

SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE

STATEMENT OF MATERIAL FACTS (#80/88)

EFFECTIVE DATE: October 18, 1988

ADAMS EXPLORATION LTD.

1027 - 470 Granville Street
Vancouver, British Columbia, V6C 1W3 Telephone: (604) 681-6077

NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

1027 - 470 Granville Street
Vancouver, British Columbia, V6C 1W3
REGISTERED AND RECORDS OFFICE OF ISSUER

ADAMS EXPLORATION LTD.

1027 - 470 Granville Street
Vancouver, British Columbia, V6C 1W3
ADDRESS OF REGISTRAR AND TRANSFER AGENT FOR ISSUER'S
IN BRITISH COLUMBIA

SHAREHOLDER OFFERING

100,000 COMMON SHARES ACQUIRED BY THE SELLING SHAREHOLDER
UNDER AN AGREEMENT - DATED OCTOBER 31, 1987 ARE HEREBY QUALIFIED
SUCH SHARES WILL BE SOLD AT THE MARKET PRICE PREVAILING AT
THE TIME OF SALE. FOR FURTHER DETAILS SEE ITEM 1.

SELLING SHAREHOLDER

CONTINENTAL SECURITIES
10th Floor - 1055 Dunsmuir Street
Vancouver, British Columbia
V7X 1V4

NONE OF THE PROCEEDS FROM THE SALE OF THE SECURITIES HEREUNDER WILL
ACCRUE TO ADAMS EXPLORATION LTD.

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.

NEITHER THE SUPERINTENDENT OF BROKERS NOR THE VANCOUVER STOCK EXCHANGE
HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED
HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

The Issuer is, under the rules of the Vancouver Stock Exchange, a
"Development Company".

PROPERTY FILE - R.M.

Adams Platex 22M/3

Group	Property Name	Issuer's Acquisition and Exploration Costs to Date (in \$)	Shares Issued to Date	Planned Expenditure from Funds available upon Completion of the Offering
I	N/A	N/A	N/A	N/A
II	Adams Plateau Property, Kamloops Mining Division	\$1,275,601	1,132,000 (455,000 presently held in escrow)	N/A
	Battle Mountain Property Nevada (Humboldt/Lander Counties)	\$50,000	50,000	N/A
III	N/A	N/A	N/A	N/A

GROUP II - PRESENTLY HELD PROPERTIES WHICH ARE CURRENTLY PRODUCING OR BEING EXPLORED, OR UPON WHICH EXPLORATION IS PLANNED WITHIN THE NEXT YEAR:

Name of Property

Adams Plateau Property

The Issuer is the 100% owner of 25 located mineral claims and 6 Crown Granted Mineral Claims covering the western half of the Adams Plateau Kamloops Mining Division, B.C. (save that an area comprising approximately 43% of two claims form part of the Adams Plateau Venture, hereinafter described).

By an agreement dated 28th September, 1987 the Issuer optioned to Sirius Resource Corporation ("Sirius") 12 of its wholly owned mineral claims and its 6 wholly owned Crown Grants. Under the terms of such agreement Sirius was given the right to acquire an undivided 75% interest in the property by payment in cash of \$100,000 and perform an aggregate of \$1,500,000 worth of work on the property as follows: cash payments of \$15,000 on execution of the agreement paid: \$25,000 before December 31, 1988, \$30,000 before December 31, 1989 and \$30,000 before December, 1990, work commitments on the property as to \$200,000 worth before December 31, 1989, an aggregate of \$500,000 worth before December 31, 1990 and an aggregate of \$1,500,000 worth before December 31, 1991. Should Sirius earn the 75% interest contemplated then further development of the property would be on a joint venture basis.

The area has been noted for silver, lead and zinc showings since 1927 and exploration in the area has been continuous for the last 15 years. The minerals showing are hosted sulphide deposits, a type which account for many of the major silver, lead, zinc deposits in the world. During the last four years geological interpretations from detailed mapping have identified new target areas. Geochemical surveys have defined areas anomalous in Ag-Pb-Zn which require further testing. Road construction uncovered new showings.

Access to the property is by logging and mine roads from Squilax (approximately 70 km east of Kamloops on the Trans Canada Highway). A new logging road from the south end of Adams Lake connects to an old mine road on the property.

The topography on the plateau is gentle with relief of 300 metres but becomes very steep where it drops off to Adams and Shuswap Lakes.

Interest in the area has been maintained by the continuous discovery of mineralised showings. In 1981 the Issuer drilled 19 diamond drill holes totalling 1112.8 metres tested the "down dip" projection of surface mineralisation and geophysical anomalies at the Lucy Coon and Elsie areas. The drilling intersected varying thickness of Ag-Pb-Zn bearing sulphides with a best intercept being 3.5 metres of 5.8 oz Ag/ton 5.72% Pb and 2.42% Zn. In 1983 geological mapping and soil geochemical sampling identified anomalies overlying prospective stratigraphy along seven kilometres of strike length. In 1984 work done may be summarized as having indicated a typical volcanogenic environment, namely:

- 1) Lithologies indicative of felsic volcanism, rhyolitic tuffs and quartz sericite schists;
- 2) Bedded galena-sphalerite-pyrite within, or closely associated with, the above rocks;
- 3) Soil geochemical expression of the sulphide bearing unit, and
- 4) Arsenic-gold-silica association in the same rocks.

