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Geological Survey Branch
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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 OFFENSE.

NEW ISSUE

INITIAL OFFERING

BUTTER ROCK RESOURCES INC.

1006 - 750 West Pender Street
Vancouver, British Columbia
V6C 2T8

(the "Issuer")

OFFERING OF 600,000 COMMON SHARES

\$240,000

PRICE: \$0.40 per COMMON SHARE

	<u>Price to Public (1)</u>	<u>Agent's Commission (2)</u>	<u>Net Proceeds to be received by the Issuer (3)</u>
Per Share:	\$0.40	\$0.05	\$0.35
Total:	\$240,000	\$30,000	\$210,000

- (1) The price to the public has been established pursuant to negotiations between the Issuer and the Agent.
- (2) In addition, the Agent will be granted 150,000 Agent's Warrants as described in the section captioned "PLAN OF DISTRIBUTION" herein.
- (3) Before deducting the remaining offering expenses estimated to be \$10,000, which will be paid by the Issuer.

THE SECURITIES OF THE ISSUER MUST BE CONSIDERED SPECULATIVE AS THE ISSUER IS IN THE DEVELOPMENT STAGE. THERE IS **NO MARKET** THROUGH WHICH THE SECURITIES OF THE ISSUER MAY BE SOLD, AND THERE IS NO ASSURANCE THAT A MARKET WILL DEVELOP. FOR FURTHER PARTICULARS PLEASE REFER TO THE SECTION CAPTIONED "RISK FACTORS" HEREIN.

THE PROPERTIES IN WHICH THE ISSUER HAS AN INTEREST ARE IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY AND ARE WITHOUT A KNOWN BODY OF COMMERCIAL ORE. NO SURVEY OF ANY PROPERTY OF THE ISSUER HAS BEEN MADE, AND IN ACCORDANCE WITH THE LAWS OF THE JURISDICTIONS IN WHICH THE PROPERTIES ARE SITUATED, THEIR EXISTENCE AND AREA COULD BE IN DOUBT. FOR FURTHER PARTICULARS PLEASE REFER TO THE SECTION CAPTIONED "RISK FACTORS" HEREIN.

REFERENCE IS MADE TO THE SECTIONS CAPTIONED "PLAN OF DISTRIBUTION" AND "DESCRIPTION OF SECURITIES" HEREIN FOR A DETAILED DESCRIPTION OF THE OFFERED SHARES, THE REQUIREMENTS FOR SUBSCRIPTION AND THE COMMISSIONS AND FEES PAYABLE THEREON.

NO PERSON IS AUTHORIZED BY THE ISSUER TO PROVIDE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THE PROSPECTUS IN CONNECTION WITH THIS ISSUE AND THE SALE OF THE SECURITIES OFFERED BY THIS PROSPECTUS.

ONE OR MORE OF THE DIRECTORS OF THE ISSUER HAS AN INTEREST, DIRECT OR INDIRECT, IN OTHER NATURAL RESOURCE COMPANIES. FOR FURTHER PARTICULARS PLEASE REFER TO THE HEADING CAPTIONED "POTENTIAL CONFLICTS OF INTEREST" UNDER THE SECTION CAPTIONED "INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS" HEREIN, AND TO THE SECTION CAPTIONED "DIRECTORS AND OFFICERS" HEREIN.

THE VANCOUVER STOCK EXCHANGE (THE "EXCHANGE") HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED PURSUANT TO THIS PROSPECTUS. LISTING IS SUBJECT TO THE ISSUER FULFILLING ALL OF THE LISTING REQUIREMENTS OF THE EXCHANGE ON OR BEFORE AUGUST 12, 1991.

UPON COMPLETION OF THIS OFFERING, THIS ISSUE WILL REPRESENT **30.60%** OF THE SHARES THEN OUTSTANDING AS COMPARED TO **45.39%** THAT WILL THEN BE OWNED BY PROMOTERS, DIRECTORS AND OFFICERS OF THE ISSUER AND THOSE PERSONS OR GROUP OF PERSONS WHO OWN BENEFICIALLY, DIRECTLY OR INDIRECTLY, VOTING SECURITIES CARRYING MORE THAN 10% OF THE VOTING RIGHTS ATTACHED TO THE OUTSTANDING VOTING SECURITIES OF THE ISSUER. FOR FURTHER PARTICULARS PLEASE REFER TO THE SECTIONS CAPTIONED "PRINCIPAL HOLDERS OF SECURITIES" AND "INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS" HEREIN.

PROSPECTUS SUMMARY

The Issuer

Butter Rock Resources Inc. (the "Issuer") was incorporated on the 19th day of June, 1987 under the Company Act of the Province of British Columbia by registration of its Memorandum and Articles under the name Butter Rock Resources Inc.

The head office of the Issuer is located at 1006 - 750 West Pender Street, Vancouver, British Columbia, V6C 2T8, and its Registered and Records Offices are located at 2550 - 555 West Hastings Street, Vancouver, British Columbia, V6B 4N5.

The Issuer's principal business is the acquisition, exploration and development of mineral properties.

For further particulars please refer to the sections captioned "THE ISSUER" and "DESCRIPTION OF BUSINESS" in the body of this Prospectus.

The Offering

Amount: \$240,000.

Offering: 600,000 common shares of the Issuer.

Price: \$0.40 per common share.

For further particulars please refer to the section captioned "PLAN OF DISTRIBUTION" in the body of this Prospectus.

Use of Proceeds

The net proceeds to be derived by the Issuer from the sale of the securities offered hereunder will be \$210,000. The net proceeds, together with an approximate \$47,153 working capital deficiency, as at February 8, 1991, will be used to pay the legal and accounting costs of this Offering, exploration program costs and to increase the Issuer's working capital position.

For further particulars please refer to the section captioned "USE OF PROCEEDS" in the body of this Prospectus.

Pro Forma Dilution of Investment

The net book value per share after completion of this Offering (but before exercise of any of the Agent's Warrants) will be \$0.13599 cents, representing an immediate and substantial dilution of 66%.

Risk Factors

The Issuer is in the business of mineral exploration and development. Mineral exploration and development is a speculative business.

The properties in which the Issuer has an interest are in the exploration and development stage only and are without a known body of commercial ore. No survey of any property of the Issuer has been made, and in accordance with the laws of the jurisdictions in which the properties are situated, their existence and area could be in doubt.

The marketability of any minerals acquired by the Issuer will be affected by numerous factors, which include production costs, market fluctuations, processing prices and government regulation, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection, none of which factors can be accurately predicted.

In addition, there is little likelihood of profits or the payment of any dividends therefrom by the Issuer in the near future.

For further particulars please refer to the section captioned "RISK FACTORS" in the body of this Prospectus.

THIS INFORMATION IS A SUMMARY ONLY AND IS QUALIFIED BY THE MORE DETAILED INFORMATION APPEARING ELSEWHERE IN THIS PROSPECTUS.

THE NET BOOK VALUE PER SHARE AFTER COMPLETION OF THIS OFFERING (BUT BEFORE EXERCISE OF ANY OF THE AGENT'S WARRANTS) WILL BE \$0.13599 CENTS, REPRESENTING AN IMMEDIATE AND SUBSTANTIAL DILUTION OF 66%.

WE, AS AGENT, CONDITIONALLY OFFER TO THE PUBLIC AND THROUGH THE FACILITIES OF THE VANCOUVER STOCK EXCHANGE AND SUBJECT TO PRIOR SALE, 600,000 COMMON SHARES, IF, AS AND WHEN ISSUED BY THE ISSUER AND ACCEPTED BY US IN ACCORDANCE WITH THE CONDITIONS CONTAINED IN THE AGENCY AGREEMENT REFERRED TO IN THE SECTION CAPTIONED "PLAN OF DISTRIBUTION" HEREIN.

Name and Address of the Issuer's Agent

PACIFIC INTERNATIONAL SECURITIES INC.

P.O. Box 10015
Suite 1550, 700 West Georgia Street
Vancouver, British Columbia
V7Y 1G1

ADDITIONAL OFFERING - 150,000 AGENT'S WARRANTS

THE AGENT HAS AGREED TO PURCHASE ANY SHARES OFFERED HEREBY WHICH HAVE NOT BEEN SOLD AT THE CONCLUSION OF THE OFFERING (THE "GUARANTEE"), AND AS CONSIDERATION FOR THE GUARANTEE HAS BEEN GRANTED THE AGENT'S WARRANTS. THE AGENT'S WARRANTS HAVE BEEN DISTRIBUTED TO THE AGENT UNDER THIS PROSPECTUS. ANY SHARES ACQUIRED BY THE AGENT PURSUANT TO THE GUARANTEE WILL ALSO BE DISTRIBUTED UNDER THIS PROSPECTUS THROUGH THE FACILITIES OF THE VANCOUVER STOCK EXCHANGE AT THE MARKET PRICE AT THE TIME OF SALE. FOR FURTHER PARTICULARS PLEASE REFER TO THE SECTION CAPTIONED "PLAN OF DISTRIBUTION" HEREIN.

DATED: February 8, 1991.
EFFECTIVE DATE: February 13, 1991.

TABLE OF CONTENTS

	<u>PAGE NO.</u>
PROSPECTUS SUMMARY	
THE ISSUER	1
DESCRIPTION OF BUSINESS	1
ACQUISITIONS	1
Acquisition of 3 x 3 and Lusty-Valiant Claims	1
Description of the 3 x 3 and Lusty-Valiant Claims	4
PLAN OF DISTRIBUTION	16
The Offering	16
Appointment of Agent	16
Agent's Warrants	16
Additional Offering	17
Conditional Listing	18
USE OF PROCEEDS	18
RISK FACTORS	20
SHARE AND LOAN CAPITAL STRUCTURE	22
PRIOR SALES AND SHARE ISSUANCES	23
DESCRIPTION OF SECURITIES OF THE ISSUER BEING OFFERED	23
PROMOTERS	24
ESCROWED SHARES	25
DIRECTORS AND OFFICERS	26
INTEREST OF MANAGEMENT AND OTHERS	
IN MATERIAL TRANSACTIONS	28
EXECUTIVE COMPENSATION	31
OPTIONS TO PURCHASE SECURITIES	32
INDEBTEDNESS OF DIRECTORS & SENIOR OFFICERS	32
PRINCIPAL HOLDERS OF SECURITIES	33
SHARES ISSUED FOR OTHER THAN CASH	34
LEGAL MATTERS	34
SOLICITORS, AUDITORS AND REGISTRAR AND TRANSFER AGENT	34
MATERIAL CONTRACTS	34
MANAGEMENT COMMENTS ON INTERIM RESULTS	36
OTHER MATERIAL FACTS	36
PURCHASER'S STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION	36
ENGINEERING REPORT - January, 1990	
FINANCIAL STATEMENTS - Audited - July 31, 1988	
FINANCIAL STATEMENTS - Audited - July 31, 1990	
FINANCIAL STATEMENTS - Unaudited - November 30, 1990	
CERTIFICATE - Issuer	
CERTIFICATE - Agent	

THE ISSUER

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The head office of the Issuer is located at 1006 - 750 West Pender Street, Vancouver, British Columbia, V6C 2T8, and its Registered and Records Offices are located at 2550 - 555 West Hastings Street, Vancouver, British Columbia, V6B 4N5.

DESCRIPTION OF BUSINESS

The Issuer's principal business is the exploration and development of the mineral properties referred to herein. The Issuer owns or has interests in the property described under the section captioned "ACQUISITIONS" herein and intends to seek and acquire additional properties worthy of exploration and development.

ACQUISITIONS

Acquisition of the 3 x 3 and Lusty-Valiant Claims

By a certain *Mineral Property Option Agreement* dated September 18, 1987 (the "*Option Agreement*"), as entered into between the Issuer and a certain *Ruza Resources Ltd.* ("*Ruza*") of 503 - 145 Keith Road West, North Vancouver, British Columbia, the Issuer acquired an exclusive option to earn a 100% undivided interest in and to three mineral claims situated in the Victoria Mining Division of the Province of British Columbia and more particularly described as follows:

<u>Claim Name</u>	<u>No. of Units</u>	<u>Record Number</u>	<u>Expiry Date</u>	<u>Registered Owner</u>
3 x 3	9	1973	June 29, 1991	Butter Rock Resources Inc.
Lusty	20	1951	June 16, 1991	Butter Rock Resources Inc.
Valiant	12	1952	June 16, 1991	Butter Rock Resources Inc.

(collectively the "Claims").

Pursuant to the Option Agreement the Issuer is obligated to undertake the following:

- (a) Pay to Ruza the sum of \$25,000 upon the execution of the Option Agreement, *which sum has been paid*;
- (b) Issue to Ruza an aggregate of 75,000 fully paid and non-assessable common shares of its capital stock as follows:
 - (i) 25,000 common shares upon the approval of the Option Agreement by the appropriate Regulatory Authorities and the listing of the Issuer's common shares on the Vancouver Stock Exchange (the "Exchange");
 - (ii) 25,000 common shares upon the filing of a qualified engineering report, which engineering report is accepted for filing with the Exchange, and which engineering report, upon review of the completion of a recommended Phase II work program on the Claims, recommends a Phase III work program on the Claims; and
 - (iii) The remaining 25,000 common shares upon the filing of a further qualified engineering report, which engineering report is also accepted for filing with the Exchange, and which engineering report, upon review of the completion of the said Phase III work program, recommends further work or commercial production on the Claims; and
- (c) Incur a minimum of \$75,000 on exploration and development of the Claims by December 31, 1989, in accordance with a work programme as set out in a qualified engineering report prepared for the Issuer on the Claims, and which engineering report, upon review of completion of such work programme, recommends that further work be carried out on the Claims, *which sum has now been expended by the Issuer on the Claims.*

The Issuer retained *NVC Engineering Ltd.*, a Vancouver-based geological consulting company, to carry out an exploration programme on the Claims. The programme was completed between November, 1987 and March, 1988, and consisted of extensive line-cutting, a geochemical soil survey, detailed geological mapping, ground geophysical magnetic and VLF-EM surveys, as well as a study and compilation of known data published for the area. *NVC Engineering Ltd.* has prepared a report for the Issuer which recommends that a \$95,050 Phase I programme be carried out on the Claims and that a further Phase II programme be undertaken should the results of the Phase I programme prove encouraging. For further particulars please refer to the heading captioned "*Description of the 3 X 3 and Lusty-Valiant Claims*" in this section.

The Option Agreement also provides for the following material provisions:

- (a) The Issuer may at any time sell, transfer or otherwise dispose of all or any portion of its interest in and to the Claims or the Option Agreement;
- (b) The Issuer may at any time elect to abandon any one or more of the mineral claims comprising the Claims by giving notice to Ruza of such intention;
- (c) Any mineral properties or interests therein within a two kilometre radius of the Claims acquired by the Issuer during the term of the Option Agreement will be deemed to be part of the Claims, and any such properties or interests acquired by Ruza will be deemed to be part of the Claims if the Issuer so elects, and in that case the Issuer will pay the acquisition costs;
- (d) The Option Agreement will terminate upon a default by the Issuer which remains unremedied thirty days after the Issuer receives notice of the default from Ruza;
- (e) Each party has a right of first refusal to purchase the other party's interest in the Claims; and
- (f) Any matters in dispute will be submitted to arbitration.

A copy of the Option Agreement will be available for inspection at the head office of the Issuer, located at 1006 - 750 West Pender Street, Vancouver, British Columbia, V6C 2T8, during normal business hours while the primary distribution of the securities offered hereunder is in progress and for a period of thirty days thereafter.

As at the date of this Prospectus the Issuer has expended a total of \$25,000 on acquisition costs and a total of approximately \$86,830 on exploration and development costs of the Claims.

Description of the 3 x 3 and Lusty-Valiant Claims

The following information respecting the Claims has been excerpted from an engineering report dated as amended January, 1990 (hereinafter referred to as the "Report"), prepared for the Issuer by *Damir Cukor, Geologist*, and *Vladimir Cukor, P. Eng.*, both of *NVC Engineering Ltd.*, of 6108 McKee Street, Burnaby, British Columbia, V5G 2V7. The complete text of the Report is attached to this Prospectus and forms a material part hereof.

Location

The Report first discloses, at page 5, the following:

"Both mineral properties are located on the southern part of Vancouver Island. The 3 x 3 claim is approximately 25 kilometres east of Port Renfrew, a small community on the Island's southern coast. The claim is centered at approximate north latitude 48 34' 30" and west longitude 124 14'. It is on NTS 92C/9E.

The Lusty-Valiant claims are in the central south part of the Island, located about 25 kilometres southwest of Duncan, B.C. on NTS 92B/12W. The claims are centered at approximate north latitude 48 34' and 30" and west longitude 123 55'.

Both properties are in the Victoria, British Columbia Mining Division. The general location is shown on fig. 1."

Access

The Report then reveals, at page 6, the following:

"Both the 3 x 3 and Lusty-Valiant properties are readily accessible by roads.

On the 3 x 3 claim, the main haul road, Port Renfrew-Shawnigan Lake, provides good access to the area. A good quality secondary logging road allows easy access to different parts of the claim.

The closest settlement is Port Renfrew, B.C., located about 30 kilometres northwest of Victoria, B.C. Lodging and meals for a crew are available there but none of the field supplies and/or services can be obtained there.

The Lusty-Valiant property is accessible from Shawnigan Lake by a main hauling road for a distance of 12 kilometres in the west direction. From the 12 kilometre point, the property is accessible by secondary logging roads. The Vancouver based C.I.P. Forest Company holds the surface rights in the area and it is necessary to obtain permits for access to the claims."

Claims

The Report then discloses, also at page 6, the following:

"Butter Rock's holdings on Vancouver Island consist of two non-contiguous properties separated by about 20 kilometres distance. The claims and the pertinent numbers are as follows:

<u>Claim Name</u>	<u>No. of Units</u>	<u>Record No.</u>	<u>Anniversary Date</u>
3 x 3	9	1973	June 29
Lusty	20	1951	June 16
Valiant	12	1952	June 16

All claims were located on the modified grid system, 3 x 3 as a single claim, and Lusty-Valiant as a separate contiguous group. The company has obtained 100% interest in the properties. Figures 2 and 3 show the claims in relation to topographical features and Figures 4 and 5 show neighbouring claims.

Both properties are in the areas where timber licences were granted to C.I.P. and B.C. Forest Products, and necessary permits have to be obtained prior to commencement of any exploration activities."

Topography and Climate

The Report then reveals, at pages 6 and 7, the following:

"The 3 x 3 claim is located on the foot and lower slopes of the San Juan Ridge. Topography on the claim consists of the San Juan River flats on the north, increasingly steep slopes with a series of shear cliffs in the middle and a terrace on the south.

Vegetation on the 3 x 3 property consists of deciduous forest on the river flats and first growth on the southern edge. Most of the claim area has been logged recently.

The Lusty-Valiant property covers the valley of the north fork of the Jordan River and the adjacent ridge. Topographic relief is approximately 380 metres with the highest peak at about 840 metres.

Most of the Lusty-Valiant property has been logged off in the past and replanted, and is now covered by second growth of various maturity.

Climate of the 3 x 3 claim and Lusty/Valiant property is fairly typical for the West Coast. The summers are usually hot and relatively dry. Atmospheric precipitation is high in the other seasons. Winters are cool to moderately cold with variable amounts of snowfall year to year. The tops of the hills, made bare by logging, are subject to fairly high winds during the winter storms. The generally moderate climate and high precipitation are conducive to fast vegetation growth.

Timber and water for exploration purposes are available on the property."

History

The Report then discloses, at pages 8 and 9, the following:

"Placer gold was discovered on the southern part of Vancouver Island around 1864, first on the Leech River and then on the Sooke, San Juan, Sombrio and Jordon Rivers and Meadow and Floodwood Creeks. Subsequent production was carried out on several locations, but the records were poorly kept.

The potential for the presence of the Lode gold deposits was mentioned for the first time in GSC Memoir 96, H.C. Cooke, in 1917. A number of gold showings have been discovered in the area since. The most promising to date is the Valentine Mountain deposit of Valentine Gold Corporation, located about 6 kilometres south of the Lusty-Valiant claim and about 20 kilometres southeast of the 3 x 3 claim. On that property, narrow quartz veins produced most attractive samples with free gold; one of the veins assayed 34.95 z/t Au, over 17 cm width. Visible gold was also reported from the drill core.

Elsewhere within the Leech River complex, some major companies held huge blocks of claims. A large area was then submitted to regional geophysical airborne surveys, but very little, if any, ground follow-up work was carried out afterwards.

Neither the area now covered by the 3 x 3 claim, nor the Lusty-Valiant claims has records of any previous ground exploration work performed. Both groups were, however, covered by airborne magnetic and electromagnetic surveys within the scope of regional airborne surveys.

The GAD claim, which joins the 3 x 3 claim along its east side, was reported to be underlain by a volcano sedimentary complex with showings of massive pyrrhotite with chalcopyrite and sphalerite. No assays from these showings are available and it is not known whether these showings contain any gold. In the 3 x 3 area the airborne geophysical study encountered four VLF-EM conductors associated with magnetic anomalies.

In the Lusty-Valiant claim area some prospecting by Ryder Petroleum Inc. in 1984 encountered anomalous silt samples to the northeast of the claim. The 1987 program on the Bingo-Bango property which lies about two miles east in a similar geological environment, encountered gold values in rock and soil, within an extensive northwest striking, silicified and graphitic shear zone.

The airborne VLF-EM anomaly in the Lusty-Valiant claim strikes northeast, perpendicular to the general structural trend in the area."

Geology

The Report then reveals, at pages 10 through 17, the following:

Regional Geology

"The general geology of the 3 x 3 property is shown on the GSC Open File Geology Map 821 by J.E. Muller, and the Lusty-Valiant claims are covered by the GSC Map 1553, also by J.E. Muller.

The area surrounding both properties is underlain by sediments and/or volcanics of Quaternary to Paleozoic age. Older formations were in turn intruded by probably Jurassic or older Westcoast complex containing mostly quartz diorite and diorite.

The two main east-west structural elements which were the most responsible for the distribution of geological formations are the San Juan fault zone and the Leech River fault zone. The area between these two zones is underlain by the units of Triassic to Cretaceous Leech River Formation of metasediments, sediments and volcanoclastics. Both the 3 x 3 and Lusty-Valiant claims fall between these two faults and cover the Leech River formation."

Local Geology of the 3 x 3 Claim

"The northernmost part of the claim is covered by the fluvial sediments of the San Juan Floodplain (Figure 8, Map Unit No. 1).

In the northerly direction, outcrop exposures occur on several easterly trending ridges that represent the surface projections of a series of steeply dipping shear folded structures. These outcrop patterns produce a series of shear cliffs with terraced plateaus that rise abruptly from the fluvial sediments.

Outcrop exposures generally consist of schist and sheared amphibolites typical to the Leech River sedimentary complex. Individual rock units generally strike east/west and dip steeply to the north, consistent with regional trends imposed by the San Juan Fault, immediately to the north of the property.

Lithologies were roughly subdivided into four main units which include:

- I) light green to greyish green, fine grained fissile chlorite sericite schist with localized interbedded quartz biotite schist (Map Unit No. 2);*
- II) dark to light grey phyllitic mudstone, black shale, graphitic schist and argillite (Map Unit No. 3);*

- III) dark grey or stained black (weathers rusty red on places of cleavage) iron formation; phyllitic mudstone interlayered with discrete units of shale and graphitic schist (Map Unit No. 4);
- IV) bright "lime" green, fine to medium grained chloritized sheared meta-amphibolite (contains magnetite) (Map Unit No. 5).

Both the gossanous weathering and staining and high magnetic ground anomaly associated with Map Unit 4 suggest a high chemical component of iron. This unit correlates with the iron formation described on the GAD claim immediately to the west of the 3 x 3 (pers. comm. Gord Allen, Beau Pre Resources, Victoria).

The close proximity of the San Juan fault has obliterated any of the primary sedimentary structures associated with the original disposition. As a result, stratigraphic relationships are uncertain and beyond the scope of the present survey.

Contacts between individual units are highly sheared and gradational. Localized shears, refractory cleavage and kink folding were common at geological boundaries between units of contrasting competency. Localized silicification consisting of networks of quartz stringers, oxidation and chloritization were the dominant forms of alteration observed in these areas.

Under the influence of the San Juan fault, original bedding and macroscopic compositional layering is generally parallel to the schistosity and secondary fracture cleavage. Variations in the apparent thickness of individual units and the presence of large scale pinch and swell structures are typical of a highly deformed terrain.

The appearance of "M" shaped folds, oblique patterns of criss-crossing quartz stringers and bedding cleavage relationships suggest the presence of a tight isoclinally folded antiform at the centre of the upper grid. Orientations of bedding cleavage intersection lineations suggest an easterly plunge consistent with the documented regional trends for this area (Fairchild et al, 1982).

The local metamorphic grade is greenschist facies, well defined by the assemblage of chlorite, epidote, actinolite and magnetite in the sheared amphibolites (Map Unit 5) and fine grained chlorite and muscovite observed in pelitic schists. Localized concentrations of fine sugary garnet were observed as irregular bands and layers in some chlorite sericite schists."

Mineralization of the 3 x 3 Claim

"The massive pyrrhotite, chalcopyrite, sphalerite mineralization was reported to be present on the adjoining GAD claim, within the "iron formation" unit. Although this same unit extends onto the 3 x 3 claim, no such mineralization was detected on this claim.

In the eastern part of the 3 x 3 claim, however, several zones of silicification with hematite staining are found within sheared sedimentary units. These zones are exposed along the east/west ridges and during the mapping, it was interpreted that these were individual short east/west running zones. However, although positioned within different geological units, most of these zones were lined up

along the general north/south trend and are conspicuously closely associated with high geochemical gold anomaly. Some very good gold values were encountered from the outcrop following that same zone. In addition, topographic features and fractures indicate a broad zone of structural weakness, a possible conduit for mineralizing solutions. The fact that the VLF-EM survey did not respond to that phenomenon is easily explained by the grid orientation, where the grid lines are parallel to the trend of the zone.

Results of rock chip samples from silicified outcrops across the mineralized structures were as follows:

<u>Sample No.</u>	<u>oz/t Gold</u>	<u>oz/T Silver</u>	<u>Character</u>
001	.004	.20	Chip
002	.006	.34	Chip
003	.006	.24	Chip
004	.016	.06	Chip
005	.152	.32	Chip
006	.214	.42	Chip
007	.060	.22	Chip
008	.042	.25	Chip
009	.010	.22	Chip
010	.010	.12	Chip
011	.004	.10	Chip
012	.004	.24	Chip
013	.004	.20	Chip
014	.006	.22	Chip

(taken on
GAD claim)

A detailed description of samples is given in Appendix A at the end of this report and sample locations are shown on the 3 x 3 Geology Map (see Figure 8). Assays were done by General Testing Laboratories employing fire assay method.

During further work, this area has to be examined in great detail to explore for the possible presence of the large north-south trending, gold bearing fracture zone."

Geology of the Lusty-Valiant Claim

"Rock outcrops on the Lusty-Valiant claim consist of a sequence of sheared, isoclinally folded schists and sheared amphibolites typical of the formations of the Leech River Complex (as defined by Fairchild et al, 1982).

These units strike northwest to southeast and are well exposed in numerous road cuts which run through a series of relatively low bluffs on the Lusty and in the sides of a steep north/south "U" shaped glacial valley on the Valiant claim (see Figure 9).

These units have been roughly subdivided into six main lithologies and are described as follows:

- I) light green fine to medium grained sheared chloritized amphibolite containing located areas of silicification consisting of roughly concordant networks of quartz stringers (Map Unit 6);
- II) sheared polymictic, quartz pebble conglomerate with a fine grained silicious graphitic matrix (Map Unit 5);
- III) a mixed unit consisting of dark green chlorite sericite schist, light green chloritized foliated quartzite and medium to fine grained chloritized quartz muscovite and quartz biotite schist (Map Unit 4);
- IV) dark grey to black fine grained graphitic schist and phyllite containing quartz stringers and silicified shears (Map Unit 3);
- V) hornfelsed contact aureole (Map Unit 2);
- VI) light green to brown fine grained sheared and chloritized diorite (Map Unit 1).

Intense shearing and deformation of these units has obscured or completely obliterated any of the primary sedimentary structures associated with original deposition. As a result, stratigraphic relationships between individual units are uncertain.

Units designated as graphitic schist separate contrasting lithologies and may represent the retrogressively altered and sheared contacts between units of contrasting competency. A prominent structural linear oblique to the south boundary of the Lusty claim and running through the northern portion of the Valiant claim was found to contain clay altered graphitic schist in fault contact with sheared amphibolite to the south and the mixed schist to the north. Localized silicification in graphitic units consisted of networks of brecciated quartz stringers and silicified shears.

Macroscopic compositional layering and contacts between individual units are generally parallel to schistosity and secondary fracture cleavage. Variations in the apparent thicknesses of individual units and boudinage of more competent units surrounded by envelopes of low temperature silicification and graphitic shears suggest high degrees of deformation.

Oblique patterns of criss-crossing quartz stringers in localized graphitic units and contrasting secondary and tertiary crenulation, fracture cleavage and kink folding, suggest the presence of several tight sheared fold hinges on the Valiant claim. The exact positioning of individual hinge zones would require additional detailed structural mapping and is beyond the scope of the present survey. These structural features may be related to the two compatible phases of deformation described by Fairchild and Cowan (1982).

Local metamorphic grade was found to be greenschist facies, well defined by the assemblage of chlorite, epidote, actinolite and magnetite in the sheared amphibolites and fine grained chlorite and muscovite observed in schists. There was a slight increase in grade toward intrusive bodies. Retrograded porphyroblasts of amphibole (var. augite) were observed in the sheared hornfelsic contact halos surrounding dioritic intrusives mapped along the northern and southern boundaries of the Valiant claim."

Mineralization of the Lusty-Valiant Claim

"Rock samples taken during the course of the present survey were extracted from quartz stringers and areas of silicification in the graphitic schist. Samples were also taken from the irregular silicified brecciation in sheared chloritized contact halos surrounding diorite sills.

The quartz stringers that were sampled were generally small and subparallel to compositional layering in quartz muscovite, chlorite sericite and graphitic schists. In one unit of graphitic schist intense silicification and shearing along cleavage planes has produced an irregular mottling of rootless stringers (1 to 2 centimetres in thickness). This exposure was only slightly stained and oxidized.

The quartz veins associated with graphitic schist were lightly to moderately stained and oxidized containing abundant hematite and limonite. No sulphide mineralization was visible. Irregular patterns of the intrusive were slightly magnetic and contain traces of fine disseminated pyrrhotite.

A total of 18 samples were collected but only three of them assayed around .01 oz/t gold. These samples are:

<u>Sample No.</u>	<u>oz/t Gold</u>	<u>oz/t Silver</u>
001	.012	.30
003	.012	.34
017	.008	.10

The rest of the samples assayed low. All assays are shown in the Assay Certificate (Appendix B), description of samples is in Appendix B and locations are shown on the Geology Map of the Lusty-Valiant claim, Figure 9.

Sampling results are not encouraging, although some follow-up detail examination is recommended in the location of the three aforementioned samples."

Geochemical Soil Survey

The Report then discloses, at pages 18 through 20, the following:

General Description

"The survey was performed on precut grids which were also used for geophysical surveys and as a control for the geological mapping and soil sampling. A total of about 18 kilometres of grid lines was established on the 3 x 3 and 24.7 kilometres on the Lusty-Valiant claims.

Soil samples were collected along the lines at 50 metre spacing. Soil was taken from shallow pits, preferably from the "B" horizon, wherever good soil development was encountered. In areas of rock outcrops, any fine material found on location was also collected; however, swampy areas with organic materials were not sampled nor were the areas of steep, rocky cliffs. A total of 305 samples were taken on the 3 x 3 and 295 samples on the Lusty-Valiant claims.

All samples were packed in standard kraft sample bags, partially dried in camp and submitted to General Testing of Vancouver to be assayed for gold and silver. The assaying procedure was a combination of fire assays and Atomic Absorption methods.

