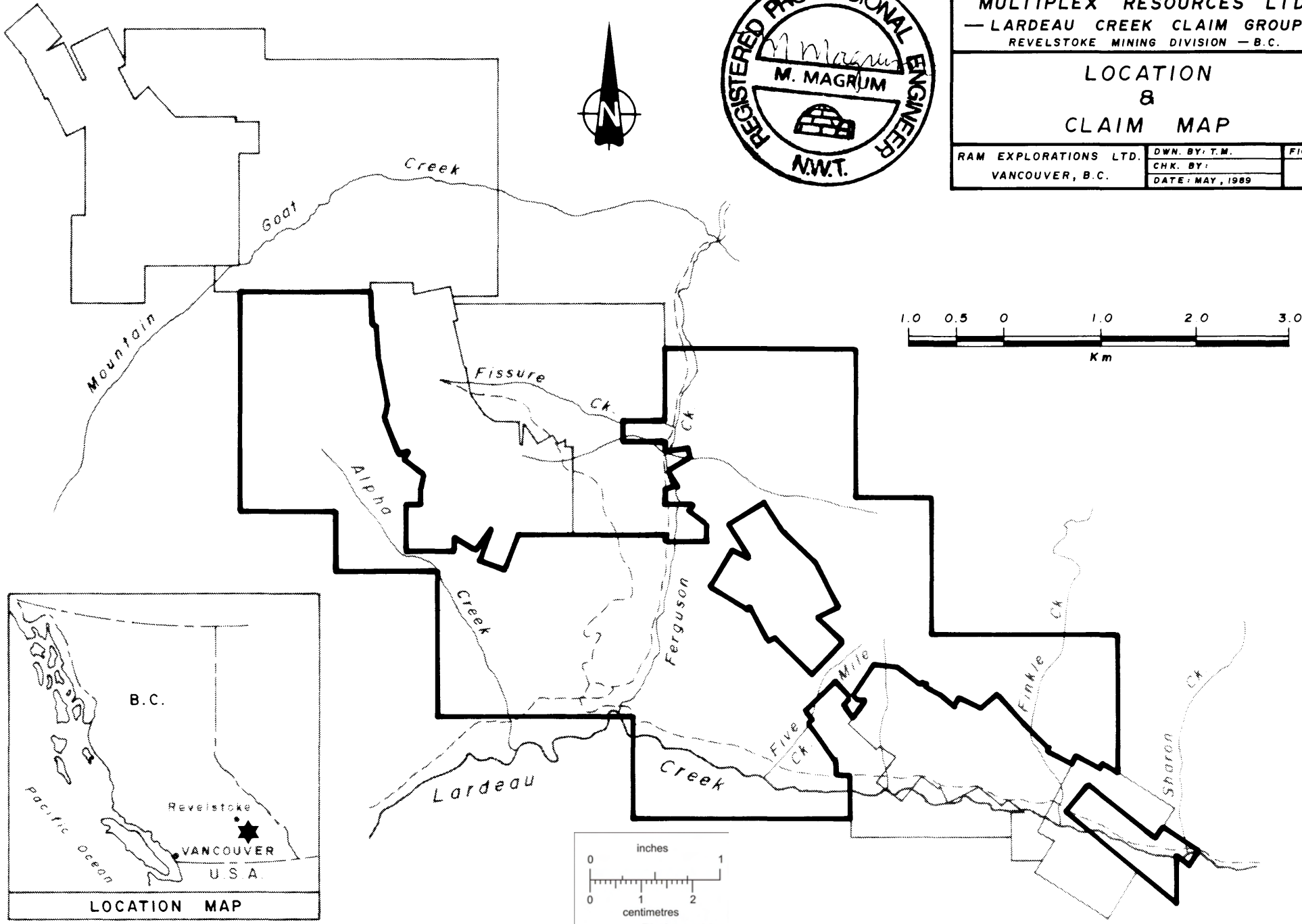
Title to all properties which comprise the Lardeau Creek Claim Group is recorded in the name of Nortran Resources Ltd. as shown on Mineral Title Reference Map No.s 82K11W and 82K12E, Revelstoke Mining Division.

<u>Claim Name</u>	<u>Record No.</u>	<u>No. of Units</u>	<u>Expiry Date</u>
CV 1	2514	1	February 25, 1992
CV 2	2515	1	"
CV 3	2516	1	"
CV 4	2517	1	"
Drifter	2449	20	September 14, 1991
Drifter No.1	2450	20	"
Drifter No.2	2451	16	"
JR#1	2520	12	March 30, 1992
JR#2	2521	12	"
JR#3	2529	10	April 22, 1992
Silver Pick	2027	1	January 2, 1992
I.X.L.	2056	1	March 15, 1994
Pit No.1	2370	1	April 16, 1994
Pit No.2	2371	1	April 24, 1994
Pit No.3	2372	1	April 16, 1994
Pit No.4	2373	1	"
Pit No.5	2374	1	"
Pit No.6	2375	1	"
Remote	2647	20	February 26, 1990

NORTRAN RESOURCES LTD.
 MULTIPLEX RESOURCES LTD.
 — LARDEAU CREEK CLAIM GROUP —
 REVELSTOKE MINING DIVISION — B.C.

LOCATION
 &
 CLAIM MAP

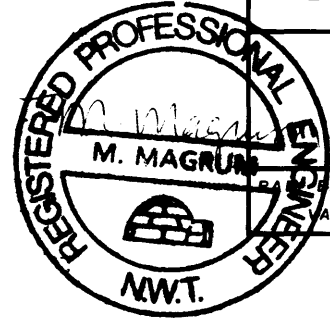
RAM EXPLORATIONS LTD. VANCOUVER, B.C.	DWN. BY: T.M.	FIG. No.
	CHK. BY:	1
	DATE: MAY, 1989	



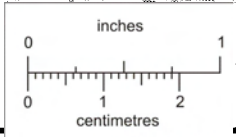
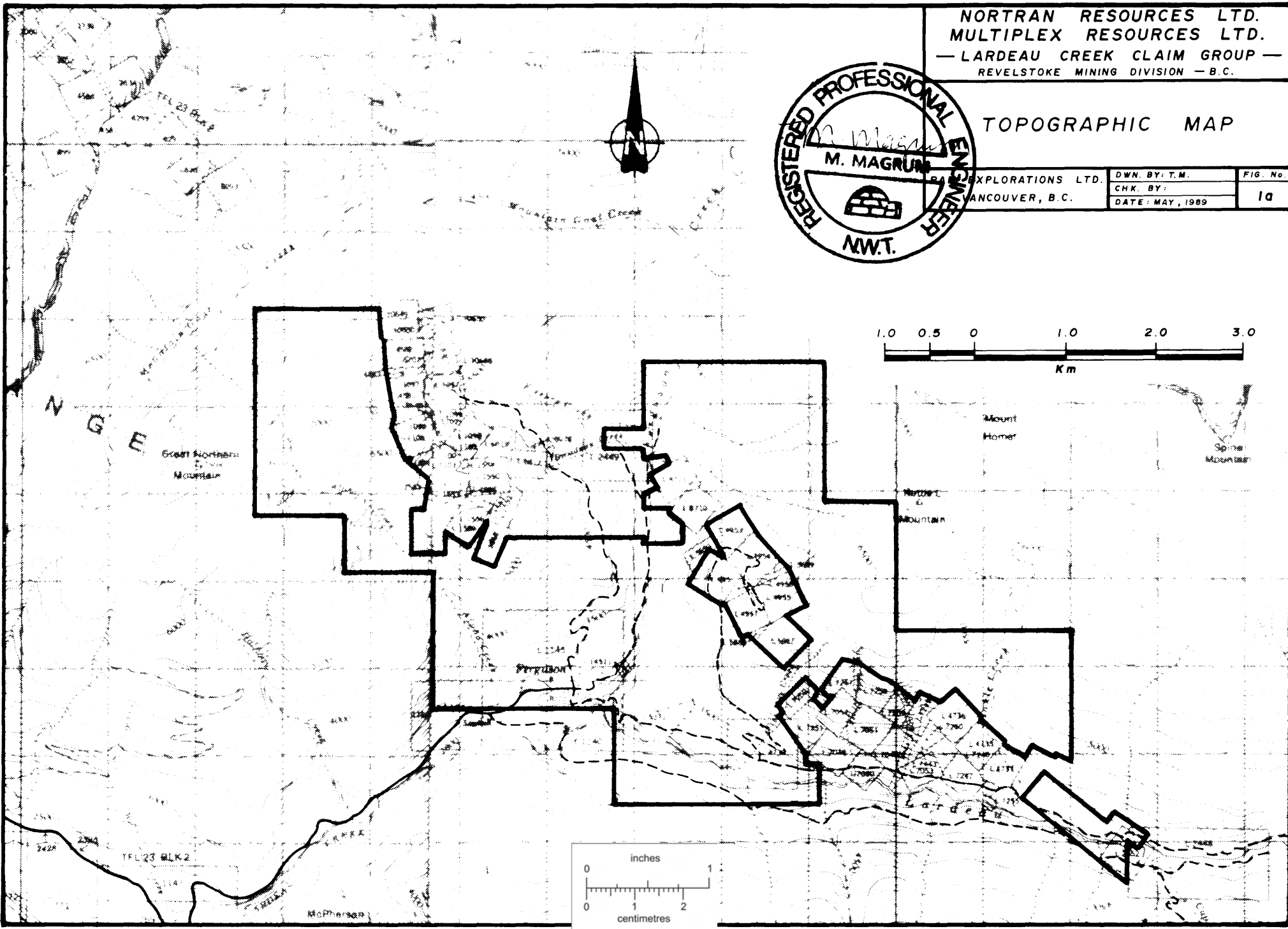
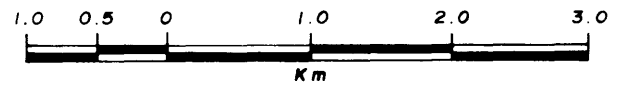
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NORTAN RESOURCES LTD.
 MULTIPLEX RESOURCES LTD.
 — LARDEAU CREEK CLAIM GROUP —
 REVELSTOKE MINING DIVISION — B.C.

