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P R O S P E C T U S

004191

QUANTUM RESOURCE CORP.

Incorporated under the laws of the Province of British Columbia
15th Floor - 1500 West Georgia St.
Vancouver, B.C., V6G 2Z6
(herein called the "Issuer")

NEW ISSUE

400,000 common shares at \$0.45 per share

	Price to Public (1)	Commission	Proceeds to Issuer (2)
.....	\$0.45	\$0.05	\$0.40
.....	\$180,000.00	\$20,000.00	\$160,000.00

Price of the Offering has been determined by the Issuer in negotiation with agent.

Amount of deduction of the balance of the expenses of this Offering estimated not to exceed \$20,000.

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THE STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED UNDER THIS PROSPECTUS. LISTING IS SUBJECT TO THE ISSUER FULFILLING ALL OF THE REQUIREMENTS OF THE VANCOUVER STOCK EXCHANGE ON OR BEFORE JULY 10, 1989, AND THE DESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

OFFERING IS SUBJECT TO A MINIMUM SUBSCRIPTION FOR 400,000 SHARES BEING RECEIVED BY THE ISSUER WITHIN 180 DAYS OF THE EFFECTIVE DATE OF THIS PROSPECTUS. FURTHER PARTICULARS OF THE MINIMUM SUBSCRIPTION ARE DISCLOSED UNDER THE HEADING "PLAN OF DISTRIBUTION" HEREIN.

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ONE OR MORE OF THE DIRECTORS OF THE ISSUER MAY, FROM TIME TO TIME, HAVE AN INTEREST, DIRECT OR INDIRECT, IN OTHER NATURAL RESOURCE COMPANIES. REFER TO "CONFLICTS OF INTEREST" HEREIN FOR DETAILS OF THE PROPOSED CONFLICT RESOLUTION MECHANISM.

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UPON COMPLETION OF THIS OFFERING, THIS ISSUE WILL REPRESENT 24.84% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 46.58% THAT WILL THEN BE OWNED BY THE PROMOTERS, DIRECTORS, OFFICERS AND CONTROLLING PERSONS OF THE ISSUER AND BY UNDERWRITERS. REFER TO "PRINCIPAL HOLDERS OF SECURITIES" HEREIN FOR DETAILS OF SHARES HELD BY THE PROMOTERS, DIRECTORS, OFFICERS AND CONTROLLING PERSONS OF THE ISSUER AND REFER TO "OTHER MATERIAL FACTS" HEREIN FOR FURTHER DETAILS OF SHARES OWNED BY UNDERWRITERS.

WE, AS AGENT, CONDITIONALLY OFFER THESE SHARES 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 "PLAN OF DISTRIBUTION" HEREIN.

AGENT

YORKTON SECURITIES INC.
1400 - 609 Granville Street
Vancouver, B.C. V7Y 1G5

Prospectus Date: December 22, 1988

Effective Date: January 9, 1989

PROPERTY FILE
A.L.
Lucky Boy 82k5E035

- c. Mace pays to Krombholz \$15,000.00 on May 31 of each and every year thereafter commencing May 31, 1989 up to and including May 31, 1997.

Upon payment of the aforesaid \$150,000, the Option will be considered to be exercised and Mace, or her assignee, will acquire a 100% right and interest in and to the claims subject to a 2 1/2% Net Smelter Returns Royalty payable to Krombholz to a maximum of \$250,000.00.

Under the Assignment, the obligations of Mace under the Option are assumed by the Issuer. The Assignment also provides for its termination unless:

- a. the Issuer pays to Mace the sum of \$5,000.00 on execution of the Assignment Agreement (which amount was paid);
- b. the Issuer assumes the burdens of Mace under the Option effective the date the shares of the Issuer are posted and called for trading on the Vancouver Stock Exchange and the Issuer fulfills the minimum listing requirements of the Exchange with respect to financial requirements and public distribution and has allotted and issued to Mace 50,000 full paid and non-assessable shares of the capital stock of the Issuer;
- c. the Issuer spends no less than \$60,000.00 on a recommended exploration program on the Krombholz Claims, the results of which include the recommendations for a further program and issues and allots to Mace a further 50,000 fully paid and non-assessable shares on or before May 31, 1989; and
- d. the Issuer spends no less than a further \$80,000.00 on a recommended exploration program on the Krombholz Claims, the results of which include recommendations for a further program and issues and allots to Mace a further 50,000.00 fully paid and non-assessable shares of its capital stock on or before May 31, 1990.

On the date the aforementioned payments and issuances have been made, all right, title and interest of Mace in and to the Krombholz Claims and the Option shall pass to the Issuer subject to the terms of the Option.

Description of The Property

Lucky Boy Property
Golden Mining Division
British Columbia, Canada

The Lucky Boy Property covers approximately 42 units and is located in the Golden Mining Division, in the Province of

British Columbia. Access to the property is by paved road to the Panorama Ski Resort and then via a gravel road to the north side of the property. A dirt road follows the south bank of Toby Creek along the boundary of the property and, on the property itself, a 2 kilometer four-wheel drive road was recently refurbished to access old workings on the property.

Exploration commenced in the Kootenay area in the 1860s. Exploration for placer gold in the Toby and Dutch Creeks resulted in some gold being found, although the source was never located. In the 1890s, a rush of staking in the region resulted from silver and lead prospecting. Although there were a few small shipments of ore from the region in the 1900s, production and exploration slowed due to silver and lead being uneconomic at this time.

An increase in exploration occurred during the period 1925-1930 which resulted in the discovery of deposits such as the Silver Spray (Melody) property immediately south of the Lucky Boy Property on the same mineralized shear zone. Small shipments of ore were made from the property in the late 1920s and geophysics and diamond drilling was carried out on the Silver Spray property in the 1969 - 1970 exploration season by North Canadian Oils Ltd.

Between 1954 and 1967 the Mineral King Mine located 3 kilometers west of the Lucky Boy Property produced 2.3 million tons averaging 0.79 oz silver/ton, 1.76% lead, 4.12% zinc, and 0.03% copper.

With respect to the Lucky Boy Property specifically, the 1929 Minister of Mines Annual Report mentions minor prospecting activities on the property. Prior to 1940, at least 6 adits were driven on a mineralized shear zone on the Lucky Boy Property and from the examination of underground workings, it is estimated that production from the property amounted to approximately 20 tons.

The Lucky Boy Property is the subject of a report dated July 29, 1988, and revised October 14, 1988 and November 14, 1988, prepared by Frank Di Spirito, B.A.Sc., P. Eng., Gary Sutton, B.Sc., Martin St-Pierre, B.Sc., of Shangri-La Minerals Ltd. (the "Shangri-La Report"), a copy of which, less Appendix B "Sample Descriptions" and Appendix C "Analytical Results", is hereunto annexed and forms a part of this prospectus with the full report being available for inspection at the Company's offices. According to the summary contained in the Shangri-La Report:

Chip samples reported by G.M. Rodgers of Kootenay Geo-Services in 1987 from adit #2 from an exploration program conducted in 1987 returned values of up to 38.80 oz silver/ton, 0.078 oz gold/ton and good values in copper, lead and zinc. From examination of the underground workings, it was estimated that production had amounted to about 20 tons.

The Lucky Boy property is underlain by the Precambrian Dutch Creek Formation. Mineralization is structurally controlled, occurring in a near-vertical quartz flooded shear zone which trends north-south across the property along a slate/dolomite contact. Minerals noted include pyrite, galena, malachite, azurite, arsenopyrite and tetrahedrite.

The results of the present program have been encouraging. A grab sample taken from the dump of Adit #2 during the 1988 program contained 728.0 ppm (21.2 oz/ton) silver, 2100 ppb (0.061 oz/ton gold), 27556 ppm (2.8%) copper, and 51023 ppm (5.1%) lead. Reconnaissance of the property resulted in the re-discovery of two adits some 700 m away from the known adits, along the strike of the shear zone. Samples taken from the newly discovered adits range up to 403.8 ppm (11.8 oz/ton) silver, 4711 ppm (4.7%) lead and 11712 ppm (1.2%) zinc.

The shear zone was well defined by the induced polarization (IP) survey and soil geochemistry. Results confirm the presence of the shear zone between the newly discovered adits and those previously known. The apparent strike length of the structure is 1.5 km, and is open in both directions.

The 1.5 km apparent strike length and the good precious and base metal values noted indicate that the Lucky Boy property has good potential to host economic mineralization.

The reader should note that the above is from the summary contained in the Shangri-La Report and should consult the report for further details of the property, the shear zone and the various samples.

The Shangri-La Report recommends a staged exploration program with a Stage 1 program consisting of trenching, road building, reclamation work, assaying, and an induced polarization survey at an approximate cost of \$60,000.00. Contingent upon the results of the fate of the Stage 1 program, a Stage 2 program of reverse circulation drilling, geological support and further assaying is recommended at an estimated cost of \$70,000.00. Refer to paragraph A under "Risk Factors" on page 3 for details of alternative financing options to be considered in financing further exploration should the Stage 1 program be successful.

Except as specified herein, there is no plant or equipment located on or under the Lucky Boy Property and the property is without a known body of commercial ore. No Director, Officer, Insider or Promoter of the Issuer has an interest in the mineral properties located contiguously to the Lucky Boy property. The recommended exploration program is an exploratory search for ore.

GEOLOGICAL, GEOPHYSICAL AND GEOCHEMICAL SURVEYS

ON THE

LUCKY BOY CLAIM GROUP
GOLDEN MINING DIVISION
BRITISH COLUMBIA

NTS 82K/8W

NORTH LATITUDE: 50° 21'

WEST LONGITUDE: 116° 23'

FOR

QUANTUM RESOURCE CORP.

BY

FRANK DI SPIRITO, B.A.Sc., P. Eng.

GARY SUTTON, B.Sc.

MARTIN ST-PIERRE, B.Sc.

SHANGRI-LA MINERALS LIMITED

VANCOUVER, B.C.

29 JULY, 1988

REVISED 14 OCTOBER, 1988

REVISED 14 NOVEMBER, 1988



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SUMMARY

From June 9 to July 2, 1988, a combined geological, geophysical and soil geochemical exploration program was conducted on the Lucky Boy property by Shangri-La Minerals Limited for Quantum Resource Corp.

The Lucky Boy property is in the Kootenay area of southeastern British Columbia. Access is by paved road to the Panorama ski resort and then by excellent gravel road to the property. A four-wheel drive road was refurbished during the present program to allow access to the old workings.

Prospecting in the Kootenay region began in the 1860's with the discovery of placer gold in Wildhorse Creek. The Kootenay region was established as a significant silver-lead-zinc producer in the early 1900's.

The Mineral King Mine is a former producer located 3 km west of the Lucky Boy property. Between 1954 and 1967, the mine produced 2.3 million tons averaging 0.79 oz silver/ton, 1.76% lead, 4.12% zinc, and 0.03% copper.

Prior to 1940 at least 6 adits were driven on a mineralized shear zone on the Lucky Boy property. Investigation of the property during the 1988 program determined that 7 adits probably exist. Chip samples reported by G.M. Rodgers of Kootenay Geo-Services in 1987 from adit #2 returned values of up to 38.80 oz silver/ton, 0.078 oz gold/ton and good values in copper, lead and zinc. From examination of the underground workings, it was estimated at that time that production had amounted to about 20 tons.

The Lucky Boy property is underlain by the Precambrian Dutch Creek Formation. Mineralization is structurally controlled,

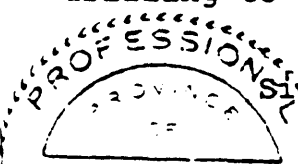
occurring in a near-vertical quartz flooded shear zone which trends north-south across the property along a slate/dolomite contact. Minerals noted include pyrite, galena, malachite, azurite, arsenopyrite and tetrahedrite.

The results of the present program have been encouraging. A grab sample taken from the dump of Adit #2 during the 1988 program contained 728.0 ppm (21.2 oz/ton) silver, 2100 ppb (0.061 oz/ton) gold, 27556 ppm (2.8%) copper, and 51023 ppm (5.1%) lead. Reconnaissance of the property resulted in the re-discovery of two adits some 700 m away from the known adits, along the strike of the shear zone. Samples taken from the newly discovered adits range up to 403.8 ppm (11.8 oz/ton) silver, 47111 ppm (4.7%) lead and 11712 ppm (1.2%) zinc.

The shear zone was well defined by the induced polarization (IP) survey and soil geochemistry. Results confirm the presence of the shear zone between the newly discovered adits and those previously known. The apparent strike length of the structure is 1.5 km, and is open in both directions.

The 1.5 km apparent strike length and the good precious and base metal values noted indicate that the Lucky Boy property has good potential to host economic mineralization. A two-stage, \$130,000 exploration program is recommended, with the first stage to consist of trenching and the second of reverse circulation drilling to assess the geometry and grade of mineralization.

Signed at Vancouver, B.C.



F. SPIRITO

Frank Di Spirito
Frank Di Spirito, B.A.Sc., P.Eng.

29 July, 1988

Revised 14 October, 1988

Revised 14 November, 1988

GS

per Gary Sutton, B.Sc.

29 July, 1988

Revised 14 October, 1988

Revised 14 November, 1988

INTRODUCTION

From June 9 to July 2, 1988 a program of geological mapping, geophysical surveying and geochemical soil sampling was performed on the Lucky Boy group of mineral claims for Quantum Resource Corp. by Shangri-La Minerals Limited.

The purpose of the program was to locate previous workings and test geochemical and geophysical survey methods to determine their effectiveness in locating and extending the known mineralized zones and to define other targets for exploration.

PROPERTY STATUS

The Lucky Box property consists of four reverted crown granted mineral claims, two 2-post mineral claims and two modified grid system mineral claims recorded in the Golden Mining Division.

Name	Record No.	Expiry Date	Area
Blackbird	1683	Nov. 10/1989	1 unit
Grey Eagle	1684	Nov. 10/1989	1 unit
Lucky Boy	1685	Nov. 10/1989	1 unit
Delight	1686	Nov. 10/1989	1 unit
Iffy 1	1767	Nov. 10/1989	1 unit
Iffy 2	1768	Nov. 10/1989	1 unit
Golden	1873	June 7/1989	20 units
Temple	1874	June 7/1989	20 units

LOCATION, ACCESS AND TOPOGRAPHY

The property is located near the junction of Jumbo and Toby Creeks, which is approximately 32 km southwest of Invermere in southeastern British Columbia. The property is centered at north latitude 50° 21', west longitude 116° 23'.

Access to the property is by paved road to the Panorama ski resort and then an excellent gravel road to the north side of the property. A dirt road follows the south bank of Toby Creek along the boundary of the property. A 2 km four wheel drive road was refurbished to access the old workings by vehicle.