Assay results were then plotted separately for gold and for silver on grid plans in the scale of 1:5,000 and all maps were contoured."

Discussion of Results

3 x 3 Claim

"Gold

The assay was set with the lowest limit of detection at 20 ppb gold (0.02 ppm). The range of assays was between 0.02 to 2.23 ppm Au. Background values are considered lower than 0.04, anomalous values between 0.04 and 0.07 ppm and significantly anomalous, all values above 0.07 ppm Au. Several small anomalous areas are scattered over the grid area. The highlight of the survey is a significant anomaly, characterized by its size and strength, trending almost north/south along the lines 9E and 10E (see Figure 10). This anomaly most likely indicates a north/south trending, narrow structure, which has remained undetected so far by geological mapping. Since it appears to trend in a general north/south direction, it was not identified by the VLF-EM Survey. This anomaly needs further detailed evaluation. In addition, several anomalous gold values were also assayed along the tie line (10 + 00 S). It is possible that these values, along the top of the cliffs, are from the edge of a structure which mostly lies south of the tie line. During the dry season, these cliffs should be examined and sampled as well.

Silver

The assay results for silver range from 0.1 to 5 ppm Ag. Background values are considered lower than 0.7 ppm, anomalous values between 0.7 and 1.1 ppm and significantly anomalous values over 1.1 ppm silver. Unlike gold, silver values are scattered over the entire grid area with the highest value being an impressive 5 ppm silver. The largest anomaly seemed to be crossing the grid in the northwest/southeast trend. There is, however, very little correlation between gold and silver geochemical anomalies. Although there are some samples that carry both anomalous gold and silver, in general, both the sizes and shapes of the gold and silver anomalies differ greatly. Assays from the rock samples taken on the 3 x 3 claim also show the same pattern. While the silver values are fairly uniform on all 14 samples (from 0.1 to 0.42 oz/t Ag) the gold values show much greater relief (0.004 to 0.214 oz/t Au). This indicates that there is possibly more than one generation of sulphide mineralization on the property of which some carry gold and others, silver values."

Lusty-Valiant Claim

"Gold

The gold assays on the Lusty-Valiant claim mostly stayed within the background limits. Only several spotty anomalous values were received from the total of 295 samples (see Figure 12). None of the anomalies has the size or strength to warrant further attention.

Silver

Statistical evaluation of geochemical assay results from the Lusty-Valiant property for silver revealed that a generally high background, but on average, the anomalous values do not show much relief (the highest value is 2.8 ppm, while other significantly anomalous values are in the range of 1.5 to 1.7 ppm Ag). The largest and strongest anomaly is in the northeast corner of the grid (see Figure 13) but it does not show any collective anomalous gold values. Nevertheless, the area should be examined in more detail by geological mapping and rock chip geochemical sampling. Any structures with sulphides should be carefully examined and sampled."

Geophysical Surveys

The Report then reveals, at pages 21 through 23, the following:

"These consisted of Ground Magnetic and VLF-EM surveys, which were run simultaneously, both utilizing the Scintrex IGS-2 system.

The part of the system dedicated to magnetics utilizes two console units, one set up as the base station, the other as the portable unit, and two similar proton precession sensors measuring total magnetic field. The base station and field unit are time synchronized so that the background field, diurnal variations and micro pulsations can be filtered from the data. The base station was programmed to measure the field and record the readings at five second intervals.

The VLF unit was set up to receive signals from two stations: NKL Seattle, Washington, 24.8 kHz and NPM Lualualei, Hawaii, 23.4 kHz, measuring the horizontal field strength and the in-phase and out-of-phase or quadrature components of the vertical field. The instrument uses a three coil system, one horizontal and two vertical coils, all at 90° angles to each other. The system is set to automatically adjust for topographical shadowing of signals."

Magnetic Survey

"On both the 3 x 3 and Lusty-Valiant claims, the survey was done on a precut grid with 100 metre spaced lines and 25 metre stations. On one part of the Valiant grid, three 200 metre spaced lines were surveyed as well. Readings are shown on two 1:5,000 plans (see Figures 14 and 15). Relative readings shown on the plans were arrived at by deducting 55,800 gammas from the corrected total magnetic field values.

The magnetic relief on all surveyed parts is moderate."

3 x 3 Claim

"Total magnetic relief on the 3 x 3 claim is 3,226 gammas. Most of the anomalies follow the general east-west direction, coincident with the geological trend. In the southern portion of the map, the majority of the magnetic low anomalies occurs with or near the silicified areas (see Figure 8). The iron formation (Unit 4) did not produce the expected high magnetic results. The northern portion of the map shows a flat magnetic signature characteristic of deep overburden."

Lusty-Valiant Claim

"The magnetic relief on the Lusty-Valiant claim is very low, totalling 534 gammas. The one high occurs on the south end of lines 7E and 8E, on the edge of the claim. Also noted on line 12E, 1 + 00S is a weak dipole. Lines 0, 2W and 4W were run with their own base field and thus show lower than the rest of the lines."

VLF-EM Survey

"The VLF-EM survey was conducted along the same grids as the magnetic survey (readings were taken consecutively at each station utilizing the IGS 2). For both 3 x 3 and Lusty-Valiant, two stations, Seattle and Hawaii, with roughly orthogonal signal directions, were used. Data is presented as stacked profiles on plans in the 1:5,000 scale, see Figures 16, 17, 18 and 19."

3 x 3 Claim

"Both the Seattle and Hawaii VLF-EM surveys reveal significant conductors. The longest conductor on the Seattle plot (see Figure 16) running at 12 + 50 S approximately, follows the iron formation (Unit 4 on the Geology Plan) and crosses the silicified and mineralized area where sample JW3X3007 was taken. The conductor on lines 5E and 6E at 10 + 50S is weak and the other short conductor occurs in a swampy area. The strongest conductor on the Hawaii plot, Figure 17, runs 700 metres, almost traversing the property at approximately 10 + 50S, and partially coincides with the weak Seattle conductor. At the eastern end of this conductor is the mineralized area from which JW3X3006 was taken. The other interesting conductor occurs at 13 + 75S and seems to follow the contact of the meta-amphibotite with the metasediments."

Lusty-Valiant Claim

"The most interesting of the conductors runs generally along the baseline from L 8E to L 19E and is picked up by the Seattle survey along its whole length and by Hawaii survey in part. Another interesting conductor occurs at 2 + 50N running from L 13E to L 20E on the Seattle survey. A parallel conductor occurs on the Hawaii survey but is displaced 100 metres to the north. Several conductors occur on the western portion of the grid as well, on the Valiant property. The most significant is the conductor at about 14 + 00S running across all three lines on both Hawaii and Seattle surveys, and showing a strong signature on both. Two more interesting conductors occur, one at approximately 1 + 25S (which may actually be two closely

spaced parallel conductors, as suggested by the Seattle survey) and the other at approximately 7 + 00S. The Hawaii response seems to be offset by approximately 100 to 150 metres to the north."

Recommendations

The Report then recommends, at page 3, the following:

"On the 3 x 3 claim, more detailed geological mapping is necessary to assess the north-south trending area of high geochemical anomaly and good rock samples. Detailed geological mapping and extensive sampling of all outcrops in the area should be done by an experienced geologist (geologist and helper to be retained over a one month period). In addition, a geophysical resistivity survey should be carried out over that area. Areas between outcrops should be backhoe trenched, mapped and sampled. An additional five days of geologist's time should be allocated for supervision of the trenching. Pending positive results, a second phase consisting of diamond drilling will be recommended.

On the Lusty-Valiant claims only, a moderate follow-up program of geological examination of area with samples around 0.01 oz/t gold should be carried out. It is recommended for the geologist and helper to spend a total of about five days on that property. If encouraging results are encountered, a second phase will be recommended at a later stage."

Cost Estimate

The Report then finally delineates, at pages 2 and 3, the following:

"The following is an estimated budget to complete the recommended program on the 3 x 3 and Lusty-Valiant claims:

Phase 1 - 3 x 3 Claim

Backhoe trenching, 50 hours at \$140.00	\$ 7,000.00
Mobilization and demobilization	5,000.00
Geologist, 50 days at \$300.00	15,000.00
Assistant, 50 days at \$120.00	6,000.00
Resistivity survey	15,000.00
Vehicle rental, gasoline, transportation	4,500.00
Room and board	6,000.00
Assays, 250 samples at \$15.00	3,750.00

Phase 1 - Lusty-Valiant Claim

Geologist, 5 days at \$300.00	\$ 1,500.00
Assistant, 5 days at \$120.00	600.00
Room and board, 10 days at \$70.00	700.00
Vehicle, gasoline	<u>500.00</u>

<i>Subtotal</i>	<u>\$65,550.00</u>
<i>Data Compilation and Report</i>	12,000.00
<i>Engineering and Supervision</i>	7,500.00
<i>Contingencies</i>	<u>10,000.00</u>
<i>Total</i>	<u>\$95,050.00</u>

Contingent on positive and encouraging results from the Phase 1, a second phase of about \$150,000 of diamond drilling may be recommended."

There are no known reserves of commercial ore located on the Claims, and the Issuer is conducting an exploratory search for ore only.

There are no known material underground or surface workings, plant or equipment located on the Claims, except as disclosed herein.

PLAN OF DISTRIBUTION

The Offering

The Issuer by its Agent hereby offers (the "Offering"), to the public through the facilities of the Vancouver Stock Exchange (again the "Exchange"), 600,000 common shares (collectively the "Shares") of the Issuer at a price of \$0.40 per Share (the "Offering Price"). The Offering will be made in accordance with the rules and policies of the Exchange and on a day (the "Offering Day") determined by the Agent and the Issuer, with the consent of the Exchange, within a period of 180 days from the date upon which a final receipt for this Prospectus is issued by the British Columbia Securities Commission (the "Effective Date").

Appointment of Agent

The Issuer, by a certain Agency Offering Agreement dated for reference November 1, 1990 (the "Agency Agreement"), appointed Pacific International Securities Inc., of P.O. Box 10015, Suite 1500, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1G1, as its agent ("Agent") to offer the Shares through the facilities of the Exchange.

The Agent will receive a commission of **\$0.05** per Share sold.

The Agent reserves the right to offer selling group participation, in the normal course of the brokerage business, to selling groups of other licensed broker-dealers, brokers and investment dealers who may or may not be offered part of the commissions or bonuses derived from this Offering.

The obligations of the Agent under the Agency Agreement may be terminated at any time 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 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 months from the Effective Date.

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

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

Agent's Warrants

The Agent has agreed to purchase from the Offering any Shares not sold at the conclusion of the Offering Day. In consideration therefor, the Agent has been granted non-transferable share purchase warrants (collectively the "Agent's Warrants") entitling the Agent to purchase up to **150,000** common shares of the Issuer at a price of **\$0.40** per common share at any time up to the close of business one year from the date the Issuer's Shares are listed, posted and called for trading on the Exchange, and at a price of **\$0.46** per common share at any time up to the close of business at the end of the second year from the date the Issuer's Shares are listed, posted and called for trading on the Exchange.

The Agent's Warrants will contain, among other things, anti-dilution provisions and provisions for appropriate adjustment in the class, number and price of shares issuable pursuant to any exercise thereof upon the occurrence of certain events, including

any subdivision, consolidation or reclassification of the shares of the Issuer, the payment of stock dividends or the amalgamation of the Issuer.

Additional Offering

The Agent has agreed to purchase any Shares offered hereby which have not been sold at the conclusion of the Offering (the "Guarantee"), and as consideration for the Guarantee has been granted the Agent's Warrants. The Agent's Warrants have been distributed to the Agent under this Prospectus. Any shares acquired by the Agent pursuant to the Guarantee will also be distributed under this Prospectus through the facilities of the Exchange at the market price at the time of sale.

Conditional Listing

The Vancouver Stock Exchange (again the "Exchange") has conditionally listed the securities being offered pursuant to this Prospectus. Listing is subject to the Issuer fulfilling all of the listing requirements of the Exchange on or before August 12, 1991.

USE OF PROCEEDS

The net proceeds to be derived by the Issuer from the sale of the securities offered hereunder, after deduction of the Agent's commission, will be \$210,000. The net proceeds, together with an approximate \$47,153 working capital deficiency, as at February 8, 1991, will be expended in priority in accordance with the following allocation:

FUND ALLOCATION

<u>Allocation Category</u>	<u>Fund Allocation</u>
(a) To pay the estimated <u>Remaining Costs</u> of the <i>Offering</i>	<u>\$ 10,000</u>

(b)	To conduct <u>Phase I</u> of the work programme recommended on the <i>Claims</i> by <i>Damir Cukor, Geologist</i> , and <i>Vladimir Cukor, P.Eng.</i> , both of <i>NVC Engineering Ltd.</i> , in their <i>Report</i> dated as amended January, 1990 (1)(2)	<u>\$ 95,050</u>
(c)	Reserve for <u>Unallocated Working Capital</u>	<u>\$ 57,797</u>
	<u>Total Proceeds Available:</u>	<u>\$ 162,847 (3)</u>

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- (1) By the above-referenced Option Agreement, dated September 18, 1987, the Issuer acquired an exclusive option to acquire a 100% undivided interest in and to the three above-referenced mineral Claims situated in the Victoria Mining Division of the Province of British Columbia. Pursuant to the provisions of the referenced Option Agreement, the Issuer has paid \$25,000 to Ruza Resources Ltd. and will issue to that same party an aggregate of 75,000 fully paid and non-assessable common shares of its capital stock as delineated above. As at the date of this Prospectus the Issuer has expended a total of \$25,000 on acquisition costs and a total of approximately \$86,830 on exploration and development costs of the referenced Claims. For further particulars please refer to the heading captioned "Acquisition of the 3 x 3 and Lusty-Valiant Claims" under the section captioned "ACQUISITIONS" herein.
- (2) The complete text of the above-referenced Report may be examined at the head office of the Issuer, located at 1006 - 750 West Pender Street, Vancouver, British Columbia, V6C 2T8, during normal business hours while the primary distribution of the securities offered hereunder is in progress and for a period of thirty days thereafter. For further particulars please refer to the heading captioned "Description of the 3 x 3 and Lusty-Valiant Claims" under the section captioned "ACQUISITIONS" herein. In addition, the complete text of the Report is attached to this Prospectus and forms a material part hereof. Gary Wesa, a geologist and a Director of the Issuer, will be responsible for the day-to-day implementation and supervision of said Phase I work programme to be undertaken by the Issuer on the Claims.
- (3) In the event that all of the Agent's Warrants are exercised during the first year of their term, the Issuer would receive an additional \$60,000, and the Issuer would then have additional monies available for further exploration of the Claims, or for the acquisition and development of other properties or for general working capital purposes.
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It is the opinion of the Issuer that the allocation of funds in the foregoing manner appears warranted on the basis of information presently available to the Issuer, and upon current circumstances, economic and otherwise.

Funds committed to a specific program or property may be diverted in whole or in part to other uses if the program or property to

which the funds are committed is abandoned or disposed of in whole or in part. The abandonment or disposition of such program or property may only occur upon the written recommendation of the Issuer's qualified independent engineering consultants, or upon the Issuer making arrangements with other parties for the performance of part or all of the work on the program or property. Any such event and diversion of proceeds will be subject to the approval of the appropriate regulatory authorities and will be disclosed by amendment to this Prospectus, if the Issuer is still in the course of the Offering. Following completion of the Offering shareholders will be notified of changes in the affairs of the Issuer in accordance with the requirements of the appropriate regulatory authorities.

The foregoing represents the Issuer's best estimate as to how the proceeds of the Offering herein will be expended. However, the Issuer's management reserves the right to redirect any portion of those proceeds as it considers to be in the best interests of the Issuer, based upon circumstances as they arise.

No part of the proceeds will be used to invest, underwrite or trade in securities other than those that qualify as an investment in which trust funds may be invested under the laws of the jurisdiction in which the securities offered by this Prospectus may be lawfully sold. Should the Issuer seek to use the proceeds to acquire other than trustee type securities after the distribution of the securities offered by this Prospectus, approval by the members of the Issuer must first be obtained and notice of the Issuer's intention must be filed with the regulatory authorities having jurisdiction over the sale of the securities offered by this Prospectus.

RISK FACTORS

Mineral exploration and development is a speculative business. The marketability of any minerals acquired by the Issuer will be affected by numerous factors, which include production costs, market fluctuations, processing prices and government regulation, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection, none of which factors can be accurately predicted.

The Shares 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 consider carefully the following factors:

1. There is no known body of commercial ore located on the Claims, and the Issuer is conducting an exploratory search for ore only. The purpose of the present Offering is to raise funds to carry out further exploration with the objective of establishing ore of commercial tonnage and grade. If the Issuer's exploration program is successful, additional funds will be required for the development of an economic ore body and to place it in commercial production. The only source of future funds presently available to the Issuer is through the sale of equity capital. The only alternative to the financing by the Issuer of further exploration would be the offering by the Issuer of an interest in the Claims to be earned by another party or parties carrying out further exploration or development thereof, which is not presently contemplated;
2. There is no existing market for the shares of the Issuer and there can be no assurance given that one will develop;
3. Mining operations involve a high degree of risk. Hazards such as unusual or unexpected formations and other conditions are involved. The Issuer has no liability insurance, and 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;
4. While the Issuer has obtained an industry standard title report with respect to the Claims, this should not be construed as a guarantee of title. The Claims may be subject to prior adverse unregistered agreements or transfers, and title may be affected by undetected defects;
5. No investigation has been made of the original application for filing, the location of boundaries of the Claims or of the existence of any interest in the Claims other than what may be noted in the offices of the Mining Recorder in the Victoria Mining Division of the Province of British Columbia. In addition, the Claims are located in an area within which permits may be required before the Issuer may undertake further exploration of the Claims;
6. No examination has been made of the ground to determine if the Claims has been staked or assessment work carried out to comply with the provisions of the Mineral Act and its Regulations of the Province of British Columbia;

7. Upon completion of this Offering, this issue will represent 30.60% of the shares of the Issuer then outstanding as compared to 45.39% that will then be owned by Promoters, Directors and Officers of the Issuer and those persons or group of persons who own beneficially, directly or indirectly, voting securities carrying more than 10% of the outstanding voting securities of the Issuer. For further particulars please refer to the sections captioned "PRINCIPAL HOLDERS OF SECURITIES" and "INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS" herein;
8. One or more Directors of the Issuer has an interest, direct or indirect, in other natural resource companies. For further particulars please refer to the heading captioned "Potential Conflicts of Interest" under the section captioned "INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS" herein;
9. The net book value per share after completion of the Offering (but before exercise of any of the Agent's Warrants) will be \$0.13599 cents, representing an immediate and substantial dilution of 66%; and
10. There is little likelihood of profits or the payment of dividends therefrom by the Issuer in the near future.

SHARE AND LOAN CAPITAL STRUCTURE

<u>Designation</u>	<u>Amount Authorized</u>	<u>Amount Outstanding as at July, 31, 1990</u>	<u>Amount Outstanding as at Feb. 8, 1991</u>	<u>Amount Outstanding on completion of Offering (1)(2)</u>
Common	100,000,000	1,361,001	1,361,001	1,961,001

- (1) Excludes the 75,000 common shares of the Issuer to be issued pursuant to the above-referenced Option Agreement. For further particulars please refer to the heading captioned "Acquisition of the 3 x 3 and Lusty-Valant Claims" under the section captioned "ACQUISITIONS" herein.

- (2) Before the exercise of any of the 150,000 Agent's Warrants. For further particulars please refer to the heading captioned "Agent's Warrants" under the section captioned "PLAN OF DISTRIBUTION" herein.

NOTE: There are also 195,000 common shares of the Issuer subject to certain Incentive Stock Option Agreements. For further particulars please refer to the section captioned "OPTIONS TO PURCHASE SECURITIES" herein.

There are no shares of the Issuer subject to rights, options and warrants, except as disclosed herein.

PRIOR SALES AND SHARE ISSUANCES

Since the incorporation of the Issuer the following common shares of the Issuer have been issued as fully paid and non-assessable:

<u>Number of Shares</u>	<u>Price per Share</u>	<u>Commissions Paid per Share sold</u>	<u>Cash Received</u>
750,000 (1)	\$0.01	Nil	\$ 7,500.00
611,000 (2)	\$0.25	Nil	\$152,750.00
1 (3)	\$1.00	Nil	\$ 1.00
<u>1,361,001</u>			<u>\$160,251.00</u>

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- (1) Principal escrowed common shares of the Issuer. For further particulars please refer to the section captioned "ESCROWED SHARES" herein.
- (2) "Seed" capital common shares of the Issuer.
- (3) Initial Subscriber's common share of the Issuer.

DESCRIPTION OF SECURITIES OF THE ISSUER BEING OFFERED

The authorized capital of the Issuer consists of 100,000,000 shares without par value of which 1,361,001 shares are issued as fully paid and non-assessable.

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

PROMOTERS

The following individual may be considered the promoter of the Issuer within the five years immediately preceding the date of this Prospectus in that he took the initiative in founding or organizing the business of the Issuer, or that he has received 10% or more of the Issuer's present securities:

Donald Alex Axent

The name of the promoter, the nature and amount of anything of value (including money, property, options or rights of any kind) received directly or indirectly from the Issuer, and the nature and amount of any asset, service or other consideration received or to be received by the Issuer are as follows:

(a) **Seed Capital Shares**

<u>Name of Purchaser</u>	<u>No. of Shares</u>	<u>Price per Share</u>
Donald Alex Axent	115,000	\$0.25
Donald Alex Axent	1 *	\$0.25

* Initial Subscriber's common share of the Issuer.

(b) **Escrowed Shares**

<u>Name of Shareholder</u>	<u>No. of Shares</u>	<u>Price per Share</u>
Donald Alex Axent	750,000	\$0.01

(c) Incentive Stock Options *

<u>Name of Optionee</u>	<u>No. of Shares</u>
Donald Alex Axent	90,000

* All exercisable at a price of \$0.40 per common share for a period of two years from the date of the issuance of the final receipt for this Prospectus.

The details of the amounts and dates of any other assets acquired or to be acquired within the past two years by the Issuer from the referenced promoter and the amount and date of cost of such assets to the promoter is nil.

ESCROWED SHARES

Set forth hereunder are particulars of the escrowed common shares of the Issuer as of the date of this Prospectus:

<u>Designation of Class</u>	<u>Number of Securities Held in Escrow</u>	<u>Percentage of Class</u>
Common (Performance shares)	750,000	55.11%

These escrowed common shares were issued as performance shares at a price of \$0.01 per performance escrowed common share as follows:

<u>Name & Address of Principal</u>	<u>Number of Shares Issued</u>
Donald Alex Axent * 234 - 7651 Minoru Blvd. Richmond, British Columbia V6Y 1Z3	750,000

* Mr. Axent is the President, Chief Executive Officer and a Director of the Issuer.

and are held in escrow pursuant to a certain *Escrow Agreement* dated for reference July 20, 1990 (the "*Escrow Agreement*") with *Pacific Corporate Trust Company*, of 830 - 625 Howe Street, Vancouver, British Columbia, V6C 3B8, subject to the direction and determination of the Superintendent of Brokers for the Province of British Columbia or the Vancouver Stock Exchange (hereinafter collectively referred to as the "*Regulatory Authorities*"). The escrow restrictions provide that the performance shares may not be traded in, dealt with in any manner whatsoever, or released, nor may the Issuer, its transfer agent or escrow shareholders make any transfer or record any trading of the performance shares without the consent of the Regulatory Authorities.

The Escrow Agreement acknowledges that a portion of the consideration for the issuance of the performance shares is to encourage the escrow shareholders to act in the best interests of the Issuer, and if the Issuer becomes successful due in part to the efforts of the escrow shareholders, the escrow shareholders will be entitled to maintain their ownership of the performance shares and to a release of those shares from time to time in accordance with the general policies of the Regulatory Authorities.

The complete text of the Escrow Agreement is available for inspection at the Registered and Records Offices of the Issuer located at 2550 - 555 West Hastings Street, Vancouver, British Columbia, V6B 4N5, during normal business hours, and will continue to be available during normal business hours for a period of thirty days following completion of this Offering.

DIRECTORS AND OFFICERS

The names, addresses and principal businesses or occupations in which each of the Directors and Senior Officers of the Issuer have been engaged in during at least the immediately preceding five years are as follows:

<u>Name & Address</u>	<u>Shares Beneficially Owned</u>	<u>Occupation</u>
<u>DONALD ALEX AXENT *</u> 234 - 7651 Minoru Blvd. Richmond, B.C. V5Y 1Z3 PRESIDENT, CHIEF EXECUTIVE OFFICER and a DIRECTOR	115,000 (1) 750,000 (2) 1 (3) <u>865,001</u>	1990 to present, Automobile Broker, Sport West Auto Wholesale; 1989 to 1990, Automobile Salesman, Brian Jessel BMW; 1983 to 1989, Employee, Tumbler Automotive Supply Ltd.
<u>ANDREW W. STASIAK</u> 202 - 9090 West 6th Avenue Vancouver, B.C. V5Y 1L3 SECRETARY, CHIEF FINANCIAL OFFICER and a DIRECTOR	<u>6,000</u> (1)	1990 to present, Automobile Broker, Sport West Auto Wholesale; May, 1990 to present, Automobile Salesman, Brian Jessel Toyota; December, 1989 to April, 1990, Automobile Salesman, Brian Jessel BMW; 1985 to present, President, Polonex International Ltd., an import-export company.
<u>NATHANIEL CHELIN *</u> 1003 - 7281 Cambie Street Vancouver, B.C. V6P 3H4 DIRECTOR	<u>14,000</u> (1)	1970 to present, President, Chelin Agencies Ltd., a Manufacturer's Agent.
<u>GARY WESA *</u> 309 - 6669 Telford Avenue Burnaby, B.C. V5H 4A1 DIRECTOR	<u>5,000</u> (1)	1989 to present, consulting Geologist, self-employed; 1985 to 1989 consulting Geologist to Dawson Geological Consultant Ltd. and to several resource companies, including Skylark Resources Ltd., International Coast Minerals Ltd. and Varna Gold Inc.

(1) Comprised of seed capital common shares of the Issuer which were subscribed for at a price of \$0.25 per common share. For further particulars please refer to the section captioned "INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS" herein.

(2) Performance escrowed common shares of the Issuer. For further particulars please refer to the section captioned "ESCROWED SHARES" herein.

(3) Initial Subscriber's common share of the Issuer.

* Proposed members of the Issuer's Audit Committee.

None of the Directors or Officers of the Issuer have been a Director or Officer of any companies which have been struck from the Register of Companies by the Registrar of Companies for the Province of British Columbia. None of the Directors or Officers of the Issuer are Directors or Officers of reporting companies which have been cease traded or suspended for more than thirty days.

Other than as disclosed above, *Donald Alex Axent*, the President, Chief Executive Officer and a Director of the Issuer, is currently a Director or Officer of two other British Columbia companies, neither of which are reporting companies; *Andrew W. Stasiak*, the Secretary, Chief Financial Officer and a Director of the Issuer, is currently a Director or Officer of two other British Columbia companies, neither of which are reporting companies; *Nathaniel Chelin*, a further Director of the Issuer, is currently a Director or Officer of three other British Columbia companies, none of which are reporting companies; and *Gary Wesa*, a further Director of the Issuer, is not currently a Director or Officer of any other British Columbia companies.

Mr. *Axent* will be responsible for the day-to-day management of the Issuer, while Mr. *Wesa* will be responsible for the day-to-day implementation and supervision of the above-referenced Phase I programme to be undertaken by the Issuer on the above-referenced Claims. Messrs. *Stasiak* and *Chelin* are not actively engaged in the day-to-day business affairs of the Issuer.

Details of positions held by the foregoing during the past five years in other reporting companies are available during normal business hours at the head office of the Issuer located at 1006 - 750 West Pender Street, Vancouver, British Columbia, V6C 2T8.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There are no other proposed or existing material interests in respect of the Issuer, direct or indirect, of any Director, Senior Officer, Principal Holder of Securities and any associates or affiliates of the foregoing, within a three year period prior to the date of this Prospectus, except as disclosed in this Prospectus.

Performance Shares

Pursuant to the above-referenced *Escrow Agreement* dated for reference July 20, 1990, a Director of the Issuer purchased 750,000 performance escrowed common shares of the Issuer at a price of \$0.01 per performance escrowed common share, as follows:

<u>Name & Address of Principal</u>	<u>Number of Shares Issued</u>
Donald Alex Axent 234 - 7651 Minoru Blvd. Richmond, British Columbia V6Y 1Z3	750,000

For further particulars please refer to the section captioned "ESCROWED SHARES" herein.

Seed Capital Shares

Directors of the Issuer purchased, directly and indirectly, an aggregate of 140,000 seed capital common shares of the Issuer at a subscription price of \$0.25 per common share, as follows:

<u>Name of Director</u>	<u>Number of Shares</u>
Donald Alex Axent	115,000
Andrew W. Stasiak	6,000
Nathan Chelin	14,000
Gary Wesa	5,000

Incentive Stock Options

By certain *Incentive Stock Option Agreements* dated July 20, 1990, the Issuer has granted the Directors of the Issuer the option to purchase an aggregate of 195,000 common shares from the capital of the Issuer at a price of \$0.40 per common share, exercisable for a period of two years from the date of the final receipt for this Prospectus, as follows:

<u>Name of Optionee</u>	<u>Number of Optioned Shares</u>
Donald Alex Axent	90,000
Andrew W. Stasiak	55,000
Nathan Chelin	25,000
Gary Wesa	25,000

Management Agreement

The Issuer has entered into a certain *Management Agreement*, dated March 1, 1990, with *Donald Alex Axent*, the President, Chief Executive Officer and a Director of the Issuer, whereby Mr. Axent receives \$2,000 per month for the provision of administrative services to the Issuer. As at the date of this Prospectus Mr. Axent has received a total of \$5,000.

Mr. Axent is responsible for the day-to-day management of the Issuer.

Administration Fees and Disbursements

Pursuant to a certain management agreement dated June 16, 1987, the Issuer agreed with *KNA Holdings Ltd. ("KNA")*, a non-reporting British Columbia company owned and controlled by a certain *Kirsten Marquis*, a person who was at that time an Officer of the Issuer, that it would pay KNA \$2,000 per month plus expenses for the provision of management and administrative services to the Issuer. The management agreement was cancelled October 31, 1988. During the continuance of the management agreement the Issuer was obliged to pay KNA \$34,675, of which \$19,925 was in fact paid. The balance of \$14,750 was assigned by KNA to *Donald Alex Axent*, the President, Chief Executive Officer and a Director of the Issuer, and remains outstanding. It is intended that this amount will be paid to Mr. Axent out of the proceeds of the Offering.

Potential Conflicts of Interest

Directors and Officers of the Issuer may be presented, from time to time, with situations or opportunities which give rise to apparent conflicts of interest which cannot be resolved by arms-length negotiations but only through exercise by the Directors and Officers of such judgment as is consistent with their fiduciary duties to the Issuer which arise under British Columbia corporate law, especially insofar as taking advantage, directly or indirectly, of information or opportunities acquired in their capacities as Directors and Officers of the Issuer. Any

transactions with Directors or Officers will only be on terms consistent with industry standards and sound business practice in accordance with the fiduciary duties of those persons to the Issuer, and, depending upon the magnitude of the transactions and the absence of any disinterested board members, may be submitted to the shareholders for their approval.

EXECUTIVE COMPENSATION

The number of Executive Officers of the Issuer is two. They are *Donald Alex Arent*, the President, Chief Executive Officer and a Director of the Issuer, and *Andrew W. Stasiak*, the Secretary, Chief Financial Officer and a Director of the Issuer.

The aggregate cash compensation, including salaries, fees, commissions and bonuses, directly and indirectly paid or to be paid to Executive Officers of the Issuer from the date of incorporation of the Issuer, that being since June 19, 1987, up to and including the date of this Prospectus is \$29,000.