TOPOGRAPHIC MAP



RA EXPLORATIONS LTD.	DWN. BY: T.M.	FIG. No.
VANCOUVER, B.C.	CHK. BY:	10
	DATE: MAY, 1989	



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2.2 **Regional Geology and Exploration Model**
(Please refer to Figure No. 3, 4 and 5)

The regional geology of the Trout Lake District was recently described by Fyles (1962) and Read (1976). The district forms the northern terminus of an arcuate belt of complexly folded metasediments and metavolcanics which extend from northern Washington to Revelstoke in southeastern British Columbia. This belt, termed the Kootenay Arc, hosts many well known Pb-Zn-Ag camps and is considered an important metallogenic province.

In the vicinity of Trout Lake, the rocks of the Kootenay Arc are dominated by complicated vertical folds which strike northwest and plunge 20 - 40° to the northwest. One of the more prominent folds is the Silver Cup Anticline, a broad, isoclinally folded structure which extends for over 60 kilometres (from Gerrard in the southeast to Scott Creek west of the Incomappleux River). According to Read, 1976 there are over 200 known, lode type occurrences located along this structure.

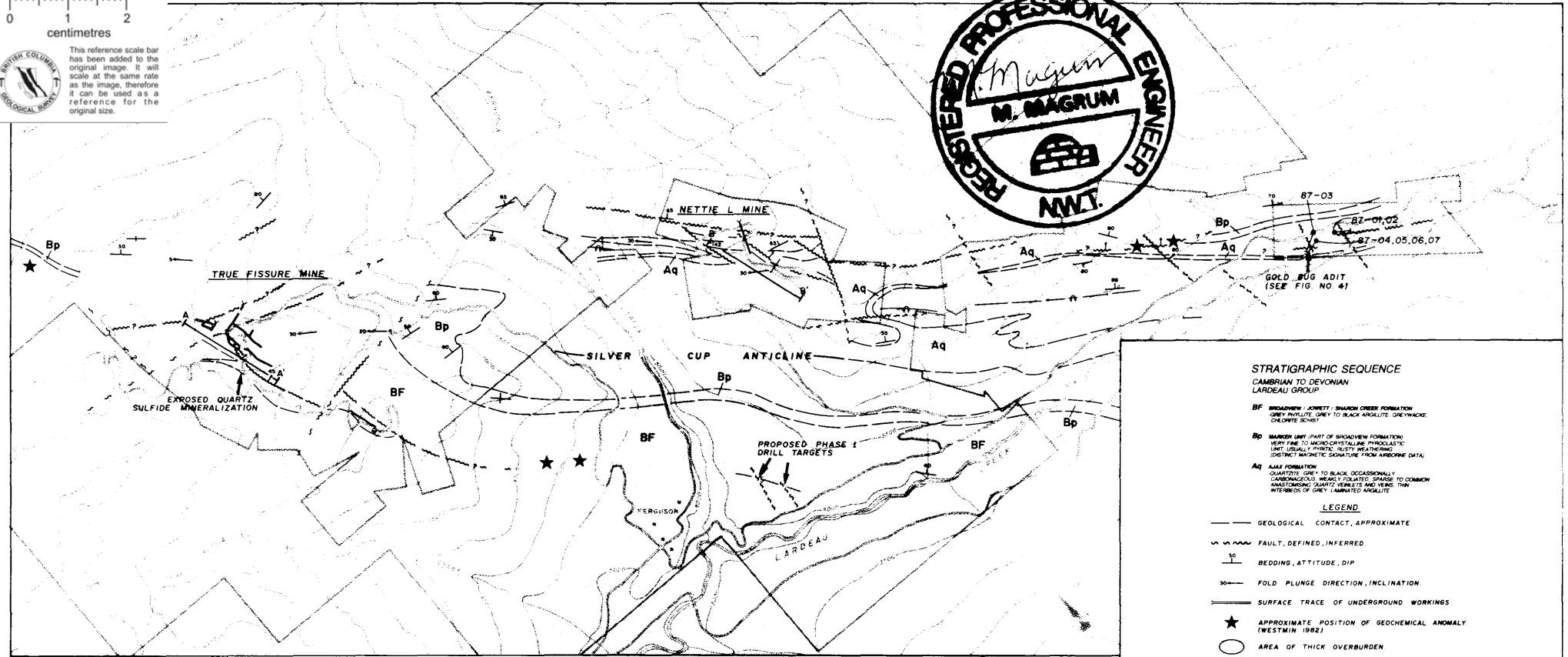
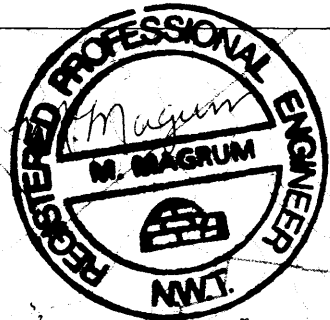
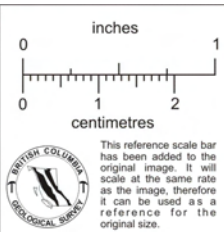
Rocks within the Silver Cup fold comprise argillites, siliceous argillites, quartzites, phyllites and chlorite schists belonging to the Lardeau Group (Broadview, Ajax-Sharon Creek and Jowett Formations). Precious metal mineralization along this structure consists of fault controlled, vein-type occurrences which vary in metal content from predominantly gold bearing to silver and base metal rich types. Some prospects consist of massive sulphide bands (1.0 to 3.0 meters wide) containing abundant lead and zinc in addition to gold and silver while others consist of barren looking, white quartz containing variable gold and only minor silver and base metal values.

The authors have considerable local exploration experience and have compiled a brief summary of characteristics commonly associated with these occurrences.

- 1) Mineralization occurs where cross fracturing (typically having a north to northeast orientation) intersects quartz filled, sub-conformable to conformable bedding plane faults.
- 2) Mineralization occurred in several episodes and is almost always associated with the development of siderite and ankerite. Alteration is minor in most rock types however propylitic and carbonate alteration minerals are developed where phyllitic or chloritic rocks are mineralized.
- 3) Sulphide minerals tend to occur at or near vein contacts or along graphitic partings within the veins. Gold may occur either with sulphides or "free" within quartz veins.

As noted herein the True Fissure and Nettie L. vein systems are located on crown granted claims within, but which do not form part of, the Lardeau Creek claim area. These occurrences are localized in areas of cross fracturing in close proximity to bedding plane faults which mark the axis of the Silver Cup anticline. Diagrammatic longitudinal sections are included as part of figure no.2 to illustrate vein geometry.

Preliminary exploration data clearly illustrates that local mineral deposits are localized in areas of cross fracturing in close proximity to the Silver Cup anticline. It is therefore concluded that all areas of fracturing and mineralization in close proximity to this fold structure represent favourable exploration targets.



STRATIGRAPHIC SEQUENCE
CAMBRIAN TO DEVONIAN
LARDEAU GROUP

- BF** BRADSHAW / JOWETT / SHANNON CREEK FORMATION
GREY PHYLLITE, GREY TO BLACK ARGILLITE, GREY-WHACK, CHLORITE SCHIST
- Bp** BARNER UNIT (PART OF BRADSHAW FORMATION)
VERY FINE TO MEDIUM-FINE GRAINED, PHYLLOCLASTIC UNIT, USUALLY PHYLLITE, RUSTY WEATHERING, DISTINCT MAGNETIC SIGNATURE FROM AIRBORNE DATA
- Aq** ALEX FORMATION
QUARTZITE, GREY TO BLACK, OCCASIONALLY CARBONACEOUS, HEAVILY FOLIATED, SPARSE TO COMMON ANASTOMOSING QUARTZ VENELETS AND VENS, THIN INTERBEDS OF GREY, LAMINATED ARGILLITE

LEGEND

- GEOLOGICAL CONTACT, APPROXIMATE
- - - FAULT, DEFINED, INFERRED
- 30 BEDDING, ATTITUDE, DIP
- 30- FOLD PLUNGE DIRECTION, INCLINATION
- SURFACE TRACE OF UNDERGROUND WORKINGS
- ★ APPROXIMATE POSITION OF GEOCHEMICAL ANOMALY (WESTMIN 1982)
- AREA OF THICK OVERBURDEN

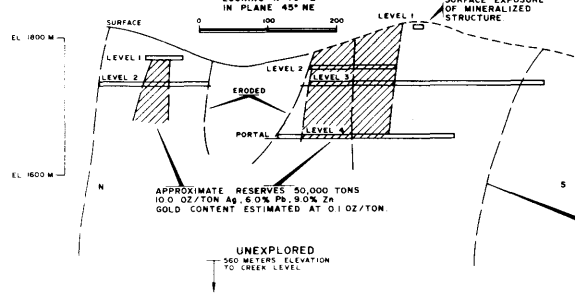


NOTE: CONTOUR INTERVAL 500 FEET

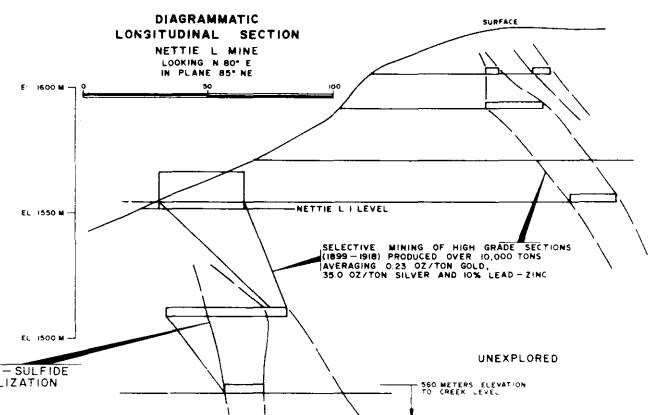
NORTRAN RESOURCES LTD.
MULTIPLEX RESOURCES LTD.
— LARDEAU CREEK CLAIM GROUP —
REVELESTOKE MINING DIVISION — B.C.