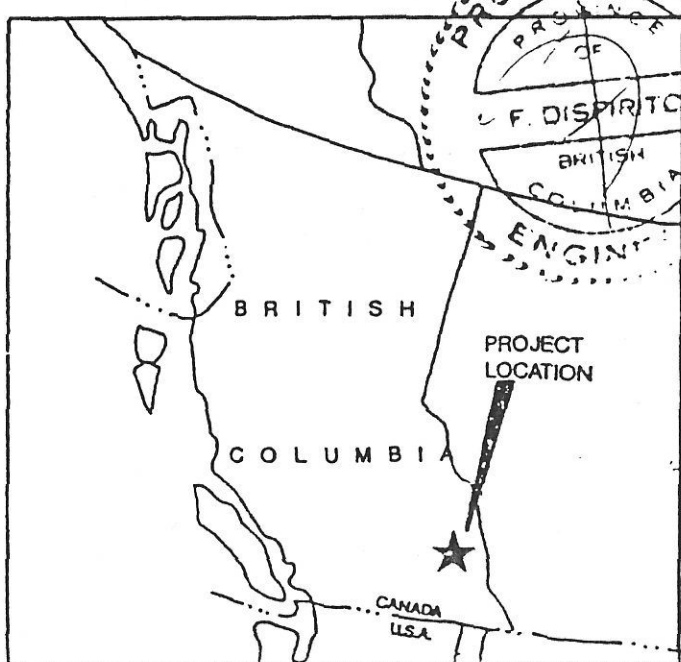
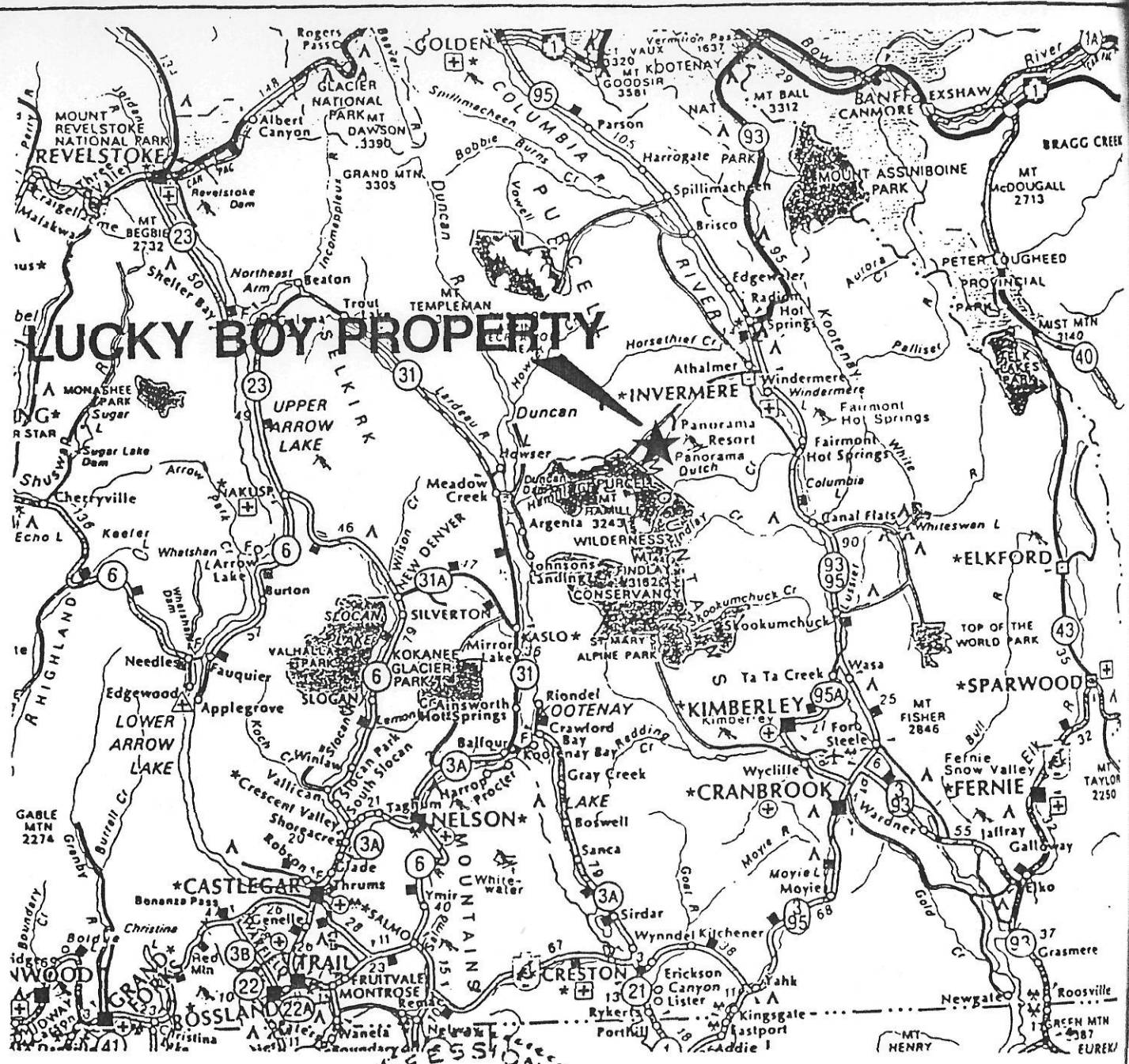
The property is fairly steep and is mainly on a north facing slope. The only cliffs are at higher elevations along or near the ridge which is at the southern boundary of the property. Vegetation consists primarily of thick alder and buck brush except where stands of mature timber dominate and at higher elevations where larch is dominant.

HISTORY

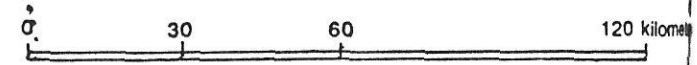
The discovery of gold in Wildhorse Creek in the 1860's initiated exploration in the Kootenay area. Exploration for placer gold in Toby and Dutch creeks resulted in some gold being found, but the source was never located. In the 1890's silver and lead prospecting produced a rush of staking in the region. The 1900's saw a few small shipments of ore but, since silver and lead were not economical at the time, production and exploration slowed.

From 1925 to 1930 there was an increase in exploration in the region, resulting in the discovery of deposits such as the Silver Spray (Melody) property immediately south of the Lucky Boy property on the same mineralized shear zone. Small shipments of ore were made from the property in the late 1920's. Geophysics and diamond drilling was carried out on the Silver Spray Property in 1969-70 by North Canadian Oils Ltd.

The Mineral King Mine is a former producer located 3 km west of the Lucky Boy property. Between 1954 and 1967, the mine produced 2.3 million tons averaging 0.79 oz silver/ton, 1.76% lead, 4.12% zinc, and 0.03% copper.

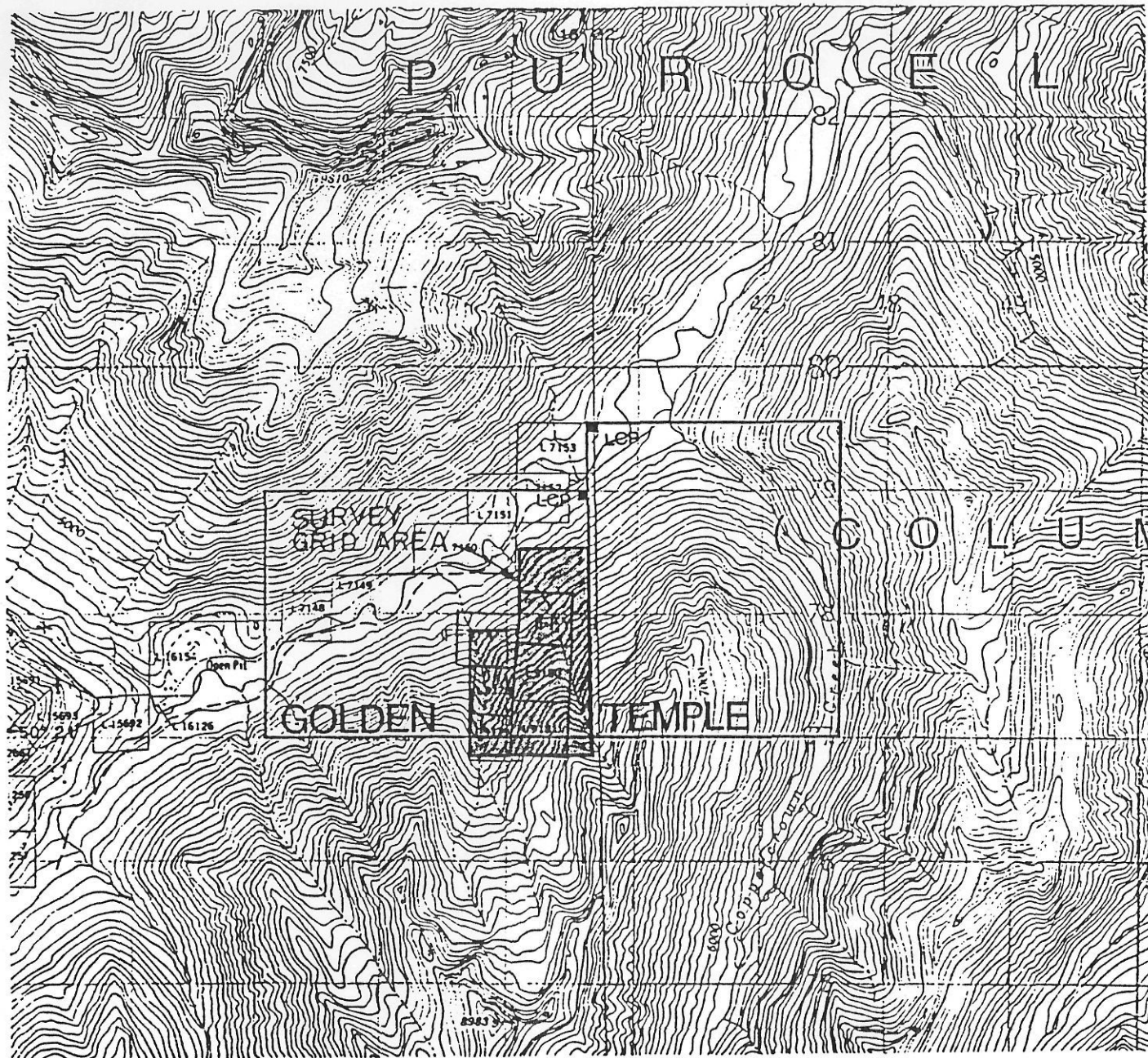


APPROXIMATE SCALE 1: 1 500 000

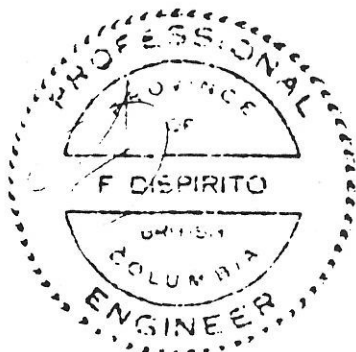
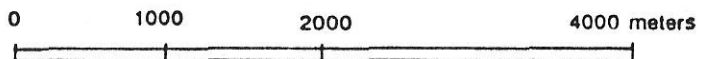


TO ACCOMPANY A REPORT BY F. DISPRITO, B.A. Sc., P. ENG.

LUCKY BOY PROJECT	
FOR : QUANTUM RESOURCE CORP.	
BY : SHANGRI-LA MINERALS LIMITED	
LOCATION MAP	
GOLDEN M.D., B.C.	
NTS: 82 K/ 8W	DATE: JULY 1988
DRAWN BY : M.JM	FIGURE No. 1a



SCALE 1: 50 000



TO ACCOMPANY A REPORT BY F. DISPIRITO, B.A. Sc., P. ENG.

LUCKY BOY PROJECT

FOR: QUANTUM RESOURCE CORP.

BY: SHANGRI-LA MINERALS LIMITED

CLAIM MAP

GOLDEN M.D., B.C.

NTS: 82K/ 8W

DATE: JULY 1988

DRAWN BY: MJM

FIGURE No. 1b

revised Nov 1988

The 1929 Minister of Mines' Annual Report briefly mentions that there were minor prospecting activities on the Lucky Boy property. Prior to 1940 at least 6 adits were driven on a mineralized shear zone on the Lucky Boy property. Sample results from an exploration program conducted in 1987 returned values of up to 38.80 oz silver/ton, 0.078 oz gold/ton and good values in copper, lead and zinc Rodgers (1987). From examination of the underground workings, it was estimated that production had amounted to about 20 tons.

SURVEY SPECIFICATIONS

Grid Establishment

A control grid consisting of 2.2 km of baseline and 16.65 km of crossline was established using hip chains and compasses. The station positions were slope corrected with a clinometer. The crosslines were oriented at an azimuth of 90° with stations marked with Tyvex tags every 25 m.

Road Refurbishing

A total of 2.35 km of overgrown road was cleared with a D6 Cat to provide access to the old workings and to the rest of the property. Hand dug ditches were added to allow runoff and grass seed was planted as per B.C. Forest Service requirements at the conclusion of the project to improve slope stability.

Crone-EM Survey Method

The Crone EM system consists of two identical units which can transmit and receive electromagnetic fields of 390 Hz, 1830 Hz and 5010 Hz. If a conductor is present between the coils, a secondary field is induced. The transmitting and

receiving is done by both coils in a symmetrical but opposite fashion to eliminate topographic effects. If no conductor is present then the sum of the two measured dip angles will be zero.

The survey was done with the transmitter in both the horizontal and vertical planes using frequencies of 1830 Hz (medium) and 5010 Hz (high).

A total of 2.85 km was surveyed at 25 m station interval with a 75 m coil separation.

Magnetometer Survey Method

The magnetometer survey was conducted using two EDA PPM 375 proton precession magnetometers, one of which acted as a base station. These instruments measure the magnitude of the total magnetic field of the earth. Corrections for diurnal variations were calculated relative to the base station locality.

Readings were taken at 25 m intervals over most of the grid and 12.5 m in specific areas. A total of 16 line-km was surveyed.

Induced Polarization Survey Method

A dipole-dipole time domain induced polarization (IP) survey was conducted on 10 lines between lines 600S and 1800S.

The survey was conducted using a Phoenix IPT-1 2 kw transmitter and a BRGM ELREC - 2c receiver. The pulse length was two seconds, and four integration windows were used for chargeability calculation. The dipole width was 25 m, and four separations were surveyed (N=1 to 4). A total of 7.0 line km was surveyed.

GEOCHEMICAL SURVEY METHOD

A total of 626 soil samples, 71 rock samples and 3 silt samples were collected, including an initial collection of 7 soil samples taken across the known mineralized zone to allow determination of a geochemical signature.

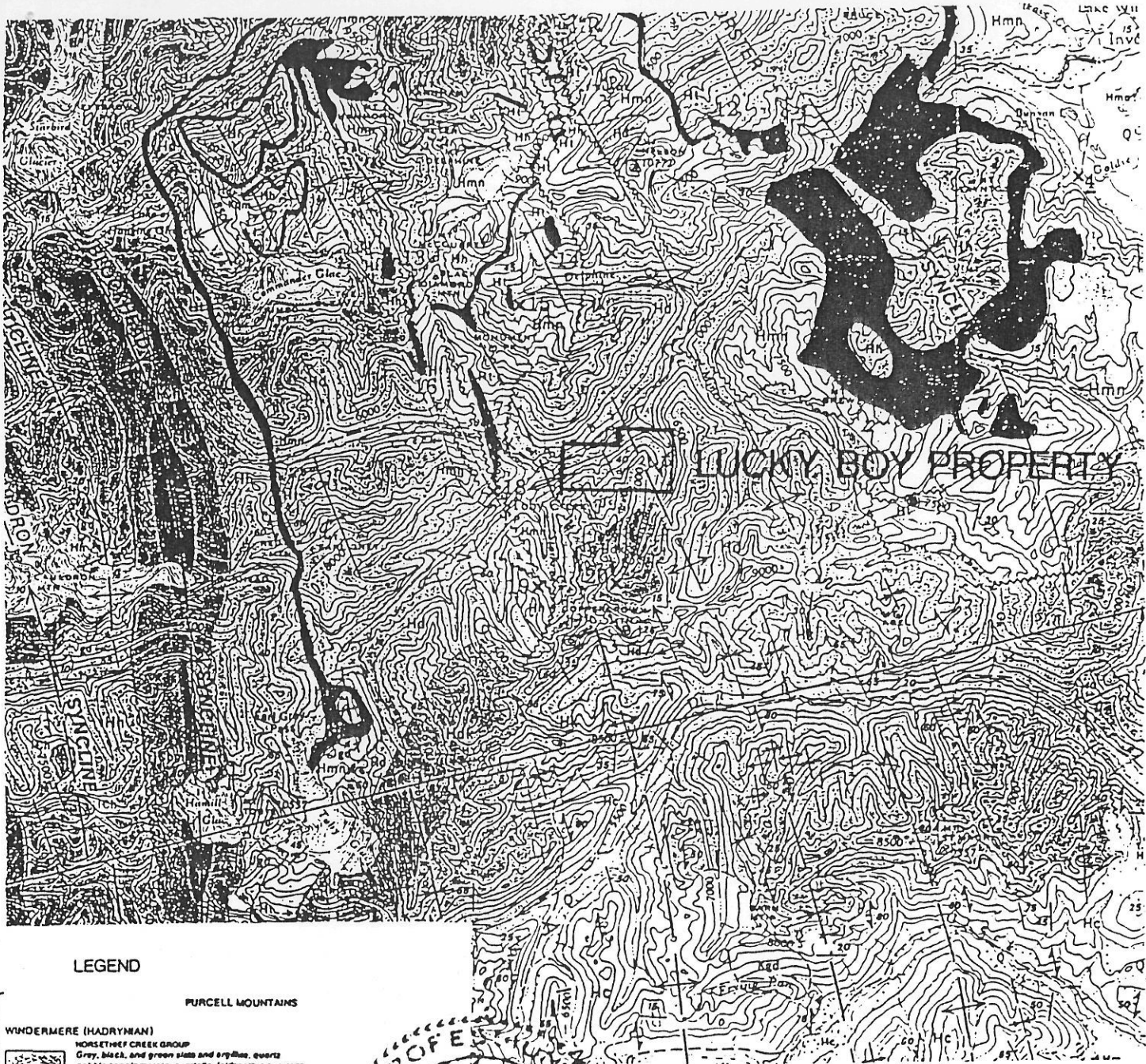
The soil samples were taken from the "B" horizon using a cast iron mattock. Soil samples of no less than 200 grams were placed in a Kraft paper gusset envelope and air dried before shipment to the laboratory. All of the soil, rock and silt samples were analyzed by Min-En Laboratories using ICP for a 31 element suite. Analysis for gold was done by atomic absorption for soil samples and by fire assay for rock and silt samples.

REGIONAL GEOLOGY AND MINERAL DEPOSITS

The Lucky Boy property is in a region immediately west of the Rocky Mountain Trench in the Purcell Mountains. This region is underlain by north to northwesterly trending open folds and faults of the Purcell and Windermere Systems. The region was partially mapped by Walker (1926), and totally mapped by the Geological Survey of Canada (1953-1957). Fyles (1959, 1969) did a more detailed study for part of the region which was included in a compilation by the Geological Survey of Canada (Memoir 369).