The Issuer has no plan pursuant to which cash or non-cash compensation has been paid or distributed, or is proposed to be paid or distributed, to Executive Officers during the most recently completed financial period, that being November 30, 1990, except as disclosed above and under the section captioned "INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS" herein.

The Issuer has no plan to grant options to purchase securities to Executive Officers during the most recently completed financial period, that being November 30, 1990, except for those incentive stock options granted as disclosed under the section captioned "OPTIONS TO PURCHASE SECURITIES" herein.

The aggregate net value of options exercised since the date of incorporation of the Issuer, that being since June 19, 1987, is nil, as there have been no such options exercised.

OPTIONS TO PURCHASE SECURITIES

As at the date of this Prospectus the Issuer has granted the following incentive stock options:

- (a) To Directors who are also Executive Officers of the Issuer who number two as a group:

<u>Number of Shares Optioned</u>	<u>Purchase Price</u>	<u>Expiration Date</u>
145,000	\$0.40	Two years from the date of final receipt for this Prospectus

- (b) To Directors who are not Executive Officers of the Issuer who number two as a group:

<u>Number of Shares Optioned</u>	<u>Purchase Price</u>	<u>Expiration Date</u>
50,000	\$0.40	Two years from the date of final receipt for this Prospectus

The Directors' incentive stock options are subject to shareholder approval before they may be exercised.

INDEBTEDNESS OF DIRECTORS & SENIOR OFFICERS

Particulars of indebtedness to the Issuer that are not routine and have been incurred by proposed and current Directors and Senior Officers of the Issuer and their associates or affiliates are nil, as there has been no such indebtedness incurred.

PRINCIPAL HOLDERS OF SECURITIES

Principal Shareholders

As of the date of this Prospectus each person or company holding, as of record or known to the Issuer to hold beneficially, directly or indirectly, more than ten percent (10%) of the issued shares of the Issuer are as follows:

<u>Name & Address</u>	<u>Class of Shares</u>	<u>Type of Ownership</u>	<u>No. of Shares Owned</u>	<u>Percentage of Class</u>
Donald Alex Axent * 234 - 7651 Minoru Blvd. Richmond, B.C. V6Y 1Z3 (4)	Common	Direct	750,000 (1) 115,000 (2) 1 (3)	63.56%

(1) Performance escrowed common shares of the Issuer. For further particulars please refer to the section captioned "ESCROWED SHARES" herein.

(2) Seed capital common shares of the Issuer.

(3) Initial Subscriber's share of the Issuer.

* Mr. Axent is the President, Chief Executive Officer and a Director of the Issuer.

Directors and Officers

The number and percentage of securities of each class of voting securities of the Issuer beneficially owned, directly or indirectly, by all Directors and Senior Officers of the Issuer as a group is as follows:

<u>Class of Shares</u>	<u>No. of Shares Owned</u>	<u>Percentage of Class prior to Offering</u>	<u>Percentage of Class after Offering</u>
Common	890,001	65.39%	45.39%

SHARES ISSUED FOR OTHER THAN CASH

There are no shares of the Issuer issued for other than cash.

LEGAL MATTERS

There are no pending legal proceedings to which the Issuer is a party.

SOLICITORS, AUDITORS AND REGISTRAR AND TRANSFER AGENT

The name and address of the Solicitors of the Issuer is *Devlin Jensen, Barristers & Solicitors*, of 2550 - 555 West Hastings Street, Vancouver, British Columbia, V6B 4N5.

The name and address of the Auditors of the Issuer is *C. Buckley & Co. Inc.*, Chartered Accountants, of 1140 - 1185 West Georgia Street, Vancouver, British Columbia, V6E 4E6.

The Registrar and Transfer Agent of the Issuer is *Pacific Corporate Trust Company*, of 830 - 625 Howe Street, Vancouver, British Columbia, V6C 3B8.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of the Issuer's business, the only material contracts entered into by the Issuer within ten years immediately preceding the date of this Prospectus are the following:

1. *Mineral Property Option Agreement*, dated September 18, 1987, as entered into between the Issuer and *Ruza Resources Ltd.*, as referred to in the section captioned "ACQUISITIONS" herein;

2. *Management Agreement*, dated March 1, 1990, as entered into between the Issuer and *Donald Alex Axent*, the President, Chief Executive Officer and a Director of the Issuer, whereby the Issuer would pay Mr. Axent \$2,000 per month for the provision of administrative services, as referred to in the section captioned "*INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS*" herein;
3. *Registrar and Transfer Agent Agreement*, dated July 20, 1990, as entered into between the Issuer and *Pacific Corporate Services Limited* (now *Pacific Corporate Trust Company*), whereby *Pacific Corporate Trust Company* has agreed to act as the Registrar and Transfer Agent for the Issuer;
4. *Subscription Forms*, variously dated, in connection with the subscription for seed capital common shares of the Issuer;
5. *Incentive Stock Option Agreements*, all dated July 20, 1990, as entered into between the Issuer and each of the Directors of the Issuer, as referred to in the section captioned "*OPTIONS TO PURCHASE SECURITIES*" herein;
6. *Escrow Agreement*, dated for reference July 20, 1990, as entered into between among the Issuer, *Donald Alex Axent* and *Pacific Corporate Services Limited* (now *Pacific Corporate Trust Company*), as referred to in the section captioned "*ESCROWED SHARES*" herein; and
7. *Agency Offering Agreement*, dated for reference November 1, 1990, as entered into between the Issuer and *Pacific International Securities Inc.*, as referred to in the section captioned "*PLAN OF DISTRIBUTION*" herein.

Other than as set out above, there are no material contracts except as disclosed in this Prospectus or entered into in the ordinary course of the Issuer's business, all of which may be inspected at the Registered and Records Offices of the Issuer, located at 2550 - 555 West Hastings Street, Vancouver, British Columbia, V6B 4N5, during normal business hours while the primary distribution of the securities being offered under this Prospectus is in progress, and for a period of thirty days thereafter.

MANAGEMENT COMMENTS ON INTERIM RESULTS

There have been no material changes to the financial position of the Issuer since the most recently completed financial period for the Issuer, that being since November 30, 1990.

OTHER MATERIAL FACTS

Neither the Directors of the Issuer nor the Issuer itself has any arrangement, undertaking or contract, oral or written, with any person or company to act as a promoter, investor relations firm, market maker or provider of aftermarket support for the Issuer or its securities.

There are no other material facts not previously disclosed herein.

PURCHASER'S STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

The Securities Act of the Province of British Columbia provides a purchaser with a right to withdraw from an agreement to purchase securities within two business days of receipt or deemed receipt of a prospectus, and the securities legislation of the Province of British Columbia 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 limits 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 (British Columbia) or consult a lawyer.

January 1990

BUTTER ROCK RESOURCES INC.

3x3 and LUSTY-VALIANT CLAIMS

Engineering Report

by D. Cukor, geologist, V. Cukor, P. Eng.

NVC ENGINEERING LTD.

Vancouver, B.C.

TABLE OF CONTENTS

	<u>Page</u>
1. INTRODUCTION	1
2. REVIEW	2
2.1 SUMMARY AND CONCLUSIONS	2
2.2 RECOMMENDATIONS	3
2.3 COST ESTIMATE	3
3. PROPERTY	5
3.1 LOCATION	5
3.2 ACCESS	5
3.3 CLAIMS	6
3.4 TOPOGRAPHY AND CLIMATE	6
4. HISTORY	8
5. GEOLOGY	10
5.1 REGIONAL GEOLOGY	10
5.2 LOCAL GEOLOGY	10
5.2.1 Geology of the 3X3 Claim	10
5.2.2 Mineralization of the 3X3 Claim	12
5.2.3 Geology of the Lusty-Valiant Claim	14
5.2.4 Mineralization of the Lusty-Valiant Claim	16
6. GEOCHEMICAL SOIL SURVEY	18
6.1 GENERAL DESCRIPTION	18
6.2 DISCUSSION OF RESULTS	18
6.2.1 3X3 Claim	18
6.2.2 Lusty-Valiant Claim	20
7. GEOPHYSICAL SURVEYS	21
7.1 MAGNETIC SURVEY	21
7.1.1 3X3 Claim	22
7.1.2 Lusty-Valiant Claim	22
7.2 VLF-EM SURVEY	22
7.2.1 3x3 Claim	22
7.2.2 Lusty-Valiant Claim	23

ILLUSTRATIONS

		<u>After Page</u>
Figure 1	Location Map	4
Figure 2	Topography of 3X3 Claim	4
Figure 3	Topography of Lusty-Valiant Claim	4
Figure 4	Claim Map - 3X3	5
Figure 5	Claim Map - Lusty-Valiant	5
Figure 6	Regional Geology - 3X3	9
Figure 7	Regional Geology - Lusty-Valiant	9
Figure 8	Geology of 3X3 Claim	10
Figure 9	Geology of Lusty-Valiant Claim	13
Figure 10	Geochemical Plan - Gold - 3X3	17
Figure 11	Geochemical Plan - Silver - 3X3	18
Figure 12	Geochemical Plan - Gold - Lusty-Valiant	19
Figure 13	Geochemical Plan - Silver - Lusty-Valiant	19
Figure 14	Magnetic Survey - 3X3	21
Figure 15	Magnetic Survey - Lusty-Valiant	21
Figure 16	VLF-EM Survey - Seattle - 3X3	21
Figure 17	VLF-EM Survey - Hawaii - 3X3	21
Figure 18	VLF-EM Survey - Seattle - Lusty-Valiant	22
Figure 19	VLF-EM Survey - Hawaii - Lusty-Valiant	22

BUTTER ROCK RESOURCES INC.
3X3 and LUSTY-VALIANT CLAIMS
Vancouver Island, British Columbia

1. INTRODUCTION

The Company has contracted the exploration work program as described in this Report to NVC Engineering Ltd., a Vancouver based geological consulting company. The work was performed on two properties (3X3 and Lusty-Valiant) which are about 20 kilometres distant from each other.

The grassroots exploration carried out between November 1987 and March 1988 consisted of extensive line cutting, a geochemical soil survey, detailed geological mapping, ground geophysical magnetic and VLF-EM surveys, as well as a study and compilation of known data published for that area.

The authors of this Report visited the 3X3 claim again in November 1989 to closer examine an area of high geochemical gold anomaly and good grade rock samples.

Damir Cukor, Geologist, and Jim Weick, Geologist, conducted and/or supervised the field work and overall supervision was by V. Cukor, P.Eng.

General Testing of Vancouver, B.C. performed assays on all soil and rock samples.

2. REVIEW

2.1 SUMMARY AND CONCLUSIONS

Butter Rock Resources' properties consist of two separate claim groups, the 3X3 and Lusty-Valiant claims, both easily accessible by existing roads.

Both properties are underlain by metasediments of the Leech River Complex. No previous ground work was performed on either property.

Elsewhere on Vancouver Island, gold was found and produced from the Leech River Complex since prior to 1900. However, the hard rock exploration was carried out only on a very limited scale. Most extensive development was carried out on Valentine Mountain, where excellent gold values were recovered from both surface exposures and diamond drill core.

Of the Butter Rock properties, the 3X3 claim returned the much more promising results. Rock samples from the north-south zone of fracturing, crossing several zones of silicification, returned good values. This zone, coinciding with a strong geochemical soil gold anomaly, produced a rock sample with the best assay on the property - it assayed 0.214 oz/t gold and 0.42 oz/t silver. That area definitely warrants follow-up detailed work, geological mapping, bulldozer trenching and extensive rock sampling. If positive results are encountered, a second stage comprising of diamond drilling will be recommended.

The results on the Lusty-Valiant claims are mostly disappointing. Only some limited geological follow-up, including rock sampling, is warranted in the location of three samples running about 0.01 oz/t gold.

2.2 RECOMMENDATIONS

On the 3X3 claim, more detailed geological mapping is necessary to assess the north-south trending area of high geochemical anomaly and good rock samples. Detailed geological mapping and extensive sampling of all outcrops in the area should be done by an experienced geologist (geologist and helper to be retained over a one month period). In addition, a geophysical resistivity survey should be carried out over that area. Areas between the outcrops should be backhoe trenched, mapped and sampled. An additional five days of geologist's time should be allocated for supervision of the trenching. Pending positive results, a second phase consisting of diamond drilling will be recommended.

On the Lusty-Valiant claims only, a moderate follow-up program of geological examination of area with samples around 0.01 oz/t gold should be carried out. It is recommended for the geologist and helper to spend a total of about five days on that property. If encouraging results are encountered, a second phase will be recommended at a later stage.

2.3 COST ESTIMATE

The following is an estimated budget to complete the recommended program on the 3X3 and Lusty-Valiant claims:

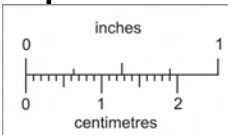
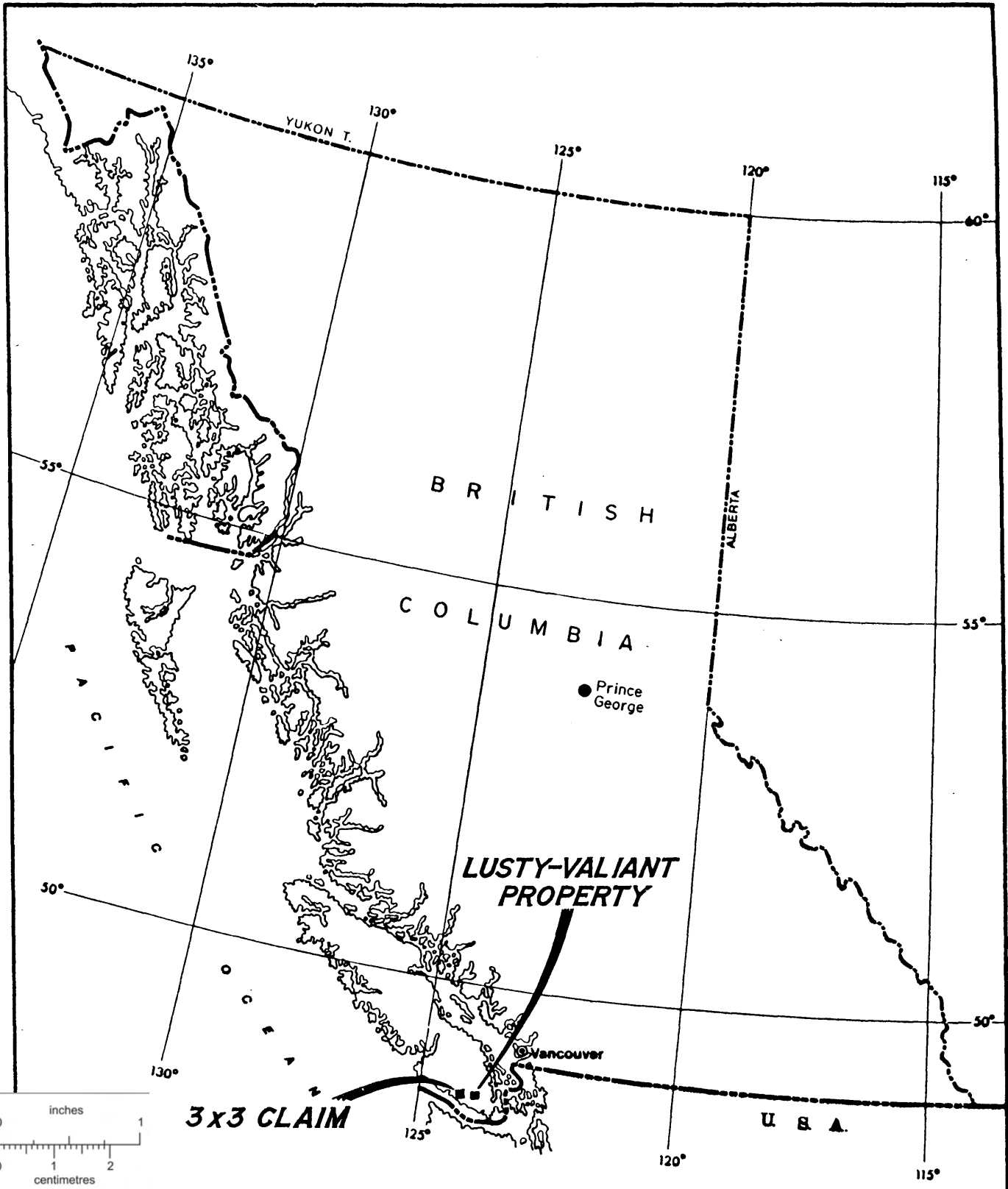
Phase 1 - 3X3 Claim

Backhoe trenching 50 hours @ \$140.00	\$ 7,000.00
Mobilization and demobilization	5,000.00
Geologist, 50 days @ \$300.00	15,000.00
Assistant, 50 days @ \$120.00	6,000.00
Resistivity survey	15,000.00
Vehicle rental, gasoline, transportation	4,500.00
Room and board	6,000.00
Assays, 250 samples @ \$15.00	3,750.00

Phase 1 - Lusty-Valiant Claim


Geologist, 5 days @ \$300.00	1,500.00
Assistant, 5 days @ \$120.00	600.00
Room and board, 10 days @ \$70.00	700.00
Vehicle, gasoline	<u>500.00</u>
Sub Total	\$65,550.00
Data Compilation and report	12,000.00
Engineering and supervision	7,500.00
Contingencies	<u>10,000.00</u>
Total	\$95,050.00

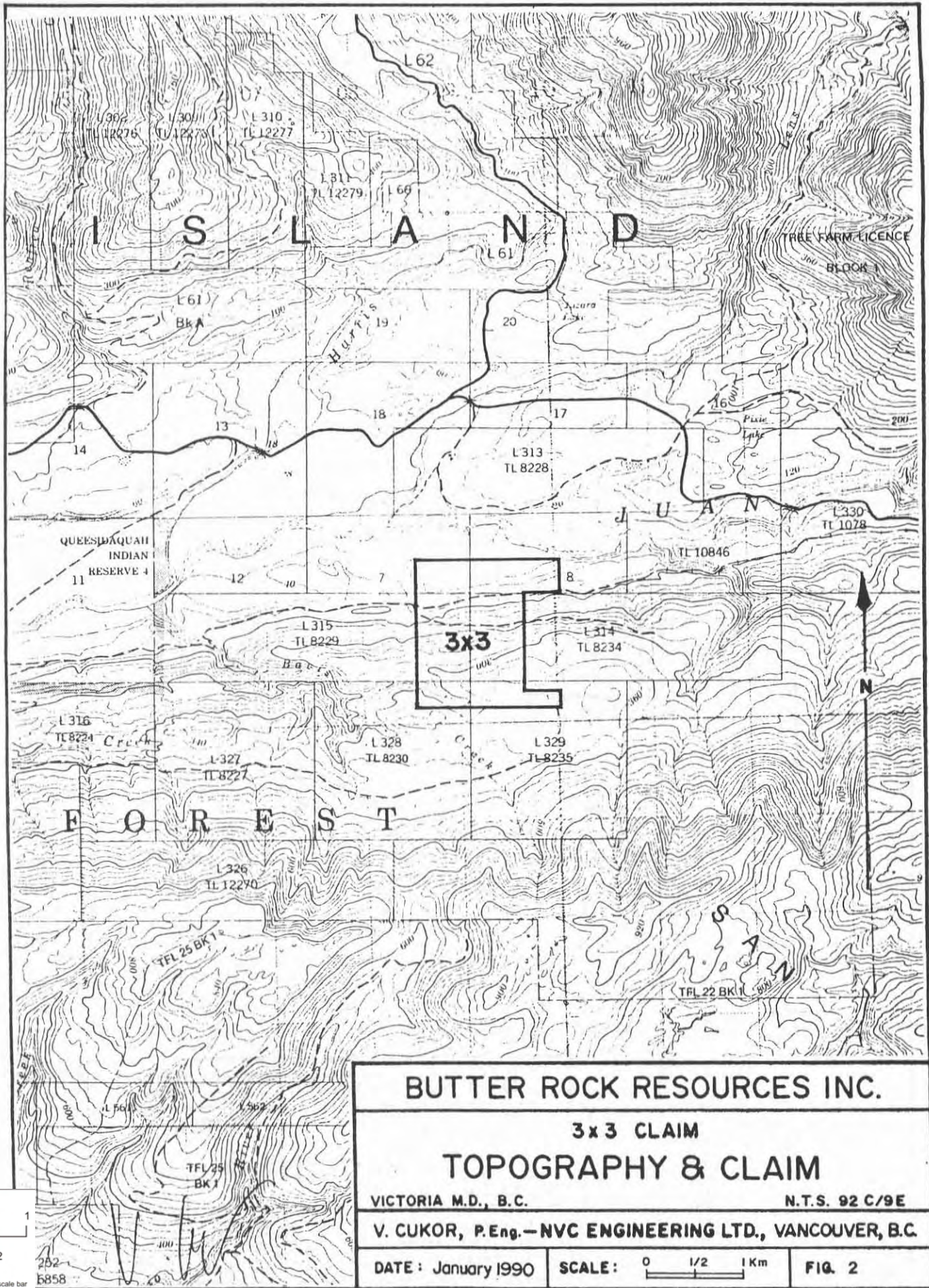
Contingent on positive and encouraging results from the Phase 1, a second phase of about \$150,000 of diamond drilling may be recommended.



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V. Cukor

BUTTER ROCK RESOURCES INC.		
LUSTY-VALIANT & 3x3 PROPERTIES		
LOCATION MAP		
VICTORIA M.D., B.C.		92 B/12 W B 92C/9E
V. CUKOR, P.Eng. - NVC ENGINEERING Ltd. - VANCOUVER, B.C.		
DATE: January 1990	SCALE: 	FIG. 1



BUTTER ROCK RESOURCES INC.

3x3 CLAIM

TOPOGRAPHY & CLAIM

VICTORIA M.D., B.C.

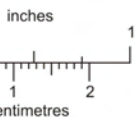
N.T.S. 92 C/9E

V. CUKOR, P.Eng. - NVC ENGINEERING LTD., VANCOUVER, B.C.

DATE: January 1990

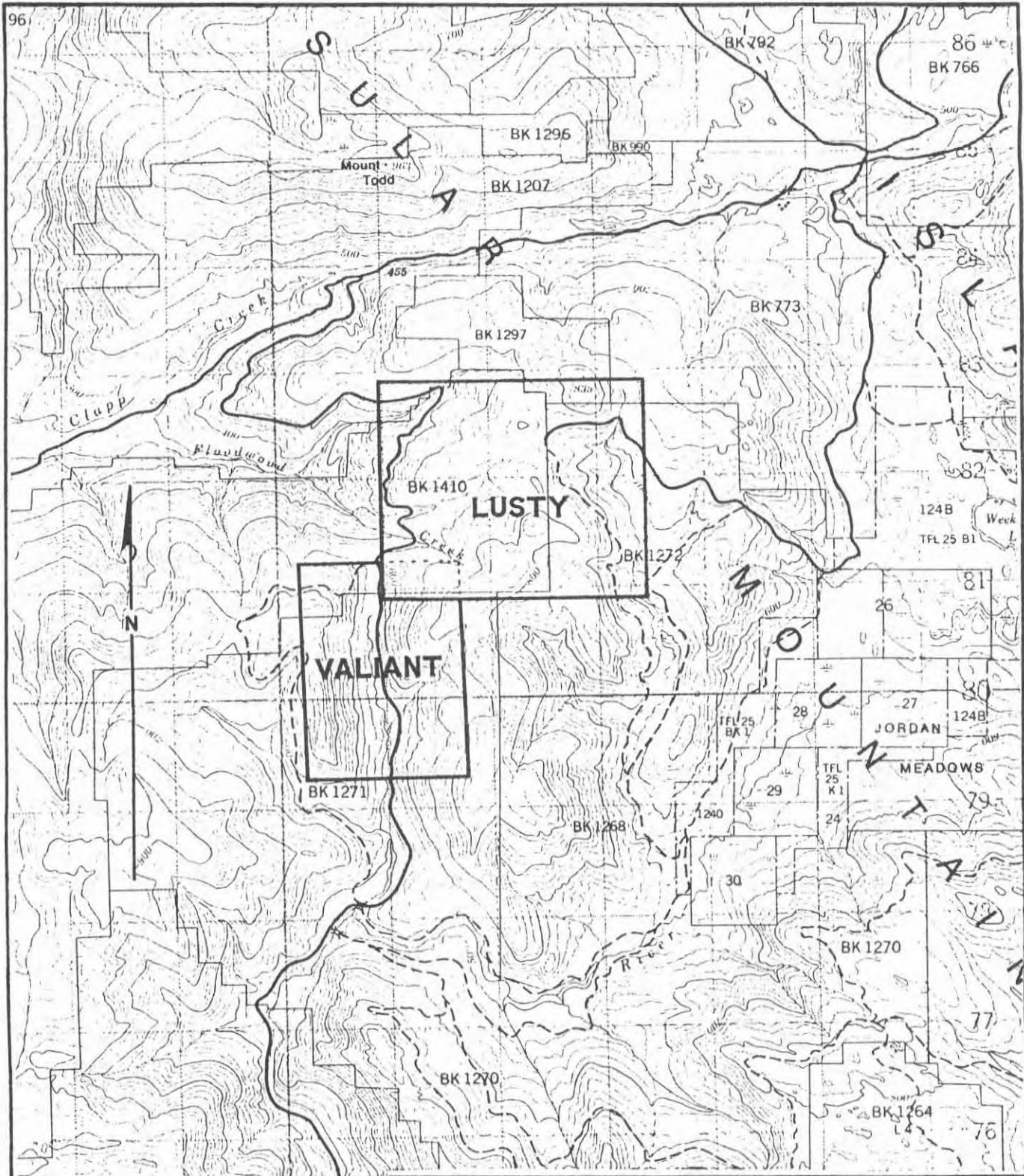
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FIG. 2

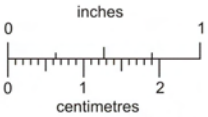


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BUTTER ROCK RESOURCES INC.	
LUSTY-VALIANT PROPERTY	
TOPOGRAPHY & CLAIMS	
VICTORIA M.D., B.C.	N.T.S. 92 B/12W
V. CUKOR, P.Eng. — NVC ENGINEERING LTD., VANCOUVER, B.C.	
DATE: January 1990	SCALE: FIG. 3



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3. PROPERTY

3.1 LOCATION

Both mineral properties are located on the southern part of Vancouver Island. The 3X3 claim is approximately 25 kilometres east of Port Renfrew, a small community on the Island's southern coast. The claim is centred at approximate north latitude 48 34' 30" and west longitude 124 14'. It is on NTS 92C/9E.

The Lusty-Valiant claims are in the central south part of the Island, located about 25 kilometres southwest of Duncan, B.C. on NTS 92B/12W. The claims are centred at approximate north latitude 48 34' 30" and west longitude 123 55'.

Both properties are in the Victoria, B.C. Mining Division. The general location is shown on fig. 1.

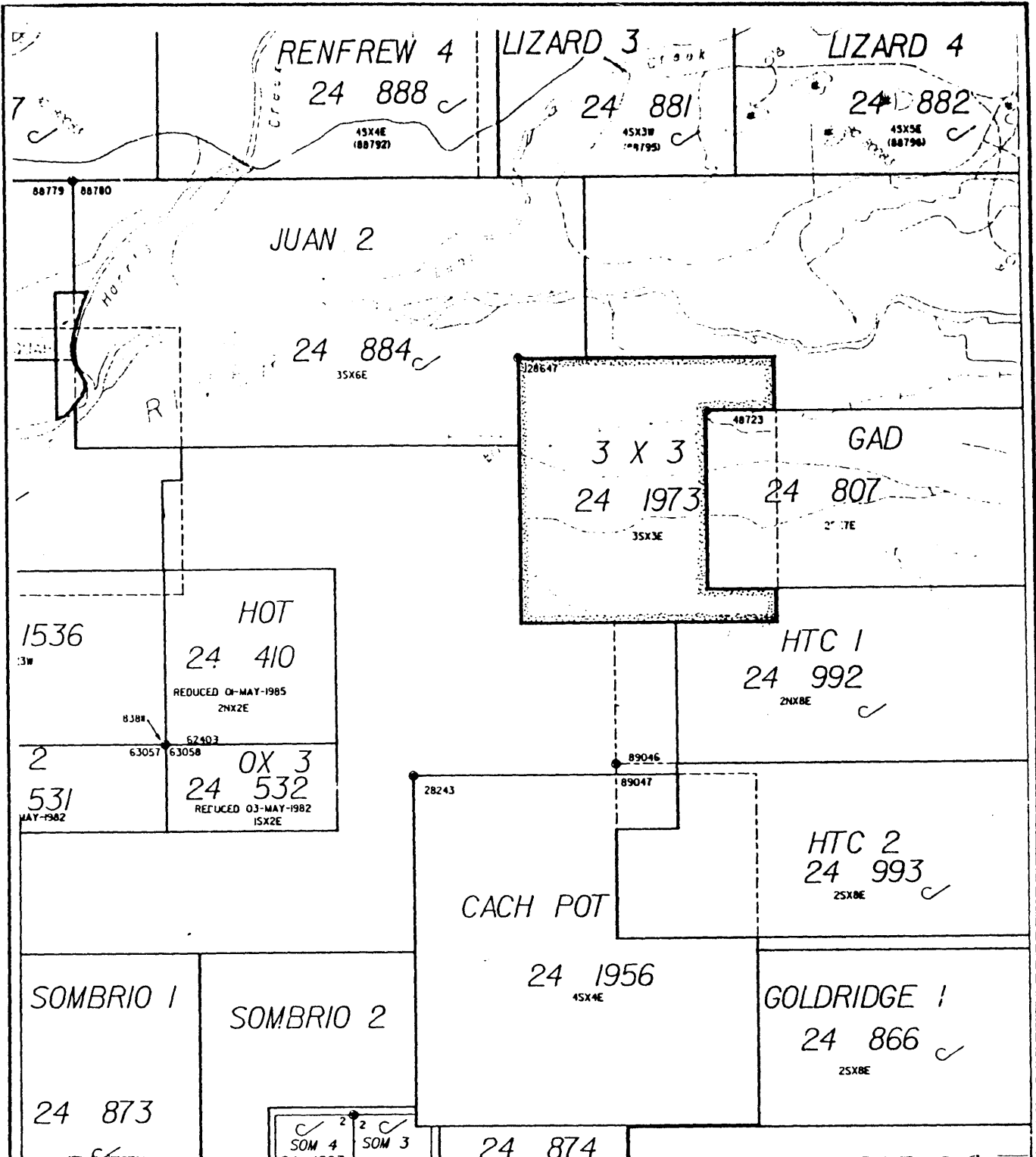
3.2 ACCESS

Both the 3X3 and Lusty-Valiant properties are readily accessible by roads.

On the 3X3 claim, the main haul road, Red Creek Fir, provides good access to the area. A good quality secondary logging road allows easy access to different parts of the claim.

The closest settlement is Port Renfrew, B.C., located about 30 kilometres northwest of Victoria, B.C. Lodging and meals for the crew are available there but none of the field supplies and/or services can be obtained there.

The Lusty-Valiant property is accessible from Shawnigan Lake by a main hauling road for a distance of 12 kilometres in the west direction. From the 12 kilometre point, the property is accessible by secondary logging roads. The Vancouver based C.I.P. Forest Company holds the



BUTTER ROCK RESOURCES INC.