PROPERTY GEOLOGY

DIAGRAMMATIC LONGITUDINAL SECTION
TRUE FISSURE MINE
LOOKING N 70° E
IN PLANE 45° NE



DIAGRAMMATIC LONGITUDINAL SECTION
NETTIE L MINE
LOOKING N 80° E
IN PLANE 85° NE



RAM EXPLORATIONS LTD.	DWN. BY T.M.	FIG. NO.
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Previous Exploration
(please refer to figure no.1, 1a)

The Ferguson / Lardeau Creek area covers the central part of the Trout Lake District and is historically known as the Lardeau Mining Division. During the late 1800's prospectors explored the steep upper slopes of the local mountains and found widespread high grade silver mineralization. Most of these occurrences consist of narrow zones of massive sulfides in quartz-carbonate veins localized along fault zones. For additional information concerning location and descriptions of these prospects the reader is referred to G.S.C. Open File Map No.464 compiled by P. Read in 1976.

Previous exploration within the subject claim area identified several mineralized zones, two of which were later developed into significant polymetallic prospects. These include the True Fissure and Nettie L. mines which are located on Crown Granted Claims within, but which do not form part of, the subject property. Collectively these prospects show past production or reserves of over 200,000 tons at an average grade of between 0.1 and 0.2 oz/ton gold, 10 to 20 oz/ton silver, 5.0 to 9.0% zinc, 3.0 to 5.0% lead with minor copper values. It is important to note that there has been no systematic evaluation of the down dip extent of these ore bodies.

Other occurrences which form part of the subject property include the IXL, Gold Bug and an unnamed adit located south of the True Fissure workings. These prospects have been explored by short adits or shafts and reportedly showed good mineralization however, with the exception of the current program there is no record of diamond drilling.

Numerous other junior resource companies are presently examining other parts of the Trout Lake / Lardeau District however a description of this work is beyond the scope of this report. For additional information the reader is referred to publications by Granges Exploration Ltd., Brynoldson Mines Ltd., Winslow Gold Mines Ltd., Royal Crystal Resources Ltd., Halley Resources Ltd., Camfrey Resources Ltd., Jazzman Resources Inc., Mikado Resources Ltd., Windflower Mines Ltd., and K-2 Resources Ltd.

2.4 Property Geology and Description of Mineral Occurrences
(please refer to figure no. 2)

The property straddles the Silver Cup Anticline which is a large tectonic structure that extends several tens of kilometers northwest and southeast of the claims. This structure defines the boundaries and shape of the Central Mineral Belt within this segment of the Kootenay Arc. The fabric of macroscopic structures within these larger structures plays an important role in the distribution of mineralized zones within the Belt. The bedding plane faults (which are often associated with mineralized zones) strike in a northwestward direction and define slip planes along which much of the fold deformation took place. The cross faults, similarly associated with mineralization, were developed in response to changing stress regimes within the larger structures.

The principal faults identified in the area are shear zones developed within and conforming to bedding and/or foliation usually at the contact between ductile carbonaceous or graphitic argillite and competent quartzite or siliceous argillite. The faults strike northwesterly and dip steeply to the east.

The shear zones, generally comprised of parallel or anastomosing graphitic slips can be defined over widths from several centimeters to several meters within the same unit. It was noticed that deformation that results in shearing in one locality can be entirely accomplished by flow and slip folding with no development of shear in another. This characteristic of bedding plane shear zones on the property may be an important control to mineralization especially where argillite and phyllitic rocks are the hosts to mineralization. Ground preparation, particularly silicification, may be an important if not critical process in the development of suitable sites for mineralization.

Secondary fracturing and faulting related to movement on shear faults has produced joint shears extending at acute angles from the plane of the principal shear. These shears are dilational in character and often are the sites of stockwork quartz veining. Where the country rock near the shear is sufficiently brittle, brecciation deformation with subsequent quartz veinlet infilling has taken place. Both joint shears and brecciation have been observed in most of the occurrences examined.

A very consistent pattern of jointing and fracturing striking north-northeast and north-northwest directions is common to mineralized zones in the Belt. These fractures, referred to in geological literature on the area as cross fractures or crosscutting fissures, are an important feature in mineralized zones and have been noted at the Nettie L and True Fissure Mines as well as others. Both brecciation and shearing appear to be most intense where bedding plane shears intersect principal cross faults. The more intensely deformed zones may have provided both the conduits and the sites for mineral deposition. These cross fractures, observed at the Gold Bug Adit, generally dip steeply to the east. When superimposed on the northwest striking shear zones, the result is an eastward plunging zone of intersection.

Tight, isoclinal mesoscopic folds are common in all schistose members. Axial planes parallel the foliation and where development of foliation results in pronounced slaty cleavage, fold patterns may be all but obscured. Lenses of quartz, chloritic quartz and quartz-carbonate are most abundant in fold crests or axes and are indicative of such.

The stratigraphy of the project area is generalized in the legend attached to figure no. 2. The stratigraphic sequence youngs in a southwestward direction and represents about a 1 kilometer thickness. The oldest rocks are exposed on the east side of the property; the youngest on the south side of the claim area.

Description of Mineral Occurrences

Gold Bug Sowing

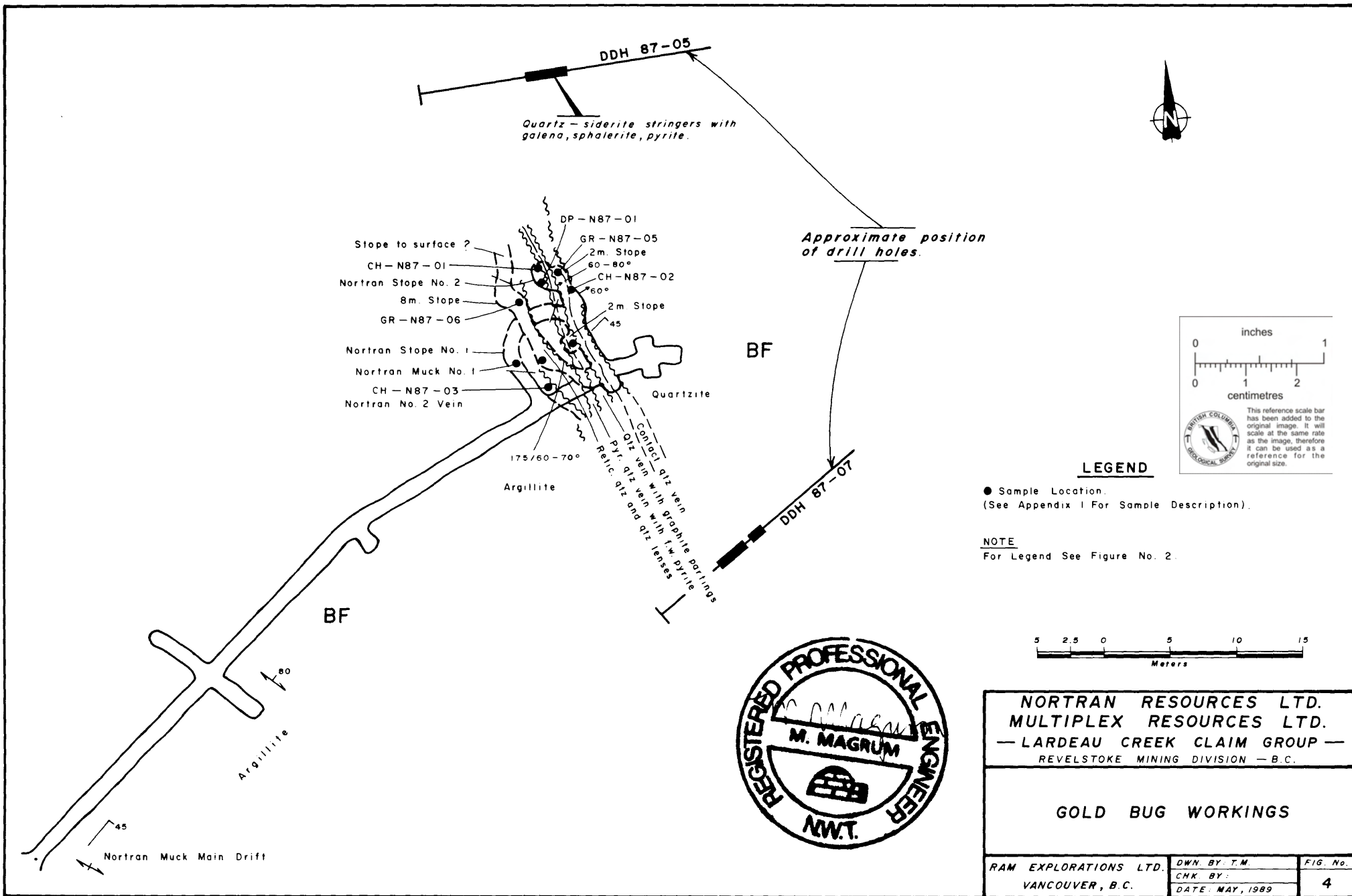
Approximately 100 meters upstream from the junction of Lardeau and Finkle Creeks a 60 meter adit has been driven into argillaceous metasediments on the north bank. As part of the 1987 program these workings were mapped and sampled. Results and sample locations are shown in plan view (refer to figure no. 4). Sample descriptions and assay results are included in Appendix 1.

Mineralization occurs in near-concordant quartz veins developed at and south of an argillite/quartzite contact. The quartz veins have been emplaced along northwest trending shears and bedding plane faults within black graphitic argillite. Several parallel graphite shears dipping 60-80° to the northeast define the boundaries of two separate zones of quartz vein emplacement.

The easternmost quartz vein lies at the contact to the quartzite and has been drifted on. The vein, which has been tested by a short stope, is not visibly mineralized and is characterized by several parallel graphite bands or ribbons over a 80 cm width of white quartz concordant to bedding or foliation of the argillite. A 1.5 meter channel sample (Sample #7713), taken across the easternmost or hangingwall quartz vein at the south end of the opening assayed 0.011 oz/t gold, 0.35oz/t silver with 0.89% zinc and 0.54% lead.

