

PROPERTY FILE R.M. 05

Gold Star
Vernon
82L
M.M. Div

004590

1979/7
15394
12854

82L/04E

PF:
082LSW/130

SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE

STATEMENT OF MATERIAL FACTS

EFFECTIVE DATE: September 30, 1988

(No. 77/88)

Ltd., #205, 2900 - 30th Avenue,
Columbia, V1T 6M7, 542-8960

ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

Georgia Street,
sh Columbia, V6E 3R3

TERED AND RECORDS OFFICES OF ISSUER

montreal trust Company, 510 Burrard Street,
Vancouver, British Columbia, V6C 3B9

NAME AND ADDRESS OF REGISTRAR & TRANSFER AGENT FOR ISSUER'S SECURITIES IN
BRITISH COLUMBIA

OFFERING:

750,000 Common Shares

	Estimated Price to Public	Estimated Agents' Commission	Estimated Proceeds to be received by Issuer
Per Share:	\$0.70	\$0.0525	\$0.6475
Total:	\$525,000	\$39,375	\$485,625

The shares will be offered for sale to the public through the facilities of the Vancouver Stock Exchange at a price to be determined by the Issuer and the Agents in accordance with the rules of the Vancouver Stock Exchange.

Agents

Canarim Investment Corporation Ltd. 2200-609 Granville St. Vancouver, B.C. V7Y 1H2	Continental Securities Tenth Floor, Four Bentall Centre 1055 Dunsmuir St. Vancouver, B.C. V7X 1L4	Georgia Pacific Securities Corporation 16th Floor, Two Bentall Ctr. Vancouver, B.C. V7X 1S6	Merit Investment Corporation 1500-625 Howe St. Vancouver, B.C. V6C 2T6	Pacific International Securities Inc. 1500-700 W. Georgia St. Vancouver, B.C. V7Y 1G1
---	--	---	---	--

The securities offered hereunder are speculative in nature. Information concerning the risks involved may be obtained by reference to this document; further clarification, if required, may be sought from a broker.

<u>Sample No.</u>	<u>Type</u>	<u>Width</u>	<u>Au (ppb)</u>	<u>Ag (ppm)</u>	<u>Pd (ppb)*</u>	<u>Cu %</u>
FCD 04	grab	-	4000	106	14000	11.5
FCD 08	chip	4.5 ft.	5000	10.0	980	1.5
FCD 06	chip	3.0 ft.	1800	33.0	2300	4.8
FCD 07	grab	-	150	20.0	1050	2.8

* Pd = palladium

In 1987 the Issuer carried out an exploration program on the Friday Creek Property consisting of surface geological, geophysical and geochemical surveys, road work and diamond drilling. The surface exploration program defined an area of anomalous gold, copper and platinum-group metal content in the soils and rocks. Diamond drilling intersected narrow zones of significant precious metals and copper mineralization as follows:

<u>Drill Hole No.</u>	<u>Interval</u>	<u>Length</u>	<u>Au(ppb)</u>	<u>Pd(ppb)</u>	<u>Cu(ppm)</u>
F-87-1	37.8m - 39.0m	1.2m	-	1665	-
F-87-4	97.0m - 100.0m	3.0m	6300	420	9889

The Friday Creek Property is an attractive new precious metal prospect in the heart of a major mining camp. An exploration program is planned for the 1988 season to explore this mineralized area consisting of geological mapping and trenching at an estimated cost of \$10,000. The funds for the program have been allocated from a flow-through private placement with NIM and Company, Limited Partnership - 1988.

The work done on the Friday Creek Property to date has not established the existence of reserves of proven, probable or possible ore, and to date the property has no known ore reserves. The Friday Creek Property is not as yet producing.

2. Gold Star Property, Vernon Mining Division, British Columbia

Pursuant to an agreement dated February 10, 1984, as amended by letter agreement dated January 30, 1987, with Murray S. Morrison ("Morrison") of 684 Balsam Road, Kelowna, British Columbia, the Issuer has an option to acquire a 100% interest in the Gold Star #1 Mineral Claim, situated in the Vernon Mining Division, Province of British Columbia, for a total consideration of \$250,000, of which \$30,000 has been paid. The balance of the payments required are as follows:

- (a) \$20,000 on or before January 31, 1989; and

- (b) a further \$40,000 on January 31, 1990 and thereafter on January 31 of every subsequent year until and including January 31, 1994.

The rights and obligations of the Issuer terminate at the option of the Issuer by giving notice in writing, or at the option of Morrison if the Issuer has not remedied any default in making payments as aforesaid within 30 days of receiving notice of default. In the event of termination prior to exercise of the option, the Issuer will retain no interest in the Gold Star Property and will forfeit any payments made. The Issuer would also be required to leave the Gold Star Property in good standing for not less than 12 months after termination.

In the fall and winter of 1986, the Issuer carried out a program of backhoe trenching on several parts of the Gold Star Property where anomalous gold values occurred in soils and stream sediments. This work revealed the presence of several zones of intense epithermal alteration in which the Tertiary volcanic rocks have been silicified and brecciated.

In 1987, a program of surface geological, geophysical and geochemical surveys, backhoe trenching, road building and diamond drilling was conducted by the Issuer. This work confirmed the existence of several structurally controlled zones considered to be potential hosts for epithermal precious metal mineralization. Although anomalous gold values have been obtained no ore-grade mineralization has been encountered on the Gold Star Property.

In 1988, the Issuer intends to carry out an intensive program of trenching and drilling at an estimated cost of \$220,000 to further explore this promising prospect. The funds will be allocated from the flow-through private placement with NIM & Company, Limited Partnership - 1988.

The work done on the Gold Star Property to date has not established the existence of reserves of proven, probable or possible ore, and to date, the property has no known ore reserves. The Gold Star Property is not as yet producing.

3. Jolly Creek Property, Greenwood Mining Division,
British Columbia

Pursuant to a letter agreement dated May 1, 1988 (the "Minnova Agreement") between the Issuer and Minnova Inc. ("Minnova") of P.O. Box 91, Commerce Court West, Toronto, Ontario the Issuer granted to Minnova the exclusive right and option to earn a 70% undivided interest in 7 located mineral