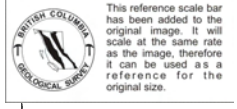
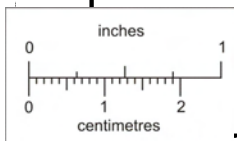
3x3 CLAIM

CLAIM MAP

VICTORIA M.D., B.C. N.T.S. 92 C/9E

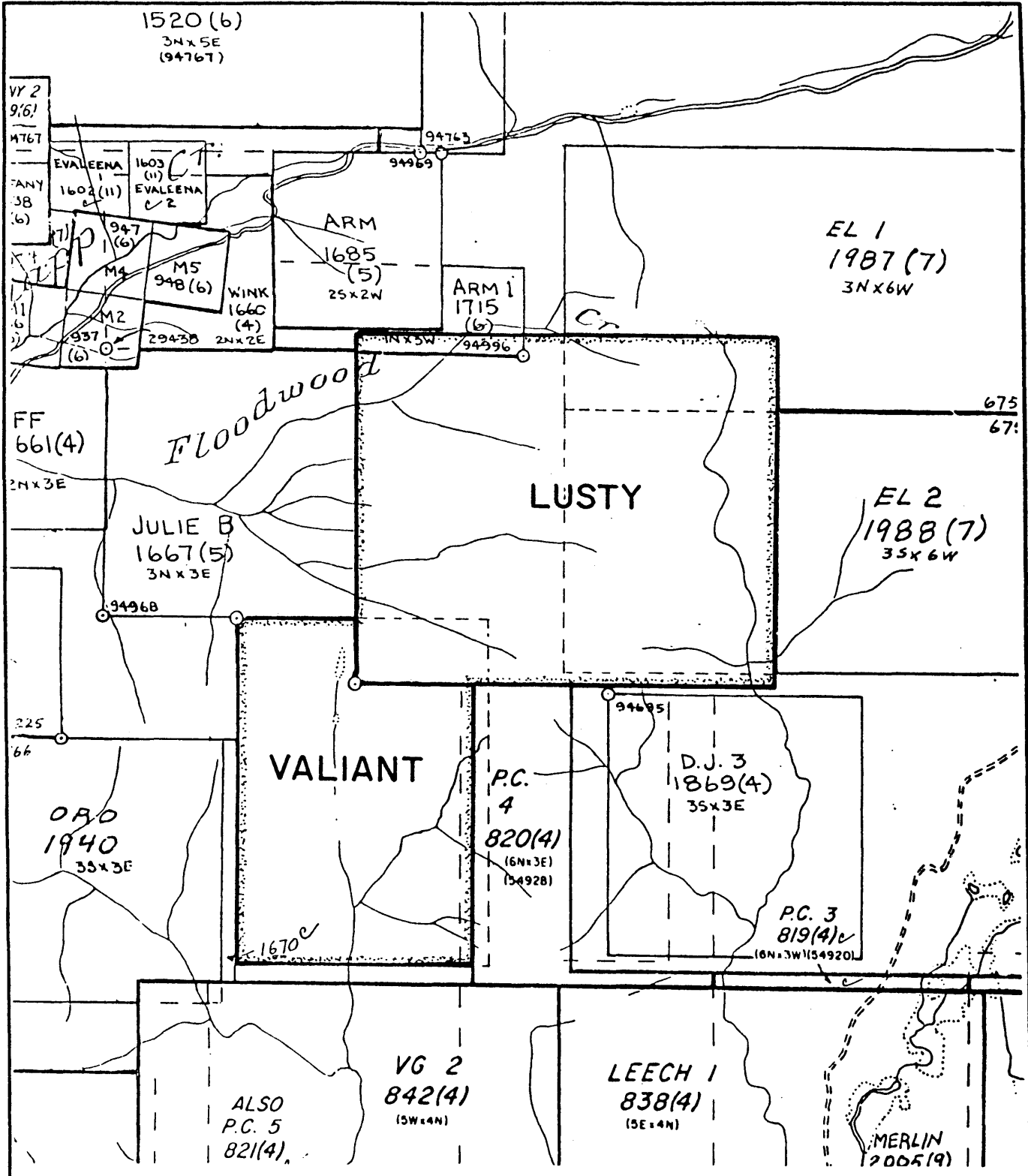
V. CUKOR, P.Eng. — NVC ENGINEERING LTD., VANCOUVER, B.C.

DATE: January 1990 SCALE: 0 1/2 1 Km FIG. 4



V. C.

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BUTTER ROCK RESOURCES INC.

LUSTY-VALIANT PROPERTY

CLAIM MAP

VICTORIA M.D., B.C.

N.T.S. 92 B/12W

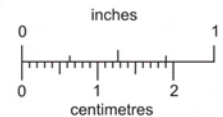
V. CUKOR, P.Eng. — NVC ENGINEERING LTD., VANCOUVER, B.C.

DATE: January 1990

SCALE: 0 1/2 1 Km

FIG. 5

V. M.



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surface rights in the area and it is necessary to obtain permits for access to the claims.

3.3 CLAIMS

Butter Rock's holdings on Vancouver Island consist of two non-contiguous properties separated by about 20 kilometres distance. The claims and the pertinent numbers are as follows:

<u>Claim Name</u>	<u>No. Units</u>	<u>Record No.</u>	<u>Anniversary Date</u>
3X3	9	1973	June 29
Lusty	20	1951	June 16
Valiant	12	1952	June 16

All claims were located on the modified grid system, 3X3 as a single claim, and Lusty-Valiant as a separate contiguous group. The Company has obtained 100% interest in the properties. Figures 2 and 3 show the claims in relation to topographical features and figures 4 and 5 show neighbouring claims.

Both properties are in the areas where timber licences were granted to C.I.P. and B.C. Forest Products, and necessary permits have to be obtained prior to commencement of any exploration activities.

3.4 TOPOGRAPHY AND CLIMATE

The 3X3 claim is located on the foot and lower slopes of the San Juan Ridge. Topography on the claim consists of the San Juan River flats on the north, increasingly steep slopes with a series of shear cliffs in the middle and a terrace on the south.

Vegetation on the 3X3 property consists of deciduous forest on the river flats and first growth on the southern edge. Most the claim area has been logged recently.

The Lusty-Valiant property covers the valley of the north fork of the Jordan River and the adjacent ridges. Topographic relief is approximately 380 metres with the highest peak at about 840 metres.

Most of the Lusty-Valiant property has been logged off in the past and replanted, and is now covered by second growth of various maturity.

Climate of the 3X3 claim and Lusty-Valiant property is fairly typical for the West Coast. The summers are usually hot and relatively dry. Atmospheric precipitation is high in the other seasons. Winters are cool to moderately cold with variable amounts of snowfall year to year. The tops of the hills, made bare by logging, are subject to fairly high winds during the winter storms. The generally moderate climate and high precipitation are conducive to fast vegetation growth.

Timber and water for exploration purposes are available on the property.

4. HISTORY

Placer gold was discovered on the southern part of Vancouver Island around 1864, first on the Leech River and then on the Sooke, San Juan, Sombrio and Jordan Rivers and Meadow and Floodwood Creeks. Subsequent production was carried out on several locations, but the records were poorly kept.

The potential for the presence of the Lode gold deposits was mentioned for the first time in GSC Memoir 96, H. C. Cooke, in 1917. A number of gold showings were discovered in the area since. The most promising to date is the Valentine Mountain deposit of Valentine Gold Corporation, located about 6 kilometres south of the Lusty-Valiant claim and about 20 kilometres southeast of the 3X3 claim. On that property, narrow quartz veins produced most attractive samples with free gold; one of the veins assayed 34.95 oz/t Au, over 17 cm width. Visible gold was also reported from the drill core.

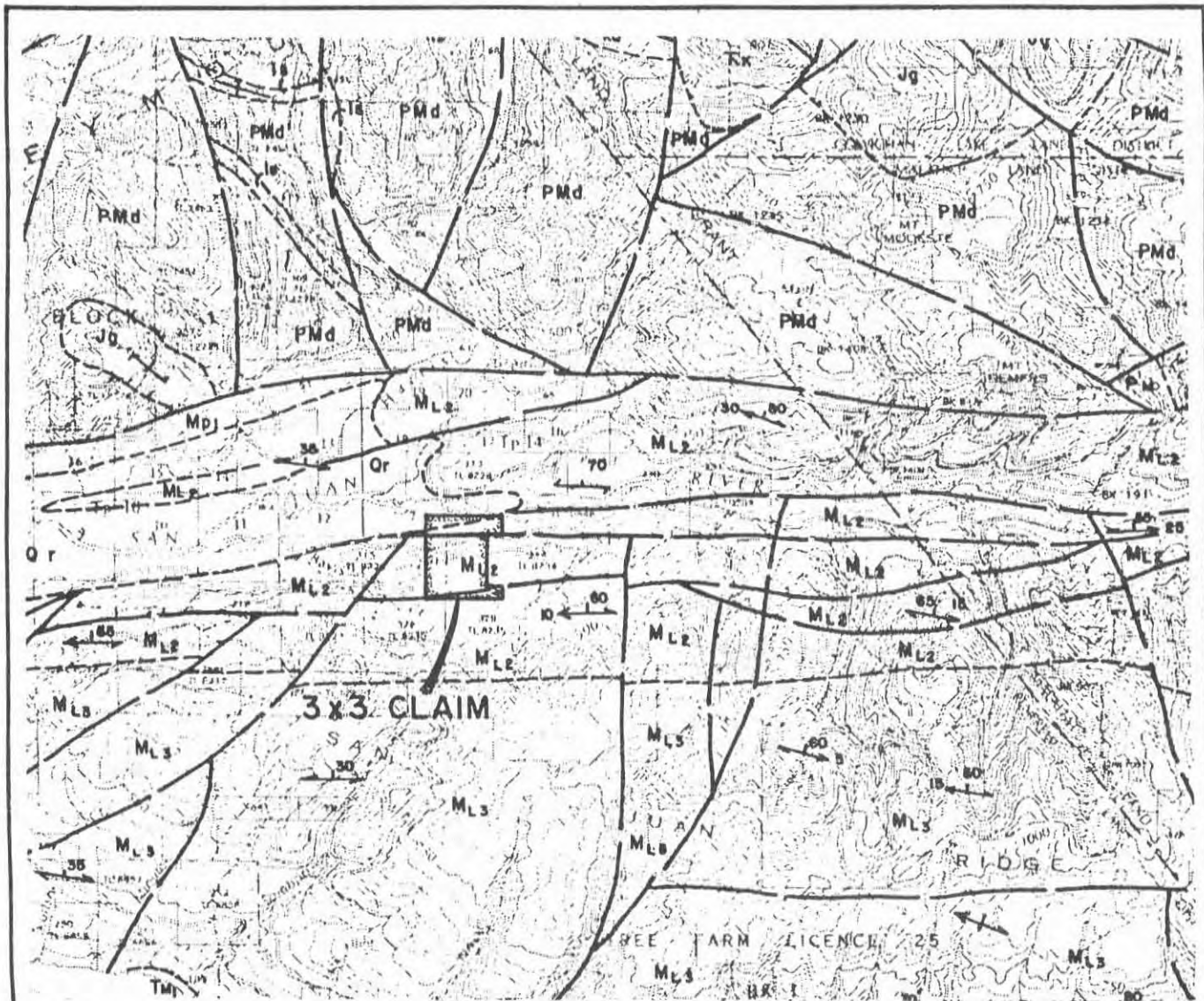
Elsewhere within the Leech River Complex, some major companies held huge blocks of claims. A large area was then submitted to regional geophysical airborne surveys, but very little, if any, ground follow-up work was carried out afterwards.

Neither the area now covered by the 3X3 claim, nor the Lusty-Valiant claims has records of any previous ground exploration work performed. Both groups were, however, covered by airborne magnetic and electromagnetic surveys within the scope of regional airborne surveys.

The GAD claim, which joins the 3X3 claim along its east side, was reported to be underlain by a volcano sedimentary complex with showings of massive pyrrhotite with chalcopyrite and sphalerite. No assays from these showings are available and it is not known whether these showings contain any gold. In the 3X3 area, the airborne geophysical study encountered four VLF-EM conductors associated with magnetic anomalies.

In the Lusty-Valiant claim area, some prospecting by Ryder Petroleum Inc. in 1984 encountered anomalous silt samples to the northeast from the claim. The 1987 program on the Bingo-Bango property, which lies about two miles east in a similar geological environment, encountered gold values in rock and soil, within an extensive northwest striking, silicified and graphitic shear zone.

The airborne VLF-EM anomaly in the Lusty-Valiant claim strikes northeast, perpendicular to the general structural trend in the area.



TRIASSIC TO CRETACEOUS
LEECH RIVER FORMATION

- MLa METAGREYWACKE-SCHIST UNIT: metagreywacke, meta-arkose, quartz-feldspar-(garnet-) biotite schist
- MLs ARGILLITE-METAGREYWACKE UNIT: thinly bedded greywacke and argillite, slate, phyllite, quartz-biotite schist
- MLc CHERT-ARGILLITE-VOLCANIC UNIT: ribbon chert, cherty argillite, metarhyolite, metabasalt, chlorite schist

PACIFIC RIM COMPLEX

- Mpj ARGILLITE-METASILTSTONE UNIT: metasiltstone, argillite, minor conglomerate
- Mpi CHERT-ARGILLITE-VOLCANIC UNIT: ribbon chert, cherty argillite, basaltic lava tuff, volcanic breccia, chlorite schist

JURASSIC

LOWER JURASSIC
BONANZA GROUP

- Jb basaltic to rhyolitic tuff, breccia, flows, sills and dykes, minor argillite greywacke

LOWER TO MIDDLE JURASSIC
ISLAND INTRUSIONS

- Jg granodiorite, quartz diorite

UPPER PALEOZOIC AND ? OR TRIASSIC AND JURASSIC

- PMd WESTCOAST COMPLEX: quartz diorite, diorite, tonalite, agmatite; minor metavolcanic and metasedimentary rocks
 - Ls recrystallised limestone, skarn
- LOWER DEVONIAN AND OLDER**
- Pw MYKA FORMATION: well-bedded silicic tuff and breccia

Reference to GSC Map O.F. 821, J.E. Muller, 1982

BUTTER ROCK RESOURCES INC.

3x3 CLAIM
REGIONAL GEOLOGY

VICTORIA M.D., B.C.

N.T.S. 92 C/9E

V. CUKOR, P.Eng. - NVC ENGINEERING LTD., VANCOUVER, B.C.

DATE: January 1990

SCALE:

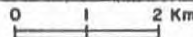
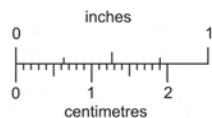
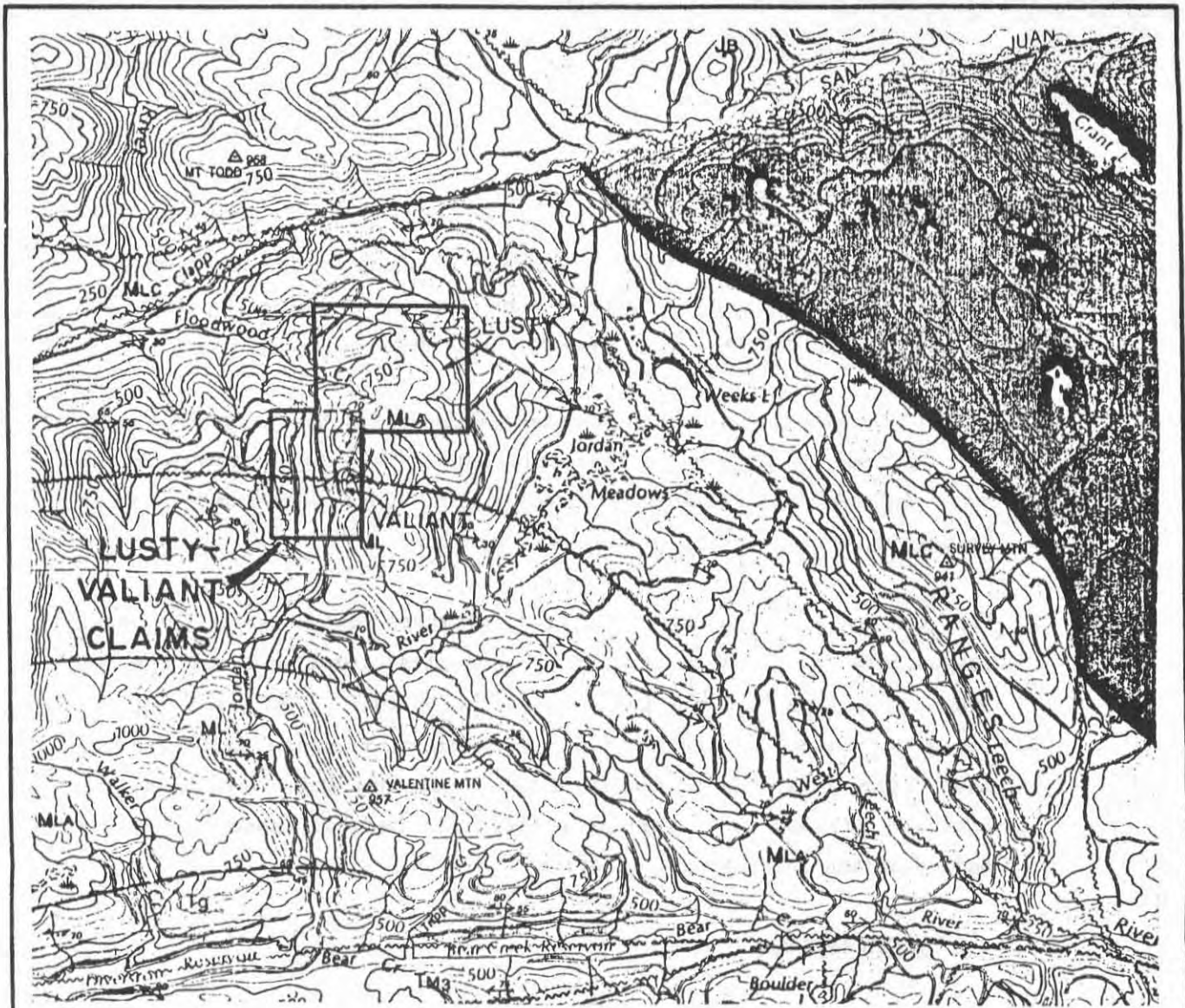


FIG. 6



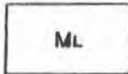
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V. Cukor



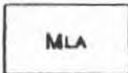
TRIASSIC TO CRETACEOUS

LEECH RIVER FORMATION: (MLC to ML)



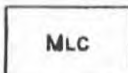
ML

METAGREYWACKE UNIT: metagreywacke, meta-arkose, quartz-feldspar-biotite schist



MLA

ARGILLITE-METAGREYWACKE UNIT: thinly bedded greywacke and argillite, slate, phyllite, quartz-biotite schist

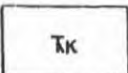


MLC

CHERT-ARGILLITE-VOLCANIC UNIT: ribbon chert, cherty argillite, metarhyolite, metabasalt, chlorite schist

TRIASSIC

VANCOUVER GROUP

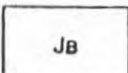


Tk

KAHMUISEN FORMATION: pillow basalt, breccia tuff, minor flows

JURASSIC

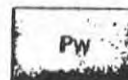
BONANZA GROUP



JB

Basaltic to rhyolitic tuff, breccia, flows, minor argillite, greywacke

LOWER PALEOZOIC (OR YOUNGER?)



Py

WARK GNEISS: massive and gneissic metadiorite, metagabbro, amphibolite

Reference to: GSC Map 1553, J.E.Muller, 1980.

BUTTER ROCK RESOURCES INC.

LUSTY-VALIANT PROPERTY

REGIONAL GEOLOGY

VICTORIA M.D., B.C.

N.T.S. 92 B/12W

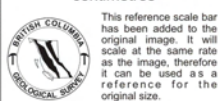
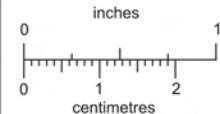
V. CUKOR, P.Eng. — NVC ENGINEERING LTD., VANCOUVER, B.C.

DATE: January 1990

SCALE:



FIG. 7



5. GEOLOGY

5.1 REGIONAL GEOLOGY

The general geology of the 3X3 property is shown on the GSC Open File Geology map 821 by J. E. Muller, and the Lusty-Valiant claims are covered by the GSC Map 1553, also by J. E. Muller.

The area surrounding both properties is underlain by sediments and/or volcanics of Quaternary to Paleozoic age. Older formations were in turn intruded by probably Jurassic or older Westcoast Complex containing mostly quartz diorite and diorite.

The two main east-west structural elements which were the most responsible for the distribution of geological formations are the San Juan fault zone and the Leech River fault zone. The area between these two zones is underlain by the units of Triassic to Cretaceous Leech River Formation of metasediments, sediments and volcanoclastics. Both the 3X3 and Lusty-Valiant claims fall between these two faults and cover the Leech River formation.

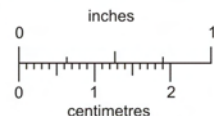
5.2 LOCAL GEOLOGY

5.2.1 Geology of the 3X3 Claim

The northernmost part of the claim is covered by the fluvial sediments of the San Juan Floodplain (fig. 8, Map Unit No. 1).

In the northerly direction, outcrop exposures occur on several easterly trending ridges that represent the surface projections of a series of steeply dipping shear folded structures. These outcrop patterns produce a series of shear cliffs with terraced plateaus that rise abruptly from the fluvial sediments.

Outcrop exposures generally consist of schist and sheared amphibolites typical to the Leech River sedimentary complex.



BRITISH COLUMBIA
GEOLOGICAL SURVEY

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LEGEND

QUATERNARY SEDIMENTS

1 Unconsolidated flood plain sediments

LEECH RIVER FORMATION

- 2 Fine grained, well foliated chlorite sericite schist, quartz muscovite schist
- 3 Dark to light grey, fine phyllitic mudstone, black shale, graphitic schist and argillite
- 4 Dark grey, gossanous or with cleavage faces, phyllitic mudstone, shale, thin layers of graphitic schist, (iron formation: high iron content)
- 5 Bright green, foliated chloritized meta-amphibolite (magnetic: contains disseminated magnetite)

GEOLOGICAL SYMBOLS

- Geological contact (observed)
- - - Geological contact (inferred)
- Anticlinal axis
- ~ Shear
- 80-32 Cleavage with strike & dip
- 80 Cleavage showing plunge of lineation
- 80 Lineation
- 79 Jointing with strike & dip
- 84 Quartz vein showing trend & dip
- Outcrop outline

x JW3x3002 Rock sample location & number

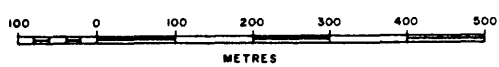
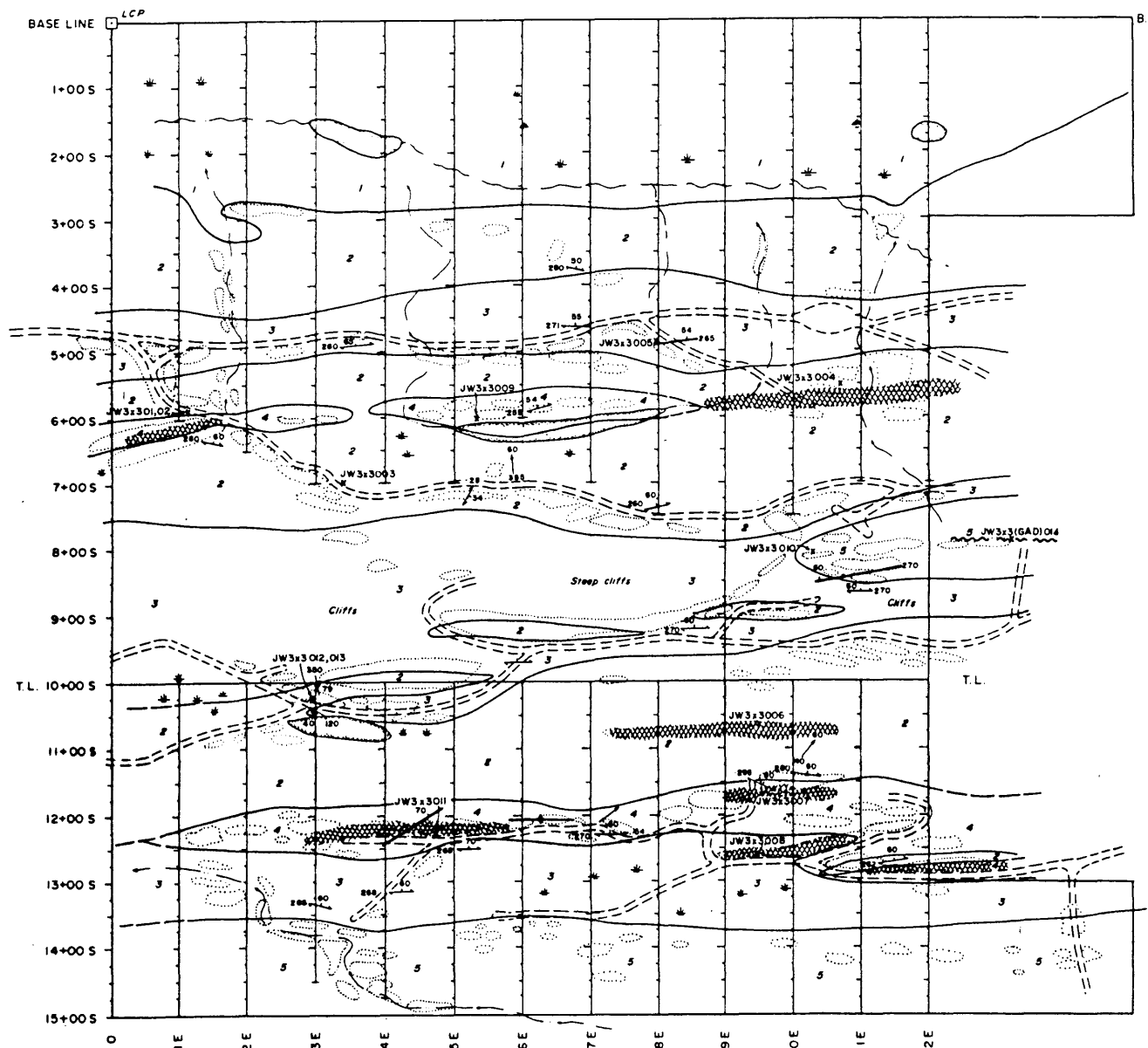
▨ Areas of silicification

TOPOGRAPHICAL SYMBOLS

- - - Road
- ~ Creek
- Pond
- * Swamp
- LCP Legal Corner Post

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BUTTER ROCK RESOURCES INC.		
3 x 3 CLAIM		
GEOLOGY		
VICTORIA, MINING DIVISION, B.C.		NTS 92 C/9E
V. CUKOR, P. Eng - NVC ENGINEERING LTD., VANCOUVER, B.C.		
DATE: January 1990	SCALE: 1:5000	Fig. 8



Individual rock units generally strike east/west and dip steeply to the north, consistent with the regional trends imposed by the San Juan fault, immediately to the north of the property.

Lithologies were roughly subdivided into four main units which include:

- I) light green to greyish green, fine grained fissile chlorite sericite schist with localized interbedded quartz biotite schist (Map Unit No. 2);
- II) dark to light grey phyllitic mudstone, black shale, graphitic schist and argillite (Map Unit No. 3);
- III) dark grey or stained black (weathers rusty red on places of cleavage) iron formation; phyllitic mudstone interlayered with discrete units of shale and graphitic schist (Map Unit No. 4);
- IV) bright "lime" green, fine to medium grained chloritized sheared meta-amphibolite (contains magnetite) (Map Unit No. 5)

Both the gossanous weathering and staining and high magnetic ground anomaly associated with Map Unit 4 suggest a high chemical component of iron. This unit correlates with the iron formation described on the GAD claim immediately to the west of the 3X3 (pers. comm. Gord Allen, Geologist, Beau Pre Resources, Victoria).

The close proximity of the San Juan fault has obliterated any of the primary sedimentary structures associated with original deposition. As a result, stratigraphic relationships are uncertain and beyond the scope of the present survey.

Contacts between individual units are highly sheared and gradational. Localized shears, refractory cleavage and kink folding were common at geological boundaries between units of contrasting competency. Localized silicification consisting of networks of quartz stringers, oxidation and chloritization were the dominant forms of alteration observed in these areas.

Under the influence of the San Juan fault, original bedding and macroscopic compositional layering is generally parallel to the schistosity and secondary fracture cleavage. Variations in the apparent thicknesses of individual units and the presence of large scale pinch and swell structures are typical of a highly deformed terrain.

The appearance of "M" shaped folds, oblique patterns of criss-crossing quartz stringers and bedding cleavage relationships suggest the presence of a tight isoclinally folded antiform at the centre of the upper grid. Orientations of bedding cleavage intersection lineations suggest an easterly plunge consistent with the documented regional trends for this area (Fairchild et al, 1982).

The local metamorphic grade is greenschist facies, well defined by the assemblage of chlorite, epidote, actinolite and magnetite in the sheared amphibolites (Map Unit 5) and fine grained chlorite and muscovite observed in pelitic schists. Localized concentrations of fine sugary garnet were observed as irregular bands and layers in some chlorite sericite schists.

5.2.2 Mineralization of 3X3 Claim

The massive pyrrhotite, chalcopyrite, sphalerite mineralization was reported to be present on the adjoining GAD claim, within the "iron formation" unit. Although this same unit extends onto the 3X3 claim, no such mineralization was detected on this claim.

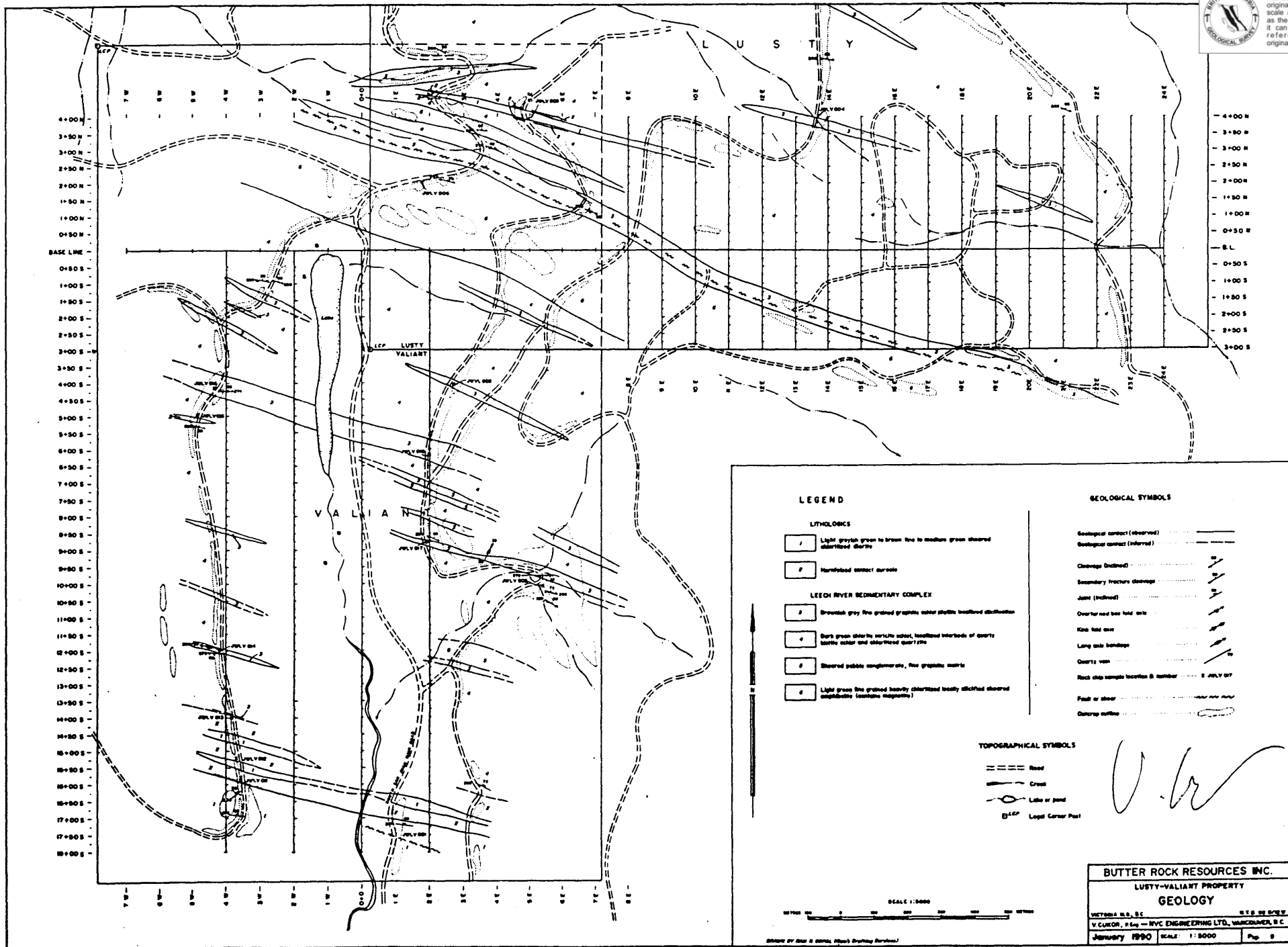
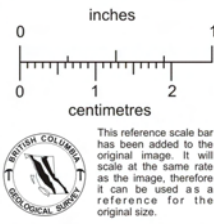
In the eastern part of the 3X3 claim, however, several zones of silicification with hematite staining are found within sheared sedimentary units. These zones are exposed along the east/west ridges and during the mapping, it was interpreted that these were individual short east/west running zones. However, although positioned within different geological units, most of these zones were lined up along the general north/south trend and are conspicuously closely associated with high geochemical gold anomaly. Some very good gold values were encountered from the outcrop following that same zone. In addition, topographic features and fractures indicate a broad zone of structural weakness, a possible conduit for mineralizing solutions. The fact that VLF-EM survey did not respond to that phenomenon is easily explained by the grid orientation, where the grid lines are parallel to the trend of the zone.