The western vein on which most of the development work has been done occurs in a 1-2 meter wide zone of fractured and brecciated argillite under a pyritic graphite hangingwall shear. The shear observed in the hangingwall of the main stope has a more northerly strike (355°) and a shallower dip (60-70°) than the foliation of the carbonaceous phyllite in which it occurs. The vein is comprised of narrow, parallel lenses of quartz which range between 0.25 to 0.50 meters in width and up to 1 meter in length. The brecciated argillite is characterized by dense reticulating quartz veinlets, common quartz lenses, branching cross cutting quartz veins, and lightly mineralized quartz filled tension fractures or joint shears developed almost perpendicular to the main hangingwall shear. Mineralization occurring in the main vein consists of scattered clusters of sphalerite and euhedral pyrite, traces of galena and in places, traces of scattered chalcopyrite in a gangue of quartz-siderite with irregular graphite ribbons and crenulations. A 0.5 meter wide sample (Sample #7715) of the mineralized ribboned quartz vein adjacent to the graphitic shear zone assayed 0.025 oz/t gold, 25.72 oz/t silver, 1.82% zinc and 25.03% lead.

Diamond drilling (DDH N87-04 to N87-07) was carried out to test the dip extension of the mapped veins from a position northeast of the underground workings. Both DDH N87-05 and N87-07 intersected stockwork-type mineralization which hosts minor pyrite, sphalerite and galena. A 1.5 meter intersection in DDH N87-05 includes a 0.75 meter section which assayed: 0.038 oz/ton gold, 2.35 oz/ton silver and 4.4% combined lead-zinc (see Appendix 2 for drill core assay results and Appendix 3 for the drill core logs). Drill holes stepping-out from this intersection failed to encounter any mineralized veining that could be recognized as extensions of the lode.



If mineralization is structurally controlled by intersecting shears (i.e. north and northwest striking) a resulting eastward plunge to the lode should be tested by drilling in the plane of the plunge from a position 50 meters southeast of DDH 87-04 (see figure no. 2). This work will be carried out as part of Stage 1 exploration.

IXL Prospect

The IXL workings are described as being located immediately west of the Nettie L. mine workings (Minister of Mines Annual Report 1924 p.209). This report indicates that a 130 meter adit was driven to test the continuation of the Nettie L. Mine main lode. The tunnel intersected a northwest striking, 1.60 meter wide quartz vein containing galena, sphalerite and pyrite. Samples from this face ranged from 0.03 to 0.11 oz/ton gold, 0.7 to 23.5 oz/ton silver, 0.8 to 33.4% zinc and 3.1 to 29.7% lead. These samples were collected between 1924 and 1930 and the results are included as part of Appendix 1. The IXL prospect will be further evaluated as part of Stage 1 exploration.

3.1 Airborne Geophysical Survey Description and Results
(please refer to figure no.s 3, 5, and 5a)

During 1987 a sophisticated airborne EM and magnetometer survey was carried out (see Private Report - Questor Surveys Ltd, 1988). Part of this survey covered the Lardeau Creek claims.

The geophysical system that was used for this survey was provided by Apex Airborne Surveys in conjunction with Questor Surveys and is considered one of the most sophisticated systems available. Equipment included a 6 meter Geotech Emex 3 Electromagnetometer (HEM System), a Total Field Nuclear Precession Magnetometer, 35 mm flight path camera, Picodas/Olivetti digital acquisition system, and a radar altimeter. The helicopter used was an Aerospatiale Gazelle provided by Canwest Helicopters Ltd.

The Geotech System utilizes both coplanar and coaxial coil configurations, as well as three frequencies. The system consists of three sets of receivers and transmitters as follows:

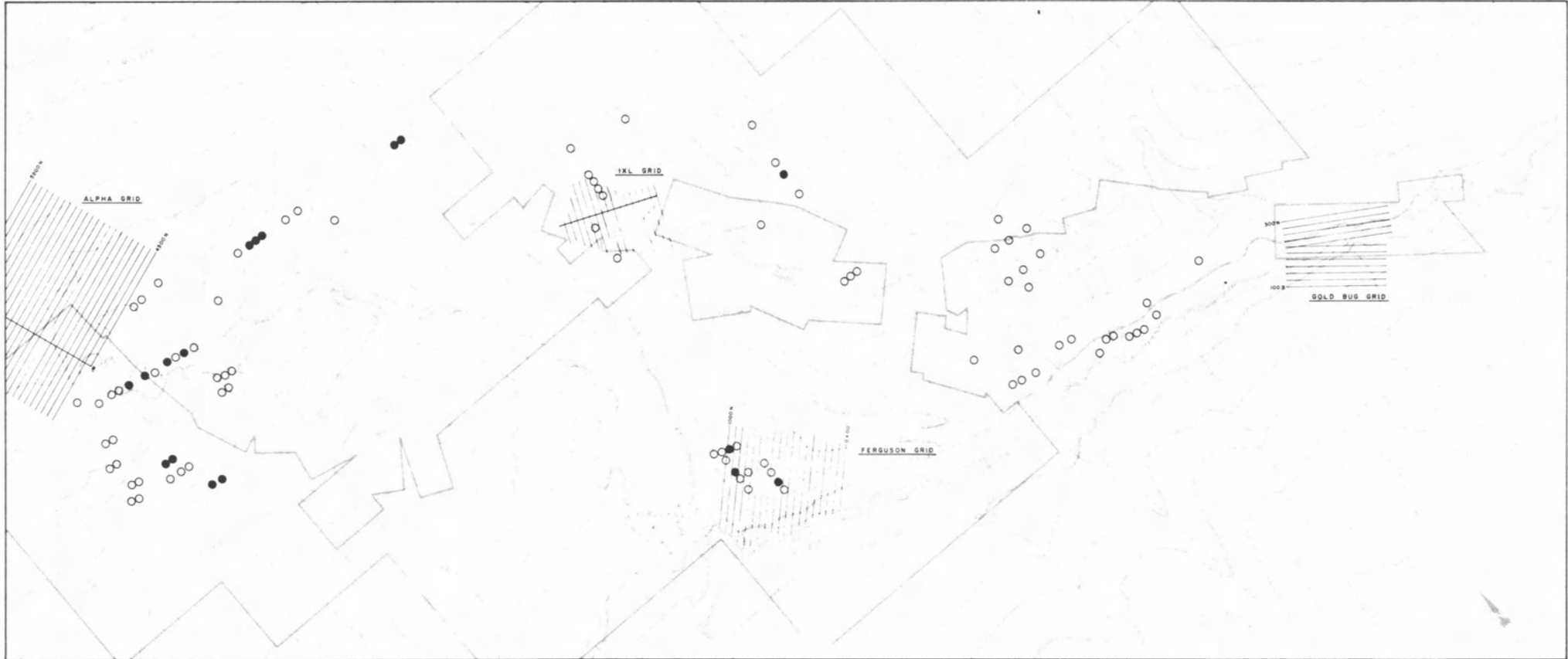
- 1. Coaxial Pairs - The coaxial transmitter-receiver pairs are separated by 5 meters and utilize low frequency signals of 380 and 920 Hz. This configuration couples best with vertical, dike-like targets.*

- 2. Coplanar Pair - The coplanar transmitter-receiver pairs are separated by 5 meters and utilize a "high frequency" signal of 4020 Hz. This configuration couples best with horizontal tabular targets. The transmitter and receiving coils for the three frequencies as well as the magnetic sensors are located at the ends of the 6 meter sensor that is commonly called a "bird". The bird is towed 30 meters below the helicopter by means of a suitable cable which also carries the electric signals to and from the bird.*

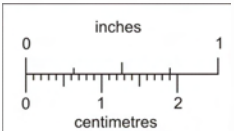
Approximately 25 anomalous EM responses are indicated within the claim area. These anomalies are shown as open or closed circles (indicating weak or moderate to strong response) on figure no. 3.

Two clusters of anomalous responses are considered the most important targets. The first is centered on the area of the True Fissure mine workings where extensive massive sulfide mineralization has been identified. The EM data indicates a possible western extension of this zone (Alpha grid area).

The second anomalous area is centered in an overburden covered area located in the south central part of the claim group (Ferguson grid area). Other scattered responses were noted however these are considered to be of secondary importance.






NOTE: CONTOUR INTERVAL 500 FEET



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.



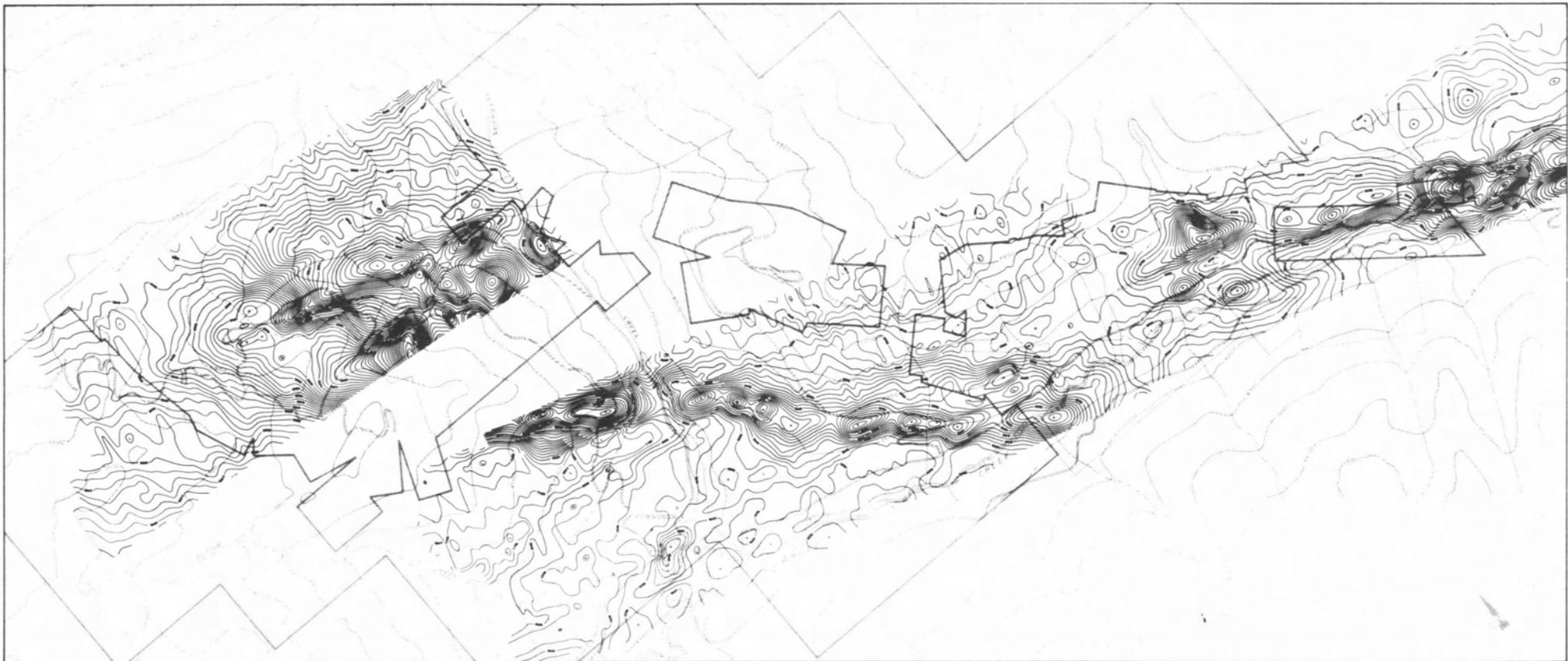
LEGEND

-  APPROXIMATE POSITION OF GRID LINES.
-  AIRBORNE EM, WEAK RESPONSE STATION (K1-S).
-  AIRBORNE EM, MODERATE TO STRONG RESPONSE STATION (I-205).