Structurally the region is dominated by the Purcell anticlinorium. The anticlinorium consists of a series of broad, open folds that are generally upright. Rocks found in the anticlinorium are primarily of the Purcell and Windermere Systems with a minor amount of intrusive rocks. To the east of the anticlinorium is the Mount Forster syncline. The syncline is characterized by steep-dipping to eastward-overtaken western limbs. Westward in the anticlinorium the folds become increasingly vertical and near isoclinal.





LEGEND

PURCELL MOUNTAINS

WINDERMERE (HADRYMIAN)

HORSEHEE CREEK GROUP
 Grey, black, and green slates and argillite, quartz pebbles conglomerate, quartzite, lenticular quartzite and grit; red slate and arenaceous slate; minor blue-grey and black limestone; equivalent mica schist, schistose quartzite and gneiss, as well as marble in the more metamorphosed zones in the southwest part of the map-area; ml. slates dominant; Hm, pebbles conglomerate, grit, and quartzite are common; Hm, limestone and slate

TOBY FORMATION: pebbles, cobble, and boulder polymictic conglomerate and breccia matrix variety of quartzite, argillite, and limestone

PURCELL (HELMAN)

MOTIE INTRUSIONS: meta-quartz diorite and diorite

MOUNT NELSON FORMATION: buff weathering grey, cream and purple dolomite and dolomitic limestone, purple, grey and black argillite and slate; white quartzite

DUTCH CREEK FORMATION: grey, green and black argillite and slate, buff dolomitic slate; thin-bedded, buff weathering dolomite, green, argillaceous quartzite

KITCHENER-SIYEN FORMATION: laminated, buff weathering, dolomitic and calcareous argillite and quartzite, green and black argillite; grey and pink quartzite; minor purple argillite

CRESTON FORMATION: massive and laminated, green and grey weathering, green and grey argillaceous quartzite and quartzite, green argillite

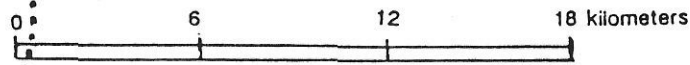
ALDRIDGE FORMATION

Upper Division: grey quartzite with passages of black argillite; thin-bedded, argillaceous quartzite and argillite

Lower Division: thin-bedded, rusty weathering, light grey quartzite and argillaceous quartzite



SCALE 1: 250000



TO ACCOMPANY A REPORT BY F. DISPIRITO, B.A. Sc., P. ENG.

LUCKY BOY PROJECT

FOR: QUANTUM RESOURCE CORP.

BY: SHANGRI-LA MINERALS LIMITED

REGIONAL GEOLOGY

GOLDEN M.D., B.C.

NTS: 82K/ 8W

DATE: JULY 1988

DRAWN BY: M.J.M.

FIGURE No. 2

TABLE OF FORMATIONS

<u>Period</u>	<u>Formation</u>	<u>Lithology</u>
Cretaceous	Intrusive	Quartz monzonite, Granodiorite

Jurassic	Intrusive	Granodiorite

Precambrian		
Hadrynian (Windermere)	Horsethief Creek Group	Varicolored slate, argillite, and phyllite; quartzite, grit, and quartz-pebble conglomerate with minor limestone.
	Toby Formation	Pebble, cobble, and boulder polymictic conglomerate and breccia breccia.
-----unconformity-----		
Helikian (Purcell)	Moyie Intrusions	Meta-quartz diorite and diorite
	Mount Nelson Formation	Buff and grey dolomite and dolomitic limestone, purple, grey and black argillite and slate, white quartzite.
	Dutch Creek Formation	Grey, green and black argillite and slate, buff dolomitic slate, buff dolomite, green, argillaceous quartzite.
	Kitchener-Siyeh Formation	Buff dolomitic and calcareous argillite and quartzite, green and black argillite, grey and pink quartzite, minor purple argillite
	Creston Formation	Green chloritic quartzite, grey quartzite with purple laminae, green and grey phyllite and argillite.
	Aldridge Formation (upper)	Sericitic quartzite, argillite, thin-laminated argillite and quartzite.
	Aldridge Formation (lower)	Thin bedded, light grey quartzite and argillaceous quartzite.

Two of the region's major faults are the Rocky Mountain Trench fault and the Mount Forster-Steamboat fault. The Rocky Mountain Trench fault separates the Purcell Mountains from the Rocky Mountains. To the east of the fault the rocks do not correlate with the Purcell Mountains except for some early Paleozoic rocks that are common to both. This is due to a large strike-slip movement before the formation of these common rocks.

The Mount Forster-Steamboat fault splays off of the Rocky Mountain Trench fault and trends southerly until it sharply curves to the west and is cut off by the Cretaceous Horsethief Batholith. Judging by the displacement of formations along it, movement along the fault is on the order of several thousand feet.

Numerous, near-vertical north-trending normal faults are common in the Purcell anticlinorium, and are important factors in localization of mineralization. Movement along these faults is in the order of a few feet to a few tens of feet and usually shows downward motion on the west side.

The Mineral King orebody, 3 km west of the Lucky Boy property, is hosted by the Mount Nelson Formation. The Mount Nelson Formation conformably overlies and has stratigraphy similar to the Dutch Creek Formation, which is found on the Lucky Boy property. "The orebodies at the Mineral King mine are replacement of dolomite by barite, sphalerite, galena and pyrite in a complex tight syncline." MMAR (1959, 1962).

The mineralized shear zone on the Lucky Boy property host the Silver Spray deposit, immediately south of the property. The Silver Spray deposit is described as an "ore of galena and lead carbonates with associated copper carbonates in a calcareous gangue containing quartz and barite. The ore occurs in the near vertical fissure as well as the bedding of the limestone." MMAR (1925).

PROPERTY GEOLOGY

The Lucky Boy property is underlain by rocks of the Helikian Dutch Creek Formation. This formation is part of the Purcell System which consists of a thick succession of shallow water, fine-grained clastics. The formation contains several rock types including varicolored slates, white to grey quartzite, grey limestone, buff dolomite and sandy dolomite. The rock types found on the property are the varicolored slates, grey quartzite and buff dolomite.

The slate of the Dutch Creek Formation covers most of the property. The slate varies in colour from dark grey to black with the darker colour probably due to the higher amount of graphite within the slate. The buff coloured dolomite covers most of the remainder of the property. The dolomite generally appears as a light brown massive rock, however, a large amount of siliceous material in the dolomite in some locations causes it to appear spotty or almost white in colour. The dolomite occasionally appears argillaceous with weak cleavage which is probably due to minor folding. The quartzite was found only in two outcrops and on the outer limits of the geologic mapping. Where the quartzite was found it displayed a greenish tint and had poorly developed cleavage.

The contact between the dolomite and slate is a shear zone where it appears in Adit #1 and Adit #6. Several parallel related shear zones also exist in the dolomite near the contact and they have been explored by old adits and trenches. The property has a total of 7 adits, however, adit #3 and adit #5 were found to be inaccessible.

Adit #1 was driven on the contact of the dolomite and slate and followed the contact for 6 m. Some mineralization consisting of malachite, azurite and galena occurs in the siliceous shear

zone. A chip sample from the shear zone in Adit #1 (LB 43) returned a value of 72.9 ppm (2.13 oz/ton) silver over a width of 0.20 m.

Adit #2 was driven on a shear zone within the dolomite for 27 m and followed the zone extensively by stoping. By the nature of the workings it appears a pocket of high grade ore was removed from the adit. The shear zone widens to approximately 1.0 m and contains gouge and fragments of dolomite that have been silicified and mineralized.

The extensive work done in the adit removed all of the high grade ore, therefore, a representative sample of the ore was difficult to collect. Grab sample LB 58 was taken to best represent the sheared material from a raise and contained 152.1 ppm (4.44 oz/ton) silver and 43,544 ppm copper. This raise appears to have contained a pocket of ore with a width of 0.3-0.6 m and is probably the location of the "20 tons of ore" that was stated in Rodgers (1987). This raise is also the location of the sample taken in 1987 that assayed 38.8 oz silver/ton and 0.078 oz gold/ton. Grab sample LB 61 was taken from a short drift off of the raise and contained 422.1 ppm (12.4 oz/ton) silver, 29,923 ppm copper and 1,720 ppb (0.050 oz/ton) gold.

The best sample of the ore material comes from the tailings pile of the adit where samples LB 39 and LB 40 were collected. The ore consists of fragmented silicified dolomite with galena, malachite, azurite, pyrite and possibly tetrahedrite mineralization. Sample LB 39 contained 728.0 ppm (21.2 oz/ton) silver, 27,566 ppm copper, 51,023 ppm 8 lead and 2,100 ppb (0.061 oz/ton) gold. Sample LB 40 contained 639.6 ppm (18.7 oz/ton) silver, 29,545 ppm copper, 44,557 ppm lead and 1,650 ppb (0.048 oz/ton) gold.

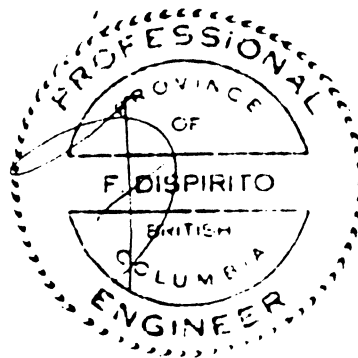
Adit #4 was driven on a shear zone within the dolomite for 66 m. The shear zone contained fragmented dolomite and gouge

DOLOMITE

SLATE

LB 42 - 37.2 ppm Ag ; ma, az, ga
LB 43 - 72.9 ppm Ag

LB 41 - 59.4 ppm Ag



LEGEND

~~~~~ Shear zone with gouge and quartz veins

• LB 41 - Sample location & N°.

- ma Malachite
- az Azurite
- ga Galena



SCALE 1: 100

0 2 4 METRES

To accompany report by F. Di Spirito, B.A.Sc., P. Eng.

**LUCKY BOY PROJECT**

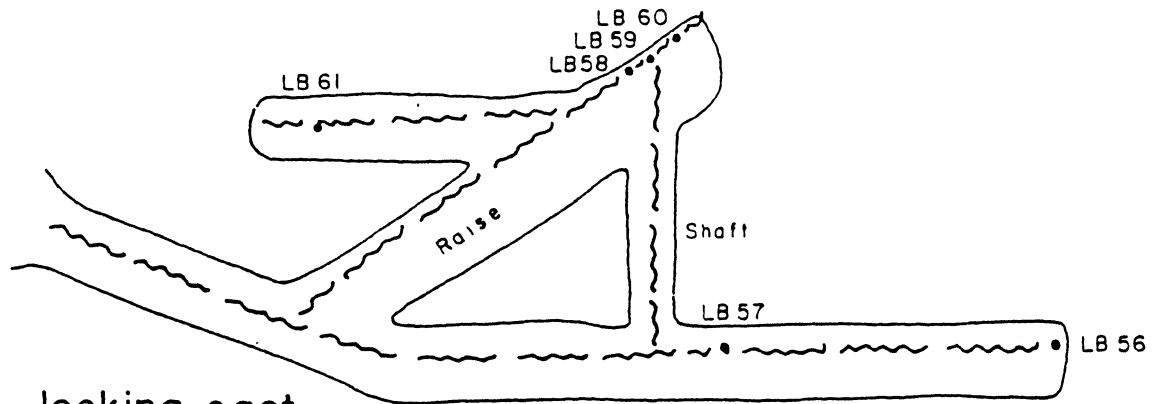
FOR: QUANTUM RESOURCE CORP.

BY: SHANGRI-LA MINERALS LIMITED

**GEOLOGY AND SAMPLE LOCATIONS - ADIT #1**

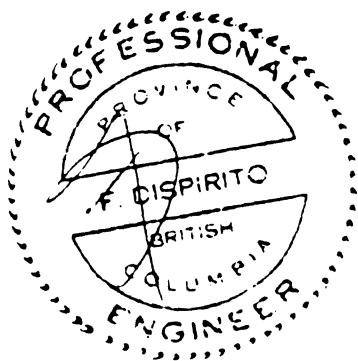
GOLDEN M.D., B.C.

|                |                 |
|----------------|-----------------|
| N.T.S. 82K-8W  | DATE: JULY 1988 |
| DRAWN BY: G.S. | FIGURE N°: 3c   |



DOLOMITE

DOLOMITE



**LEGEND**

- ~~~~~ Shear zone with gouge and quartz veins
- LB 41 Sample location & N<sup>o</sup>.
- mc Malachite
- az Azurite
- gc Galena



SCALE 1:200

0 4 8 METRES

• LB 61 - 422.1 ppm Ag, 2.99% Cu, 1720ppb Au; ma

LB 58 - 152.1 ppm Ag, 5.35% Cu; ga, ma  
LB 59 - 29.2 ppm Ag, 1.06% Cu; ga, ma

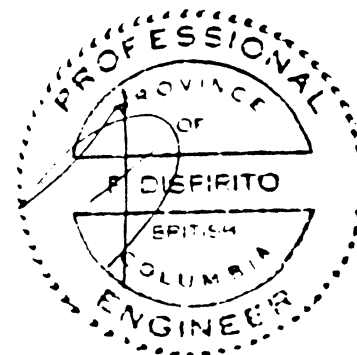
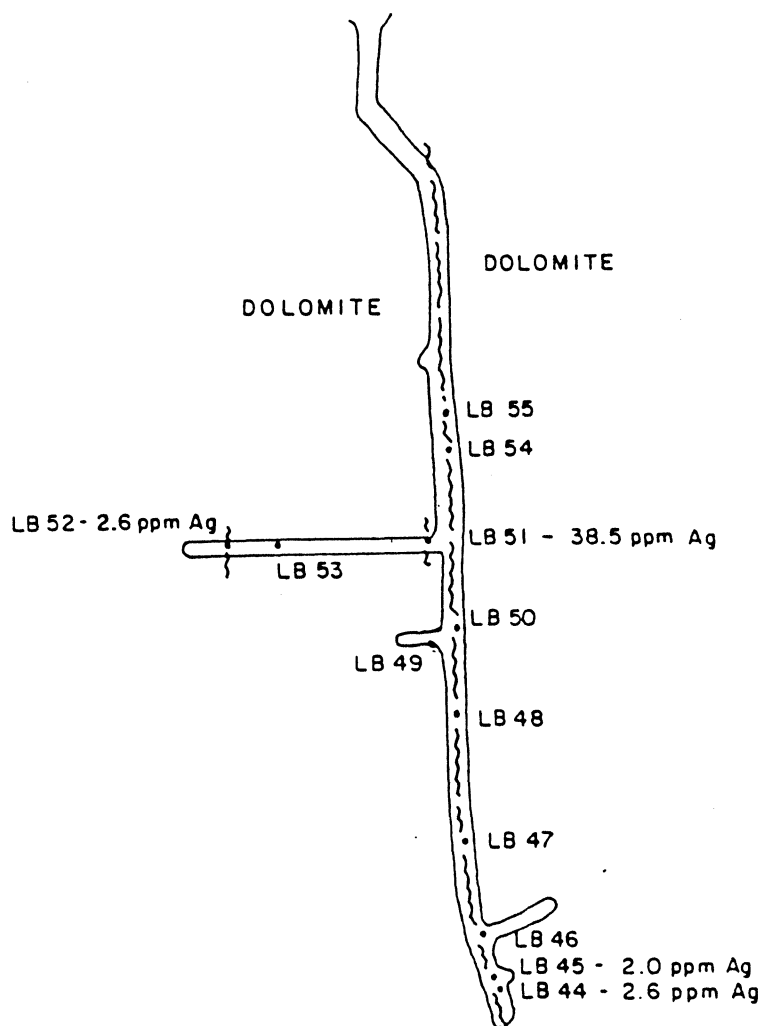
• LB 60 - 35.5 ppm Ag, 0.55% Cu

• LB 57 - 3.6 ppm Ag; ma

• LB 56

To accompany report by F. Di Spirito, B.A.Sc., P.Eng.

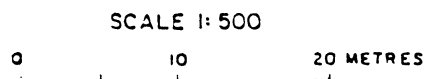
|                                                   |                            |
|---------------------------------------------------|----------------------------|
| <b>LUCKY BOY PROJECT</b>                          |                            |
| FOR: QUANTUM RESOURCE CORP.                       |                            |
| BY: SHANGRI-LA MINERALS LIMITED                   |                            |
| <b>GEOLOGY AND SAMPLE<br/>LOCATIONS - ADIT #2</b> |                            |
| GOLDEN M.D., B.C.                                 |                            |
| M.T.S. 82K-8W                                     | DATE: JULY 1988            |
| DRAWN BY: G.S.                                    | FIGURE N <sup>o</sup> . 3d |



**LEGEND**

- Shear zone with gouge and quartz veins
- LB 41 Sample location & N<sup>o</sup>.
- mz Malachite
- az Azurite
- gc Galena

To accompany report by F. Di Spirito, B.A.Sc., P.Eng.



|                                               |                            |
|-----------------------------------------------|----------------------------|
| <b>LUCKY BOY PROJECT</b>                      |                            |
| FOR: QUANTUM RESOURCE CORP.                   |                            |
| BY: SHANGRI-LA MINERALS LIMITED               |                            |
| <b>GEOLOGY AND SAMPLE LOCATIONS - ADIT #4</b> |                            |
| GOLDEN M.D., B.C.                             |                            |
| N.T.S. 82X-8W                                 | DATE: JULY 1988            |
| DRAWN BY: G.S.                                | FIGURE N <sup>o</sup> . 3a |

that had been silicified over a width of 0.5 m to 1.1 m. Grab sample LB 51 contained 38.5 ppm (1.12 oz/ton) silver from a shear zone with a width of 0.10 m and located 1 m to the west of the main zone and is probably an off shoot of the main shear zone.