Results of rock chip samples from silicified outcrops across the mineralized structures were as follows:

<u>Sample No.</u>	<u>oz/t Gold</u>	<u>oz/t Silver</u>	<u>Character</u>
001	0.004	0.20	Chip
002	0.006	0.34	Chip
003	0.006	0.24	Chip
004	0.016	0.06	Chip
005	0.152	0.32	Chip
006	0.214	0.42	Chip
007	0.060	0.22	Chip
008	0.042	0.25	Chip
009	0.010	0.22	Chip
010	0.010	0.12	Chip
011	0.004	0.10	Chip
012	0.004	0.24	Chip
013	0.004	0.20	Chip
014	0.006	0.22	Chip (taken on GAD claim)

A detailed description of samples is given in Appendix A at the end of this report and sample locations are shown on the 3X3 Geology Map (see fig. 8). Assays were done by General Testing Laboratories employing fire assay method.

During further work, this area has to be examined in great detail to explore for the possible presence of the large north/south trending, gold bearing fracture zone.



LEGEND

LITHOLOGIES

- 1 Light grayish green to brown fine to medium grain cleaved chloritized shales
- 2 Hardened contact aureole
- LEECH RIVER SEDIMENTARY COMPLEX**
- 3 Brownish gray fine grained granitic color shales localized chloritization
- 4 Dark green shaly siltstone shales, localized interbeds of quartz tuffaceous color and chloritized quartzite
- 5 Cleaved pebbly conglomerate, fine granitic matrix
- 6 Light green fine grained heavily chloritized locally silicified cleaved siltstone (contains magnetite)

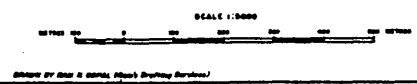
GEOLOGICAL SYMBOLS

- Geological contact (observed)
- Geological contact (inferred)
- Disjunct (Observed)
- Secondary fracture disjunct
- Joint (Inferred)
- Overturned low fold axis
- Kink fold axis
- Long axis bedding
- Overthrust
- Rock chip sample location & number
- Fault or shear
- Outcrop outline

TOPOGRAPHICAL SYMBOLS

- Road
- Creek
- Lake or pond
- Legal Corner Post

BUTTER ROCK RESOURCES INC.
LUSTY-VALLIANT PROPERTY
GEOLOGY
 VICTORIA B.C. REG. NO. 5757
 V. CURICH, P.Eng. - RVC ENGINEERING LTD., VANCOUVER, B.C.
 January 1990 SCALE: 1:5000 Page 8



5.2.3 Geology of the Lusty-Valiant Claim

Rock outcrops on the Lusty-Valiant claim consist of a sequence of sheared, isoclinally folded schists and sheared amphibolites typical of the formations of the Leech River Complex (as defined by Fairchild et al, 1982).

These units strike northwest to southeast and are well exposed in numerous road cuts which run through a series of relatively low bluffs on the Lusty and in the sides of a steep north/south "U" shaped glacial valley on the Valiant claim (see fig. 9).

These units have been roughly subdivided into six main lithologies and are described as follows:

- I) light green fine to medium grained sheared chloritized amphibolite containing localized areas of silicification consisting of roughly concordant networks of quartz stringers (Map Unit 6);
- II) sheared polymictic, quartz pebble conglomerate with a fine grained silicious graphitic matrix (Map Unit 5);
- III) a mixed unit consisting of dark green chlorite sericite schist, light green chloritized foliated quartzite and medium to fine grained chloritized quartz muscovite and quartz biotite schist (Map Unit 4);
- IV) dark grey to black fine grained graphitic schist and phyllite containing quartz stringers and silicified shears (Map Unit 3);
- V) hornfelsed contact aureole (Map Unit 2);
- VI) light green to brown fine grained sheared and chloritized diorite (Map Unit 1);

Intense shearing and deformation of these units has obscured or completely obliterated any of the primary sedimentary structures associated with original deposition. As a result, stratigraphic relationships between individual units are uncertain.

Units designated as graphitic schist separate contrasting lithologies and may represent the retrogressively altered and sheared contacts between units of contrasting competency. A prominent structural linear oblique to the south boundary of the Lusty claim and running through the northern portion of the Valiant claim was found to contain clay altered graphitic schist in fault contact with sheared amphibolite to the south and the mixed schist to the north. Localized silicification in graphitic units consisted of networks of brecciated quartz stringers and silicified shears.

Macroscopic compositional layering and contacts between individual units are generally parallel to schistosity and secondary fracture cleavage. Variations in the apparent thicknesses of individual units and boudinage of more competent units surrounded by envelopes of low temperature silicification and graphitic shears suggest high degrees of deformation.

Oblique patterns of criss-crossing quartz stringers in localized graphitic units and contrasting secondary and tertiary crenulation, fracture cleavage and kink folding, suggest the presence of several tight sheared fold hinges on the Valiant claim. The exact positioning of individual hinge zones would require additional detailed structural mapping and is beyond the scope of the present survey. These structural features may be related to the two compatible phases of deformation described by Fairchild and Cowan (1982).

Local metamorphic grade was found to be greenschist facies, well defined by the assemblage of chlorite, epidote, actinolite and magnetite in the shared amphibolites and fine grained chlorite

and muscovite observed in schists. There was a slight increase in grade toward intrusive bodies. Retrograded porphyroblasts of amphibole (var. augite) were observed in the sheared hornfelsic contact halos surrounding dioritic intrusives mapped along the northern and southern boundaries of the Valiant claim.

5.2.4 Mineralization of the Lusty-Valiant Claim

Rock samples taken during the course of the present survey were extracted from quartz stringers and areas of silicification in the graphitic schist. Samples were also taken from the irregular silicified brecciation in sheared chloritized contact halos surrounding diorite sills.

The quartz stringers that were sampled were generally small and subparallel to compositional layering in quartz muscovite, chlorite sericite and graphitic schists. In one unit of graphitic schist intense silicification and shearing along cleavage planes has produced an irregular mottling of rootless stringers (1 to 2 centimetres in thickness). This exposure was only slightly stained and oxidized.

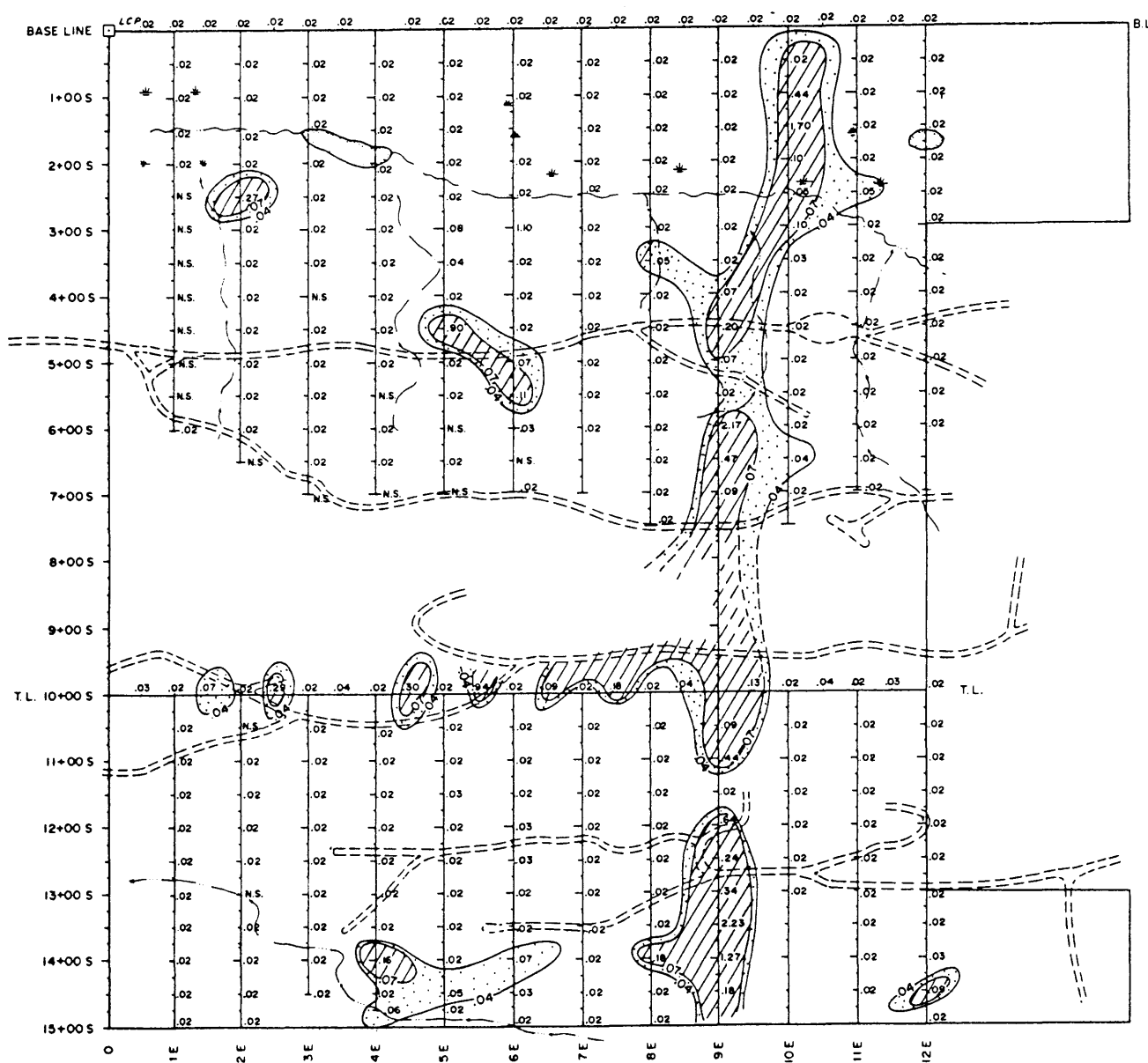
The quartz veins associated with graphitic schist were lightly to moderately stained and oxidized containing abundant hematite and limonite. No sulphide mineralization was visible. Irregular patterns of the intrusive were slightly magnetic and contain traces of fine disseminated pyrrhotite.

A total of 18 samples were collected but only three of them assayed around 0.01 oz/t gold. These samples are:




<u>Sample No.</u>	<u>oz/t Gold</u>	<u>oz/t Silver</u>
001	0.012	0.30
003	0.012	0.34
017	0.008	0.10

The rest of the samples assayed low. All assays are shown in the Assay Certificate (Appendix B), description of samples is in Appendix B and locations are shown on the Geology Map of the Lusty-Valiant claim, fig. 9.

Sampling results are not encouraging, although some follow-up detail examination is recommended in the location of the three aforementioned samples.

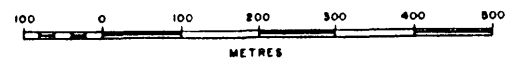
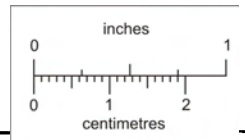


LEGEND

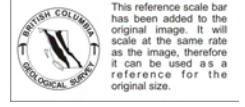
-  >.07 ppm Au — Significantly anomalous
-  .04-.07 ppm Au — Anomalous
-  <.04 ppm Au — Background

V. Cukor
 LCP Legal Corner Post

BUTTER ROCK RESOURCES INC.		
3 x 3 CLAIM		
GEOCHEMICAL SURVEY PLAN GOLD PLOT		
VICTORIA, MINING DIVISION, B.C.	N.T.S. 92 C/9E	
V. CUKOR, P. Eng — NVC ENGINEERING LTD., VANCOUVER, B.C.		
DATE: January 1990	SCALE: 1:5000	Fig. 10



RAM'S Drafting Services



6. GEOCHEMICAL SOIL SURVEY

6.1 GENERAL DESCRIPTION

The survey was performed on pre-cut grids which were also used for geophysical surveys and as a control for the geological mapping and soil sampling. A total of about 18 kilometres of grid lines was established on the 3X3 and 24.7 kilometres on the Lusty-Valiant claims.

Soil samples were collected along the lines at 50 metre spacing. Soil was taken from shallow pits, preferably from the "B" horizon, wherever good soil development was encountered. In areas of rock outcrops, any fine material found on location was also collected; however, swampy areas with organic materials were not sampled nor were the areas of steep, rocky cliffs. A total of 305 samples were taken on the 3X3 and 295 samples on the Lusty-Valiant claims.

All samples were packed in standard kraft sample bags, partially dried in camp and submitted to General Testing of Vancouver to be assayed for gold and silver. The assaying procedure was a combination of fire assays and Atomic Absorption methods.

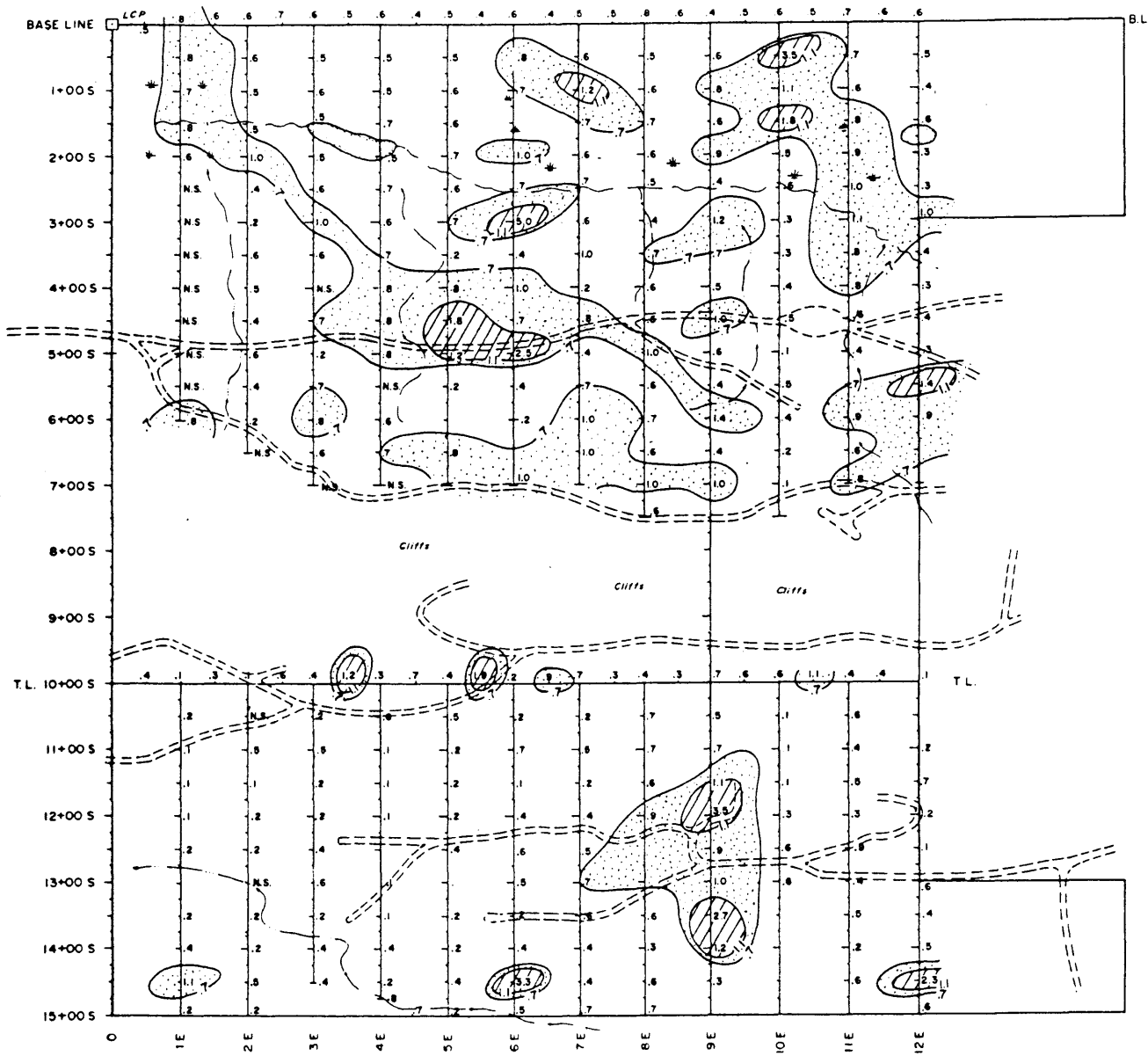
Assay results were then plotted separately for gold and for silver on grid plans in the scale of 1:5000 and all maps were contoured.

6.2 DISCUSSION OF RESULTS

6.2.1 3X3 Claim

Gold

The assay was set with the lowest limit of detection at 20 ppb gold (0.02 ppm). The range of assays was between 0.02 and 2.23 ppm Au. Background values are considered lower than 0.04, anomalous values between 0.04 and 0.07 ppm and significantly

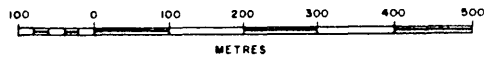
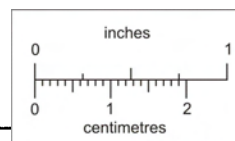


- >1.1 ppm Ag — Significantly anomalous
- .7-1.1 ppm Ag — Anomalous
- <.7 ppm Ag — Background

V. Cukor

Legal Corner Post

BUTTER ROCK RESOURCES INC.		
3 x 3 CLAIM		
GEOCHEMICAL SURVEY PLAN		
SILVER PLOT		
VICTORIA, MINING DIVISION, B.C.		M.T.S. 92 C/9E
V. CUKOR, P. Eng — NVC ENGINEERING LTD., VANCOUVER, B.C.		
DATE January 1990	SCALE 1:5000	Fig. 11



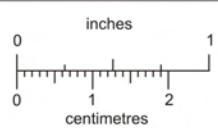
RAM'S Drafting Services

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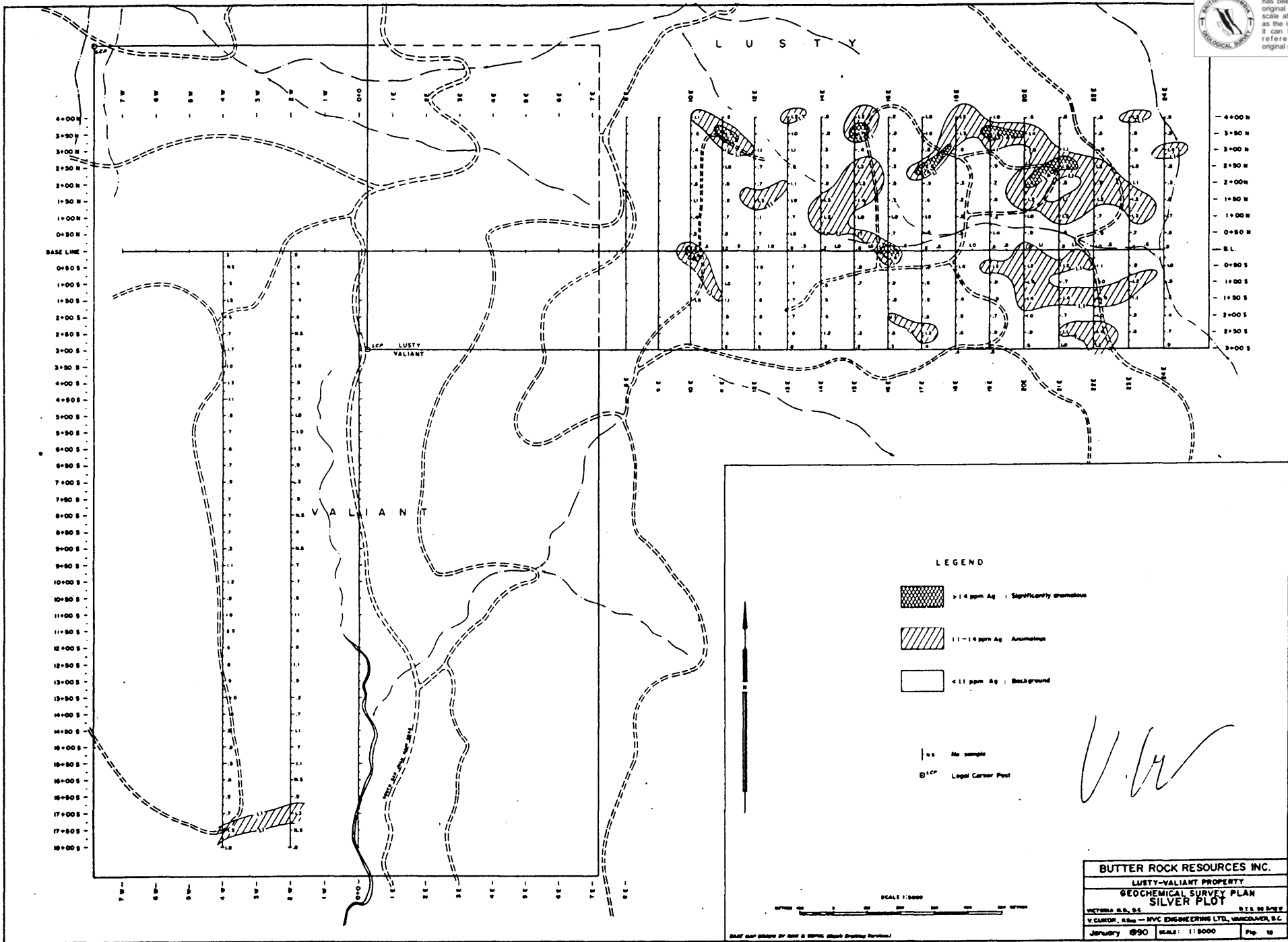
anomalous, all values above 0.07 ppm Au. Several small anomalous areas are scattered over the grid area. The highlight of the survey is a significant anomaly, characterized by its size and strength, trending almost north/south along the lines 9E and 10E (see fig. 10). This anomaly most likely indicates a north/south trending, narrow structure, which remained undetected so far by geological mapping. Since it appears to trend in a general north/south direction, it was not identified by the VLF-EM survey. This anomaly needs further detailed evaluation. In addition, several anomalous gold values were also assayed along the tie line (10 + 00 S). It is possible that these values, along the top of the cliffs, are from the edge of a structure which mostly lies south of the tie line. During the dry season, these cliffs should be examined and sampled as well.

Silver

The assay results for silver range from 0.1 to 5 ppm Ag. Background values are considered lower than 0.7 ppm, anomalous values between 0.7 and 1.1 ppm and significantly anomalous values over 1.1 ppm silver. Unlike gold, silver values are scattered over the entire grid area with the highest value being an impressive 5 ppm silver. The largest anomaly seemed to be crossing the grid in the northwest/southeast trend. There is, however, very little correlation between gold and silver geochemical anomalies. Although there are some samples that carry both anomalous gold and silver, in general, both the sizes and shapes of the gold and silver anomalies differ greatly. Assays from the rock samples taken on the 3X3 claim also show the same pattern. While the silver values are fairly uniform on all 14 samples (from 0.1 to 0.42 oz/t Ag), the gold values show much greater relief (0.004 to 0.214 oz/t Au). This indicates that there is possibly more than one generation of sulphide mineralization on the property of which some carry gold and others, silver values.



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.



BUTTER ROCK RESOURCES INC.
 LUSTY-VARIANT PROPERTY
 GEOCHEMICAL SURVEY PLAN
 SILVER PLOT
 VICTORIA, B.C. S.T.S. 92-5-92
 V. CURTOR, R.S.M. — RVC ENGINEERING LTD., VANCOUVER, B.C.
 January 1990 SCALE: 1:5000 Pg. 12

V. Curtor

6.2.2 Lusty-Valiant Claim

Gold

The gold assays on the Lusty-Valiant claim mostly stayed within the background limits. Only several spotty anomalous values were received from the total of 295 samples (see fig. 12). None of the anomalies has the size or strength to warrant further attention.

Silver

Statistical evaluation of geochemical assay results from the Lusty-Valiant property for silver revealed that a generally high background, but on average, the anomalous values do not show much relief (the highest value is 2.8 ppm, while other significantly anomalous values are in the range of 1.5 to 1.7 ppm Ag). The largest and strongest anomaly is in the northeast corner of the grid (see fig. 13) but it does not show any collective anomalous gold values. Nevertheless, the area should be examined in more detail by geological mapping and rock chip geochemical sampling. Any structures with sulphides should be carefully examined and sampled.

7. GEOPHYSICAL SURVEYS

These consisted of Ground Magnetic and VLF-EM surveys, which were run simultaneously, both utilizing the Scintrex IGS-2 system.

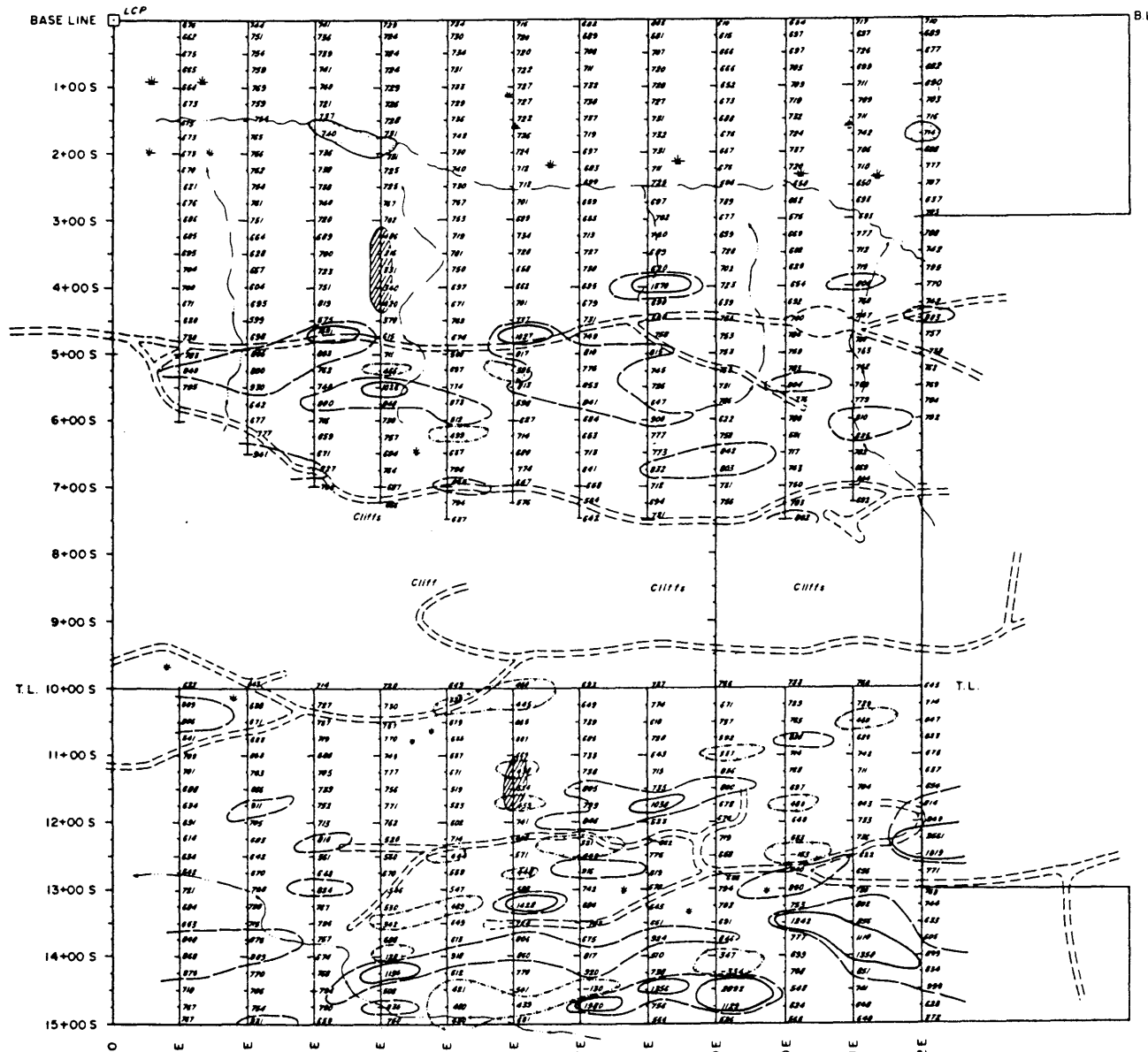
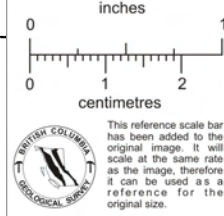
The part of the system dedicated to magnetics utilizes two console units, one set up as the base station, the other as the portable unit, and two similar proton precession sensors measuring total magnetic field. The base station and field unit are time synchronized so that the background field, diurnal variations and micro pulsations can be filtered from the data. The base station was programmed to measure the field and record the readings at five second intervals.

The VLF unit was set up to receive signals from two stations: NKL Seattle, Washington, 24.8 kHz and NPM Lualualei, Hawaii, 23.4 kHz, measuring the horizontal field strength and the in-phase and out-of-phase or quadrature components of the vertical field. The instrument uses a three coil system, one horizontal and two vertical coils, all at 90° angles to each other. The system is set to automatically adjust for topographical shadowing of signals.

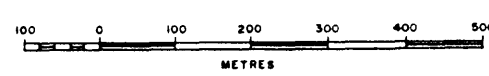
7.1 MAGNETIC SURVEY

On both the 3X3 and Lusty-Valiant claims, the survey was done on a precut grid with 100 metre spaced lines and 25 metre stations. On one part of the Valiant grid, three 200 metre spaced lines were surveyed as well. Readings are shown on two 1:5000 plans (see figs. 14 and 15). Relative readings shown on the plans were arrived at by deducting 55,800 gammas from the corrected total magnetic field values.