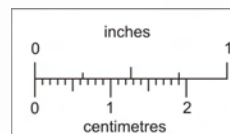
NORTRAN RESOURCES LTD.
 MULTIPLEX RESOURCES LTD.
 —LARDEAU CREEK CLAIM GROUP—
 REVELESTOKE MINING DIVISION — B.C.

**GRID LOCATIONS
 AND
 AIRBORNE EM
 ANOMALY MAP**

RAM EXPLORATIONS LTD.	DWN. BY: T.M.	FIG. NO.
VANCOUVER, B.C.	CHK. BY:	3
	DATE: MAY, 1989	



NOTE: CONTOUR INTERVAL 500 FEET



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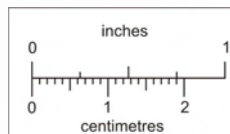
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 —LARDEAU CREEK CLAIM GROUP—
 REVELESTOKE MINING DIVISION — B.C.

AIRBORNE MAGNETICS
EAST PROFILE LINES
 CONTOUR INTERVAL 2.5 GAMMAS

RAM EXPLORATIONS LTD. VANCOUVER, B.C.	DWN. BY: T.M.	FIG. NO.
	CHK. BY:	5
	DATE: MAY, 1989	



NOTE: CONTOUR INTERVAL 500 FEET



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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— LARDEAU CREEK CLAIM GROUP —
REVELESTOKE MINING DIVISION — B.C.

AIRBORNE MAGNETICS
NORTH PROFILE LINES
CONTOUR INTERVAL 2.5 GAMMAS

RAM EXPLORATIONS LTD. VANCOUVER, B.C.	DWN BY: T.M.	FIG NO
	CHK BY:	
	DATE: MAY, 1989	5a

Ground magnetic and electromagnetic surveys were carried out on the Ferguson, Alpha and Gold Bug grids using a Scintrex IGS-2 Integrated Magnetometer and V.L.F. Electromagnetometer. Final data interpretation has been completed for the Ferguson grid. Detailed interpretation of the data for the Alpha and Gold Bug grids will be completed as part of Stage 1 exploration.

The location and orientation of these grids relative to airborne geophysical data (anomalous EM responses) is shown in figure no. 3. Readings were taken at 10 meter intervals along flagged crosslines spaced 25 to 50 meters apart. A total of 56.3 line-kilometers were surveyed.

The magnetometer measures the earth's total magnetic field strength to an accuracy of 0.1 gammas. The Scintrex instrument includes a base recorder which records diurnal variation at 10 second intervals and applies appropriate corrections to data sets prior to preparation of contour plans or profiles.

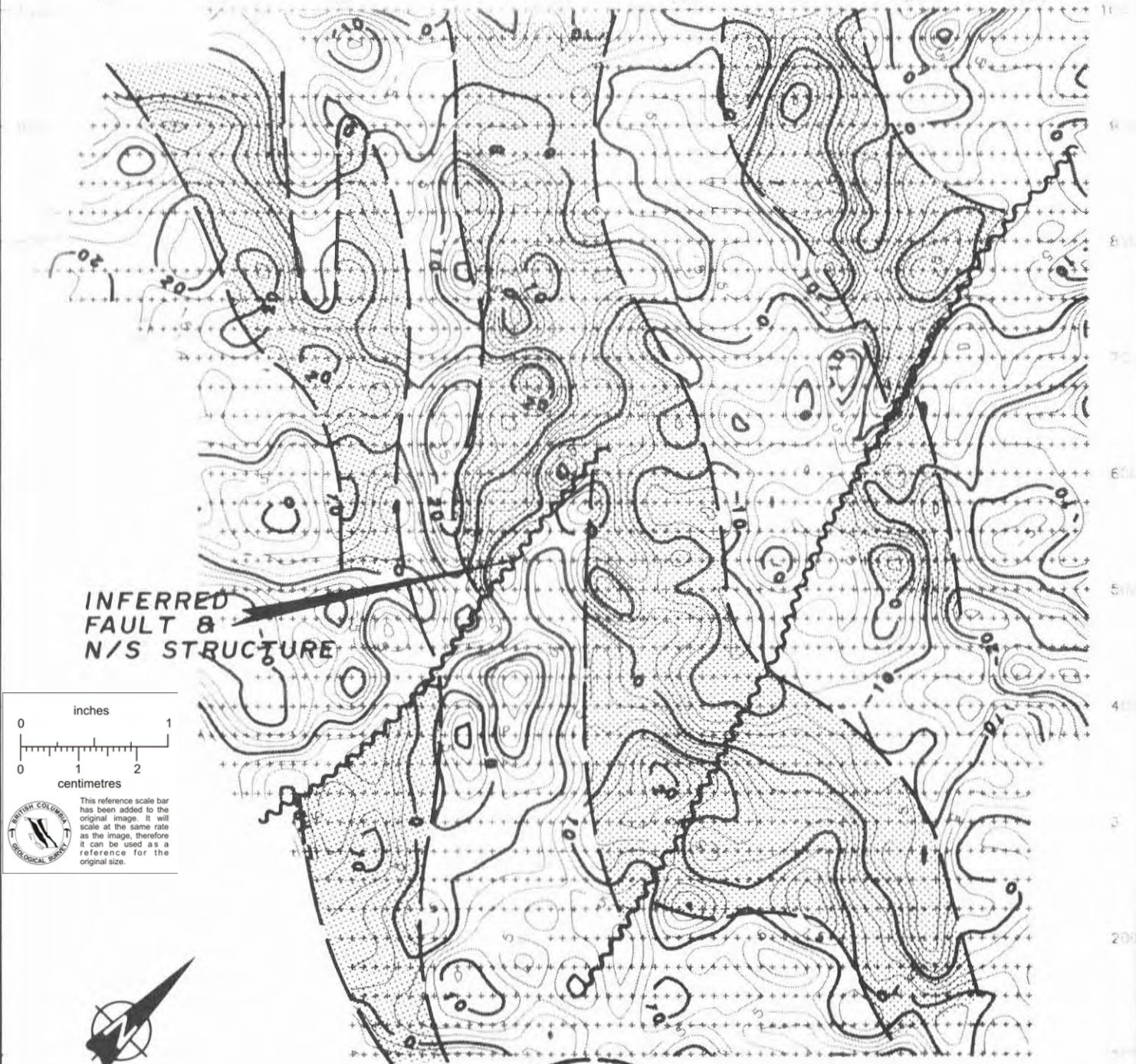
The V.L.F. electromagnetometer acts as a receiver and utilizes primary electromagnetic fields generated by the United States Navy V.L.F. marine communications systems. These transmitters induce electric currents in conductive bodies thousands of miles away. Induced current produce secondary magnetic fields which can be detected at surface through deviations of the normal V.L.F. field. The Scintrex instrument measures the dip angle of the secondary field induced in a conductor.

For maximum coupling, a transmitter station located in the same direction as the geological strike and/or the strike of possible conductors is selected since the direction of the horizontal electromagnetic field is perpendicular to the direction of the transmitting station. In this case, the transmitter at Seattle, Washington (24.8 kHz transmission frequency) was utilized.

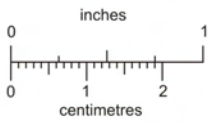
Data for the Ferguson Grid was interpreted by R.F. Scheldrake, Geophysical Consultant and is presented as Total Field magnetics and VLF-EM In Phase contour maps. These maps illustrate inferred fault zones, conductive and resistive rocks and the apparent geological contacts. Data for the Ferguson grid is shown in figures 6 and 6a.

Ferguson Grid

The Ferguson grid was surveyed to determine the source of airborne geophysical (EM) anomalies. Contoured VLF data shows that this grid covers a northwest trending sequence of alternating conductive and non-conductive rocks. In the central part of the grid data suggests the presence of two, parallel, north northwest trending (approx. 320) conductors. These conductors are interpreted as graphitic fault zones and may represent zones of massive sulfide mineralization.






**INFERRED
FAULT &
N/S STRUCTURE**



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.