Adit #6 was driven on a shear zone that follows the contact of the dolomite and slate for 15 m. The shear zone contains gouge with galena mineralization and fragmented rock. Chip sample LB 62 taken across 0.7 m assayed 403.8 ppm (11.8 oz/ton) silver, 47,111 ppm lead and 11,712 ppm zinc. Grab sample LB 63 was taken approximately 1 m from LB 62 where the width of the shear zone is 0.2 m. Sample LB 63 assayed 160.2 ppm (4.67 oz/ton) silver, 38,862 ppm lead and 13,367 ppm zinc.

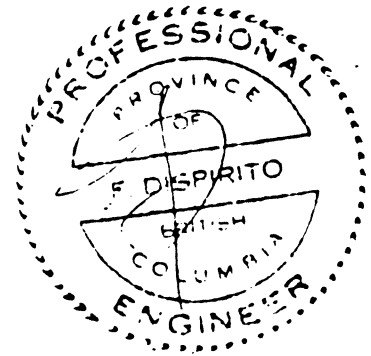
Adit #7 was driven perpendicular to the contact for 31 m but did not intersect it. The adit did intersect 4 shear zones within the dolomite and a 37 m long cross-cut followed one of these. Only chip samples LB 64 and LB 65 with 8.1 ppm and 3.1 ppm silver respectively over a width of 0.4 m contained any significant metal concentrations.

An old trench at 1400S/700W exposes a quartz vein that follows a narrow shear zone. The quartz vein can be traced for approximately 50 m before it is covered by overburden. Grab sample LB 29 was taken of a 5 cm wide shear zone with galena mineralization. The sample contained 261.5 ppm (7.63 oz/ton) silver and 25,371 ppm lead.

Grab sample LB 38 was taken of a carbonate vein with a width of 0.2 m in an old trench at 2030S/405W. This trench is within the dolomite but near the contact of the dolomite and slate. The sample contained galena mineralization and returned values of 61.2 ppm (1.79 oz/ton) silver, 13,665 ppm lead and 9,658 ppm zinc.