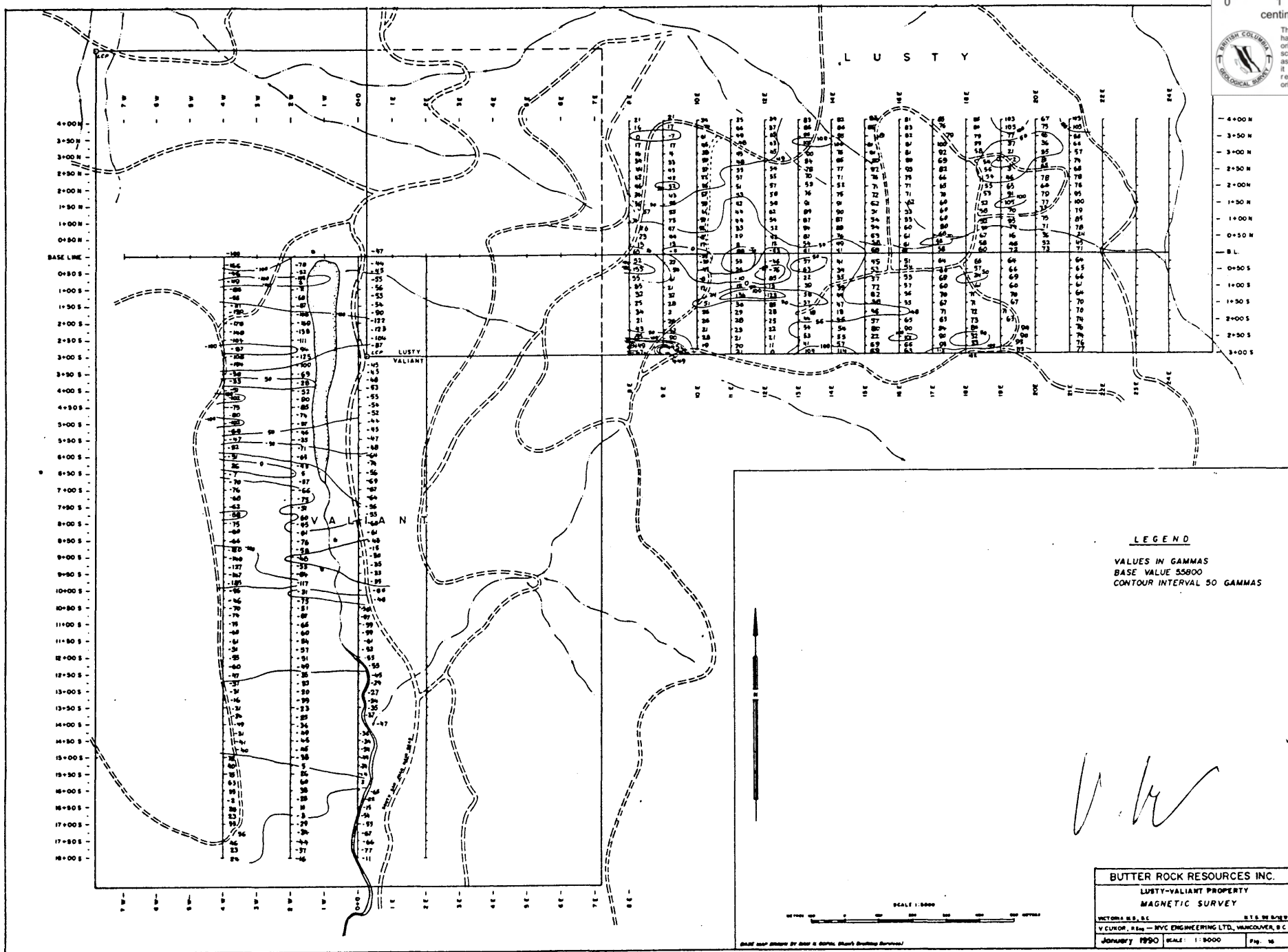
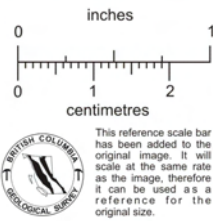
The magnetic relief on all surveyed parts is moderate.



- LEGEND**
- >1000 gammas
 - 800 - 1000 gammas
 - <500 gammas
 - Instrument error (assumed)
 - Reading in gammas
 - Road
 - Creek
 - Pond
 - Swamp
 - Legal Corner Post



BUTTER ROCK RESOURCES INC.		
3 x 3 CLAIM		
MAG PLOT		
VICTORIA, MINING DIVISION, B.C.	NTS 92 C/9E	
V. CUKOR, P.Eng - M.V.C. ENGINEERING LTD., VANCOUVER, B.C.		
DATE: January 1990	SCALE: 1:5000	Fig. 14

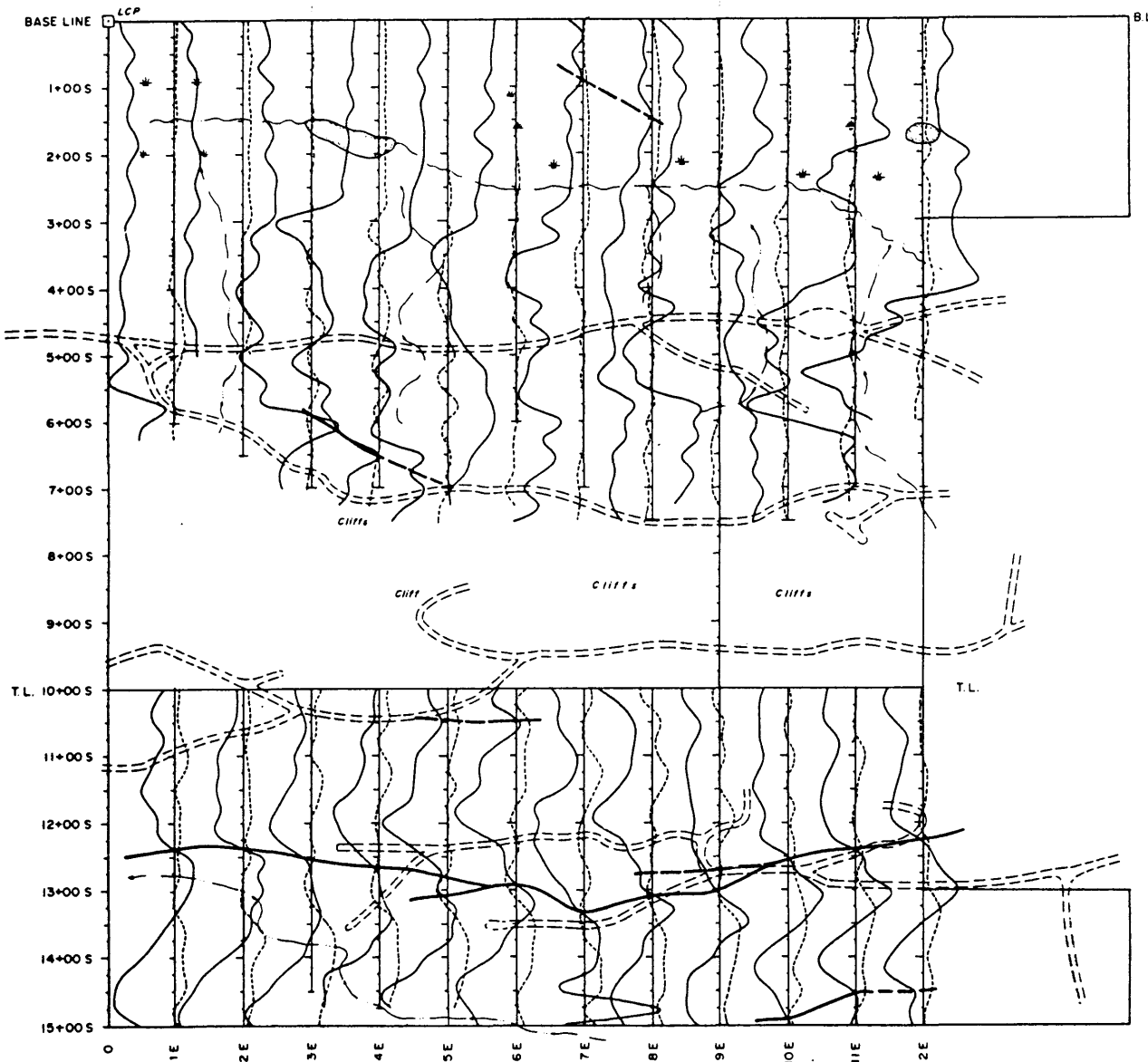
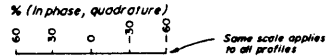
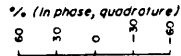
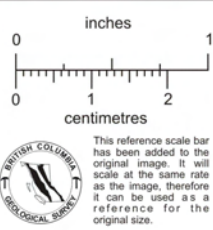


LEGEND
 VALUES IN GAMMAS
 BASE VALUE 55800
 CONTOUR INTERVAL 50 GAMMAS

V. K.

BUTTER ROCK RESOURCES INC.
 LUSTY-VALIANT PROPERTY
 MAGNETIC SURVEY
 VICTORIA B.S., B.C. B.T.S. 2013/13
 V. KUROR, P.Eng. - JVC ENGINEERING LTD., VANCOUVER, B.C.
 January 1990 SCALE: 1:6000 Pg. 16

BASE MAP DRAWN BY SHIRAZ GOPAL (Shiraz Gopal Survey Services)

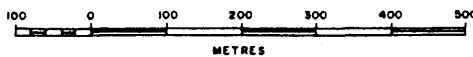


STATION : NLK, SEATTLE, 24.8 kHz

- In phase
- Out of phase (quadrature)
- Conductor (interpreted)
- Conductor (assumed)

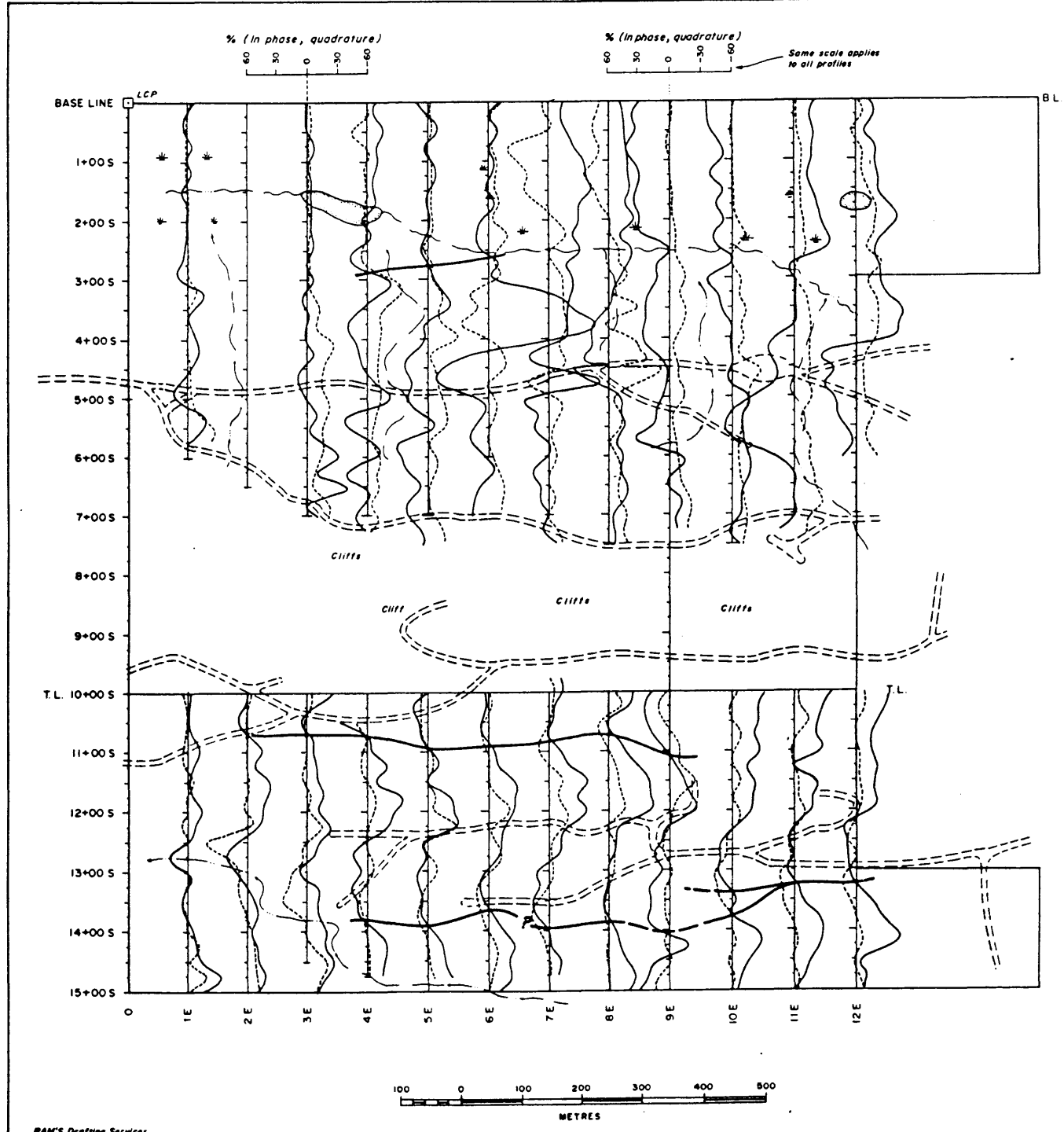
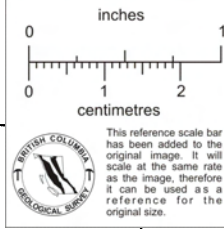
- Road
- Creek
- Pond
- LCP Legal Corner Post

V. Cukor



RAM'S Drafting Services

BUTTER ROCK RESOURCES INC.		
3 x 3 CLAIM		
VLF-EM SURVEY-PROFILES-SEATTLE		
VICTORIA, MINING DIVISION, B.C.		N.T.S. 92 C/9E
V. CUKOR, P.Eng - NVC ENGINEERING LTD., VANCOUVER, B.C.		
DATE : January 1990	SCALE : 1:5000	Fig. 16



STATION : NPM, HAWAII, 23.4 kHz

~~~~~ In phase  
 - - - - - Out of phase (quadrature)  
 ——— Conductor (Interpreted)  
 - - - - - Conductor (assumed)

- - - - - Road  
 ~~~~~ Creek  
 () Pond
 □ LCP Legal Corner Post



| | | |
|---|----------------|----------------|
| BUTTER ROCK RESOURCES INC. | | |
| 3 x 3 CLAIM | | |
| VLF-EM SURVEY-PROFILES-HAWAII | | |
| VICTORIA, MINING DIVISION, B.C. | | N.T.S. 02 C/9E |
| V. CUKOR, P.Eng - NVC ENGINEERING LTD., VANCOUVER, B.C. | | |
| DATE : January 1990 | SCALE : 1:5000 | Fig. 17 |

7.1.1 3X3 Claim

Total magnetic relief on the 3X3 claim is 3,226 gammas. Most of the anomalies follow the general east/west direction, coincident with the geological trend. In the southern portion of the map, the majority of the magnetic low anomalies occurs with or near the silicified areas (see fig. 8). The iron formation (Unit 4) did not produce the expected high magnetic results. The northern portion of the map shows a flat magnetic signature characteristic of deep overburden.

7.1.2 Lusty-Valiant Claim

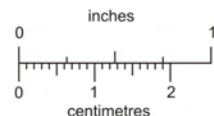
The magnetic relief on the Lusty-Valiant claim is very low, totalling 534 gammas. The one high occurs on the south end of lines 7E and 8E, on the edge of the claim. Also noted on line 12E, 1 + OOS is a weak dipole. Lines 0, 2W and 4W were run with their own base field and thus show lower than the rest of the lines.

7.2 VLF-EM SURVEY

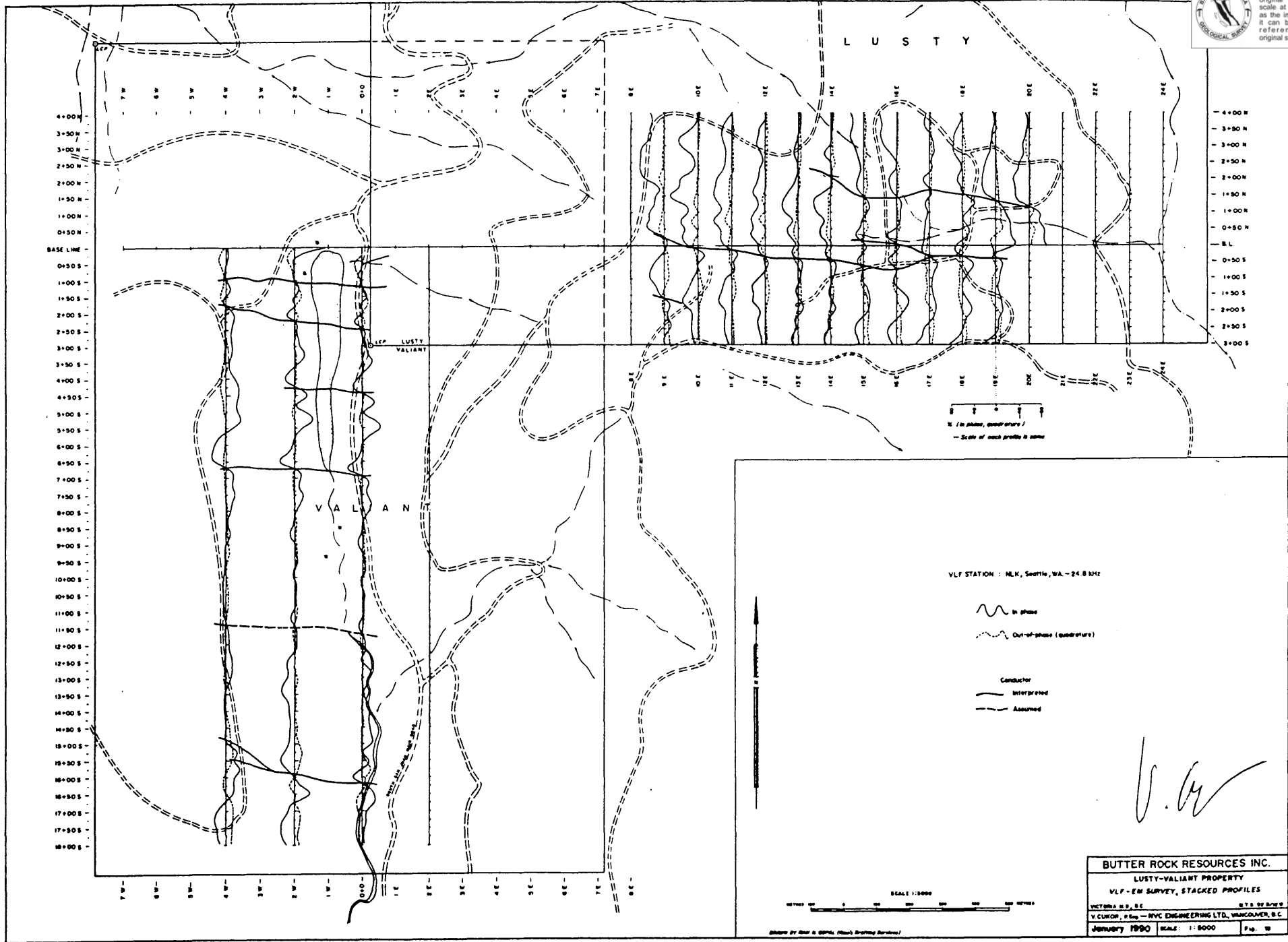
The VLF-EM survey was conducted along the same grids as the magnetic survey (readings were taken consecutively at each station utilizing the IGS 2). For both 3X3 and Lusty-Valiant, two stations, Seattle and Hawaii, with roughly orthogonal signal directions, were used. Data is presented as stacked profiles on plans in the 1:5000 scale, see figs. 16, 16, 18 and 19.

7.2.1 3X3 Claim

Both the Seattle and Hawaii VLF-EM surveys reveal significant conductors. The longest conductor on the Seattle plot (see fig. 16) running at 12 + 50 S approximately, follows the iron formation (Unit 4 on the Geology Plan) and crosses the silicified and mineralized area where sample JW3X3007 was taken. The



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.



VLF STATION : MLK, Seattle, WA - 24.8 kHz

~ In phase
 ~ Out-of-phase (quadrature)

— Conductor
 - - - Interpreted
 - - - Assumed

V. G.

BUTTER ROCK RESOURCES INC.
 LUSTY-VALIANT PROPERTY
 VLF-EM SURVEY, STACKED PROFILES
 VICTORIA B.C. S.T.S. 02/8/97
 V. CLUNTON, P. ENG. - RVC ENGINEERING LTD., WILLOWDALE, B.C.
 January 1990 SCALE: 1:5000 Page 10

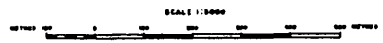
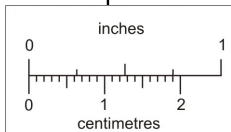
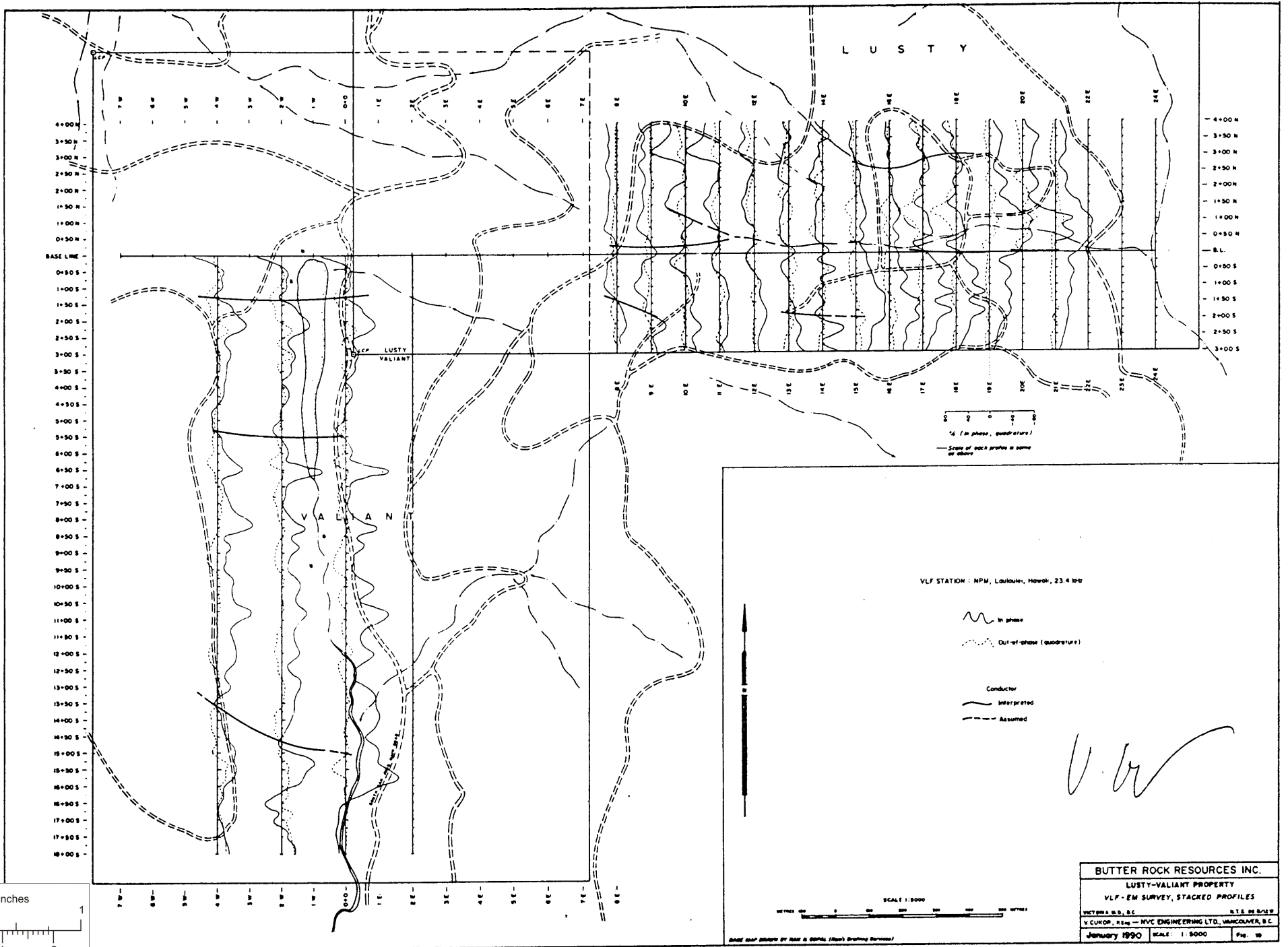


Illustration by Peter G. Smith, (Plan's Mapping Services)



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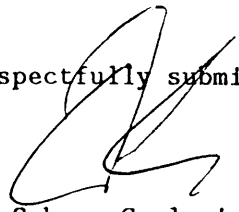
| | |
|---|--------------------------|
| BUTTER ROCK RESOURCES INC. | |
| LUSTY-VALIANT PROPERTY | |
| VLF-EM SURVEY, STACKED PROFILES | |
| VICTORIA, B.C. | V.I.S. 28 8/12/90 |
| V. CUKOR, P.Eng. — M.V.C. ENGINEERING LTD., VANCOUVER, B.C. | |
| January 1990 | SCALE: 1:5000 Fig. 10 |

conductor on lines 5E and 6E at 10 + 50S is weak and the other short conductor occurs in a swampy area. The strongest conductor on the Hawaii plot, fig. 17, runs 700 metres, almost traversing the property at approximately 10 + 50S, and partially coincides with the weak Seattle conductor. At the eastern end of this conductor is the mineralized area from which JW3X3006 was taken. The other interesting conductor occurs at 13 + 75S and seems to follow the contact of the metaamphibotite with the metasediments.

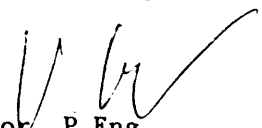
7.2.2 Lusty-Valiant Claim

The most interesting of the conductors runs generally along the baseline from L 8E to L 19E and is picked up by the Seattle survey along its whole length and by Hawaii survey in part. Another interesting conductor occurs at 2 + 50N running from L 13E to L 20E on the Seattle survey. A parallel conductor occurs on the Hawaii survey but is displaced 100 metres to the north. Several conductors occur on the western portion of the grid as well, on the Valiant property. The most significant is the conductor at about 14 + 00S running across all three lines on both Hawaii and Seattle surveys, and showing a strong signature on both. Two more interesting conductors occur, one at approximately 1 + 25S (which may actually be two closely spaced parallel conductors, as suggested by the Seattle survey) and the other at approximately 7 + 00S. The Hawaii response seems to be offset by approximately 100 to 150 metres to the north.

Respectfully submitted,



D. Cukor, Geologist



V. Cukor, P.Eng.

NVC ENGINEERING LTD.

January 1990

CERTIFICATE

I, DAMIR CUKOR, of 6108 McKee Street Burnaby, British Columbia, DO HEREBY CERTIFY that:

1. I graduated from the University of British Columbia in 1984 as a Bachelor of Science in Geology;
2. Since 1983, I have been employed as a geologist with NVC ENGINEERING LTD.;
3. I have worked in the field of exploration geology and geophysics for twelve seasons and have held positions of responsibility since 1982;
4. I performed and/or executed work as documented in this report;
5. I have no interest, direct or indirect, in the properties of BUTTER ROCK RESOURCES INC., nor do I expect to receive any;
6. I hereby consent to the use of this report for organizing public financing by BUTTER ROCK RESOURCES INC.

January 1990




D. Cukor, Geologist
NVC ENGINEERING LTD.

CERTIFICATE

I, VLADIMIR CUKOR, of 304 - 1720 Barclay Street in the City of Vancouver, Province of British Columbia, DO HEREBY CERTIFY that:

1. I am a Consulting Geological Engineer with NVC Engineering Ltd., with business address as above;
2. I graduated from the University of Zagreb, Yugoslavia in 1963 as a Graduated Geological Engineer;
3. I am a Registered Professional Engineer in the Geological Section of the Association of Profession Engineers in the Province of British Columbia, Registration No. 7444;
4. I have practiced my profession as a Geological Engineer for the past twenty-seven years in Europe, North America and South America in engineering geology, hydrogeology and exploration for base metals and precious metals;
5. I have personally supervised the work described in this report and have reviewed all available information on these properties;
6. I have no interest, direct or indirect, in the properties of BUTTER ROCK RESOURCES INC., nor do I expect to receive any;
7. I hereby consent to the use of this report for organizing public financing by BUTTER ROCK RESOURCES INC.

January 1990


V. Cukor, P.Eng.

NVC ENGINEERING LTD.

APPENDIX A

SAMPLE DESCRIPTIONS

SAMPLE DESCRIPTIONS: 3X3 CLAIM

| <u>Sample</u> | <u>Description</u> |
|---------------|--|
| 3X3001 | irregular quartz stockwork exposed in layered chlorite sericite schist and argillite, oxidized, vuggy; (limonite, hematite 10-20%). rock chip sample from road side exposure (50 cm wide). |
| 3X3002 | irregular quartz stringers exposed in layered chlorite sericite schist and argillite, oxidized, vuggy (limonite, hematite 10-20%). rock chip sample from road side exposure (40 cm wide). |
| 3X3003 | quartz stringers in well foliated chlorite sericite schist; stained and oxidized. rock chip sample from outcrop exposure (20 cm wide). |
| 3X3004 | oxidized quartz stringers in fine grained, well foliated graphitic schist alternating with light green sheared slightly granular chlorite sericite schist. rock chip sample from outcrop exposure (10 cm wide). |
| 3X3005 | oxidized, stained quartz stringers in sheared graphitic schist and argillite. rock chip sample from outcrop exposure (approx. 20 cm wide). |
| 3X3006 | oxidized quartz stringers in light green granular chlorite schist. rock chip sample from outcrop exposure (approx 25 cm wide). |
| 3X3007 | irregular silicified zone (approximately 1 metre in width) consisting of stringers in gradational contact between graphitic argillite and light green granular chlorite schist; heavily oxidized vuggy, druzy euhedral quartz, interstitial epidote, chlorite, magnetite. rock chip sample from outcrop exposure (1 metre wide). |
| 3X3008 | well fractured quartz stringer in layered graphitic schist, argillite. rocks in this area weather black and are well oxidized along cleavage planes, suggesting high iron content. probably part of the iron formation exposed on the GAD claim (pers comm Gold Allen, P. Geol., Beau Pre Explorations Ltd.). rock chip sample from outcrop exposure (approx. 50 cm wide). |
| 3X3009 | quartz stringer in layered graphitic schist and sheared mudstone. rock chip sample from outcrop exposure (approx. 20 cm wide). |
| 3X3010 | quartz stringer in layered graphitic schist and sheared mudstone. rock chip sample from outcrop exposure (approx. 20 cm wide). |

- 3X3011 quartz stringer in layered graphitic schist and sheared mudstone.
rock chip sample from outcrop exposure (approx. 20 cm wide).
- 3X3012 fine grained disseminated pyrite (less than 10%) associated with
epidote and chlorite parallel to planes of cleavage in medium to fine
grained, slightly banded chloritized quartz muscovite schist.
rock chip sample from outcrop exposure (15 cm wide).
- 3X3013 irregular quartz stringer in chloritized quartz muscovite schist.
lightly stained and oxidized.
rock chip sample from outcrop exposure (20 cm wide).
- 3X3014 quartz stringer in gossanous shear zone approximately 2 metres
across, exposed by road cut in bright green sheared amphibolite.
minor disseminated pyrite (up to 5%).
rock chip sample from outcrop exposure on the GAD claim to the east of 3X3
(50 cm wide).