LEGEND

-  Inferred Fault
-  Inferred Conductive Rocks
-  Inferred Resistive Rocks

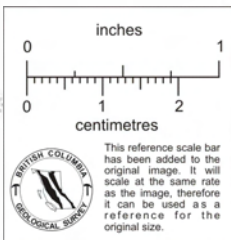
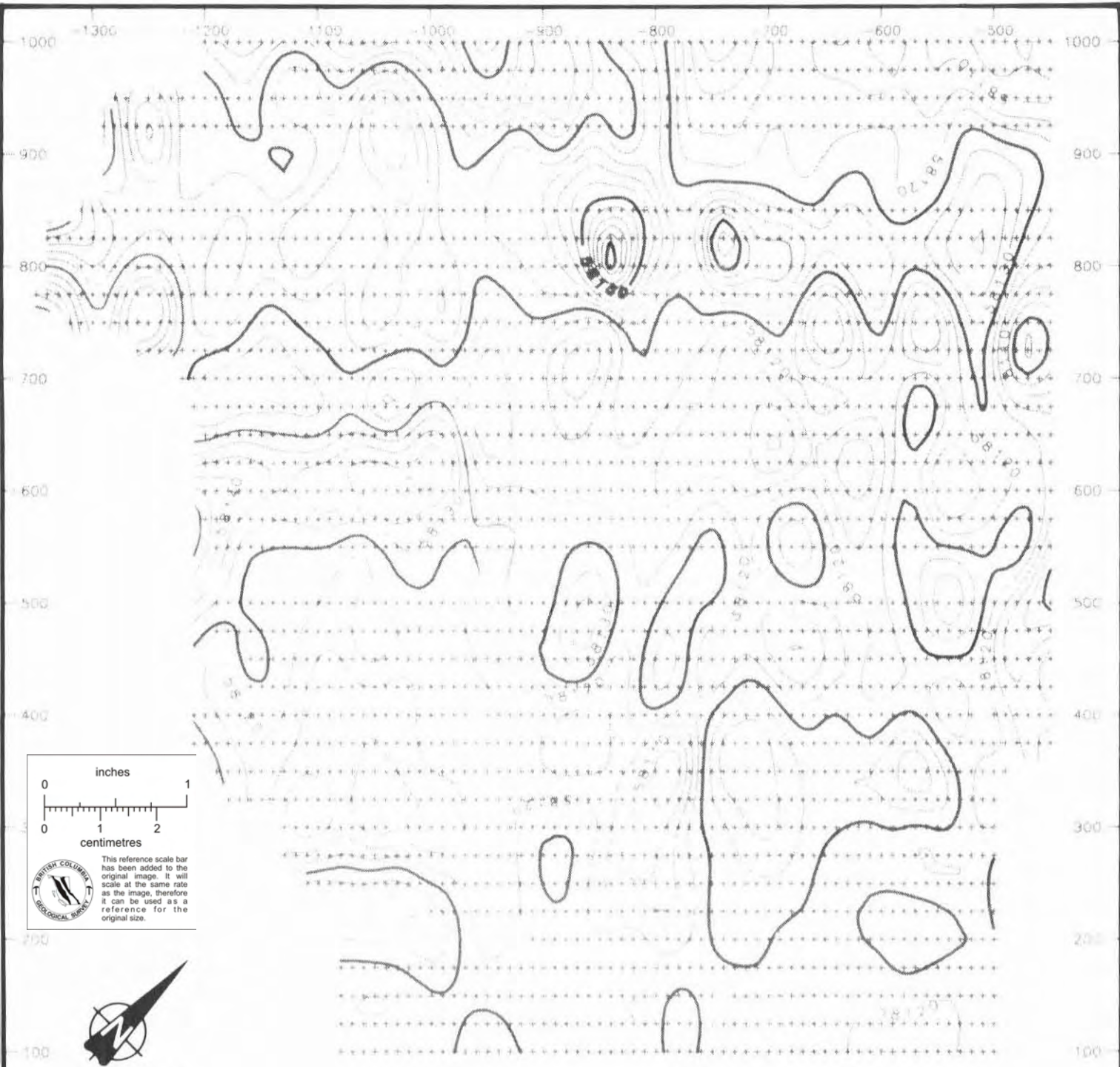
NOTE: Apparent variations in conductivity may be due to overburden thickness.



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REVELSTOKE MINING DIVISION — B.C.

VLF — EM
VERTICAL IN — PHASE
CONTOUR MAP
FERGUSON GRID
CONTOUR INTERVAL 2 PERCENT

RAM EXPLORATIONS LTD.	DWN. BY: T.M.	FIG. No.
VANCOUVER, B.C.	CHK. BY:	6
	DATE: MAY, 1989	



SEATTLE

NOTE
For Legend See Figure No. 6a.



<p>NORTRAN RESOURCES LTD. MULTIPLEX RESOURCES LTD. — LARDEAU CREEK CLAIM GROUP — REVELSTOKE MINING DIVISION — B.C.</p>		
<p>TOTAL FIELD MAGNETICS MAP FERGUSON GRID CONTOUR INTERVAL 5 GAMMAS</p>		
<p>RAM EXPLORATIONS LTD. VANCOUVER, B.C.</p>	<p>DWN. BY: T.M. CHK. BY: DATE: MAY, 1989</p>	<p>FIG. No. 6a</p>

Magnetic data suggests the presence of northwest striking geological formations however extensive diurnal variation during the survey period combined with a narrow data range (less than 70 gammas) limits the usefulness of a detailed interpretation.

The Ferguson grid area is covered by heavy overburden and therefore drill testing will be required to determine if sulfide mineralization is associated with the inferred, north northwest striking fault zones.

REFERENCES

B.C. Minister of Mines Annual Reports, 1898 p.1059, 1900 p.981, 1923 p.234, 1924 p.209, 1925 p.264, 1926 p.A274, 1927 p.295, 1930 p. 266,447.

GSC Memoir No. 161 p.55

Read, P.B., (1976): Geology - Lardeau West Half.

GSC Map 45, 432, 464

Westmin Resources, (1983): Summary Report of 1982 Fieldwork, Mohawk and Related Properties. Westmin Resources, Corporate Files

Private Report - Questor Surveys Ltd.,(June 1988): Report on Combined Helicopter-Borne Magnetic and Electromagnetic Survey Trout Lake, B.C.

CERTIFICATE

I, Michael M. Magrum of the City of Yellowknife in the Northwest Territories, certify that:

1. My address is Box 2045, Yellowknife, NWT, Canada, X1A-2N3 and that my occupation is that of a Geological Engineer.
2. I am a graduate of the University of Alaska in Geological Engineering, 1976, with a degree of BSc.
3. I have been a practising engineer since 1976 and I am a member in good standing of the Association of Professional Engineers, Geologists and Geophysicists of the Northwest Territories.
4. This report is based on results of a several field examinations, an examination of published technical data supplied by Westmin Resources, and, on results of geophysical and geological surveys carried out between May of 1987 and February of 1989.
5. I have no interest either directly or indirectly in the properties or securities of Nortran Resources Ltd. or Multiplex Resources Ltd.
6. I consent to the use of this report in a Prospectus, Statement of Material Facts or Qualifying Report for submittal to the Superintendent of Brokers or the Vancouver Stock Exchange.

Dated this 30th day of May, 1989 at Vancouver, British Columbia.

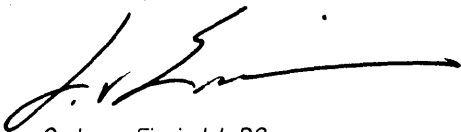


CERTIFICATE

I, Carl A. von Einsiedel of the City of Vancouver in the Province of British Columbia, certify that:

1. I am a consulting geologist with offices located at 210 - 470 Granville Street, Vancouver, B.C.
2. I completed all requirements for a Bachelor of Science Degree with a Major in Geology at Carleton University in Ontario in May 1982 and was awarded a Bachelor of Science Degree on November 3, 1989.
3. I have been employed in the field of mineral exploration industry continuously since 1980.
4. This report is based on discussions with Westmin Resources (previous operator) geologists and an examination of published technical data, and, on results of geological mapping, sampling, geophysical surveys and diamond drilling carried out between May of 1987 and February of 1989.
5. I have no interest either directly or indirectly in the properties of Nortran Resources Ltd. or Multiplex Resources Ltd.
6. I consent to the use of this report in a Prospectus, Statement of Material Facts or Qualifying Report for submittal to the Superintendent of Brokers or the Vancouver Stock Exchange.

Dated this 15th day of December, 1989 at Vancouver, British Columbia.



Carl von Einsiedel, BSc.
Consulting Geologist

APPENDIX 1- ROCK SAMPLE DESCRIPTIONS AND ASSAYS

GOLD BUG PROSPECT (underground sampling)

<u>Sample ID</u>	<u>Cu(%)</u>	<u>Pb(%)</u>	<u>Zn(%)</u>	<u>Ag(oz/t)</u>	<u>Au(oz/t)</u>	<u>Description</u>
NORTRAN MUCK NO. 1	.02	1.06	2.40	1.05	.008	Grab samples from Gold Bug workings (fig. no.4)
NORTRAN MUCK MAIN DRIFT	.01	0.66	0.68	1.22	.005	"
NORTRAN STOPE NO. 1	.06	4.50	20.50	10.62	.030	"
NORTRAN STOPE NO. 2	.14	1.06	15.00	9.03	.016	"
NORTRAN NO. 2 VEIN	.030	.07	3.90	1.14	.017	"
7751 GOLD BUG	.09	13.00	0.05	21.29	<.005	"
7712 CH-N87-01	-	0.42	0.37	0.40	.005	Small stope 3 metres above adit floor (west vein); pod of quartz with argillite spalls and graphite shears; 1 metre width; traces galena-sphalerite-pyrite mineralization.
7713 CH-N87-02	-	0.54	0.89	0.35	.011	Channel sample across easternmost or hanging wall quartz vein at south end of opening (not stoped); 1.5 metre width.
7714 CH-N87-03	-	0.12	0.16	0.29	<.005	Channel sample across westernmost or footwall quartz vein, 140°/80° east below graphitic shear; trace galena mineralization.
7716 GR-N87-05	-	0.49	0.13	0.32	.005	Grab sample of graphite shear material taken from shears bounding east and west quartz veins.
7715 GR-N87-06	-	25.03	1.82	25.72	.025	West stope (6m up stope); stockwork quartz cutting argillite foliation at right angles; sample of ribbon quartz vein adjacent to graphite shear 170°/60-70° east; 0.5 metre width; clusters of pyrite-chalcocopyrite with galena-sphalerite.
7717 DP-N87-01	-	0.07	0.01	1.30	.009	Composite sample from small ore bin composed of quartz, graphite, argillite.

I X L PROSPECT (reproduced from MMAR 1924 p.209 and 1930 p.226)

<u>Sample ID</u>	<u>Cu(%)</u>	<u>Pb(%)</u>	<u>Zn(%)</u>	<u>Ag(oz/t)</u>	<u>Au(oz/t)</u>	<u>Description</u>
MMAR-1924-01	-	26.7	22.8	23.5	.02	Sample across 6" (15 centimeters) of fine grained ore in footwall side of vein
MMAR-1924-02	-	16.5	33.4	13.9	.11	Sample of ore in quartz gangue across a width of 0.25 meters
MMAR-1930-01	-	3.1	1.1	2.4	.08	Channel sample across 5 feet (1.6 meters) in face of tunnel
MMAR-1930-02	-	-	-	9.8	.06	Select sample of massive pyrite (3.1 meters back from face)
MMAR-1930-03	-	-	-	0.7	.06	Channel sample across 18" (0.5 meters) of pyrite and quartz in main drift north of stope
MMAR-1930-04	-	29.7	0.8	18.2	.03	Select sample of ore from 6 feet (2.0 meters) quartz vein in open cut below road

Note 1: (-) Not assayed or not reported.