DOLOMITE

SLATE



LB 63 - 160.2 ppm Ag, 4.71 % Pb, 1.34 % Zn ga

LB 62 - 403.8 ppm Ag, 3.89 % Pb, 1.17 % Zn ga

**LEGEND**

~~~~~ Shear zone with gouge and quartz veins

• LB 41 Sample location & N°.

- ma Malachite
- az Azurite
- ga Galena

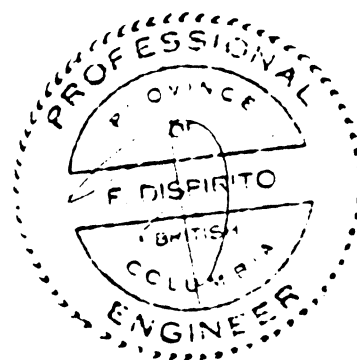
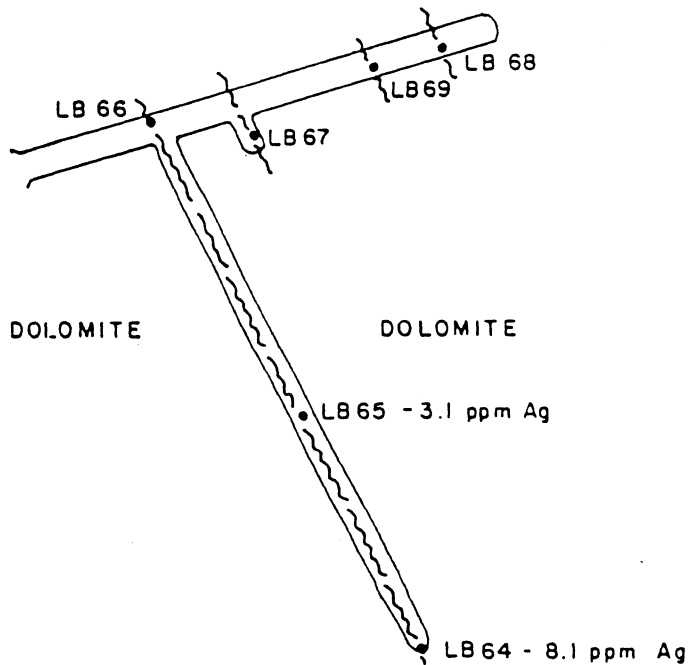
To accompany report by F. Di Spirito, B.A. Sc., P. Eng.



SCALE 1:100



| | |
|---|-----------------|
| LUCKY BOY PROJECT | |
| FOR: QUANTUM RESOURCE CORP. | |
| BY: SHANGRI-LA MINERALS LIMITED | |
| GEOLOGY AND SAMPLE LOCATIONS - ADIT #6 | |
| GOLDEN M.D., B.C. | |
| N.T.S. B2K-8W | DATE: JULY 1988 |
| DRAWN BY: G.S. | FIGURE N°. 31 |



LEGEND

- Shear zone with gouge and quartz veins
- LB 41 Sample location B N^o.
- ma Malachite
- az Azurite
- ga Galena

To accompany report by F. Di Spirito, B.A.Sc., P.Eng.



SCALE 1:500



| | |
|--|----------------------------|
| LUCKY BOY PROJECT | |
| FOR: QUANTUM RESOURCE CORP. | |
| BY: SHANGRI-LA MINERALS LIMITED | |
| GEOLOGY AND SAMPLE LOCATIONS - ADIT # 7 | |
| GOLDEN M.D., B.C. | |
| N.T.S. 82K-8W | DATE: JULY 1988 |
| DRAWN BY: G.S. | FIGURE N ^o . 3g |

Structure and Mineralization

The Lucky Boy property is within the Purcell anticlinorium, which consists of a series of broad, open folds that are generally upright. Within the anticlinorium are small, tight complex folds and near vertical, north-trending, normal faults. The mineralized shear zone on the Lucky Boy property is one such fault. A complex fold parallels the shear zone within the slate and is probably related to mineralization. The dolomite appears argillaceous in several localities on the property, probably due to complex folding.

Stereographic analysis indicates the axial plane of the major fold in the anticlinorium is $152/50^{\circ}$ NE. The plotted values were tightly grouped, suggesting that only one phase of deformation affected the area.

The shear zone on the property is one of the numerous normal faults found in the area and an average measurement of $162/82^{\circ}$ NE was calculated using the stereographic plot. The fracture surfaces were more scattered than the other measurements, but did group in an area 90° off of the axial plane.

The mineralization found on the property is primarily located within the shear zone and in the dolomite adjacent to the shear zone. The shear zone itself follows the contact of the dolomite and slate and sometimes splays into the dolomite. Mineralization observed on the property includes pyrite, galena, malachite, azurite, arsenopyrite and tetrahedrite. It is likely that fluids in the shear zone caused a replacement of the dolomite along the shear and mineralization of the sheared material. High silver values in rocks containing galena with no visible tetrahedrite or other silver-bearing minerals suggests the silver is associated with the galena.

GEOCHEMICAL RESULTS

Soil Geochemical Results

Soil geochemistry was plotted for 5 elements; silver, lead, zinc, copper and iron. Gold was excluded from plotting as virtually no anomalous values existed. Iron was included because values appeared to correlate well with the other elements and a trend was noticeable along the contact of the dolomite and slate.

The major anomaly is a diffuse and partially discontinuous trend that is bounded by lines 1100S and 2000S and by stations 350W and 550W. The trend length follows the contact of the dolomite and slate. The contact can be traced from line 900S to line 2100S between 400 and 425W. Induced polarization found the anomaly to be between 350W and 400W from lines 1000S to 1800S. The fact that the geochemistry anomaly extends to 550W is probably due to the steep slope.

Seven soil samples were taken initially across the contact at 5 m spacing and only 3 of these produced anomalous results, therefore the 25 m spacing of the soil samples could and probably did result in missing the anomalous zone producing a discontinuous anomaly.

A spot anomaly of 2 samples exists at L1900S/1000W and L2000S/1000W. This anomaly has high values in silver, copper and iron, and also contains high values in aluminum, arsenic, bismuth, magnesium, nickel, vanadium and chromium. A magnetic high is also associated with this anomaly. A likely cause for this anomaly is an intrusive rock, but since geologic mapping was not done in this area this cannot be confirmed.

Zinc geochemistry shows a trend from Lines 1000S to 1300S at 125W and lines 1900S to 2100S at 100 to 125W. Only one high

copper value is associated with this trend and neither geophysical surveys nor geological mapping suggest a cause for this anomalous trend.

A spot high at L1700S/200W contains highly anomalous values in silver, lead and zinc. No source for this anomaly is apparent.

Rock Geochemical Results

Chip samples LB 41 and LB 43 taken from Adit #1 were both sampled across 0.20 m and contained 59.4 ppm (1.73 oz/ton) and 72.9 ppm (2.13 oz/ton) silver. Samples were taken of the siliceous shear zone along the contact of the dolomite and slate.

Samples LB 56-LB 61 were taken from Adit #2, which follows the mineralized shear zone within the dolomite. Two grab samples (LB 58, LB 61) contained 158.1 ppm (4.61 oz/ton) and 422.1 ppm (12.4 oz/ton) silver and 3,879 ppm and 4,478 ppm lead, respectively. Sample LB 61 also contained 29,928 ppm copper and 1,720 ppb (0.05 oz/ton) gold. Sample LB 60 is a chip sample over a width of 0.60 m and contains 35.5 ppm (1.03 oz/ton) silver and 5,530 ppm copper.

Samples LB 44-LB 55 were taken from Adit #4 which follows a siliceous shear zone in the dolomite. The only significant result is grab sample LB 51 which contains 38.5 ppm (1.12 oz/ton) silver.

Two samples (LB 62, LB 63) were taken from adit #6 which follows a shear zone along the contact of the dolomite and slate. Chip sample LB 62 over a width of 0.6 m and grab sample LB 63 contain 403.8 ppm (11.8 oz/ton) and 160.2 ppm (4.67 oz/ton) silver, 47,111 ppm and 38,862 ppm lead and 11,712 ppm and 13,367 ppm zinc respectively.

Samples LB 64-69 were taken from Adit #7 which intersects several shear zones in the dolomite. Only chip samples LB 64 and LB 65 (with 8.1 ppm and 3.1 ppm silver, respectively) contained any significant metal concentrations.

Grab sample LB 29 was taken from a shear zone in an old trench at 1,400S/700W. The shear zone has a width of 5 cm and contains galena and malachite. The sample contained 261.5 ppm (7.63 oz/ton) silver and 25,371 ppm lead.

Grab sample LB 38 was taken of a carbonate vein in an old trench at 2030S/405W. Several percent galena occurred in the vein which contained 61.2 ppm (1.79 oz/ton) silver, 13,665 ppm lead and 9,658 ppm zinc.