SAMPLE DESCRIPTIONS: LUSTY-VALIANT CLAIM

| <u>Sample</u> | <u>Description</u> |
|---------------|--|
| JWL001 | quartz stringers in light greyish green sheared chloritized diorite; forms prominent ridge in hillside. lightly stained and oxidized; boxworks containing limonite and hematite. small amounts of disseminated pyrrhotite. rock chip sample from road side exposure (width of sample approx. 1 metre). |
| JWL002 | silicified layer in well foliated, crenulated quartz graphite schist. rock chip sample from road side exposure (30 cm wide). |
| JWL003 | moderately oxidized quartz stringer in dark grey chlorite sericite schist. rock chip sample from road side exposure (10 cm wide). |
| JWL004 | crystalline quartz stringers in graphitic schist. rock chip sample from road side exposure (approx. 1 metre wide zone). |
| JWL005 | crystalline quartz stringers in graphitic schist. vuggy, numerous irregular solution cavities. rock chip sample from road side exposure (approx. 50 cm wide). |
| JWL006 | quartz stringer in lime green fine grained chloritized foliated amphibolite. lightly stained and oxidized, masses of chlorite and amphibolite. rock chip sample from road side exposure (width of sample 50 cm). |
| JWL007 | crystalline quartz stringers in graphitic schist (zone approximately 2 metres). vuggy, numerous irregular cavities. rock chip sample from road side exposure (2 metres wide). |
| JWL008 | quartz veinlets in graphitic schist. vuggy, numerous irregular solution cavities containing limonite and hematite. rock chip sample from road side exposure (width of sample 2 metres). |
| JWL009 | fine amorphous quartz stringers in graphitic schist. vuggy, numerous irregular solution cavities containing limonite and hematite. rock chip sample from road side exposure (width of sample 30 cm). |
| JWL010 | quartz stringers in graphitic schist. vuggy, numerous irregular cavities containing limonite and hematite. rock chip sample from road side exposure (width of sample 25 cm). |

- JWL011 irregular oxidized stringers in hornfelsic aureole.
no apparent mineralization.
rock chip sample from road side exposure (width of sample 20 cm).
- JWL012 quartz stringers in graphitic schist.
moderately oxidized; vuggy in appearance.
silicified graphitic shear.
rock chip sample from road side exposure (width of sample 45 cm).
- JWL013 irregular silicified stringer in fine grained silicified chlorite
sericite schist.
lightly chloritized and oxidized.
rock chip sample from road side exposure (width of sample 10 cm).
- JWL014 irregular silicified stringers in fine grained silicified chlorite
sericite schist.
small graphitic shears.
light chloritized and oxidized.
rock chip sample from road side exposure (width of sample 30 cm).
- JWL015 quartz stringers in graphitic schist.
lightly oxidized; vuggy in appearance.
silicified graphitic shear.
rock chip sample from road side exposure (width of sample 45 cm).
- JWL016 small irregular quartz stringers in graphitic schist.
lightly stained and oxidized.
rock chip sample from road side exposure (width of sample 15 cm).
- JWL017 quartz stringers in graphitic schist.
lightly oxidized; vuggy in appearance.
rock chip sample from road side exposure (width of sample 10 cm).
- JWL018 quartz stringers in graphitic schist and chloritized quartzite.
lightly oxidized; vuggy in appearance.
rock chip sample from road side exposure (width of sample 30 cm).

APPENDIX B

CERTIFICATES OF ASSAY

CERTIFICATE OF ASSAY

Date: March 30, 1988

File: 8803-0953



SGS SUPERVISION SERVICES INC.
General Testing Laboratories Division

1001 East Pender Street,
Vancouver, B.C., Canada. V6A 1W2
Telephone: (604) 254-1647
Telex: 04-507514

TO: N.V.C. ENGINEERING LTD.
304 - 1720 Barclay Street
Vancouver, B.C.
V6G 2Y1

We hereby certify that the following are the results of assays on: soil samples

505

| MARKED | GOLD | | SILVER | | SAMPLE MARKED: | GOLD | | SILVER | |
|--------------|----------|----------|------------|------------|----------------|----------|----------|------------|------------|
| | Au (ppm) | Ag (ppm) | XXXXXXXXXX | XXXXXXXXXX | | Au (ppm) | Ag (ppm) | XXXXXXXXXX | XXXXXXXXXX |
| L# 1E 0+50 S | 0.02 | 0.8 | | | L# 3E | | | | |
| 1+00 | 0.02 | 0.7 | | | 0+50 S | 0.02 | 0.5 | | |
| 1+50 | 0.02 | 0.8 | | | 1+00 | 0.02 | 0.6 | | |
| 2+00 | 0.02 | 0.6 | | | 1+50 | 0.02 | 0.5 | | |
| 6+00 | 0.02 | 0.8 | | | 2+00 | 0.02 | 0.5 | | |
| 10+50 | 0.02 | 0.2 | | | 2+50 | 0.02 | 0.6 | | |
| 11+00 | 0.02 | 0.1 | | | 3+00 | 0.02 | 1.0 | | |
| 11+50 | 0.02 | 0.1 | | | 3+50 | 0.02 | 0.6 | | |
| 12+00 | 0.02 | 0.1 | | | 4+50 | 0.02 | 0.7 | | |
| 12+50 | 0.02 | 0.2 | | | 5+00 | 0.02 | 0.2 | | |
| 13+00 | 0.02 | 0.2 | | | 5+50 | 0.02 | 0.7 | | |
| 13+50 | 0.02 | 0.2 | | | 6+00 | 0.02 | 0.8 | | |
| 14+00 | 0.02 | 0.4 | | | 6+50 | 0.02 | 0.6 | | |
| 14+50 | 0.02 | 1.1 | | | 10+50 | 0.02 | 0.2 | | |
| 15+00 S | 0.02 | 0.2 | | | 11+00 | 0.02 | 0.5 | | |
| L# 2E 0+50 S | 0.02 | 0.6 | | | 11+50 | 0.02 | 0.2 | | |
| 1+00 | 0.02 | 0.5 | | | 12+00 | 0.02 | 0.2 | | |
| 1+50 | 0.02 | 0.5 | | | 12+50 | 0.02 | 0.4 | | |
| 2+00 | 0.02 | 1.0 | | | 13+00 | 0.02 | 0.6 | | |
| 2+50 | 0.27 | 0.4 | | | 13+50 | 0.02 | 0.2 | | |
| 3+00 | 0.02 | 0.2 | | | 14+00 | 0.02 | 0.4 | | |
| 3+50 | 0.02 | 0.6 | | | 14+50 S | 0.02 | 0.4 | | |
| 4+00 | 0.02 | 0.5 | | | L# 4E | | | | |
| 4+50 | 0.02 | 0.4 | | | 0+50 S | 0.02 | 0.5 | | |
| 5+00 | 0.02 | 0.6 | | | 1+00 | 0.02 | 0.5 | | |
| 5+50 | 0.02 | 0.4 | | | 1+50 | 0.02 | 0.7 | | |
| 6+00 | 0.02 | 0.2 | | | 2+00 | 0.02 | 0.5 | | |
| 11+00 | 0.02 | 0.5 | | | 2+50 | 0.02 | 0.7 | | |
| 11+50 | 0.02 | 0.1 | | | 3+00 | 0.02 | 0.6 | | |
| 12+00 | 0.02 | 0.2 | | | 3+50 | 0.02 | 0.7 | | |
| 12+50 | 0.02 | 0.2 | | | 4+00 | 0.02 | 0.8 | | |
| 13+50 | 0.02 | 0.1 | | | 4+50 S | 0.02 | 0.8 | | |
| 14+00 | 0.02 | 0.2 | | | | | | | |
| 14+50 | 0.02 | 0.5 | | | | | | | |
| 15+00 S | 0.02 | 0.2 | | | | | | | |

/ continued on page 2....

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B. Pepper
B. Pepper

PROVINCIAL ASSAYER

Analytical and Consulting Chemists, Bulk Cargo Specialists, Surveyors, Inspectors, Samplers, Weighers

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REFEREE AND OR OFFICIAL CHEMISTS FOR: National Institute of Oilseed Products • The American Oil Chemists' Society
OFFICIAL WEIGHMASTERS FOR: Vancouver Board Of Trade

CERTIFICATE OF ASSAY

Date: March 30, 1988

File: 8803-0953

TO: N.V.C. ENGINEERING LTD.



SGS SUPERVISION SERVICES INC.
General Testing Laboratories Division

1001 East Pender Street,
Vancouver, B.C., Canada. V6A 1W2
Telephone: (604) 254-1647
Telex: 04-507514

(page 2)

We hereby certify that the following are the results of assays on:

| MARKED | GOLD' | | SILVER | | XXXXXXXXXXXXXXXXXXXX | XXXXXXXXXXXXXXXXXXXX | XXXXXXXX | SAMPLE | GOLD | SILVER |
|--------|----------|---------|---------|----------|----------------------|----------------------|----------|----------|------|--------|
| | Au (ppm) | Ag(ppm) | MARKED: | Au (ppm) | | | | Ag (ppm) | | |
| L# 4E | 5+00 S | 0.02 | 0.8 | | | | L# 6E | | | |
| | 6+00 | 0.02 | 0.6 | | | | 2+00 S | 0.02 | 1.0 | |
| | 6+50 | 0.02 | 0.7 | | | | 2+50 | 0.02 | 0.7 | |
| | 10+50 | 0.02 | 0.6 | | | | 3+00 | 1.10 | 5.0 | |
| | 11+00 | 0.02 | 0.1 | | | | 3+50 | 0.02 | 0.4 | |
| | 11+50 | 0.02 | 0.1 | | | | 4+00 | 0.02 | 1.0 | |
| | 12+00 | 0.02 | 0.1 | | | | 4+50 | 0.02 | 0.7 | |
| | 13+00 | 0.02 | 0.1 | | | | 5+00 | 0.07 | 2.5 | |
| | 13+50 | 0.02 | 0.1 | | | | 5+50 | 0.11 | 0.4 | |
| | 14+00 | 0.16 | 0.4 | | | | 6+00 | 0.03 | 0.2 | |
| | 14+50 | 0.02 | 0.2 | | | | 7+00 | 0.02 | 1.0 | |
| | 14+75 S | 0.06 | 0.8 | | | | 10+50 | 0.02 | 0.2 | |
| L# 5E | 0+50 S | 0.02 | 0.5 | | | | 11+00 | 0.02 | 0.7 | |
| | 1+00 | 0.02 | 0.6 | | | | 11+50 | 0.02 | 0.4 | |
| | 1+50 | 0.02 | 0.6 | | | | 12+00 | 0.03 | 0.4 | |
| | 2+00 | 0.02 | 0.7 | | | | 12+50 | 0.03 | 0.6 | |
| | 2+50 | 0.02 | 0.6 | | | | 13+00 | 0.02 | 0.5 | |
| | 3+00 | 0.08 | 0.7 | | | | 13+50 | 0.02 | 0.2 | |
| | 3+50 | 0.02 | 0.2 | | | | 14+00 | 0.07 | 0.4 | |
| | 4+00 | 0.02 | 0.8 | | | | 14+50 | 0.03 | 3.3 | |
| | 4+50 | 0.90 | 1.8 | | | | 15+00 | 0.02 | 0.5 | |
| | 5+00 | 0.02 | 1.2 | | | | L# 7E | | | |
| | 5+50 | 0.02 | 0.2 | | | | 0+50 S | 0.02 | 0.6 | |
| | 6+50 | 0.02 | 0.8 | | | | 1+00 | 0.02 | 1.2 | |
| | 10+50 | 0.02 | 0.5 | | | | 1+50 | 0.02 | 0.7 | |
| | 11+00 | 0.02 | 0.2 | | | | 2+00 | 0.02 | 0.6 | |
| | 11+50 | 0.03 | 0.2 | | | | 2+50 | 0.02 | 0.7 | |
| | 12+00 | 0.02 | 0.2 | | | | 3+00 | 0.02 | 0.6 | |
| | 12+50 | 0.02 | 0.4 | | | | 3+50 | 0.02 | 1.0 | |
| | 13+50 | 0.02 | 0.2 | | | | 4+00 | 0.02 | 0.2 | |
| | 14+00 | 0.02 | 0.2 | | | | 4+50 S | 0.02 | 0.8 | |
| | 14+50 | 0.05 | 0.4 | | | | | | | |
| | 14+85 S | 0.02 | 0.2 | | | | | | | |
| L# 6E | 0+50 S | 0.02 | 0.8 | | | | | | | |
| | 1+00 | 0.02 | 0.7 | | | | | | | |

B. Puffer
B. Puffer

PROVINCIAL ASSAYER

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/ continued on page 3.....

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OFFICIAL WEIGHMASTERS FOR: Vancouver Board Of Trade

CERTIFICATE OF ASSAY

Date: March 30, 1988

File: 8803-0953



SGS SUPERVISION SERVICES INC.
General Testing Laboratories Division

1001 East Pender Street,
Vancouver, B.C., Canada. V6A 1W2
Telephone: (604) 254-1647
Telex: 04-507514

TO: N.V.C. ENGINEERING LTD.

(page 3)

We hereby certify that the following are the results of assays on: soil samples

| MARKED | GOLD | | SILVER | | Sample
Marked: | Gold | Silver |
|--------------|---------|---------|------------|------------|-------------------|--------|----------|
| | Au(ppm) | Ag(ppm) | XXXXXXXXXX | XXXXXXXXXX | | XXXXXX | Au (ppm) |
| L# 7E 5+00 S | 0.02 | 0.4 | | | | | |
| 5+50 | 0.02 | 0.7 | | | | | |
| 6+00 | 0.02 | 1.0 | | | | | |
| 6+50 | 0.02 | 1.0 | | | | | |
| 10+00 | 0.02 | 0.7 | | | | | |
| 10+50 | 0.02 | 0.2 | | | | | |
| 11+00 | 0.02 | 0.5 | | | | | |
| 11+50 | 0.02 | 0.2 | | | | | |
| 12+00 | 0.02 | 0.4 | | | | | |
| 12+50 | 0.02 | 0.5 | | | | | |
| 13+00 | 0.02 | 0.7 | | | | | |
| 13+50 | 0.02 | 0.6 | | | | | |
| 14+00 | 0.02 | 0.4 | | | | | |
| 14+50 | 0.02 | 0.4 | | | | | |
| 15+00 S | 0.02 | 0.7 | | | | | |
| L# 8E 0+50 S | 0.02 | 0.5 | | | L# 8E | | |
| 1+00 | 0.02 | 0.6 | | | 14+50 S | 0.02 | 0.6 |
| 1+50 | 0.02 | 0.7 | | | 15+00 S | 0.02 | 0.7 |
| 2+00 | 0.02 | 0.6 | | | | | |
| 2+50 | 0.02 | 0.5 | | | L# 9E | | |
| 3+00 | 0.02 | 0.4 | | | 0+50 S | 0.02 | 0.6 |
| 3+50 | 0.05 | 0.7 | | | 1+00 | 0.02 | 0.8 |
| 4+00 | 0.02 | 0.6 | | | 1+50 | 0.02 | 0.6 |
| 4+50 | 0.02 | 0.5 | | | 2+00 | 0.02 | 0.9 |
| 5+00 | 0.02 | 1.0 | | | 2+50 | 0.02 | 0.4 |
| 5+50 | 0.02 | 0.6 | | | 3+00 | 0.02 | 1.2 |
| 6+00 | 0.02 | 0.7 | | | 3+50 | 0.02 | 0.7 |
| 6+50 | 0.02 | 0.6 | | | 4+00 | 0.07 | 0.5 |
| 7+00 | 0.02 | 1.0 | | | 4+50 | 0.20 | 1.0 |
| 7+50 | 0.02 | 0.6 | | | 5+00 | 0.07 | 0.6 |
| 10+50 | 0.02 | 0.7 | | | 5+50 | 0.02 | 0.4 |
| 11+00 | 0.02 | 0.7 | | | 6+00 | 2.17 | 1.4 |
| 11+50 | 0.02 | 0.6 | | | 6+50 | 0.47 | 0.4 |
| 12+00 | 0.02 | 0.9 | | | 7+00 | 0.09 | 1.0 |
| 13+50 | 0.02 | 0.6 | | | 10+00 | 0.02 | 0.7 |
| 14+00 S | 0.18 | 0.3 | | | 10+50 | 0.09 | 0.5 |
| | | | | | 11+00 | 0.44 | 0.7 |
| | | | | | 11+50 | 0.02 | 1.1 |
| | | | | | 12+00 | 0.64 | 3.5 |
| | | | | | 12+50 | 0.24 | 0.9 |
| | | | | | 13+00 | 0.34 | 1.0 |
| | | | | | 13+50 | 2.23 | 2.7 |
| | | | | | 14+00 | 1.27 | 1.2 |
| | | | | | 14+50 | 0.18 | 0.3 |
| | | | | | L#-10E | | |
| | | | | | 0+50 S | 0.52 | 3.5 |
| | | | | | 1+00 S | 0.44 | 1.1 |

/ continued on page 4

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B. Pepper
B. Pepper

PROVINCIAL ASSAYER

Analytical and Consulting Chemists, Bulk Cargo Specialists, Surveyors, Inspectors, Samplers, Weighers

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OFFICIAL WEIGHMASTERS FOR: Vancouver Board Of Trade

CERTIFICATE OF ASSAY

Date: March 30, 1988

File: 8803-0953



SGS SUPERVISION SERVICES INC.
General Testing Laboratories Division

1001 East Pender Street,
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Telephone: (604) 254-1647
Telex: 04-507514

TO: N.V.C ENGINEERING LTD.

(page 4)


We hereby certify that the following are the results of assays on: soil samples

| MARKED | GOLD | | SILVER | | XXXXXXXXXXXXXXXXXX | SAMPLE MARKED: | GOLD | | SILVER | |
|--------|---------|---------|--------|--|--------------------|----------------|----------|----------|--------|--|
| | Au(ppm) | Ag(ppm) | | | | | Au (ppm) | Ag (ppm) | | |
| L# 10E | 1+50 S | 1.70 | 1.8 | | | L# 11E | | | | |
| | 2+00 | 0.10 | 0.5 | | | 12+50 S | 0.02 | 0.9 | | |
| | 2+50 | 0.85 | 0.6 | | | 13+00 | 0.02 | 0.4 | | |
| | 3+00 | 0.10 | 0.3 | | | 13+50 | 0.02 | 0.5 | | |
| | 3+50 | 0.03 | 0.3 | | | 14+00 | 0.02 | 0.2 | | |
| | 4+00 | 0.02 | 0.4 | | | 14+50 S | 0.02 | 0.6 | | |
| | 4+50 | 0.02 | 0.3 | | | L# 12E | | | | |
| | 5+00 | 0.02 | 0.1 | | | 0+50 S | 0.02 | 0.5 | | |
| | 5+50 | 0.02 | 0.5 | | | 1+00 | 0.02 | 0.4 | | |
| | 6+00 | 0.02 | 0.4 | | | 1+50 | 0.02 | 0.6 | | |
| | 6+50 | 0.04 | 0.2 | | | 2+00 | 0.02 | 0.3 | | |
| | 7+00 | 0.02 | 0.1 | | | 2+50 | 0.02 | 0.3 | | |
| | 10+50 | 0.02 | 0.1 | | | 3+00 | 0.02 | 1.0 | | |
| | 11+00 | 0.02 | 0.1 | | | 3+50 | 0.02 | 0.4 | | |
| | 11+50 | 0.02 | 0.1 | | | 4+00 | 0.02 | 0.3 | | |
| | 12+00 | 0.02 | 0.3 | | | 4+50 | 0.02 | 0.4 | | |
| | 12+50 | 0.02 | 0.6 | | | 5+00 | 0.02 | 0.3 | | |
| | 13+00 S | 0.02 | 0.6 | | | 5+50 | 0.02 | 1.4 | | |
| L# 11E | 0+50 S | 0.02 | 0.7 | | | 6+00 | 0.02 | 0.9 | | |
| | 1+00 | 0.02 | 0.6 | | | 11+00 | 0.02 | 0.2 | | |
| | 1+50 | 0.02 | 0.8 | | | 12+00 | 0.02 | 0.7 | | |
| | 2+00 | 0.02 | 0.9 | | | 11+50 | 0.02 | 0.2 | | |
| | 2+50 | 0.05 | 1.0 | | | 12+50 | 0.02 | 0.1 | | |
| | 3+00 | 0.02 | 1.1 | | | 13+00 | 0.02 | 0.6 | | |
| | 3+50 | 0.02 | 0.8 | | | 13+50 | 0.02 | 0.4 | | |
| | 4+00 | 0.02 | 0.8 | | | 14+00 | 0.03 | 0.5 | | |
| | 4+50 | 0.02 | 0.6 | | | 14+50 | 0.09 | 2.3 | | |
| | 5+00 | 0.02 | 0.4 | | | 15+00 S | 0.02 | 0.6 | | |
| | 5+50 | 0.02 | 0.7 | | | | | | | |
| | 6+00 | 0.02 | 0.9 | | | | | | | |
| | 6+50 | 0.02 | 0.6 | | | | | | | |
| | 7+00 | 0.02 | 0.8 | | | | | | | |
| | 10+50 | 0.02 | 0.6 | | | | | | | |
| | 11+00 | 0.02 | 0.4 | | | | | | | |
| | 11+50 | 0.02 | 0.5 | | | | | | | |
| | 12+00 S | 0.02 | 0.3 | | | | | | | |

/ continued on page 5

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 B. Pepper
 PROVINCIAL ASSAYER

CERTIFICATE OF ASSAY

Date: March 30, 1988

File: 8803-0953



SGS SUPERVISION SERVICES INC.
General Testing Laboratories Division

1001 East Pender Street,
Vancouver, B.C., Canada. V6A 1W2
Telephone: (604) 254-1647
Telex: 04-507514

TO: N.V.C. ENGINEERING

(page 5)

We hereby certify that the following are the results of assays on: soil samples

| MARKED | GOLD | | SILVER | | SAMPLE MARKED: | GOLD | SILVER |
|--------------------|----------|----------|--------|--|----------------|----------|----------|
| | Au (ppm) | Ag (ppm) | | | | Au (ppm) | Ag (ppm) |
| TL 0+50 E | 0.03 | 0.4 | | | <u>BL</u> | | |
| 1+50 | 0.07 | 0.3 | | | L# 1E | 0+00 S | 0.02 |
| 2+50 | 0.29 | 0.6 | | | L# 2E | | 0.02 |
| 3+50 | 0.04 | 1.2 | | | L# 3E | | 0.02 |
| 4+50 | 0.30 | 0.7 | | | L# 4E | | 0.02 |
| 5+50 | 0.94 | 1.8 | | | L# 6+50 | | 0.02 |
| 6+50 | 0.09 | 0.9 | | | L# 7E | | 0.02 |
| 7+50 | 0.18 | 0.3 | | | L# 8E | | 0.02 |
| 8+50 | 0.04 | 0.3 | | | L#11E | | 0.02 |
| 9+50 | 0.13 | 0.6 | | | | | |
| 10+50 | 0.04 | 1.1 | | | | | |
| 11+50 | 0.03 | 0.4 | | | BLE | 5+50E | 0.02 |
| | | | | | | 6+00E | 0.02 |
| TL- L# 1E - 10+00S | 0.02 | 0.1 | | | | 10+00E | 0.02 |
| L# 2E | 0.02 | 0.1 | | | | | |
| L# 3E | 0.02 | 0.4 | | | GS 2 | 300N | 0.02 |
| L# 4E | 0.02 | 0.3 | | | | 300W | |
| L# 5E | 0.02 | 0.4 | | | | | |
| L# 6E | 0.02 | 0.2 | | | L# 8E | 10+00 S | 0.02 |
| L#10E | 0.02 | 0.6 | | | | | |
| L#11E | 0.02 | 0.4 | | | | | |
| L#12E | 0.02 | 0.1 | | | | | |
| BL 0+50 E | 0.02 | 0.5 | | | | | |
| 1+50 | 0.02 | 0.6 | | | | | |
| 2+50 | 0.02 | 0.7 | | | | | |
| 3+50 | 0.02 | 0.5 | | | | | |
| 4+50 | 0.02 | 0.4 | | | | | |
| 5+00 | 0.02 | 0.5 | | | | | |
| 5+50 | 0.02 | 0.4 | | | | | |
| 7+50 | 0.02 | 0.5 | | | | | |
| 8+50 | 0.02 | 0.6 | | | | | |
| 9+00 | 0.02 | 0.4 | | | | | |
| 9+50 | 0.02 | 0.5 | | | | | |
| L9+50 | 0.02 | 0.6 | | | | | |
| 10+50 | 0.02 | 0.5 | | | | | |
| 11+50 | 0.02 | 0.6 | | | | | |
| 12+00 E | 0.02 | 0.6 | | | | | |

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B. Pepper
B. Pepper

PROVINCIAL ASSAYER

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OFFICIAL WEIGHMASTERS FOR: Vancouver Board Of Trade

CERTIFICATE OF ASSAY

Date: March 25, 1988

File: 8803-2352



SGS SUPERVISION SERVICES INC.

General Testing Laboratories Division

1001 East Pender Street,
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Telephone: (604) 254-1647
Telex: 04-507514

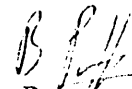
TO: N.V.C. ENGINEERING
Ste. 304 - 1720 Barclay Street
Vancouver, B.C.
V6G 2Y1

We hereby certify that the following are the results of assays on: Ore

| MARKED | GOLD | SILVER | XXXXXXXX | XXXXXXXXXX | XXXXXXXXXX | XXXXXXXXXX | XXXXXXXXXX | XXXXXXXX |
|-----------------|-------|--------|----------|------------|------------|------------|------------|----------|
| | oz/st | oz/st | | | | | | |
| <u>JW 3 x 3</u> | | | | | | | | |
| 001 | 0.004 | 0.20 | | | | | | |
| 002 | 0.006 | 0.34 | | | | | | |
| 003 | 0.006 | 0.24 | | | | | | |
| 004 | 0.016 | 0.06 | | | | | | |
| 005 | 0.152 | 0.32 | | | | | | |
| 006 | 0.214 | 0.42 | | | | | | |
| 007 | 0.060 | 0.22 | | | | | | |
| 008 | 0.042 | 0.25 | | | | | | |
| 009 | 0.010 | 0.22 | | | | | | |
| 010 | 0.010 | 0.12 | | | | | | |
| 011 | 0.004 | 0.10 | | | | | | |
| 012 | 0.004 | 0.24 | | | | | | |
| 013 | 0.004 | 0.20 | | | | | | |
| (GAD)014 | 0.006 | 0.22 | | | | | | |

NOTE: REJECTS RETAINED ONE MONTH PULPS RETAINED THREE MONTHS. ON REQUEST PULPS AND REJECTS WILL BE STORE FOR A MAXIMUM OF ONE YEAR.

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 B. Pepper

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 REFEREE AND OR OFFICIAL CHEMISTS FOR: National Institute of Oilseed Products • The American Oil Chemists' Society
 OFFICIAL WEIGHMASTERS FOR: Vancouver Board Of Trade

CERTIFICATE OF ASSAY

Date: April 5, 1988

File: 8803-2862



SGS SUPERVISION SERVICES INC.
General Testing Laboratories Division

1001 East Pender Street,
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 Telephone: (604) 254-1647
 Telex: 04-507514

TO: N.V.C. ENGINEERING LTD.
 Ste. 304 - 1720 Barclay Street
 Vancouver, B.C.
 V6G 2Y1

We hereby certify that the following are the results of assays on:

soil samples

| MARKED | GOLD | SILVER | XXXXXXXXXX | XXXXXXXXXX | XXXXXXXXXX | XXXXXXXXXX | XXXXXXXXXX | XXXXXXXXXX |
|-------------|----------|----------|------------|------------|------------|------------|------------|------------|
| | Au (ppm) | Ag (ppm) | | | | | | |
| L#4W 0+00 S | 0.02 | 0.3 | | | | | | |
| 1+00 | 0.02 | 0.5 | | | | | | |
| 1+50 | 0.02 | 1.5 | | | | | | |
| 2+00 | 0.02 | 0.5 | | | | | | |
| 3+00 | 0.02 | 1.7 | | | | | | |
| 3+50 | 0.03 | 1.0 | | | | | | |
| 4+00 | 0.02 | 1.3 | | | | | | |
| 4+50 | 0.03 | 1.1 | | | | | | |
| 5+00 | 0.02 | 0.8 | | | | | | |
| 5+50 | 0.02 | 0.7 | | | | | | |
| 6+00 | 0.02 | 0.6 | | | | | | |
| 6+50 | 0.02 | 0.7 | | | | | | |
| 7+00 | 0.02 | 0.9 | | | | | | |
| 7+50 | 0.02 | 0.7 | | | | | | |
| 8+00 | 0.02 | 0.7 | | | | | | |
| 8+50 | 0.02 | 0.9 | | | | | | |
| 9+00 | 0.03 | 0.3 | | | | | | |
| 9+50 | 0.02 | 1.1 | | | | | | |
| 10+00 | 0.02 | 1.2 | | | | | | |
| 10+50 | 0.02 | 0.8 | | | | | | |
| 11+00 | 0.02 | 1.0 | | | | | | |
| 11+50 | 0.02 | 2.5 | | | | | | |
| 12+00 | 0.02 | 0.6 | | | | | | |
| 12+50 | 0.02 | 0.8 | | | | | | |
| 13+00 | 0.02 | 0.9 | | | | | | |
| 13+50 | 0.02 | 1.0 | | | | | | |
| 14+00 | 0.02 | 0.9 | | | | | | |
| 14+50 | 0.02 | 1.2 | | | | | | |
| 15+00 | 0.03 | 0.8 | | | | | | |
| 15+50 | 0.02 | 0.5 | | | | | | |
| 16+00 | 0.02 | 0.6 | | | | | | |
| 16+50 | 0.02 | 0.9 | | | | | | |
| 17+00 | 0.02 | 0.7 | | | | | | |
| 17+50 | 0.02 | 1.5 | | | | | | |
| 18+00 S | 0.02 | 1.0 | | | | | | |

/ continued on page 2

NOTE: REJECTS RETAINED ONE MONTH PULPS RETAINED THREE MONTHS. ON REQUEST PULPS AND REJECTS WILL BE STORE FOR A MAXIMUM OF ONE YEAR.

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B. Pepper
 B. Pepper

PROVINCIAL ASSAYER

Analytical and Consulting Chemists, Bulk Cargo Specialists, Surveyors, Inspectors, Samplers, Weighers

MEMBER: American Society For Testing Materials • The American Oil Chemists Society • Canadian Testing Association
 REFEREE AND OR OFFICIAL CHEMISTS FOR: National Institute of Oilseed Products • The American Oil Chemists' Society
 OFFICIAL WEIGHMASTERS FOR: Vancouver Board Of Trade

CERTIFICATE OF ASSAY

Date: April 5, 1988

File: 8803-2862



SGS SUPERVISION SERVICES INC.
General Testing Laboratories Division

1001 East Pender Street,
Vancouver, B.C., Canada. V6A 1W2
Telephone: (604) 254-1647
Telex: 04-507514

TO: N.V.C. ENGINEERING LTD.