Note 2: Assay determinations made by Vangeochem Laboratories. Assay certificates provided on request.

APPENDIX 2 - DRILL CORE ASSAYS

GOLD BUG PROSPECT (Drill core samples)

<u>Sample ID</u>		<u>Cu(%)</u>	<u>Pb(%)</u>	<u>Zn(%)</u>	<u>Ag(oz/t)</u>	<u>Au(oz/t)</u>	<u>Description</u>
T15008	N87-03 (120.0 - 122.0)	-	-	-	3.36	<.005	See Appendix No. 2 for Core Descriptions
T15009	N87-03 (149.0 - 151.0)	-	-	-	0.04	<.005	"
	N87-05 (239.0 - 241.5)	<.01	0.07	0.09	0.21	<.005	"
	N87-05 (241.5 - 244.0)	.05	1.30	3.10	2.35	.038	"
T15010	N87-07 (214.0 - 216.0)	-	-	-	0.07	.018	"
T15011	N87-07 (221.0 - 223.0)	-	-	-	1.17	.005	"
T15012	N87-07 (270.0 - 275.0)	-	-	-	0.04	<.005	"
T15013	N87-07 (275.0 - 280.0)	-	-	-	0.07	<.005	"

APPENDIX 3 - DIAMOND DRILL CORE LOGS

SITE/HOLE: N87-01

SIZE: NQ STORAGE: Trout Lake BC LENGTH: 169 (m.)/ 555 (ft) BEARING (°): 180 INCLIN. (°): -50 LOCATION: 55N, 605W
CONTRACTOR: Bergeron Drilling Ltd. DRILL TYPE: Longyear 38 LOGGED BY: A. S. Greene

<u>Interval (ft)</u>		<u>Description</u>
<u>From</u>	<u>To</u>	
0	7	(casing)
7	23	Graphitic argillite, common quartz stringers, laminations and lenses, occasional pyritic laminations; foliation/core axis - 20-30 deg.
23	86	Interbedded and interlaminated graphitic argillite, dark grey, finely laminated, numerous quartz stringers to .1 cm, and siliceous graphitic argillite; fol./core axis 45 deg.
86	99	Quartzite, medium grey, fine grained, sparse to common quartz-(carbonate) stringers to .5 cm, occasional argillite/graphite partings; fol./core axis 45 deg.
99	110	Argillite, medium grey, very finely laminated, numerous quartz and quartz-(carbonate) stringers and lenses; fol./core axis 40 deg.
110	268	Quartzite, variably argillaceous or graphitic, sparse to abundant anastomosing quartz veinlets and veins; quartz veins - 10 cm at 238, 241-244, 246-248, milky white, barren
268	276	Argillite, graphitic, dark grey, finely laminated, locally silicified, contact to quartzite is friable
276	390	Quartzite, medium grey, fine to very fine grained, locally sparse to common quartz-(carbonate) stringers and veinlets to 1 cm
390	438	Argillite, dark grey to black, very finely laminated with common fine quartz laminae and sparse quartz or quartz-pyrite lenses; fol./core axis 0-30 deg.
438	468	Argillite, grey to dark grey, finely laminated with common fine to .1 cm quartz-pyrite or pyrite laminae; fol./core axis 30-45 deg.
468	482	Argillite, grey to dark grey, finely laminated, occasional bands of graphitic quartzite in lower portions; fol./core axis 45 deg.
482	562	Quartzite, dark grey, graphitic as above, sparse laminations and bands of black graphitic argillite; quartz-siderite veinlets over interval 523-525

SITE/HOLE: N87-02

SIZE: NQ STORAGE: Trout Lake BC LENGTH: 86.6 (m.)/ 284 (ft) BEARING (°): 240 INCLIN. (°): -70 LOCATION: 80N, 555W
CONTRACTOR: Bergeron Drilling Ltd. DRILL TYPE: Longyear 38 LOGGED BY: A. S. Greene

<u>Interval (ft)</u>		<u>Description</u>
<u>From</u>	<u>To</u>	
0	20	(casing)
20	69	Argillite grey, very finely laminated, highly variable foliation (probable fold crest), locally common quartz veinlets to 2 cm; fol./core axis 45 deg.
69	110	Argillite, black, graphitic, very finely laminated, quartz laminations and lenses, sparse pyritic bands; fol./core axis 45 deg.
110	124	Argillite, grey, silicified, sparsely interbedded with bands of variably siliceous, finely laminated, black argillite
124	135	Quartzite, grey, very fine to fine grained, fine carbonaceous laminae, sparse argillite or graphite partings, sparse quartz-carbonate and quartz veinlets to 1 cm
135	153	Argillite, grey, silicified, common quartz and quartz-(carbonate) veinlets, very deformed foliation (?fold crest), regular foliation fol./core axis 45 deg.
153	183	Quartzite, grey, fine grained with sparse irregular carbonaceous partings
183	189	Argillite, grey, siliceous, common quartz and quartz-(carbonate) veinlets; fol./core axis 45 deg.
189	304	Quartzite, grey, very fine to fine grained, carbonaceous or graphitic, sparse carbonaceous partings, common quartz and quartz-(carbonate) veinlets; quartz veins, white milky barren, with carbonaceous stringers at 295-296, 300-304.

SITE/HOLE: N87-03

SIZE: NQ STORAGE: Trout Lake BC LENGTH: 117.7 (m.)/ 386 (ft) BEARING (°): 225 INCLIN. (°): -45 LOCATION: 0N, 995W
 CONTRACTOR: Bergeron Drilling Ltd. DRILL TYPE: Longyear 38 LOGGED BY: A. S. Greene

<u>Interval (ft)</u>		<u>Description</u>
<u>From</u>	<u>To</u>	
0	58	(casing)
58	71	Argillite, black graphitic, variably pyritic, sparse fine to .2 cm quartz-(pyrite) laminae, .5 to 1 cm bands of quartz-pyrite; 2-20 cm interbeds of silicified argillite, locally common quartz veins and lenses; fol./core axis 70-80 degrees
71	99	Quartzite, grey, graphitic, with common stringers to .5 cm quartz and quartz-(carbonate, stringers/core axis 70-80 deg.
99	103	Argillite, grey, silicified, with argillite islands, slight to moderate deformed quartz and quartz-(carbonate) lenses or stringers to .5 cm; stringers/core axis 45 deg.
103	117	Quartzite with argillite and silicified argillite interbeds, carbonaceous crenulations and partings, quartz stringers .1 to .5 cm.; stringers/core axis 45 deg.
117	124	Argillite, silicified, very finely laminated, common very fine carbonaceous laminations, sparse .2 -.5 cm quartz-siderite veinlets, * * sphalerite in veinlets - 20% over interval 120-122
124	149	Quartzite, sparse terminated stringers quartzsiderite to 1 cm, common quartz veinlets .1-.2 cm
149	151	Quartz vein, white milky, * traces sphalerite
151	199	Quartzite, dark grey, graphitic, sparse white quartz veins to 3 cm; veins/core axis 10-20 deg.
199	213	Argillite, dark grey to black, variably siliceous, graphitic, with silicified argillite interbeds, sparse fine stringers quartz-siderite; fol./core axis 80 deg.
213	223	Argillite, silicified, abundant quartz veinlets, common quartz veins, milky white with scattered clusters euhedral pyrite.
223	251	Interbedded silicified argillite and quartzite, common quartz veinlets .1-.2 cm occasionally to 3 cm, variable foliation (/fold crest), silica joint filling occasionally with kaolin dusting
251	253	Quartz vein, white crystalline, barren
253	258	Interbedded silicified argillite and quartzite as above
258	268	Quartz vein with sparse argillite inclusions to 10 cm, fractured, traces weathered pyrite, pyrite clusters at contact to argillite inclusions.
268	275	Argillite, silicified, abundant quartz veinlets
275	299	Argillite, black very graphitic, siliceous near top, fine interlamination of quartz and quartzcarbonate, slightly pyritic, occasional pyrite clusters or porphyroblasts; fol./core axis 80 deg.
299	313	Quartzite, argillaceous, graphitic, common quartz veinlets .2 to 10 cm with traces sericite; veinlets/core axis 30 deg.
313	314	Argillite, black, graphitic, finely interlaminated with quartz laminae
315	318	Quartzite, sparse quartz veinlets
318	322	Argillite, dark grey to black, very finely laminated, silicified bands; fol./core axis 80 deg.
322	324	Quartzite, common quartz veinlets, sparse very crenulated argillite partings
324	334	Argillite, dark grey to black, very finely laminated with quartz laminae and irregular quartz-carbonate lenses; fol./core axis 40 deg.
334	335	Quartz vein with chlorite, argillite inclusions; vein/core axis 30 deg.
335	337	Quartzite, very fractured, criss-cross quartzsiderite veinlets .1-.2 cm
337	444	Argillite, grey, pyritic, very fine to fine laminated, sparse graphitic bands and laminae, laminae and bands of quartz and quartz-carbonate with traces pyrite, sparse bands of pyritic argillite, friable gouge material at 358-364 ft.