Two samples (LB 39, LB 40) of the dump from Adit #2 were taken to represent the previously mined material. The material consists of fractured and altered dolomite which contains mineralization of galena, malachite, azurite, pyrite and possibly tetrahedrite. Analysis revealed 728.0 ppm (21.2 oz/ton) and 639.6 ppm (18.7 oz/ton) silver, 27,566 ppm and 29,545 ppm copper, 51,023 ppm and 4,557 ppm lead and 2,100 ppb (0.061 oz/ton) and 1,650 ppb (0.048 oz/ton) gold.

Only those samples in most cases that exceed a threshold of 35 ppm silver, 1,000 ppb gold, 3,000 ppm lead and 9,000 ppm zinc are discussed here and are present with assay results on the accompanying maps and figures.

GEOPHYSICAL RESULTS

Crone Shootback EM Survey

The Crone shootback EM is presented in profile form in Figure 5. The method was used to define the extent of the mineralized shear zone, since shear zones are often conductive.

The Crone EM survey method was tested transmitting in the horizontal and vertical plane because the dip of possible conductors affects the coupling with the primary EM field. The low frequency was not measured because it is primarily used for deeper penetration, which was not needed in this case.

The results of the test were not satisfactory in defining the shear zone. A small response of 7° can be seen on line 1300S station 337.5W but the association with the shear is doubtful because the IP has placed the low resistivity area at 387.5W on this line (see IP pseudo).

Due to the poor geophysical response obtained the CRONE EM was discontinued and replaced by an IP survey.

Magnetometer Survey

The magnetometer survey data is presented in contour form in Figure 6. The magnetometer survey was performed in order to define the contact between the dolomite and slate or possibly indicate the mineralization directly.

The total variation in the magnetic field on the property is 489 gammas and the high values are limited to a narrow trend at about 750W between Lines 1400S and 2100S and also an unbounded feature at the western tip of Lines 2000S and 2100S.

Unfortunately, neither the contact between the dolomite and slate nor the mineralization in that area are defined by the magnetic survey.

The magnetic trend extending from 2100S/700W to 1400S/800W varies in amplitude and strength along its length. The highest values are on line 1900S where the shape changes from a single peak to a double peak anomaly. Between lines 1900S and 1800S the

trend seems to have been displaced to the west and the amplitude has decreased significantly. The trend peaks again on line 1500S. The narrow aspect of the anomaly and its relatively symmetrical shape indicates a steeply dipping, near surface feature. A magnetic anomaly of this type can be due to a concentration of magnetite or possibly a magnetic sulfide like pyrrhotite. The lack of induced polarization data hinders us in making this distinction. No significant anomalous geochemistry is associated with this trend.

The magnetic anomaly at the western tip of lines 2000S and 2100S is undefined to the west, north and south. It has anomalous silver and copper soil geochemistry associated to it.

Induced Polarization Survey

The induced polarization (IP) data is presented in pseudosection form in Figures 7 and in plan form in Figures 8a and 8b.

The IP technique measures the apparent resistivity (RHO) and the chargeability (M_t). The M_t can be equally affected by basically two types of minerals. Metallic sulfides like pyrite, chalcopyrite, galena and pyrrhotite and the carbon mineral graphite. The mineralized shear zone contains galena, pyrite and chalcopyrite but the slate contains graphite. The difficulty lies in distinguishing between anomalies caused by graphite and those caused by sulfides.

Figure 8a shows that there are four anomalous M_t trends. The anomalous zones are all trending roughly north-south, parallel to bedding and are centered at the following positions: 12.5 E, 62.5W, 262.5W and 387.5W.

From geological investigation the rocks to the east of 387.5W are all slate within the survey area. Exposure on and

around the three eastern M_t anomalies have shown no visible sulfide mineralization. It is therefore concluded that these anomalies are an expression of the graphite concentration within the slate.

The M_t anomaly at 387.5W is believed to be related to a fault contact which would be a structural control for the mineralization. The arguments supporting this assumption are as follows: the M_t amplitude is highest for the survey area in this anomaly; there is a close proximity (within 35 m) between the M_t peak and the adits; on lines 1600S and 1700S geochemical anomalies are within 12 m of the M_t peak; there is a divergence between the anomaly at 387.5W and 262.5W from line 1800S to line 600S indicated a slight difference between the fault trend and the lithological trend; the sudden change in M^t and RHO amplitude on line 800S is more likely in a fluid filled shear than in bedding related graphite.

The arguments opposing the assumption are as follows: The adits in the 1200S to 1400S area are on the western boundary of the anomaly and the possibility of the anomaly being related solely to graphite. It is also possible that the anomaly is a combination of graphitic and sulfide mineralization.

The 387.5W anomaly is very consistent in shape and amplitude except on line 800S where the M_t amplitude decreases and the RHO increases. This could be due to a decrease of sulfide concentration and an increase in quartz flooding causing the higher RHO. On line 600S the anomaly regains its usual aspect.

No depth limitation has been defined by the IP. The anomaly extends to the fourth separation ($N=4$) which would indicate a minimum depth of about 50 m.

CONCLUSIONS

The Lucky Boy property contains a mineralized shear zone with good silver and base metal values. The results of the present exploration program have been encouraging.

Samples taken from the dump of Adit #2 during the present program range up to 21.2 oz silver/ton, 0.061 oz gold/ton, 2.8% copper, and 5.1% lead. Reconnaissance of the property resulted in the re-discovery of two adits some 700 m away from the known adits, along the strike of the shear zone. Samples taken from the newly discovered adits range up to 11.8 oz silver/ton, 4.7% lead and 1.2% zinc.

The shear zone was well defined by the induced polarization (IP) survey and soil geochemistry. Results confirm the presence of the shear zone between the newly discovered adits and those previously known. The apparent strike length of the structure is 1.5 km, and is open in both directions.