During 1987 in accordance with the recommendations of its consultant D. C. Miller, P. Eng., the Issuer tested coincident geochemical-induced anomalies by BQ diamond drilling on 200 m centres. Backhoe trenching was done between the drill holes and geochemical soil surveys done in an area overlaying a 340 m thick argillite interbedded with cherts and volcanics area. The grid on the property was extended 1000 m to the northeast and induced polarization survey work undertaken. The cost of this work which is still underway is approximately \$225,000.

Joint Venture: This comprises additional properties owned by the Issuer which in 1985 were joint ventured when Izone International Ltd. "Izone" and Clifton Resources Limited "Clifton" agreed to pool their

respective mineral interests in the area. Each of the joint venturers has a 33 1/3% interest in the joint venture. Under the terms of the joint venture agreement dated 28th January, 1986, B. E. Spencer Engineering Ltd. is the operator. Additional properties of the joint venture held under option in equal portions by and subject to financing in their respective portions by all three joint venturers are:

- a 100% interest in the AXL3 claim, (15 units) subject to a 5% net smelter return.

- the WAD claims (3 full claims in all 44 units and two fractions 100% owned) subject only to a 2% net smelter return up to a maximum of \$2,000,000.

- the Ford claims, ten claims in all, 145 units under option from Utah Mines Ltd.. By letter agreement dated September 23, 1986 whereby a 45% interest in this property can be earned by the expenditure of \$165,000 in 1987 \$150,000 in 1988 and \$185,000 (cumulatively \$500,000 before December 31, 1989). The entire property is subject to 5% net smelter royalty.

- the JAN claims, 4 claims (39 units) and one fraction under option from Reg Resources Ltd.. By letter agreement from Reg Resources Corp. dated June 12, 1986 whereby a 60% interest in the property can be earned by the expenditure of a total of \$48,000 (\$25,00 now paid) and the expenditure of \$50,000 in 1987, \$100,000 in 1988 and \$125,000 in 1989 and 1990 (cumulatively \$400,000).

The Joint Venture property covers a 9 kilometre strike length of felsic volcanic rocks of the Eagle Bay Formation. This formation hosts the Hilton, Samatosun and Kamid precious metal/massive sulphide deposits to the west and the exploration objective was to locate similar deposits on the Joint Venture claims.

History and Previous Work

The following is an extract from the Engineering Report of D. C. Miller, P.Eng. of D. C. Miller Engineering Services and dated July 15, 1988. A copy of the report is available for review at the registered and records office of the Issuer at Suite 800 - 1090 West Georgia Street, Vancouver, B.C. V6E 3V7 during normal business hours.

Exploration work commenced in 1985 and by June of 1988 the 9 kilometre strike length of the belt had been tested on lines 100 metres to 200 metres apart with geochemical soil surveys and induced polarization geophysical surveys. Numerous anomalies were defined by the above surveys and these were subsequently tested by trenching and shallow diamond drill holes. Diamond drilling to March 1, 1988 totals 18,671 feet in 70 holes.

The above work has defined two areas, each 700 metres in strike length which contain stratabound iron sulphide mineralization with anomalous

values in gold-silver-copper-lead-zinc. These zones may lie on the fringe of a massive sulphide deposit and to evaluate this possibility gravity surveys are proposed to test the zones at depth. Drilling will be contingent on the results of the gravity survey.

Another possible area of interest on the property is a chert-argillite-volcanic horizon which locally hosts lenses of massive sulphide mineralization. Exploration of this unit has tested a 2 kilometre strike length. Results have been negative to date but because of the geological similarity of the unit to that which hosts the Samatosun deposit, additional work along this horizon is being considered. Trenching would be the most efficient means to explore this unit.

Battle Mountain Property, Nevada (Humboldt/Lander Counties)

By the terms of a Letter Agreement dated 3rd March, 1988 with Seam Resources Corporation ("Seam"), the Issuer obtained an undivided 50% interest in an option under which Seam has to acquire a 100% working interest in 30 mineral claims (DBS 1 to 18 inclusive and SBD 31 to 42 inclusive) located in Humboldt and Lander Counties, Nevada. Seam is obligated under the terms of its agreement with the owners of the property to pay a total of \$500,000 U.S., of which \$186,500 has been paid and the remainder is payable as follows:

- (a) \$10,000 on the 1st day of May in each year whilst any principal monies remain unpaid;
- (b) \$1,000 on the 1st day of each and every month until the 1st day of October, 1989 when the monthly payment shall increase to \$2,500 per month until the entire principal outstanding is paid.

In addition, should commercial production be commenced on the property 5% of the gross sales income from ore or concentrates shall be applied to an account of the total purchase price. This royalty will be reduced to a continuing gross overriding royalty of 2% after the total purchase price has been paid. A further term of the agreement is that \$25,000 worth of work must be performed on the property in any 12 month period providing work in excess of such amount may be carried forward for credit in subsequent years.

The cost to the Issuer to obtain the 50% undivided interest in this property and a 90-day option to acquire from Seam a 50% interest in any other properties in the Battle Mountain or Carlin areas of Nevada by payment of 50% of acquisition costs was as follows:

- 1) \$100,000 Cdn. to be paid and 100,000 Treasury shares to be issued:
 - (a) \$10,000 and the allotment of 50,000 shares immediately;