SITE/HOLE: N87-04

SIZE: NQ STORAGE: Trout Lake BC
 LENGTH: 78 (m.)/ 256 (ft) BEARING (°): 265 INCLIN. (°): -50 LOCATION: 0, 995W
 CONTRACTOR: Bergeron Drilling Ltd. DRILL TYPE: Longyear 38 LOGGED BY: A. S. Greene

<u>Interval (ft)</u>		<u>Description</u>
<u>From</u>	<u>To</u>	
0	28	(casing)
28	104	Quartzite, grey to dark grey, fine grained, graphitic, sparse relic banding, sparse quartz stringers, sparse graphitic argillite partings with partings/core axis 60 deg., quartz veins milky white at 32-33, 39, 48, 54-56, 57-58, 63-64, 81-85 with interbedded quartzite bands, 95-99, 100-102 with fractures/core axis 25 deg.
104	121	Quartzite, dark grey, fine grained, argillaceous and graphitic, occasionally finely laminated, sparse graphite partings, common argillite partings, quartz veins whit milky barren at 118-121; vein/core axis 45 deg.
121	172	Quartz veins, white milky barren; quartzite bands, dark grey, abundant irregular quartz stringers, * trace scattered clusters sphalerite at 170
172	196	Graphitic argillite, lenses and laminae of quartz and quartz-pyrite, common crenulation of laminae, tight isoclinal folds, quartz/argillite breccia at 194; fol./core axis 60 deg.
196	204	Quartzite, dark grey, sparse graphitic partings
204	211	Graphitic argillite, as above, moderate deformation at contact to quartzite
211	229	Quartzite, dark grey, sparse to common quartz stringers and veinlets
229	230	Graphitic argillite as above
230	232	Quartzite, dark grey, as above, argillaceous
232	249	Argillite, dark grey to black, graphitic to very graphitic, interbedded with silicified bands and beds; fol./core axis 25 deg.
249	284	Argillite, medium grey, slightly graphitic, slightly pyritic, interbedded with silicified argillite, folded, fol./core axis 25 deg. at 250, 20 deg. at 260, 15 deg at 265, very irregular at 275, 70 deg. at 279, 30 deg. at 284 ft

SITE/HOLE: N87-05

SIZE: NQ STORAGE: Trout Lake BC
 LENGTH: 109 (m.)/ 358 (ft) BEARING (°): 220 INCLIN. (°): -45 LOCATION: N, 995W
 CONTRACTOR: Bergeron Drilling Ltd. DRILL TYPE: Longyear 38 LOGGED BY: A. S. Greene

<u>Interval (ft)</u>		<u>Description</u>
<u>From</u>	<u>To</u>	
0	36	(casing)
36	105	Quartzite, grey to dark grey, very fine grained to fine grained, relic bands, sparse quartz stringers .2 cm, sparse graphite partings, partings/core axis 60 deg., fractures or joints/core axis 50 deg., quartz vein, white barren, 10 cm, at 61, 80-83, common vuggy quartz veinlets at 98
105	122	Quartzite, dark grey to black, very fine grained, increasing graphite content, fractures/core axis 70-80 deg., sparse graphite partings, sparse vuggy veinlets
122	174	Quartzite as above, common quartz veinlets and veins, interbeds of argillite, black, finely laminated, quartz laminae at 32-36; quartz veins, white milky barren with sparse to common graphite partings, 10 cm at 135 (vein/core axis 60 deg.), 48-50 (vein/core axis 45 deg.), 155-156, 160-164 irregular contacts, 168-174 (vein/core axis 60 deg.), graphite and graphitic argillite inclusions and breccia at 171-172
174	212	Argillite, black very graphitic, very finely laminated with quartz laminae, quartz lenses, occasionally with euhedral pyrite; fol./core axis 20 deg. at 174-189; fol./core axis 70 deg. at 189-212
212	214	Quartz vein, white milky barren
214	239	Argillite, black, very graphitic, interbedded with silicified graphitic argillite with common to abundant quartz and quartz-carbonate veinlets

SITE/HOLE: N87-05 (cont'd)

SIZE: NQ STORAGE: Trout Lake BC
LENGTH: 109 (m.) / 358 (ft) BEARING (°): 220 INCLIN. (°): -45 LOCATION: N, 995W
CONTRACTOR: Bergeron Drilling Ltd. DRILL TYPE: Longyear 38 LOGGED BY: A. S. Greene

<u>Interval (ft)</u>		<u>Description</u>
<u>From</u>	<u>To</u>	
239	241.5	* Quartz vein, white, milky with greenish carbonate, specks euhedral pyrite, sphalerite, galena in siderite
241.5	244	* Quartz-carbonate vein as above, 20% euhedral pyrite, siderite, galena
244	281	Argillite, black, graphitic, pritic, common quartz and quartz-carbonate veinlets .2-2 cm; veinlets/core axis 60 deg., veinlets/foliation 90 deg.
281	358	Argillite, black to dark grey, variably graphitic, pyritic, interlaminated with quartz laminae and lenses and sparse quartz-pyrite laminae, some silicification in basal portions
358	359	Quartz vein white milky barren
359	394	Argillite, dark grey, slightly graphitic, slightly pyritic, interbanded with silicified argillite, foliation occasionally crenulated; fol./core axis 50 deg.

SITE/HOLE: N87-06

SIZE: NQ STORAGE: Trout Lake BC LENGTH: 120.7 (m.) / 396 (ft) BEARING (°): 230 INCLIN. (°): -70 LOCATION: ON, 995W
CONTRACTOR: Bergeron Drilling Ltd. DRILL TYPE: Longyear 38 LOGGED BY: A. S. Greene

<u>Interval (ft)</u>		<u>Description</u>
<u>From</u>	<u>To</u>	
0	32	(casing)
32	103	Quartzite, light grey, sparse stringers and veinlets of quartz to .1cm, sparse quartz veins to 3 cm, sparse laminations or partings graphite
103	119	Quartzite, dark grey, argillaceous or graphitic, common quartz veinlets
119	131	Argillite, light grey to grey, very finely laminated, kaolin dusting in joint fractures; fol./core axis 80 deg.
131	141	Quartz, white barren, intruded between bands of siliceous and graphitic argillite
141	161	Quartzite, medium grey, variably argillaceous or graphitic, common quartz veinlets
161	165	Quartz, white barren, vein/core axis 10 deg.
165	223	Quartzite medium grey, graphitic, common to locally abundant quartz veinlets, quartz vein at 172-175, vein/core axis 30 deg., 20 cm bands of breccia at 80-86, breccia/core axis 10-20 deg.
223	232	Interbedded argillite and graphitic argillite, black, finely laminated, fol./core axis 45 deg.
232	240	Quartzite, grey, graphitic, abundant quartz veinlets
240	274	Argillite and graphitic argillite, light grey to black, common quartz lenses and laminations, occasional band of silicified argillite
274	284	Quartzite, grey, graphitic, common quartz veinlets .1-.2 cm, veinlets/core axis 40-70 deg.
284	286	Quartz veins, white barren
286	304	Quartzite, grey, sparse crenulated graphite partings, common quartz and quartz-carbonate veinlets, short displacements on slip planes 75 deg. to core axis
304	315	Argillite, dark, very finely laminated, fissile, common quartz and quartz-siderite veinlets and lenses
315	323	Quartzite, grey, graphitic or argillaceous, deformed or brecciated inclusions and bands
323	428	Argillite, dark grey, very finely laminated, pyrite laminae, quartz-siderite laminae and lenses, with sparse quartz-siderite veinlets, interbedded with grey quartzite; fol./core axis 45 deg.

SITE/HOLE: N87-07


SIZE: NQ STORAGE: Trout Lake BC LENGTH: 91.8 (m.) / 301 (ft) BEARING (°): 205 INCLIN. (°): -50 LOCATION: ON, 995W
CONTRACTOR: Bergeron Drilling Ltd. DRILL TYPE: Longyear 38 LOGGED BY: A. S. Greene

<u>Interval (ft)</u>		<u>Description</u>
<u>From</u>	<u>To</u>	
0	38	(casing)
38	73	Quartzite, grey, fine to very fine grained, sparse quartz stringers, increasing graphite content downwards, sparse graphite laminae
73	119	Argillite, silicified, dark grey to black, very finely laminated; fol./core axis 50 deg.
119	164	Quartzite, dark grey, graphitic or carbonaceous, common to abundant quartz stringers, irregular graphite partings, graphite inclusions, common quartz veins at 119-121, 127-128, 145-146, 152-154
164	184	Interbedded graphitic argillite and quartzite as above, argillite with sparse pyrite laminae, sparse irregular quartz veinlets, sparse vuggy quartz veinlets, quartz veins at 167, 168, 175-176, 183-184
184	192	Siliceous argillite with interlamination and interbeds of graphitic argillite; fol./core axis 60-70 deg.
192	207	Graphitic argillite, black, sparse quartz and quartz-pyrite laminae and lenses; fol./core axis 75-80 deg.
207	214	Quartzite with abundant quartz veinlets and lenses, sparse fine graphite partings
214	224	Graphitic argillite, mineralized veinlets cut across foliation, sparse to common quartz-siderite veinlets, .3 to 3 cm, * * 10% of veinlets are mineralized with sphalerite-galena
224	225	Quartzite with 10 cm quartz-siderite vein with * * good sphalerite-galena mineralization; veinlet/fol. 0 and 90 deg.; veinlet/core axis 0-30 deg.
225	280	Interbedded and interbanded graphitic argillite and dark quartzite, quartz-(siderite) veins with * sparse sphalerite-galena at 225 to 230, sparse quartz-siderite veinlets with * traces sphalerite-pyrite at 250, 260, 270-280; veinlet/core axis 10 deg.
280	328	Argillite, grey, partially silicified, common quartz-siderite laminae lenses and veinlets, sparse pyrite bands
328	339	Argillite as above, very deformed, common quartz veinlets; quartz veins, milky white barren, at 328-333, 338-339 ft


CERTIFICATE OF THE ISSUER

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

DATED at the City of Vancouver, in the Province of British Columbia, this 15th day of December, 1989.

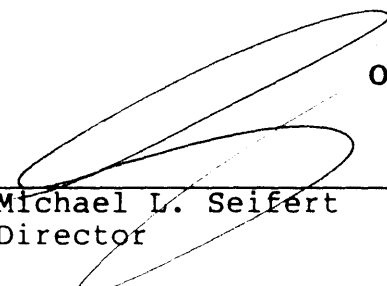


David M. Patterson
Chief Executive Officer

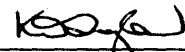


Barbara Atkins
Chief Financial Officer

ON BEHALF OF THE BOARD




Michael L. Seifert
Director



Kenneth D. Taylor
Director

PROMOTER




David M. Patterson

CERTIFICATE OF THE AGENT

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

DATED at the City of Vancouver, in the Province of British Columbia this 15th day of December, 1989.

PACIFIC INTERNATIONAL SECURITIES INC.

Per: 
Max Meier