The 1.5 km apparent strike length and the good precious and base metal values noted indicate that the Lucky Boy property has good potential to host economic mineralization. Further exploration is warranted.

RECOMMENDATIONS

A two-stage, \$130,000 exploration program is recommended in order to assess the economic mineral potential of the Lucky Boy property. The mineralized shear zone has been well defined by geological mapping and induced polarization, therefore, the first stage should consist of a program of extensive trenching and blasting around the adits to better expose the shear zone. The second stage, contingent upon favourable results from the first stage, should consist of a reverse circulation drill program to intersect the shear zone at depth and determine the grade of mineralization.

The first stage should also include an induced polarization survey on the southwest corner of the grid where a magnetic anomaly and a soil geochemical anomaly occur.

ESTIMATED COST OF RECOMMENDED PROGRAM

Stage 1

| | |
|---|--------------|
| Heavy Equipment Trenching
75 hrs. @ \$100/hr | \$ 7,500 |
| Road Building
50 hrs. @ \$100/hr | 5,000 |
| Blast trenching
15 days @ \$600/day | 9,000 |
| Rock Sample Assays | 3,500 |
| Reclamation | 5,000 |
| Induced Polarization
7 km @ \$2,000/km | 14,000 |
| Engineering and Report | 9,000 |
| Contingencies, approx. 15% | <u>7,000</u> |

Stage 1 Total \$60,000

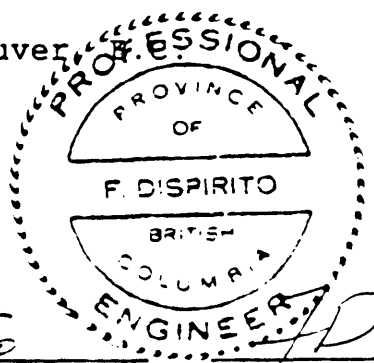
Stage 2

| | |
|--|--------------|
| Reverse Circulation Drilling
500 m @ \$80/meter | 40,000 |
| Geological Support | 10,000 |
| Rock Sample Assays | 1,500 |
| Engineering and Report | 9,000 |
| Contingencies, approx. 15% | <u>9,500</u> |

Stage 2 Total \$70,000

Grand Total \$130,000
=====

Signed at Vancouver,



Frank Di Spirito

Frank Di Spirito, B.A.Sc., P.Eng.
29 July, 1988
Revised 14 October, 1988
Revised 14 November, 1988

per Gary Sutton

Gary Sutton, B.Sc.
29 July, 1988
Revised 14 October, 1988
Revised 14 November, 1988

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DUTCH CREEK FM.

- 1a Slate
- 1b Dolomite
- 1c Quartzite

- Geological contact
- Outcrop
- /// Clearance - inclined, vertical
- /// Fracture - " "
- /// Shear - " "
- T Adit
- || Trench
- == Road
- Sample location - LB 7 = Rock sample
LBSS1 = Sill

116° 22'

To Overmore Dam

GOLDEN

TEMPLE

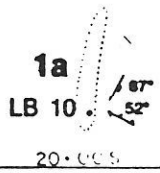
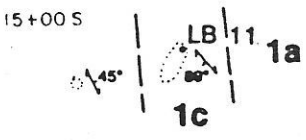
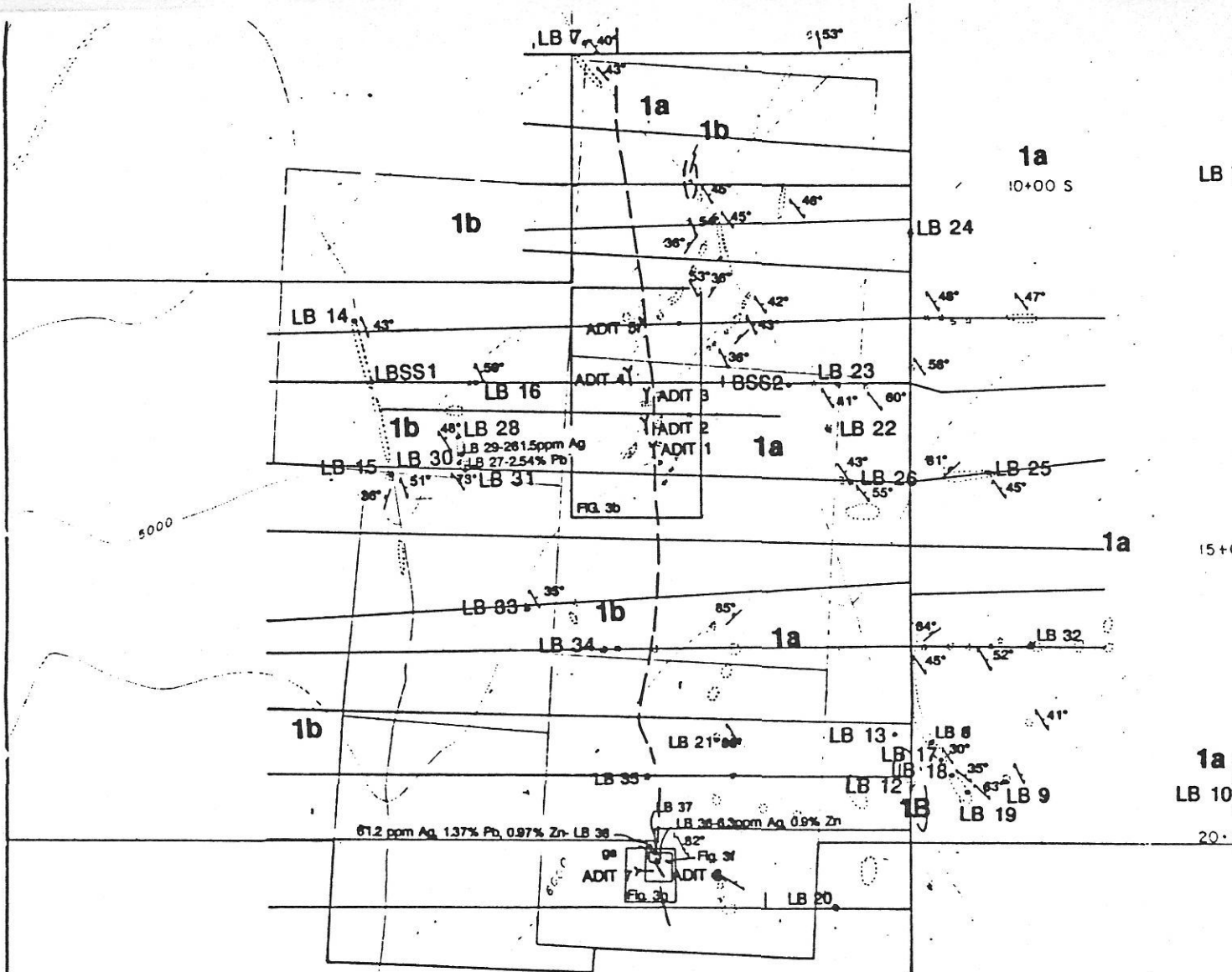
Table of Assays

| Sample No. | Grain Size | As ppm | Ag ppm | Cu ppm | Pb ppm | Zn ppm |
|------------|------------|--------|--------|--------|--------|--------|
| LB 7 | Grub | 0 | 0.0 | 11 | 0 | 1 |
| LB 8 | 0.75 | 0 | 1.0 | 00 | 10 | 10 |
| LB 9 | 0.20 | 1 | 0.0 | 11 | 100 | 10 |
| LB 10 | 0.15 | 0 | 1.0 | 00 | 100 | 00 |
| LB 11 | 1.0 | 0 | 1.0 | 17 | 00 | 11 |
| LB 12 | 0.20 | 0 | 0.0 | 0 | 10 | 10 |
| LB 13 | Flint | 1 | 1.0 | 10 | 10 | 10 |
| LB 14 | Grub | 10 | 1.0 | 10 | 11 | 10 |
| LB 15 | 0.20 | 0 | 1.0 | 10 | 10 | 10 |
| LB 16 | Grub | 0 | 0.0 | 0 | 0 | 0 |
| LB 17 | 0.20 | 0 | 0.0 | 0 | 10 | 00 |
| LB 18 | 0.20 | 0 | 0.0 | 1 | 10 | 10 |
| LB 19 | 0.10 | 1 | 0.0 | 17 | 07 | 00 |
| LB 21 | 0.10 | 0 | 1.0 | 00 | 10 | 10 |
| LB 22 | 0.10 | 0 | 0.0 | 0 | 100 | 107 |
| LB 23 | Grub | 0 | 0.0 | 7 | 100 | 1,000 |
| LB 24 | 0.10 | 0 | 0.0 | 0 | 10 | 10 |
| LB 25 | 0.05 | 0 | 1.0 | 10 | 07 | 07 |
| LB 26 | 0.20 | 0 | 1.0 | 7 | 107 | 101 |
| LB 27 | 0.20 | 1 | 1.0 | 00 | 000 | 10 |
| LB 28 | 0.10 | 0 | 1.0 | 10 | 10 | 11 |
| LB 29 | 0.05 | 107 | 101.0 | 1,000 | 10,071 | 000 |
| LB 30 | 0.20 | 0 | 0.0 | 10 | 00 | 17 |
| LB 31 | 0.20 | 0 | 1.0 | 10 | 100 | 01 |
| LB 32 | 0.20 | 0 | 1.0 | 0 | 10 | 17 |
| LB 33 | 0.20 | 0 | 1.0 | 10 | 10 | 11 |
| LB 34 | 0.20 | 1 | 0.0 | 0 | 0 | 0 |
| LB 35 | 0.20 | 1 | 0.0 | 7 | 1 | 1 |
| LB 36 | 0.05 | 10 | 0.0 | 117 | 1,100 | 0,000 |
| LB 37 | 0.05 | 0 | 0.0 | 10 | 10 | 00 |
| LB 38 | 0.10 | 10 | 01.0 | 101 | 10,001 | 0,000 |
| LB 70 | Grub | 0 | 1.0 | 00 | 107 | 000 |
| LB 71 | 0.20 | 1 | 0.0 | 0 | 10 | 00 |
| LBSS1 | Grub | 17 | 1.0 | 10 | 00 | 00 |
| LBSS2 | Grub | 0 | 1.0 | 10 | 00 | 00 |

5+00

LB 71

41°



10+00W

5+00W

3+00E

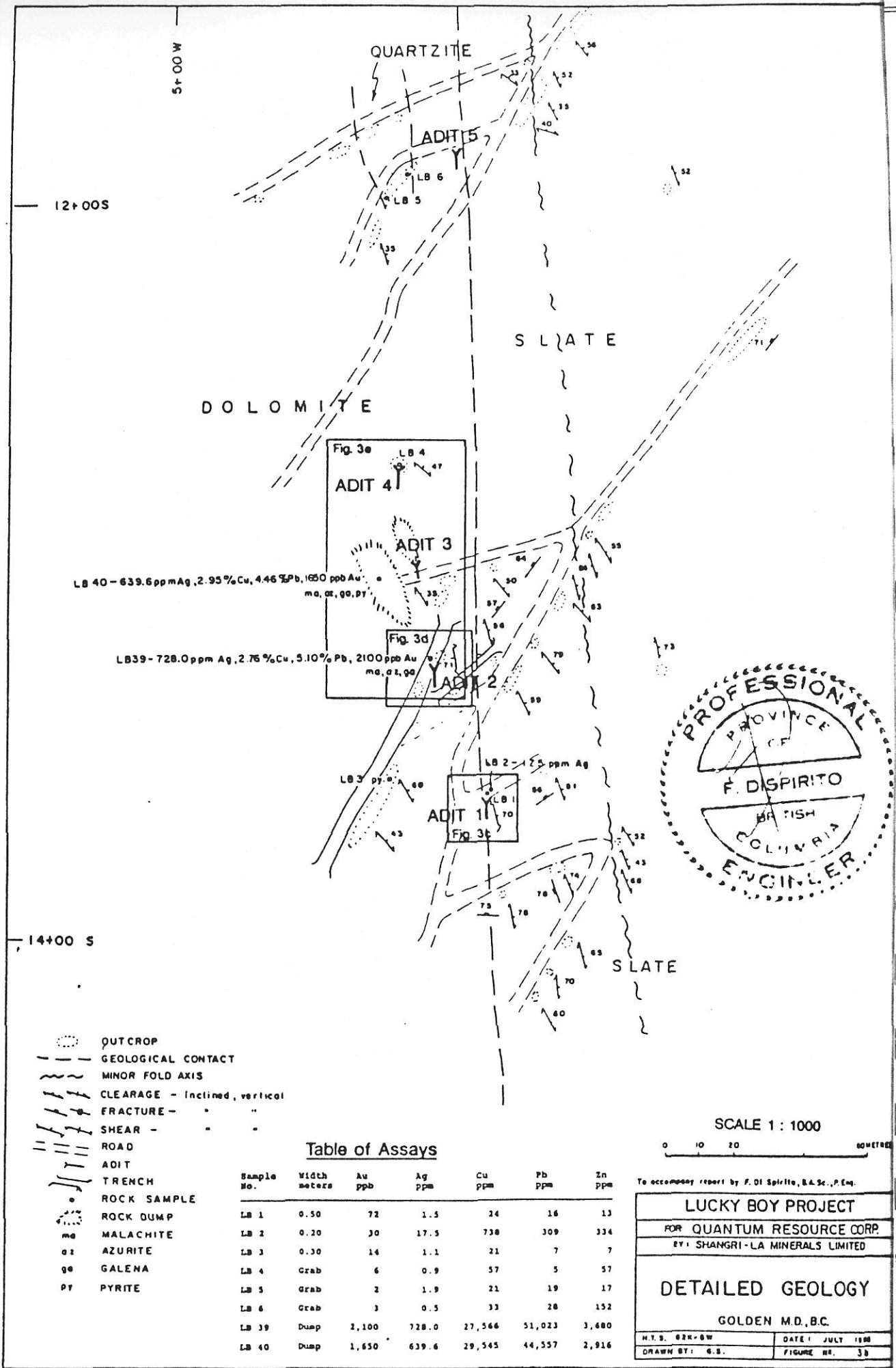


| | |
|--------------------------------|----|
| LUCKY BOY PROJECT | |
| FOR QUANTUM RESOURCE CORP | |
| BY SHANGRI-LA MINERALS LIMITED | |
| GEOLOGY | |
| GOLDEN M.L.B.C. | |
| Scale | 30 |

CONTOUR INTERVAL 50 METERS



revised Oct. 1988 revised Nov. 1988



LB 40 - 639.6 ppm Ag, 2.95% Cu, 4.46% Pb, 1650 ppb Au
 ma, az, go, py

LB 39 - 728.0 ppm Ag, 2.76% Cu, 5.10% Pb, 2100 ppb Au
 ma, az, go

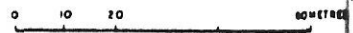
LB 2 - 125 ppm Ag

Table of Assays

| Sample No. | Width meters | Au ppb | Ag ppm | Cu ppm | Pb ppm | Zn ppm |
|------------|--------------|--------|--------|--------|--------|--------|
| LB 1 | 0.50 | 72 | 1.5 | 24 | 16 | 13 |
| LB 2 | 0.20 | 30 | 17.5 | 738 | 309 | 334 |
| LB 3 | 0.30 | 14 | 1.1 | 21 | 7 | 7 |
| LB 4 | Grab | 6 | 0.9 | 57 | 5 | 57 |
| LB 5 | Grab | 2 | 1.9 | 21 | 19 | 17 |
| LB 6 | Grab | 3 | 0.5 | 33 | 28 | 152 |
| LB 39 | Dump | 2,100 | 728.0 | 27,566 | 51,023 | 3,680 |
| LB 40 | Dump | 1,650 | 639.6 | 29,545 | 44,557 | 2,916 |



SCALE 1 : 1000



To accompany report by F. Di Spirito, B.A.Sc., P.Eng.

LUCKY BOY PROJECT
 FOR QUANTUM RESOURCE CORP.
 BY SHANGRI-LA MINERALS LIMITED

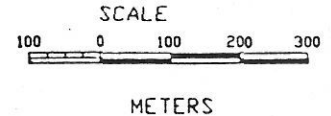
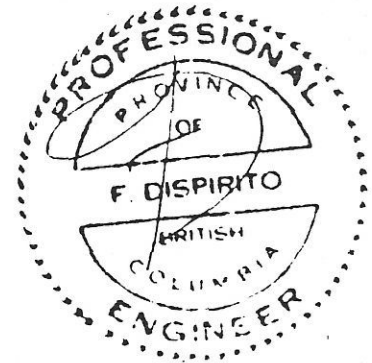
DETAILED GEOLOGY
 GOLDEN M.D., B.C.

| | |
|----------------|-----------------|
| N.Y.S. 62K-6W | DATE: JULY 1988 |
| DRAWN BY: G.S. | FIGURE NO. 3b |



LEGEND

| | |
|-------------------|----------------------------|
| BACKGROUND (DOTS) | BELOW 1.5 PPM AG |
| ELEVATED | BETWEEN 1.5 AND 1.7 PPM AG |
| ANOMALOUS | BETWEEN 1.7 AND 2.3 PPM AG |
| HIGHLY ANOMALOUS | ABOVE 2.3 PPM AG |



TO ACCOMPANY REPORT BY:
F. DI SPIRITO, B.A. SC., P. ENG.

LUCKY BOY PROJECT

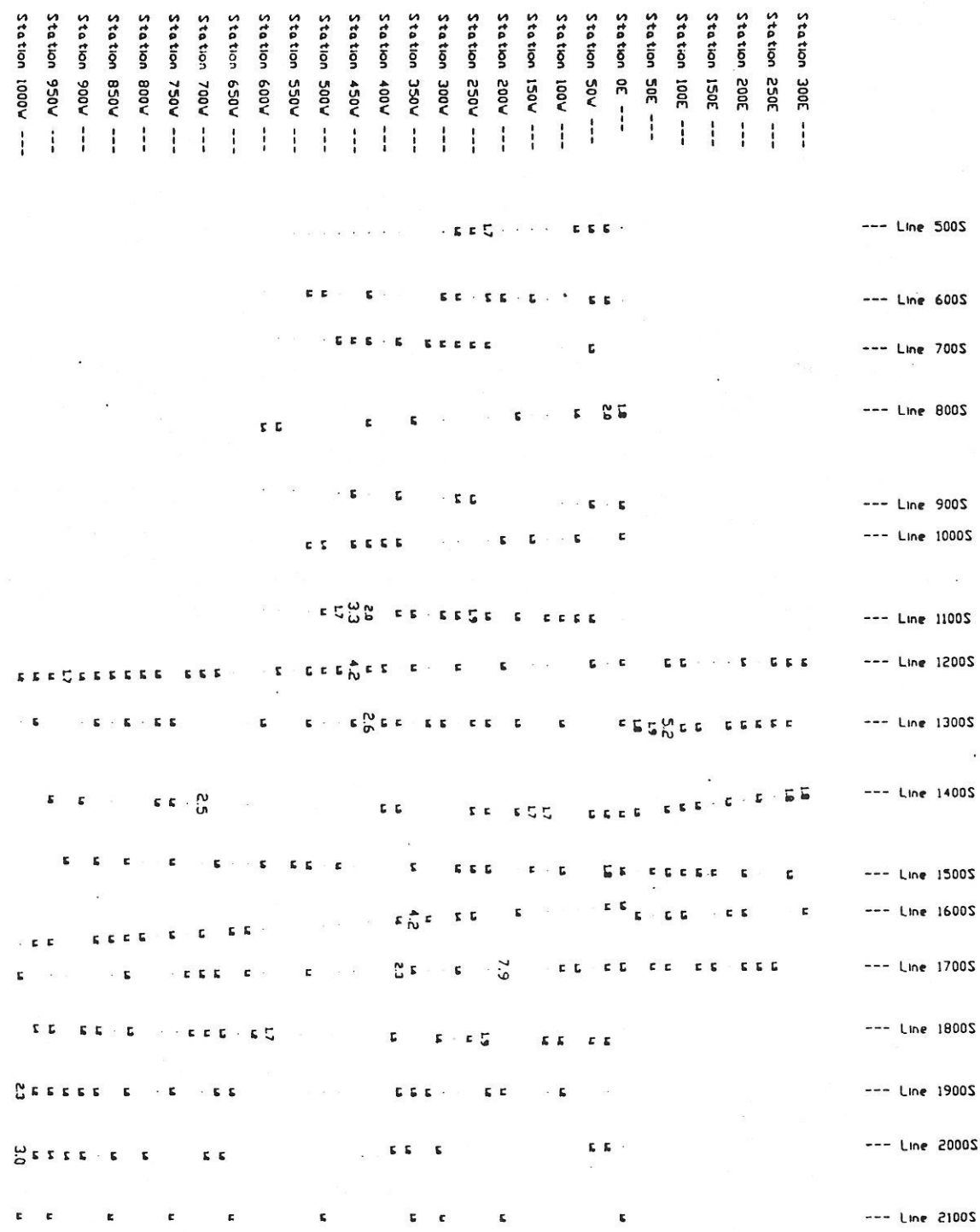
FDR: QUANTUM RESOURCE CORP.

BY: SHANGRI-LA MINERALS LIMITED
PLOTTED BY: RPH MAPPING
AND COMPUTER SERVICES LTD.

**AG
GEOCHEMISTRY**

GOLDEN M.D., B.C.

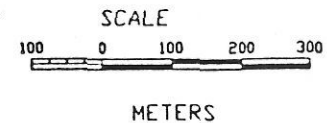
| | |
|-----------------|-----------------|
| DATE: 9/25 / 87 | DATE: AA 7 1988 |
| PLOTTED BY RPH | FIGURE NO. 44 |





LEGEND

BACKGROUND (DOTS) BELOW 50 PPM PB
 ELEVATED BETWEEN 50 AND 65 PPM PB
 ANOMALOUS BETWEEN 70 AND 99 PPM PB
 HIGHLY ANOMALOUS ABOVE 99 PPM PB



TO ACCOMPANY REPORT BY:
 F. DI SPIRITO, B.A. SC., P. ENG.

LUCKY BOY PROJECT

FDR: QUANTUM RESOURCE CORP.

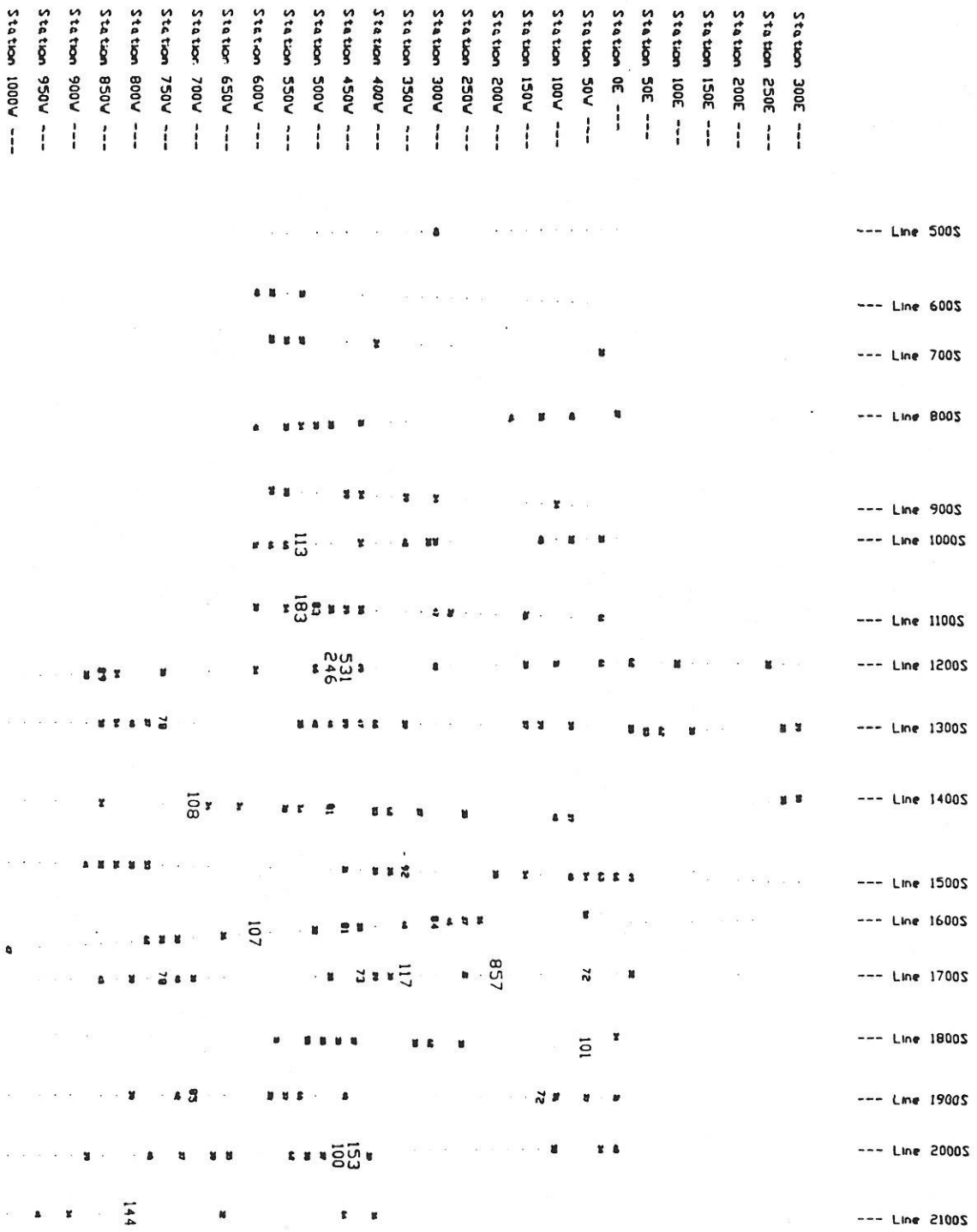
BY: SHANGRI-LA MINERALS LIMITED

PLOTTED BY: RPM MAPPING
 AND COMPUTER SERVICES LTD.

PB
 GEOCHEMISTRY

GOLDEN M.D., B.C.

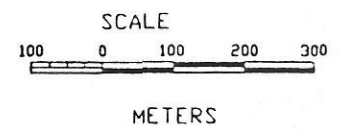
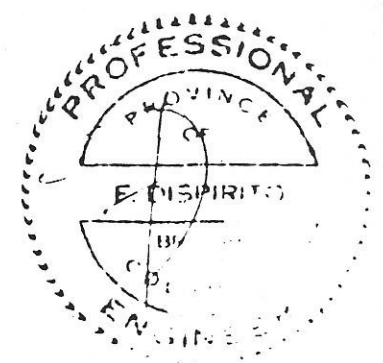
DATE: JAN 1988





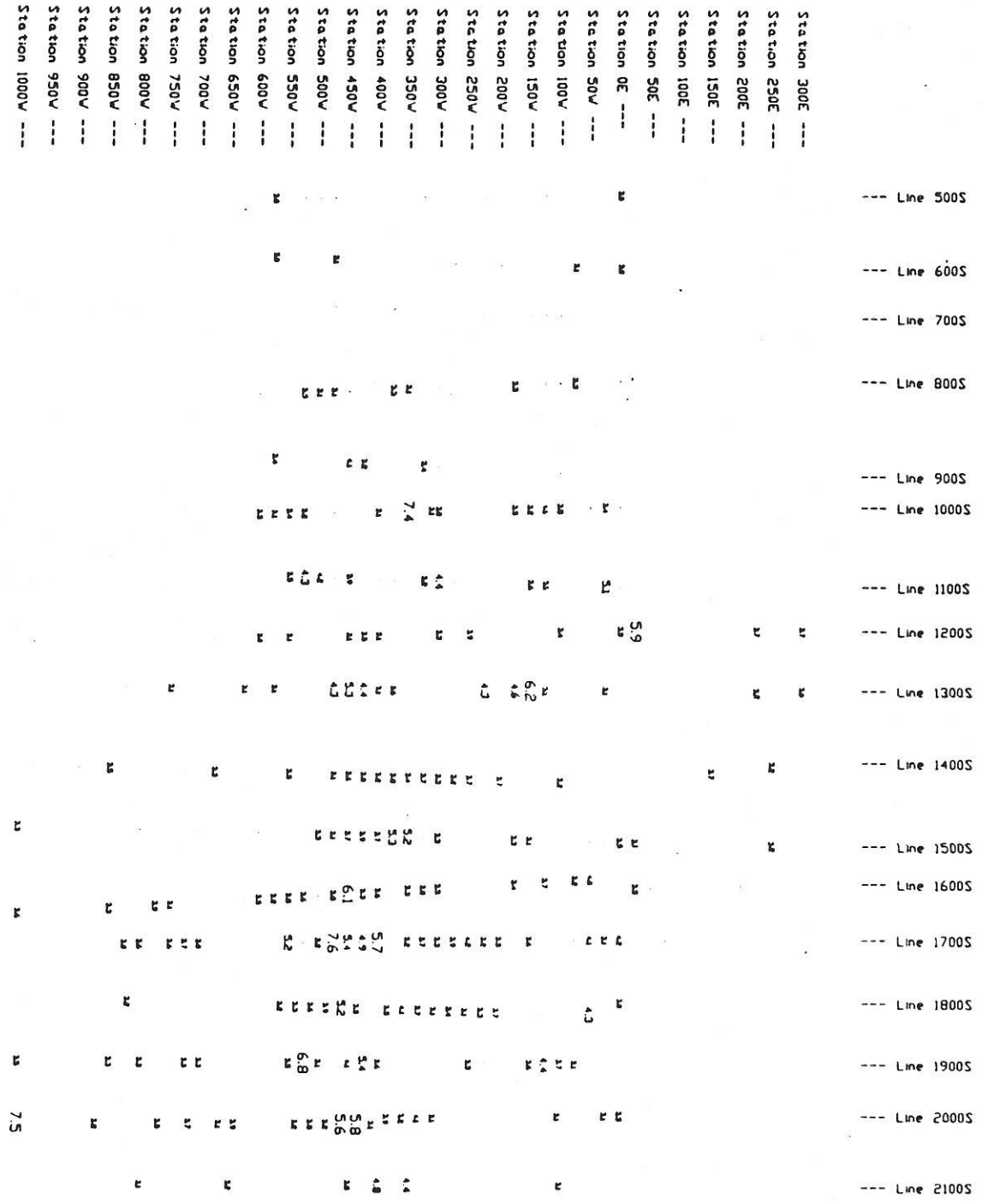
LEGEND

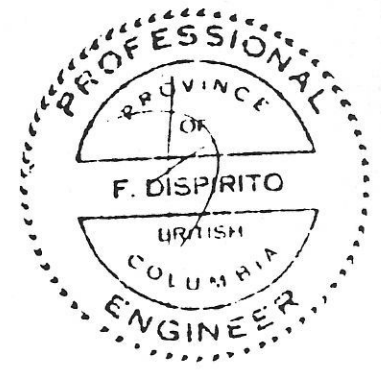
- BACKGROUND (DOTS) BELOW 30 FE
- ELEVATED BETWEEN 30 AND 40 FE
- ANOMALOUS BETWEEN 4.3 AND 5.5% FE
- HIGHLY ANOMALOUS ABOVE 5.5% FE



TO ACCOMPANY REPORT BY:
F. DI SPIRITO, B.A. SC., P. ENG.

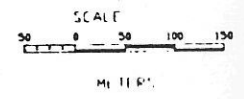
| | |
|---|-----------------|
| LUCKY BOY PROJECT | |
| FOR: QUANTUM RESOURCE CORP. | |
| BY: SHANGRI-LA MINERALS LIMITED | |
| PLOTTED BY: RPM MAPPING
AND COMPUTER SERVICES LTD. | |
| FE
GEOCHEMISTRY | |
| GOLDEN M.D., B.C. | |
| NTS: 08K / BV | DATE: JULY 1988 |
| PLOTTED BY: RPM | FIGURE NO. 44 |





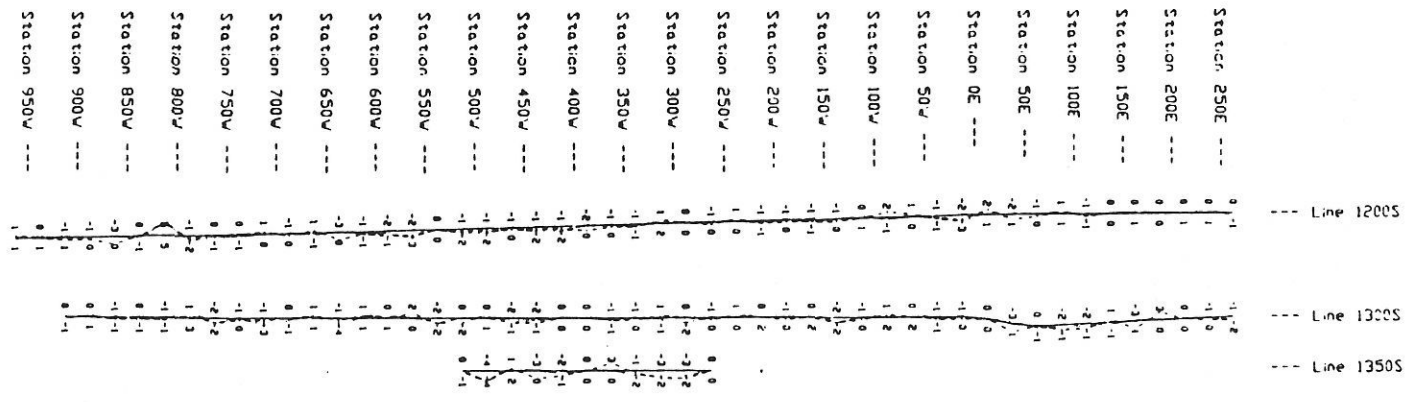
PROFILE AMPLITUDE SCALE

- 10 DEG - - - - -
- 0 DEG - - - - -
- 10 DEG - - - - -

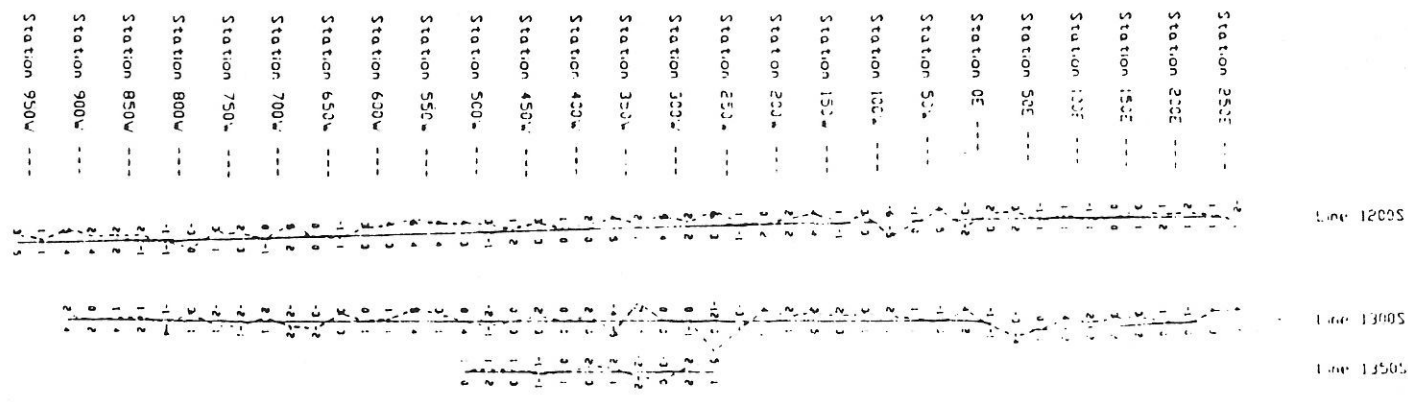


| | |
|---|-----------------|
| TO ACCOMPANY REPORT BY
F. DI SPIRITO, P. ENG. C. E. (1964) | |
| LUCKY BOY PROJECT | |
| FOR QUANTUM RESOURCES LTD. | |
| BY: SHAWMUT ENGINEERING LIMITED
PLOTTED BY: BOB HAPPING
AND COMPANY SERVICES LTD. | |
| CRONE
SHOOTBACK - EM | |
| L.B. SHAWMUT, P. ENG. | |
| DATE: 08/04/87 | DATE: 08/04/87 |
| BY: F. DISPIRITO | BY: BOB HAPPING |

CRONE PROFILES
VERT HIGH: DASHED PROFILE, NUMBER ABOVE LINE
VERT MEDIUM: DOTTED PROFILE, NUMBER BELOW LINE



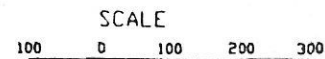
CRONE PROFILES
HORIZ HIGH: DASHED PROFILE, NUMBER ABOVE LINE
HORIZ MEDIUM: DASHED PROFILE, NUMBER BELOW LINE





BASE MAG: 57,500 GAMMAS

CONTOUR INTERVAL:
BELOW 600 GAMMAS: 25 GAMMAS
ABOVE 600 GAMMAS: 100 GAMMAS



METERS

TO ACCOMPANY REPORT BY:
F. DI SPIRITO, B.A. SC., P. ENG.

LUCKY BOY PROJECT

FOR: QUANTUM RESOURCE CORP.

BY: SHANGRI-LA MINERALS LIMITED

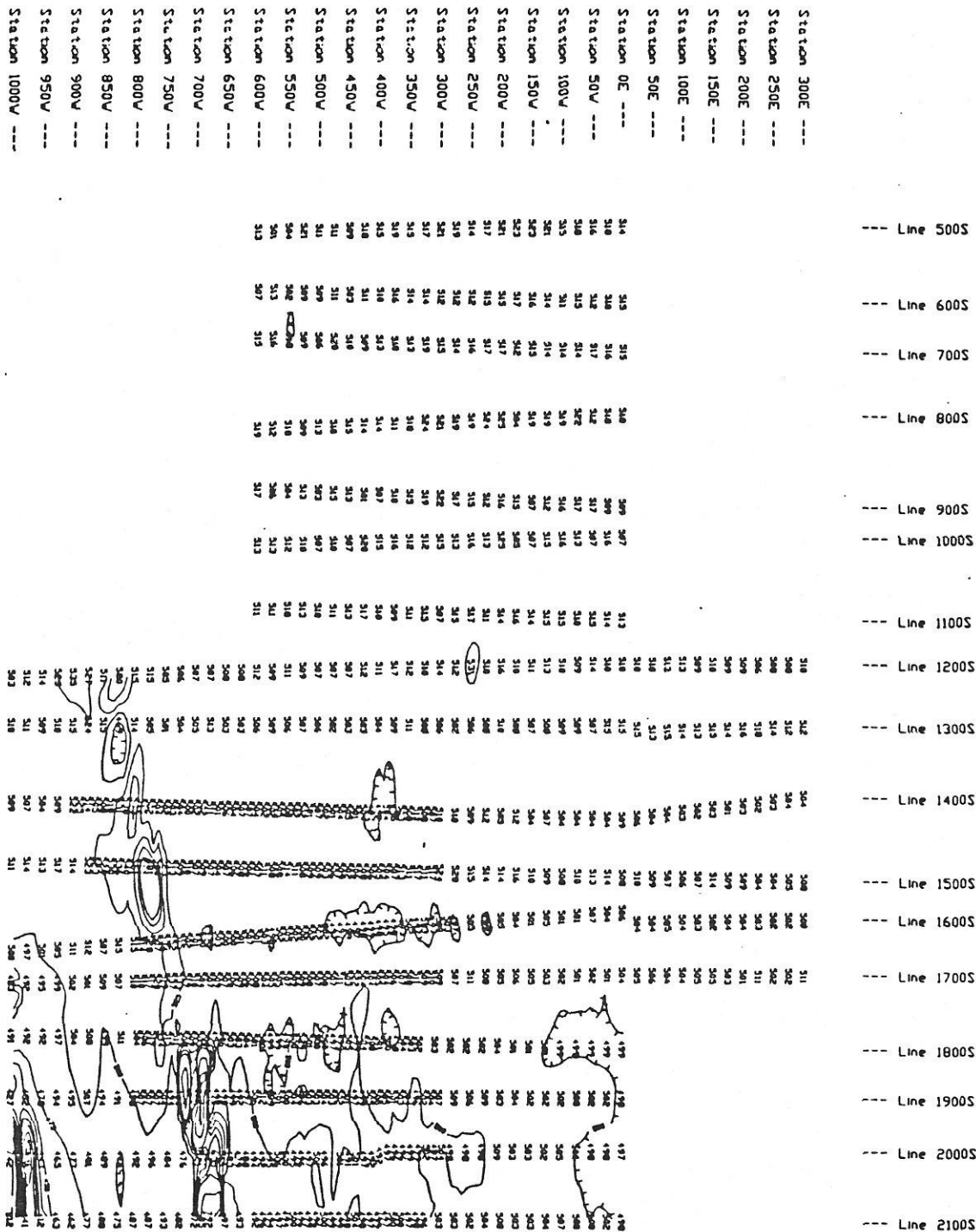
PLOTTED BY: RPM MAPPING
AND COMPUTER SERVICES LTD

MAGNETOMETER
SURVEY

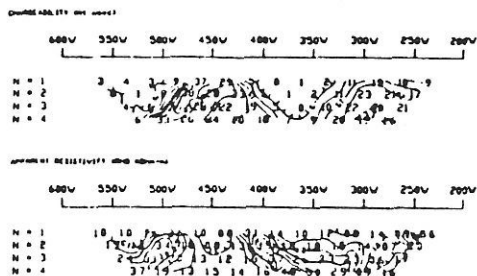
GOLDEN M.D., BC.

M.T.S. 027 / 03

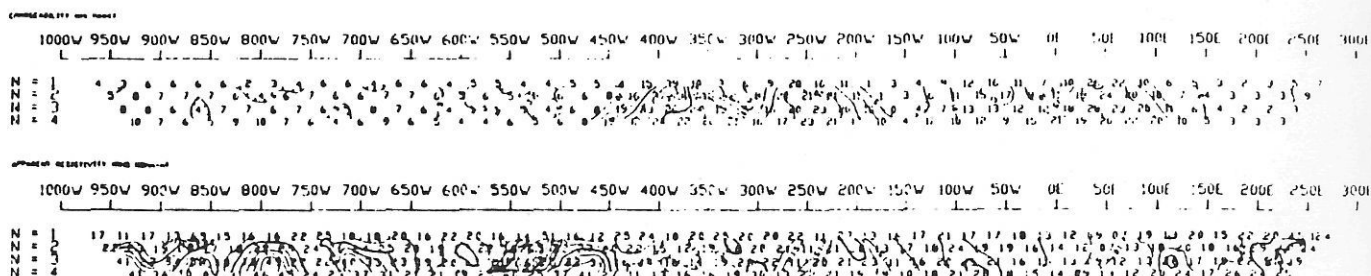
DATE: JAN 1988



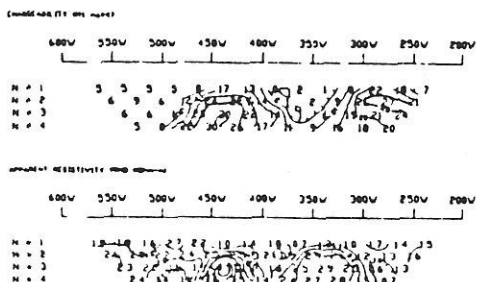
LUCKY BOY LINE 600S



LUCKY BOY LINE 1200S



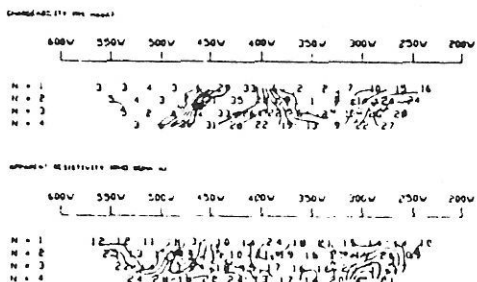
LUCKY BOY LINE 800S



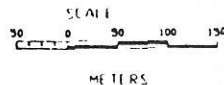
LUCKY BOY LINE 1300S



LUCKY BOY LINE 1000S

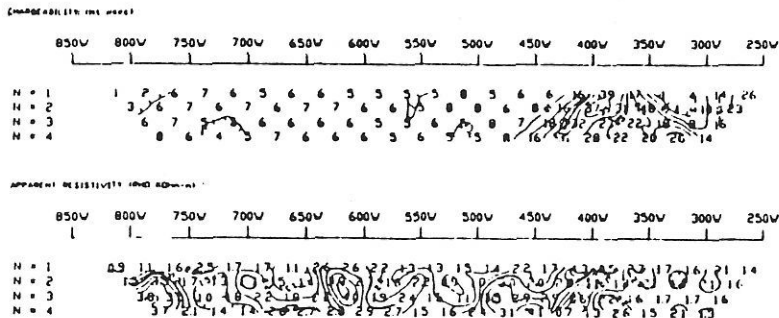


CONTOUR INTERVALS
 CHARGEABILITY (mS/m) 5 mS/m
 APPARENT RESISTIVITY (mS/m) 100 mS/m

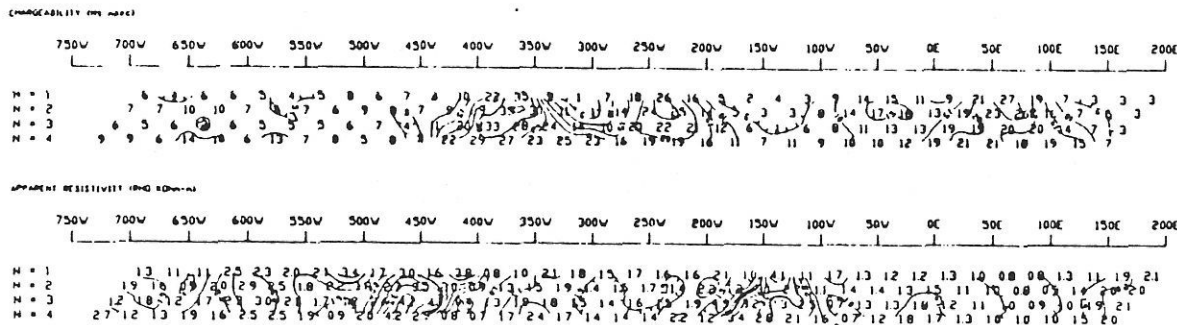


| | |
|--|------------------|
| AS ACCEPTED REPORT BY
F. DISPIRITO B.A. Sc. & Geol. | |
| LUCKY BOY PROJECT | |
| FOR QUANTUM RESOURCES LTD. | |
| BY SURFACE ELECTROMAGNETICS LIMITED | |
| INSTALLED BY SURFACE ELECTROMAGNETICS LIMITED | |
| 1P PSEUDOSECTIONS
(LINES AS INDIVIDUALLY LABELLED)
DIPOLE - DIPOLE ARRAY
DIPOLE WIDTH = 25m | |
| DATE: 1984 | BY: F. DISPIRITO |

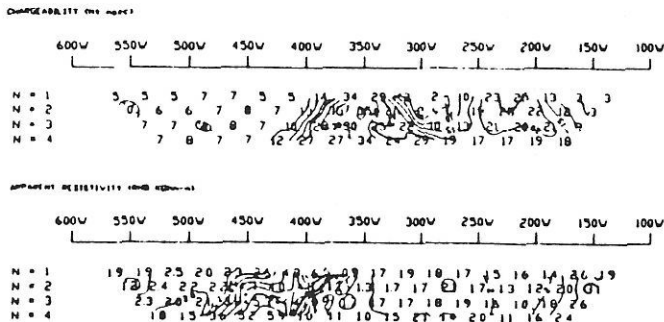
LUCKY BOY LINE 1350S



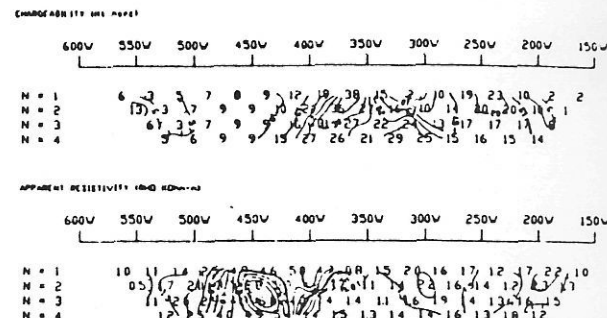
LUCKY BOY LINE 1400S



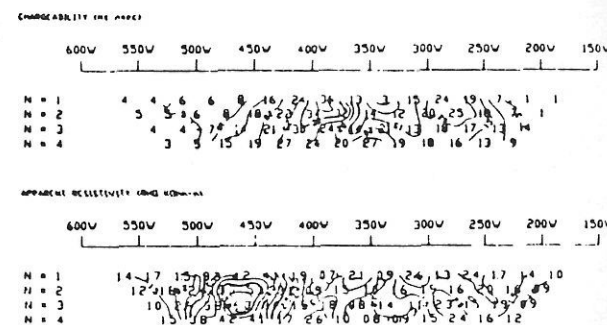
LUCKY BOY LINE 1500S



LUCKY BOY LINE 1700S



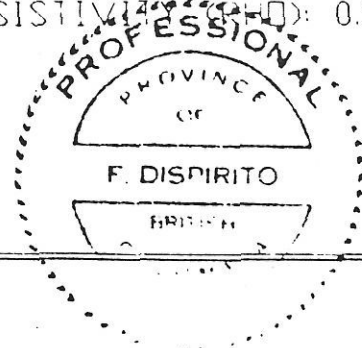
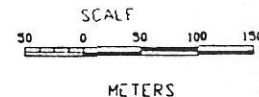
LUCKY BOY LINE 1800S



CONTOUR INTERVALS

CHARGEABILITY (mt) 5 msec

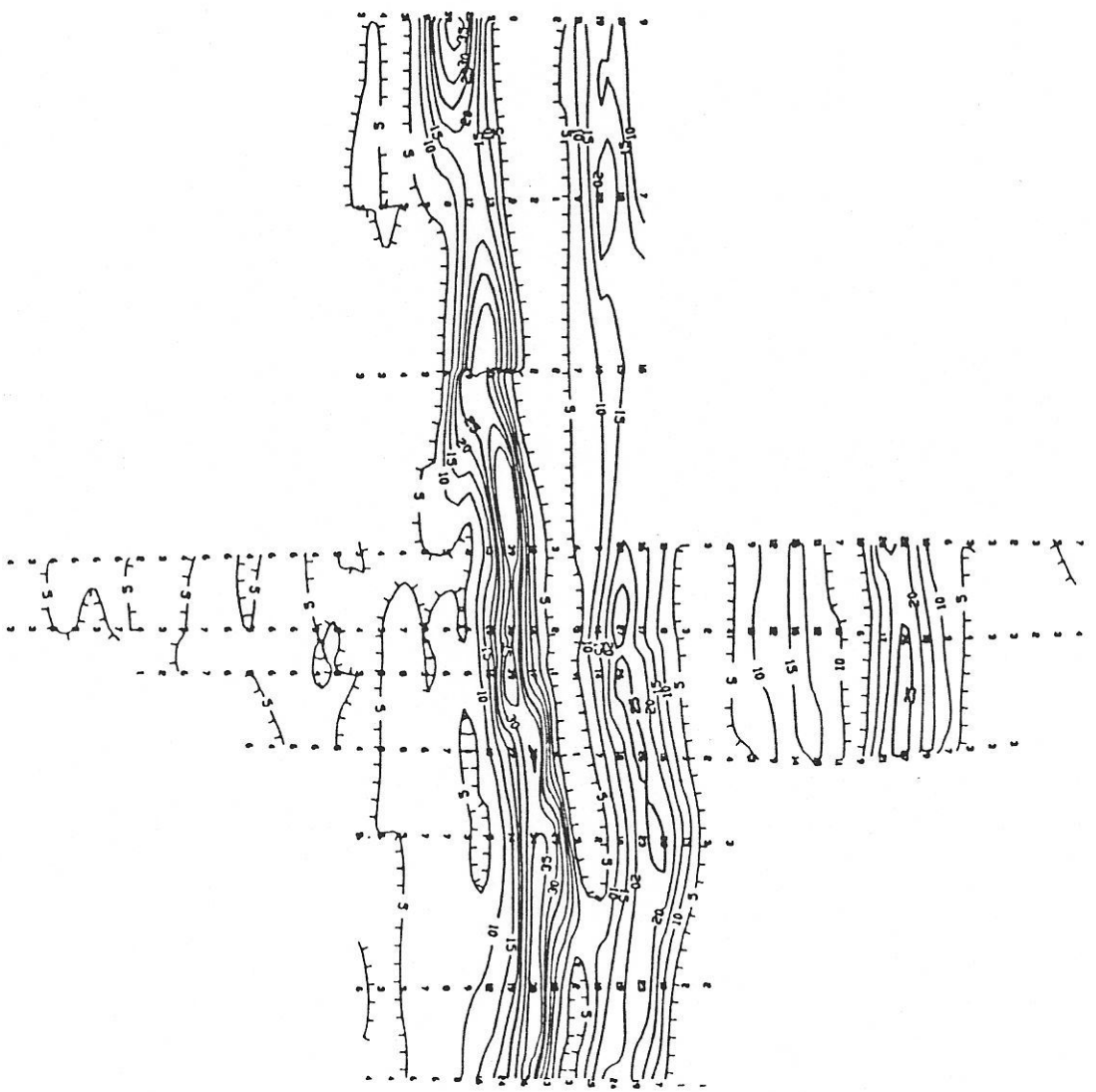
APPARENT RESISTIVITY (kOhm-m): 0.5



TO ACCOMPANY REPORT BY:
F. DISPIRITO, B.A.Sc., P.Eng.

| | |
|---|-----------------|
| LUCKY BOY PROJECT | |
| FOR QUANTUM RESOURCE CORP. | |
| BY SHANGRI-LA MINERALS LIMITED
PLOTTED BY RPM MAPPING
AND COMPUTER SERVICES LTD. | |
| 1P PSEUDO SECTIONS
(LINES AS INDIVIDUALLY LABELLED)
DIPOLE - DIPOLE ARRAY
DIPOLE WIDTH = 25m
GOLDEN M.D. BC | |
| DATE: RPM / RW | DATE: JULY 1988 |
| PLOTTED BY RPM | FRAME NO. 76 |

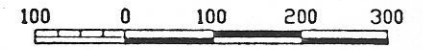
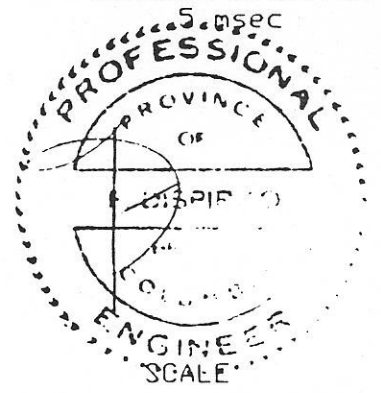
Sta 2000 250E ----
 Sta 2000 200E ----
 Sta 2000 150E ----
 Sta 2000 100E ----
 Sta 2000 50E ----
 Sta 2000 0E ----
 Sta 2000 50V ----
 Sta 2000 100V ----
 Sta 2000 150V ----
 Sta 2000 200V ----
 Sta 2000 250V ----
 Sta 2000 300V ----
 Sta 2000 350V ----
 Sta 2000 400V ----
 Sta 2000 450V ----
 Sta 2000 500V ----
 Sta 2000 550V ----
 Sta 2000 600V ----
 Sta 2000 650V ----
 Sta 2000 700V ----
 Sta 2000 750V ----
 Sta 2000 800V ----
 Sta 2000 850V ----
 Sta 2000 900V ----
 Sta 2000 950V ----
 Sta 2000 1000V ----



--- Line 600S
 --- Line 800S
 --- Line 1000S
 --- Line 1200S
 --- Line 1300S
 --- Line 1350S
 --- Line 1400S
 --- Line 1500S
 --- Line 1700S
 --- Line 1800S



CHARGEABILITY (Mt)
CONTOUR INTERVAL



METERS

TO ACCOMPANY REPORT BY:
F. DI SPIRITO, B.A. SC., P. ENG.

LUCKY BOY PROJECT

FOR: QUANTUM RESOURCE CORP.

BY: SHANGRI-LA MINERALS LIMITED

PLOTTED BY: RPM MAPPING
AND COMPUTER SERVICES LTD.

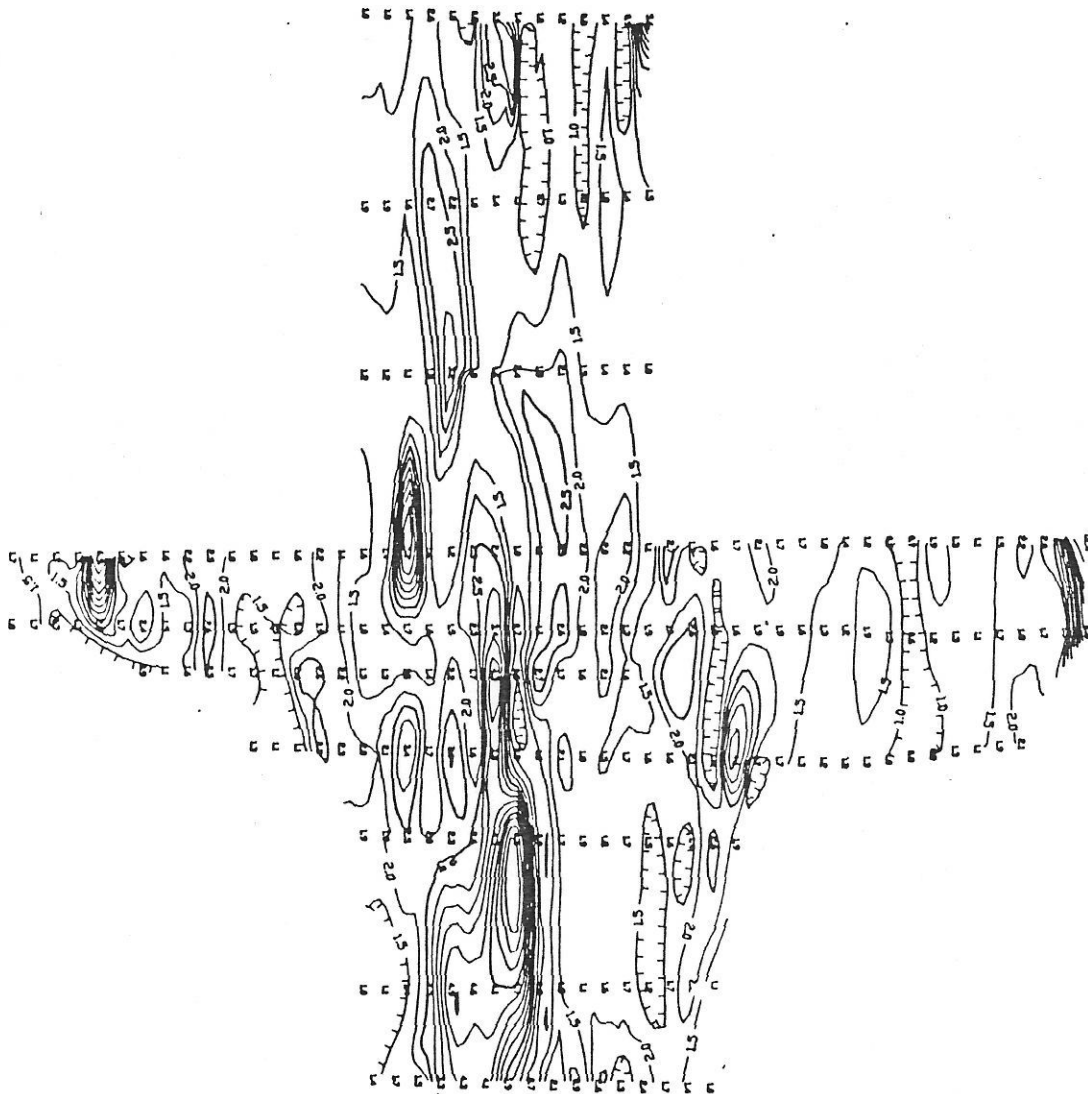
IP SURVEY (N=1)
PLAN MAP OF CHARGEABILITY (Mt)
DIPOLE - DIPOLE ARRAY
DIPOLE WIDTH = 25m

GOLDEN M.D., B.C.

NT.S. 02X / 0V
PLOTTED BY RPM.

DATE: JULY 1988
FIGURE NO. 00

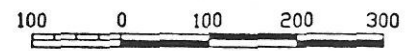
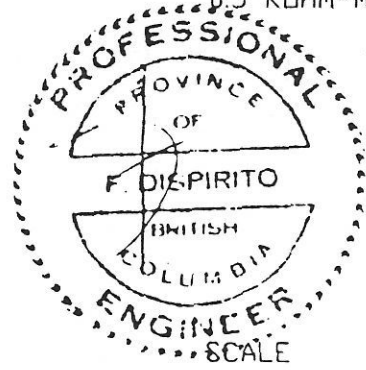
Station 250E ---
 Station 200E ---
 Station 150E ---
 Station 100E ---
 Station 50E ---
 Station 0E ---
 Station 50V ---
 Station 100V ---
 Station 150V ---
 Station 200V ---
 Station 250V ---
 Station 300V ---
 Station 350V ---
 Station 400V ---
 Station 450V ---
 Station 500V ---
 Station 550V ---
 Station 600V ---
 Station 650V ---
 Station 700V ---
 Station 750V ---
 Station 800V ---
 Station 850V ---
 Station 900V ---
 Station 950V ---
 Station 1000V ---



--- Line 600S
 --- Line 800S
 --- Line 1000S
 --- Line 1200S
 --- Line 1300S
 --- Line 1350S
 --- Line 1400S
 --- Line 1500S
 --- Line 1700S
 --- Line 1800S



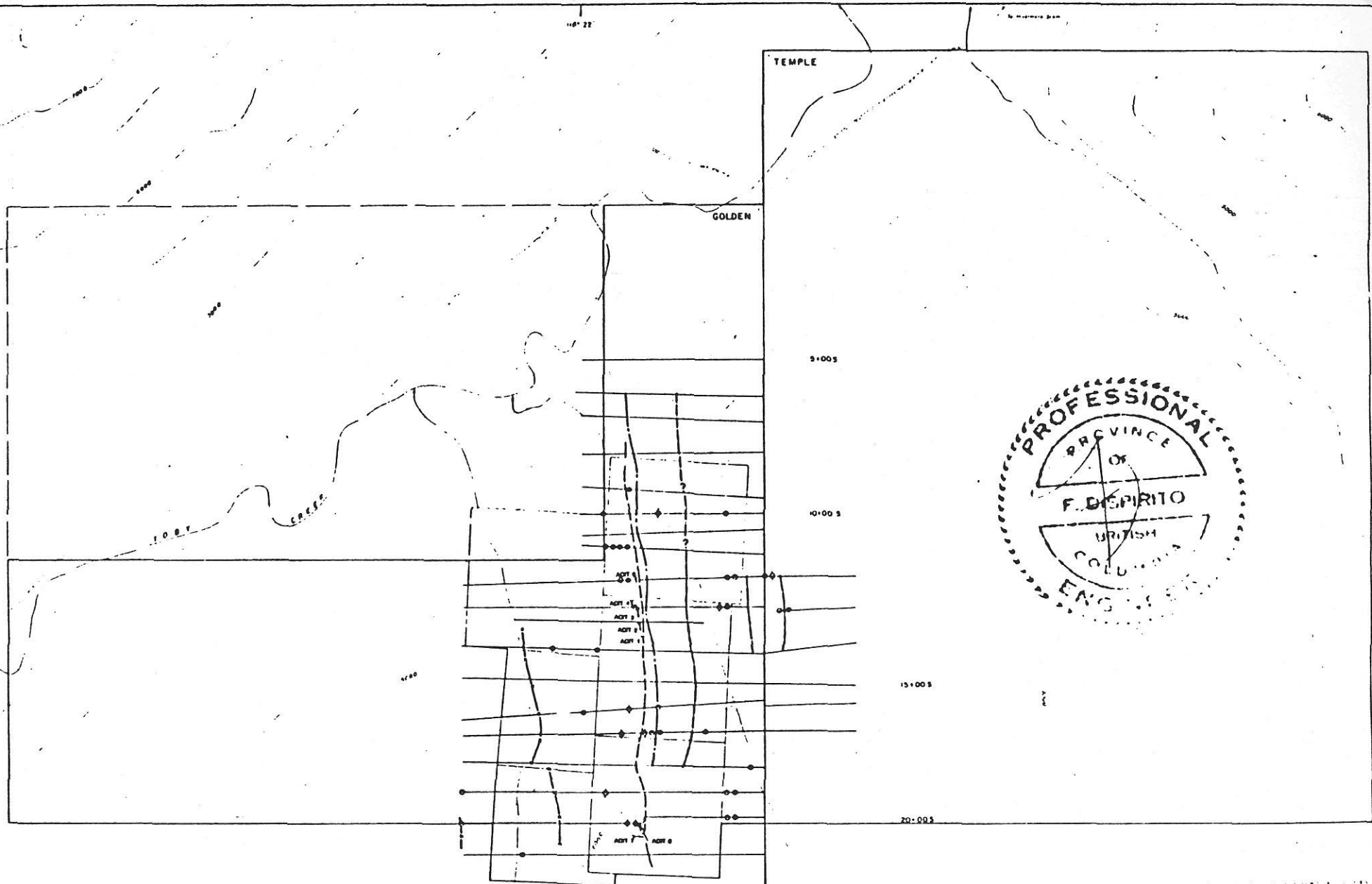
APPARENT RESISTIVITY (RHO)
 CONTOUR INTERVAL
 0.5 KOhm-m



METERS

TO ACCOMPANY REPORT BY:
 F. DI SPIRITO, B.A. SC., P. ENG.

| | |
|--|-----------------|
| LUCKY BOY PROJECT | |
| FOR: QUANTUM RESOURCE CORP. | |
| BY: SHANGRI-LA MINERALS LIMITED | |
| PLOTTED BY: RPM MAPPING
AND COMPUTER SERVICES LTD. | |
| IP SURVEY (N=1)
PLAN MAP OF
APPARENT RESISTIVITY (RHO)
DIPOLE - DIPOLE ARRAY
DIPOLE WIDTH = 25m
GOLDEN M.D., B.C. | |
| N.T.S. 02K / 0V | DATE: JULY 1988 |
| PLOTTED BY RPM | FIGURE NO. 00 |



——— Area of IP anomaly probably related to graphite
 - - - - - mineralized shear
 * * * * * magnetic anomaly
 - - - - - drainage contours (shaded and unshaded)

SOIL ANOMALIES
 Ag 222 ppm
 Cu 149 "
 Pb 149 "
 Zn 1376 "
 Fe 185 %

10-00E 5-00W 0L 3-00E

20-00S

9-00S

10-00S

15-00S

EASTERN INTERIOR DISTRICT
 SCALE 1:5000
 1968



LUCKY BOY PROJECT
 FOR QUANTUM RESOURCE CORP
 BY SHANER & MINERALS LIMITED
COMPILATION MAP
 GOLDEN M.D. B.C.