(page 2)

We hereby certify that the following are the results of assays on: soil samples

| MARKED | GOLD | SILVER | XXXXXXXXXX | XXXXXXXXXX | XXXXXXXXXX | XXXXXXXXXX | XXXXXXXXXX | XXXX |
|---------------|---------|----------|------------|------------|------------|------------|------------|------|
| | Au(ppm) | Ag (ppm) | | | | | | |
| L#2W 0+00 S | 0.02 | 0.5 | | | | | | |
| 0+50 | 0.02 | 0.4 | | | | | | |
| 1+00 | 0.03 | 0.6 | | | | | | |
| 1+50 | 0.02 | 0.4 | | | | | | |
| 2+00 | 0.02 | 0.6 | | | | | | |
| 3+00 | 0.02 | 0.8 | | | | | | |
| 3+50 | 0.02 | 1.0 | | | | | | |
| 4+00 | 0.02 | 0.5 | | | | | | |
| 4+50 | 0.02 | 0.7 | | | | | | |
| 5+00 | 0.02 | 1.0 | | | | | | |
| 5+50 | 0.02 | 1.0 | | | | | | |
| 6+00 | 0.02 | 1.3 | | | | | | |
| 6+50 | 0.02 | 0.9 | | | | | | |
| 7+00 | 0.02 | 0.3 | | | | | | |
| 7+50 | 0.03 | 0.5 | | | | | | |
| 8+50 | 0.02 | 0.4 | | | | | | |
| 9+00 | 0.02 | 0.7 | | | | | | |
| 10+00 | 0.02 | 0.7 | | | | | | |
| 10+50 | 0.02 | 0.5 | | | | | | |
| 11+00 | 0.02 | 1.1 | | | | | | |
| 11+50 | 0.02 | 0.6 | | | | | | |
| 12+00 | 0.02 | 0.8 | | | | | | |
| 12+50 | 0.03 | 1.1 | | | | | | |
| 13+00 | 0.02 | 0.9 | | | | | | |
| 13+50 | 0.02 | 0.2 | | | | | | |
| 14+00 | 0.02 | 0.6 | | | | | | |
| 14+50 | 0.02 | 0.2 | | | | | | |
| 15+00 | 0.02 | 0.7 | | | | | | |
| 15+50 (15+80) | 0.02 | 1.1 | | | | | | |
| 16+50 | 0.02 | 0.9 | | | | | | |
| 17+00 | 0.02 | 1.3 | | | | | | |
| 18+00 | 0.02 | 0.8 | | | | | | |
| 9+50 | 0.02 | 1.0 | | | | | | |

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B. J. Pepper
B. Pepper

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REFEREE AND OR OFFICIAL CHEMISTS FOR: National Institute of Oilseed Products • The American Oil Chemists' Society
OFFICIAL WEIGHMASTERS FOR: Vancouver Board Of Trade

CERTIFICATE OF ASSAY

Date: March 25, 1988

File: 8802-2959



SGS SUPERVISION SERVICES INC.
General Testing Laboratories Division

1001 East Pender Street,
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 Telephone: (604) 254-1647
 Telex: 04-507514

TO: N.V.C. ENGINEERING
 Ste. 304 - 1720 Barclay Street
 Vancouver, B.C.
 V6G 2Y1

LUSTY VALIANT

We hereby certify that the following are the results of assays on: soil samples

225

| MARKED | GOLD | SILVER | XXXXXXXX | XXXXXXXXXX | XXXXXXXXXX | XXXXXXXXXX | XXXXXXXXXX | XXXXXXXXXX |
|---------------|----------|---------|----------|------------|------------|------------|------------|------------|
| | Au (ppm) | Ag(ppm) | | | | | | |
| <u>B.L.</u> | | | | | | | | |
| 10+00 S | 0.02 | 1.5 | | | | | | |
| 10+50 S | 0.03 | 0.6 | | | | | | |
| 11+00 E | 0.02 | 1.0 | | | | | | |
| 11+50 | 0.02 | 0.8 | | | | | | |
| 12+00 | 0.02 | 0.7 | | | | | | |
| 12+50 | 0.02 | 1.0 | | | | | | |
| 13+00 | 0.02 | 0.8 | | | | | | |
| 13+50 | 0.02 | 0.5 | | | | | | |
| 14+00 | 0.02 | 0.2 | | | | | | |
| 14+50 | 0.02 | 1.0 | | | | | | |
| 15+00 | 0.02 | 0.8 | | | | | | |
| 15+50 | 0.03 | 1.0 | | | | | | |
| 16+00 | 0.02 | 1.5 | | | | | | |
| 16+50 | 0.02 | 0.6 | | | | | | |
| 17+00 | 0.02 ✓ | 0.8 | | | | | | |
| 17+50 | 0.02 | 0.6 | | | | | | |
| 18+50 | 0.02 | 1.0 | | | | | | |
| 19+00 | 0.02 | 0.8 | | | | | | |
| 19+50 | 0.02 | 0.8 | | | | | | |
| 20+00 | 0.02 | 1.2 | | | | | | |
| 20+50 | 0.02 | 1.1 | | | | | | |
| 21+00 | 0.02 | 0.8 | | | | | | |
| 21+50 | 0.02 | 1.1 | | | | | | |
| 22+00 | 0.02 | 1.0 | | | | | | |
| 22+50 | 0.02 | 0.5 | | | | | | |
| 23+00 | 0.02 | 0.4 | | | | | | |
| 23+50 | 0.02 | 0.6 | | | | | | |
| 24+00 E | 0.02 | 0.8 | | | | | | |
| <u>L 10 E</u> | | | | | | | | |
| 0+50 N | 0.02 | 0.5 | | | | | | |
| 1+00 | 0.03 | 0.4 | | | | | | |
| 1+50 | 0.02 | 1.1 | | | | | | |
| 2+00 | 0.02 | 0.5 | | | | | | |
| 2+50 N | 0.02 | 0.6 | | | | | | |

/ continued on page 2

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 OFFICIAL WEIGHMASTERS FOR: Vancouver Board Of Trade

CERTIFICATE OF ASSAY

Date: March 25, 1988

File: 8802-2959



SGS SUPERVISION SERVICES INC.

General Testing Laboratories Division

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Telephone: (604) 254-1647
Telex: 04-507514

TO: N.V.C. ENGINEERING LTD.

(page 2)

We hereby certify that the following are the results of assays on: soil samples

| MARKED | GOLD | SILVER | XXXXXXXX | XXXXXXXXXX | XXXXXXXXXX | XXXXXXXXXX | XXXXXXXXXX | XXXXXXXX |
|---------------|----------|----------|----------|------------|------------|------------|------------|----------|
| | Au (ppm) | Ag (ppm) | | | | | | |
| <u>L 12 E</u> | | | | | | | | |
| 2+50 N | 0.02 | 0.7 | | | | | | |
| 3+00 N | 0.02 | 1.1 | | | | | | |
| <u>L 13 E</u> | | | | | | | | |
| 0+50 S | 0.02 | 0.7 | | | | | | |
| 1+00 | 0.02 | 0.7 | | | | | | |
| 1+50 | 0.02 | 0.7 | | | | | | |
| 2+00 | 0.02 | 0.7 | | | | | | |
| 2+50 | 0.02 | 0.8 | | | | | | |
| 3+00 S | 0.02 | 0.8 | | | | | | |
| 0+50 N | 0.02 | 1.0 | | | | | | |
| 1+00 | 0.02 | 0.7 | | | | | | |
| 1+50 | 0.02 | 1.0 | | | | | | |
| 2+00 | 0.02 | 1.1 | | | | | | |
| 2+50 | 0.02 | 0.8 | | | | | | |
| 3+00 | 0.02 | 1.1 | | | | | | |
| 3+50 | 0.04 | 1.0 | | | | | | |
| 4+00 N | 0.02 | 1.2 | | | | | | |
| <u>L 14 E</u> | | | | | | | | |
| 1+00 S | 0.02 | 0.5 | | | | | | |
| 1+50 | 0.02 | 0.5 | | | | | | |
| 2+00 | 0.02 | 0.6 | | | | | | |
| 2+50 | 0.02 | 1.2 | | | | | | |
| 3+00 S | 0.02 | 0.9 | | | | | | |
| 0+50 N | 0.02 | 1.1 | | | | | | |
| 1+00 | 0.08 | 1.2 | | | | | | |
| 1+50 | 0.02 | 1.3 | | | | | | |
| 2+00 | 0.02 | 0.9 | | | | | | |
| 2+50 | 0.04 | 0.3 | | | | | | |
| 3+00 | 0.14 | 0.3 | | | | | | |
| 3+50 | 0.02 | 0.8 | | | | | | |
| 4+00 N | 0.02 | 0.6 | | | | | | |

/ continued on page 3

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B. Pepper

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CERTIFICATE OF ASSAY

Date: March 25, 1988

File: 8802-2959



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General Testing Laboratories Division

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Vancouver, B.C., Canada. V6A 1W2
Telephone: (604) 254-1647
Telex: 04-507514

TO: H.V.C. ENGINEERING

(p 2 A)

We hereby certify that the following are the results of assays on: soil samples

| MARKED | GOLD | SILVER | XX | XX | XX | XX | XX | XX |
|---------------|----------|----------|--|--|--|--|--|--|
| | Au (ppm) | Ag (ppm) | | | | | | |
| <u>L 10 E</u> | | | | | | | | |
| 3+00 N | 0.02 | 0.4 | | | | | | |
| 3+50 | 0.03 | 0.6 | | | | | | |
| 4+00 N | 0.02 | 1.1 | | | | | | |
| 1+50 S | 0.02 | 1.0 | | | | | | |
| <u>L 11 E</u> | | | | | | | | |
| 0+50 S | 0.02 | 0.8 | | | | | | |
| 1+00 | 0.02 | 1.0 | | | | | | |
| 1+50 | 0.02 | 1.1 | | | | | | |
| 2+00 | 0.03 | 0.8 | | | | | | |
| 2+50 | 0.02 | 0.6 | | | | | | |
| 3+00 S | 0.02 | 0.8 | | | | | | |
| 0+50 N | 0.02 | 0.8 | | | | | | |
| 1+00 | 0.02 | 0.7 | | | | | | |
| 1+50 | 0.02 | 0.8 | | | | | | |
| 2+00 | 0.02 | 0.8 | | | | | | |
| 2+50 | 0.02 | 1.0 | | | | | | |
| 3+00 | 0.02 | 1.1 | | | | | | |
| 3+50 | 0.02 | 1.5 | | | | | | |
| 4+00 N | 0.02 | 0.8 | | | | | | |
| <u>L 12 E</u> | | | | | | | | |
| 0+50 S | 0.02 | 1.0 | | | | | | |
| 1+00 | 0.02 | 0.7 | | | | | | |
| 1+50 | 0.02 | 0.8 | | | | | | |
| 2+00 | 0.02 | 0.8 | | | | | | |
| 2+50 | 0.02 | 0.6 | | | | | | |
| 3+00 | 0.02 | 0.6 | | | | | | |
| 0+50 N | 0.02 | 0.7 | | | | | | |
| 1+00 | 0.02 | .10 | | | | | | |
| 1+50 | 0.02 | 1.3 | | | | | | |
| 2+00 N | 0.02 | 0.7 | | | | | | |

/ continued on page 2

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B. Pepper

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OFFICIAL WEIGHMASTERS FOR: Vancouver Board Of Trade

CERTIFICATE OF ASSAY

Date: March 25, 1988



SGS SUPERVISION SERVICES INC.
 General Testing Laboratories Division

File: 8802-2959

1001 East Pender Street,
 Vancouver, B.C., Canada. V6A 1W2
 Telephone: (604) 254-1647
 Telex: 04-507514

TO: N.V. C. ENGINEERING

(page 3)

We hereby certify that the following are the results of assays on: soil samples

| MARKED | GOLD | SILVER | XXXXXXXXXX | XXXXXXXXXX | XXXXXXXXXX | XXXXXXXXXX | XXXXXXXXXX | XXXXXXXXXX |
|---------------|----------|----------|------------|------------|------------|------------|------------|------------|
| | Au (ppm) | Ag (ppm) | | | | | | |
| <u>L 15 E</u> | | | | | | | | |
| 0 + 50 S | 0.02 | 0.8 | | | | | | |
| 1+00 | 0.02 | 0.7 | | | | | | |
| 2+00 | 0.02 | 0.7 | | | | | | |
| 2+50 | 0.02 | 0.3 | | | | | | |
| 3+00 S | 0.02 | 0.8 | | | | | | |
| 0+50 N | 0.02 | 1.1 | | | | | | |
| 1+00 | 0.02 | 1.0 | | | | | | |
| 1+50 | 0.02 | 1.4 | | | | | | |
| 2+00 | 0.02 | 1.3 | | | | | | |
| 2+50 | 0.02 | 1.3 | | | | | | |
| 3+00 | 0.02 | 0.4 | | | | | | |
| 3+50 | 0.02 | 1.7 | | | | | | |
| 4+00 N | 0.02 | 1.2 | | | | | | |
| <u>L 16 E</u> | | | | | | | | |
| 0+50 S | 0.02 | 1.1 | | | | | | |
| 1+00 | 0.02 | 0.9 | | | | | | |
| 1+50 | 0.02 | 0.8 | | | | | | |
| 2+00 | 0.02 | 1.1 | | | | | | |
| 2+50 | 0.02 | 0.6 | | | | | | |
| 3+00 S | 0.02 | 0.3 | | | | | | |
| 0+50 N | 0.02 | 0.7 | | | | | | |
| 1+00 | 0.03 | 1.0 | | | | | | |
| 1+50 | 0.02 | 0.7 | | | | | | |
| 2+00 | 0.02 | 0.8 | | | | | | |
| 2+50 | 0.02 | 0.3 | | | | | | |
| 3+00 | 0.02 | 0.2 | | | | | | |
| 3+50 | 0.02 | 0.8 | | | | | | |
| 4+00 N | 0.03 | 0.9 | | | | | | |

/ continued on page 4

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 B. Pepper

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 OFFICIAL WEIGHMASTERS FOR: Vancouver Board Of Trade

CERTIFICATE OF ASSAY

Date: March 25, 1988

File: 8802-2959



SGS SUPERVISION SERVICES INC.
General Testing Laboratories Division

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 Telephone: (604) 254-1647
 Telex: 04-507514

TO: N.V.C. ENGINEERING LTD.

(page 4)

We hereby certify that the following are the results of assays on: soil samples

| MARKED | GOLD | SILVER | XXXXXXXXXX | XXXXXXXXXXXX | XXXXXXXXXXXX | XXXXXXXXXXXX | XXXXXXXXXXXX | XXXXXXXXXXXX |
|---------------|----------|----------|------------|--------------|--------------|--------------|--------------|--------------|
| | Au (ppm) | Ag (ppm) | | | | | | |
| <u>L 17 E</u> | | | | | | | | |
| 0+50 S | 0.02 | 0.7 | | | | | | |
| 1+00 | 0.02 | 0.6 | | | | | | |
| 1+50 | 0.02 | 0.9 | | | | | | |
| 2+00 | 0.02 | 0.8 | | | | | | |
| 2+50 | 0.02 | 1.2 | | | | | | |
| 3+00 S | 0.02 | 0.4 | | | | | | |
| 0+50 N | 0.02 | 0.8 | | | | | | |
| 1+00 | 0.02 | 1.0 | | | | | | |
| 1+50 | 0.02 | 0.6 | | | | | | |
| 2+00 | 0.02 | 0.9 | | | | | | |
| 2+50 | 0.02 | 2.8 | | | | | | |
| 3+00 | 0.02 | 0.8 | | | | | | |
| 3+50 | 0.02 | 1.0 | | | | | | |
| 4+00 N | 0.02 | 1.0 | | | | | | |
| <u>L 18 E</u> | | | | | | | | |
| 0+50 S | 0.02 | 1.0 | | | | | | |
| 1+00 | 0.02 | 0.9 | | | | | | |
| 1+50 | 0.02 | 0.6 | | | | | | |
| 2+00 | 0.02 | 0.8 | | | | | | |
| 2+50 | 0.02 | 0.6 | | | | | | |
| 3+00 S | 0.02 | 0.9 | | | | | | |
| 0+50 N | 0.02 | 0.3 | | | | | | |
| 1+00 | 0.02 | 0.3 | | | | | | |
| 1+50 | 0.02 | 0.2 | | | | | | |
| 2+00 | 0.02 | 0.3 | | | | | | |
| 3+00 | 0.02 | 0.8 | | | | | | |
| 3+50 | 0.02 | 1.3 | | | | | | |
| 4+00 N | 0.02 | 1.2 | | | | | | |

/ continued on page 5

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CERTIFICATE OF ASSAY

Date: March 25, 1988

File: 8802-2959



SGS SUPERVISION SERVICES INC.

General Testing Laboratories Division

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Telephone: (604) 254-1647
Telex: 04-507514

TO: N.V.C. ENGINEERING

(page 5)

We hereby certify that the following are the results of assays on: soil samples

| MARKED | GOLD | SILVER | xxxxxx | xxxxxxxxxx | xxxxxxxxxx | xxxxxxxxxx | xxxxxxxxxx | xxxxxx |
|---------------|---------|---------|--------|------------|------------|------------|------------|--------|
| | Au(ppm) | Ag(ppm) | | | | | | |
| <u>L 19E</u> | | | | | | | | |
| 0+50 S | 0.02 | 1.2 | | | | | | |
| 1+00 | 0.02 | 0.9 | | | | | | |
| 1+50 | 0.02 | 0.9 | | | | | | |
| 2+00 | 0.02 | 0.7 | | | | | | |
| 2+50 | 0.03 | 0.9 | | | | | | |
| 3+00 S | 0.02 | 0.9 | | | | | | |
| 0+50 N | 0.02 | 1.4 | | | | | | |
| 1+00 | 0.02 | 0.4 | | | | | | |
| 1+50 | 0.02 | 0.6 | | | | | | |
| 2+00 | 0.02 | 0.7 | | | | | | |
| 2+50 | 0.03 | 0.9 | | | | | | |
| 3+00 | 0.02 | 1.1 | | | | | | |
| 3+50 | 0.02 | 1.6 | | | | | | |
| 4+00 N | 0.02 | 1.0 | | | | | | |
| <u>L 20 E</u> | | | | | | | | |
| 0+50 S | 0.03 | 1.2 | | | | | | |
| 1+00 | 0.02 | 1.4 | | | | | | |
| 1+50 | 0.02 | 1.4 | | | | | | |
| 2+00 | 0.02 | 1.0 | | | | | | |
| 2+50 | 0.02 | 0.9 | | | | | | |
| 3+00 S | 0.02 | 0.6 | | | | | | |
| 0+50 N | 0.02 | 0.9 | | | | | | |
| 1+00 | 0.02 | 1.0 | | | | | | |
| 1+50 | 0.02 | 1.2 | | | | | | |
| 2+00 | 0.02 | 1.4 | | | | | | |
| 2+50 | 0.02 | 1.1 | | | | | | |
| 3+00 | 0.02 | 1.0 | | | | | | |
| 3+50 | 0.02 | 1.4 | | | | | | |
| 4+00 N | 0.02 | 0.6 | | | | | | |

/ continued on page 6

NOTE: REJECTS RETAINED ONE MONTH PULPS RETAINED THREE MONTHS ON REQUEST PULPS AND REJECTS WILL BE STORE FOR A MAXIMUM OF ONE YEAR.

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B. Pepper
B. Pepper

PROVINCIAL ASSAYER

Analytical and Consulting Chemists, Bulk Cargo Specialists, Surveyors, Inspectors, Samplers, Weighers

MEMBER: American Society For Testing Materials • The American Oil Chemists Society • Canadian Testing Association
REFEREE AND OR OFFICIAL CHEMISTS FOR: National Institute of Oilseed Products • The American Oil Chemists' Society
OFFICIAL WEIGHMASTERS FOR: Vancouver Board Of Trade

CERTIFICATE OF ASSAY

Date: March 25, 1988

File: 8802-2959



SGS SUPERVISION SERVICES INC.

General Testing Laboratories Division

1001 East Pender Street,
Vancouver, B.C., Canada. V6A 1W2
Telephone: (604) 254-1647
Telex: 04-507514

TO: N.V.C. ENGINEERING

(page 7)

We hereby certify that the following are the results of assays on: soil samples

| MARKED | GOLD | SILVER | XXXXXXXX | XXXXXXXXXX | XXXXXXXXXX | XXXXXXXXXX | XXXXXXXXXX | XXXXXXXXXX | XXXXXXXXXX |
|---------------|----------|----------|----------|------------|------------|------------|------------|------------|------------|
| | Au (ppm) | Ag (ppm) | | | | | | | |
| <u>L 23 E</u> | | | | | | | | | |
| 2+00 S | 0.02 | 0.9 | | | | | | | |
| 2+70 S | 0.02 | 0.8 | | | | | | | |
| 0+50 N | 0.02 | 0.7 | | | | | | | |
| 1+00 | 0.02 | 1.3 | | | | | | | |
| 1+50 | 0.02 | 1.2 | | | | | | | |
| 2+00 | 0.02 | 1.1 | | | | | | | |
| 2+50 | 0.02 | 1.0 | | | | | | | |
| 3+00 | 0.02 | 0.8 | | | | | | | |
| 3+50 | 0.02 | 0.8 | | | | | | | |
| 4+00 N | 0.03 | 1.3 | | | | | | | |
| <u>L 24 E</u> | | | | | | | | | |
| 0+50 S | 0.02 | 1.0 | | | | | | | |
| 1+00 | 0.02 | 0.5 | | | | | | | |
| 1+50 | 0.02 | 0.4 | | | | | | | |
| 2+00 | 0.02 | 0.4 | | | | | | | |
| 2+50 | 0.02 | 0.7 | | | | | | | |
| 3+00 S | 0.02 | 0.9 | | | | | | | |
| 0+50 N | 0.02 | 0.6 | | | | | | | |
| 1+00 | 0.02 | 0.7 | | | | | | | |
| 1+50 | 0.05 | 0.8 | | | | | | | |
| 2+00 | 0.02 | 0.3 | | | | | | | |
| 2+50 | 0.02 | 0.6 | | | | | | | |
| 3+00 | 0.02 | 1.4 | | | | | | | |
| 3+50 | 0.02 | 0.5 | | | | | | | |
| 4+00 N | 0.02 | 0.9 | | | | | | | |

NOTE: REJECTS RETAINED ONE MONTH. PULPS RETAINED THREE MONTHS. ON REQUEST PULPS AND REJECTS WILL BE STORE FOR A MAXIMUM OF ONE YEAR.

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B. Pepper
B. Pepper

PROVINCIAL ASSAYER

Analytical and Consulting Chemists, Bulk Cargo Specialists, Surveyors, Inspectors, Samplers, Weighers

MEMBER: American Society For Testing Materials • The American Oil Chemists Society • Canadian Testing Association
REFEREE AND OR OFFICIAL CHEMISTS FOR: National Institute of Oilseed Products • The American Oil Chemists' Society
OFFICIAL WEIGHMASTERS FOR: Vancouver Board Of Trade

CERTIFICATE OF ASSAY

Date: April 5, 1988

File: 8803-3053



SGS SUPERVISION SERVICES INC.
 General Testing Laboratories Division

1001 East Pender Street,
 Vancouver, B.C., Canada V6A 1W2
 Telephone: (604) 254-1647
 Telex: 04-507514

TO: N.V.C. ENGINEERING LTD.
 Ste. 304 - 1720 Barclay Street
 Vancouver, B.C.
 V6G 2Y1

We hereby certify that the following are the results of assays on: **Ore**

| MARKED | GOLD | SILVER | xxxxxx | xxxxxxxxxx | xxxxxxxxxx | xxxxxxxxxx | xxxxxxxxxx | xxxxxxxxxx | xxxxxxxxxx |
|--------|-------|--------|--------|------------|------------|------------|------------|------------|------------|
| | oz/st | oz/st | | | | | | | |
| LUSTY | | | | | | | | | |
| 001 | 0.012 | 0.30 | | | | | | | |
| 002 | 0.006 | 0.17 | | | | | | | |
| 003 | 0.012 | 0.34 | | | | | | | |
| 004 | 0.004 | 0.22 | | | | | | | |
| 005 | 0.006 | 0.11 | | | | | | | |
| 006 | 0.006 | 0.23 | | | | | | | |

NOTE: REJECTS RETAINED ONE MONTH. PULPS RETAINED THREE MONTHS. ON REQUEST PULPS AND REJECTS WILL BE STORE FOR A MAXIMUM OF ONE YEAR.

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B. Pepper
 B. Pepper

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Analytical and Consulting Chemists, Bulk Cargo Specialists, Surveyors, Inspectors, Samplers, Weighers

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 REFEREE AND OR OFFICIAL CHEMISTS FOR: National Institute of Oilseed Products • The American Oil Chemists' Society
 OFFICIAL WEIGHMASTERS FOR: Vancouver Board Of Trade

CERTIFICATE OF ASSAY

Date: April 7, 1988

File: 8804-0552



SGS SUPERVISION SERVICES INC.
General Testing Laboratories Division

1001 East Pender Street,
Vancouver, B.C., Canada. V6A 1W2
Telephone: (604) 254-1647
Telex: 04-507514

TO: N.V.C. ENGINEERING LTD.
Ste. 304 - 1720 Barclay Street
Vancouver, B.C.
V6G 2Y1

We hereby certify that the following are the results of assays on: Ore

| MARKED | GOLD | SILVER | XXXXXXXX | XXXXXXXXXX | XXXXXXXXXXXX | XXXXXXXXXXXX | XXXXXXXXXXXX | XXXXXXXXXX |
|------------------|-------|--------|----------|------------|--------------|--------------|--------------|------------|
| | oz/st | oz/st | | | | | | |
| <u>JWLV</u> 2057 | | | | | | | | |
| 007 | 0.003 | 0.14 | | | | | | |
| 008 | 0.002 | 0.20 | | | | | | |
| 009 | 0.002 | 0.13 | | | | | | |
| 011 (red tag) | 0.003 | 0.16 | | | | | | |
| 011 (green tag) | 0.002 | 0.22 | | | | | | |
| 012 | 0.002 | 0.18 | | | | | | |
| 013 | 0.003 | 0.28 | | | | | | |
| 014 | 0.003 | 0.19 | | | | | | |
| 015 | 0.005 | 0.16 | | | | | | |
| 016 | 0.003 | 0.20 | | | | | | |
| 017 | 0.008 | 0.10 | | | | | | |
| 018 | 0.002 | 0.10 | | | | | | |

NOTE REJECTS RETAINED ONE MONTH PULPS RETAINED THREE MONTHS. ON REQUEST PULPS AND REJECTS WILL BE STORE FOR A MAXIMUM OF ONE YEAR.

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L. Wong

PROVINCIAL ASSAYER

Analytical and Consulting Chemists, Bulk Cargo Specialists, Surveyors, Inspectors, Samplers, Weighers

MEMBER: American Society For Testing Materials • The American Oil Chemists Society • Canadian Testing Association
REFEREE AND OR OFFICIAL CHEMISTS FOR: National Institute of Oilseed Products • The American Oil Chemists' Society
OFFICIAL WEIGHMASTERS FOR: Vancouver Board Of Trade

BUTTER ROCK RESOURCES INC.

FINANCIAL STATEMENTS

JULY 31, 1988

BUTTER ROCK RESOURCES INC.

FINANCIAL STATEMENTS

INDEX

| | | |
|--|----------|-------|
| AUDITORS' REPORT | | |
| BALANCE SHEET | PAGE | 1 |
| STATEMENT OF CHANGES IN FINANCIAL POSITION | | 2 |
| NOTES TO THE FINANCIAL STATEMENTS | | 3 - 5 |
| DEFERRED ADMINISTRATIVE EXPENSES | SCHEDULE | 1 |
| EXPLORATION COSTS | | 2 |

AUDITORS' REPORT

To the directors of Butter Rock Resources Inc.

We have examined the balance sheet of Butter Rock Resources Inc. as at July 31, 1988 and the statement of changes in financial position for the year 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 July 31, 1988 and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Vancouver, B.C.
August 23, 1988

Annex Shikaze
Chartered Accountants

BUTTER ROCK RESOURCES INC.

1.

BALANCE SHEET

AS AT JULY 31, 1988

ASSETS

CURRENT

| | |
|------------------------------------|------------|
| Bank | \$ 8,818 |
| Subscriptions receivable (Note 4c) | 3,750 |
| Prepaid expense | <u>204</u> |
| | 12,772 |

| | |
|-------------------------|---------|
| MINERAL CLAIMS (Note 2) | 138,933 |
|-------------------------|---------|

| | |
|---------------------|------------|
| INCORPORATION COSTS | <u>795</u> |
|---------------------|------------|

| | |
|--|--------------------------|
| | <u><u>\$ 152,500</u></u> |
|--|--------------------------|

LIABILITIES

CURRENT

| | |
|------------------|-----------|
| Accounts payable | \$ 14,500 |
|------------------|-----------|

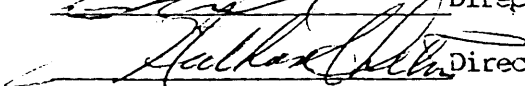
SHAREHOLDERS' EQUITY

| | |
|------------------------|----------------|
| SHARE CAPITAL (Note 3) | <u>138,000</u> |
|------------------------|----------------|

| | |
|--|--------------------------|
| | <u><u>\$ 152,500</u></u> |
|--|--------------------------|

APPROVED BY THE DIRECTORS

 Director

 Director

See accompanying notes to the financial statements.

BUCKLEY & SHIKAZE
CHARTERED ACCOUNTANTS

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED JULY 31, 1988

CASH PROVIDED BY (USED FOR)

OPERATING ACTIVITIES

Non-cash working capital items

Prepaid expense

\$ (204)

Accounts payable

14,50014,296

FINANCING ACTIVITIES

Share capital issued

1

Share capital subscribed

137,999

Subscriptions receivable

(3,750)134,250

INVESTING ACTIVITIES

Deferred administrative expenses

(34,103)

Claim acquisition costs

(25,000)

Exploration costs

(79,830)

Incorporation costs

(795)(139,728)

CASH, END OF YEAR

\$ 8,818

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 1988

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

Deferred Costs

The company follows the full cost method of accounting for its interest in the mineral claims whereby all costs associated with acquisition, exploration and development are capitalized. Administrative costs incurred during the year are allocated to the properties.

A separate full cost centre is maintained for each prospect. Costs accumulated in this centre will be amortized on the unit of production method for the specific property once production has commenced or, if abandoned, will be written off to deficit.

The amounts shown for mineral claims represent cost incurred to date and are not intended to reflect present or future values. The recovery of these costs is dependent upon the future commercial success of the claims or the proceeds from the disposition thereof. It has not been determined to date, whether the claims have economically recoverable reserves.

NOTE 2 MINERAL CLAIMS

| | CURRENT
EXPENDITURES | ADJUSTMENTS | BALANCE
JULY 31,
1988 |
|---|-------------------------|-------------|-----------------------------|
| Three mineral claims in
the Victoria Mining Division | | | |
| Claims acquisition | \$ 25,000 | \$ - | \$ 25,000 |
| Administration
(Schedule 1) | 34,103 | - | 34,103 |
| Exploration
(Schedule 2) | 79,830 | - | 79,830 |
| | <u>\$ 138,933</u> | <u>\$ -</u> | <u>\$ 138,933</u> |

On September 18, 1987 the company entered into an agreement to acquire a 100% undivided interest in three mineral claims in the Victoria Mining Division. The purchase price is as follows:

- a) \$25,000 upon execution of the agreement. This amount has been paid.
- b) 75,000 shares to be issued as follows:
 - i) 25,000 shares upon approval of the agreement by regulatory authorities and the listing of Butter Rock Resources Inc. on the Vancouver Stock Exchange.

NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 1988

NOTE 2 MINERAL CLAIMS (Continued)

- ii) 25,000 shares upon the filing of an acceptable qualified report received from the engineer reviewing the completion of a recommended Phase II work program and recommending a Phase III work program.
- iii) 25,000 shares upon the filing of an acceptable qualified report received from the engineer reviewing the completion of Phase III of the work program and recommending further work or commercial production.

The issuance of these shares is subject to regulatory approval.

In addition a minimum of \$75,000 expenditures for exploration and development work upon receipt of an acceptable qualified report from the engineer reviewing the completion of Phase I of the work program and recommending further work or commercial production. These expenditures must be incurred by December 31, 1989.

Should the company fail to comply with these provisions, the property will revert back to the optionor.

NOTE 3 SHARE CAPITAL

Share capital is represented by the following:

Authorized: 100,000,000 Common shares without par value

| | VALUE | SHARES |
|--|------------------|----------------------|
| Issued and outstanding: | | |
| Issued during the year | <u>1</u> | <u>\$.25</u> |
| Subscribed during the year but not yet issued: | | |
| Fully paid (escrow) | 375,000 | 3,750.00 |
| Fully paid (non-escrow) | 522,000 | 130,500.00 |
| Unpaid (escrow) | <u>375,000</u> | <u>3,750.00</u> |
| | <u>1,272,000</u> | <u>138,000.00</u> |
| | <u>1,272,001</u> | <u>\$ 138,000.25</u> |

NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 1988

NOTE 3 SHARE CAPITAL (Continued)

The subscribed shares denoted as escrow have been segregated in anticipation of regulatory requirements for escrow share capital.

NOTE 4 RELATED PARTY TRANSACTIONS

a) Management Agreement

On June 16, 1987, the company entered into a management agreement with another company controlled by an officer of Butter Rock whereby Butter Rock would pay a monthly fee of \$2,000 plus related expenses for management services over a term of two years. For the year ended July 31, 1988, \$28,675 was paid or payable under this agreement.

b) Accounts Payable

Included in accounts payable is \$12,000 owing to a company controlled by an officer of Butter Rock for management services rendered under the agreement described in Note 4a.

c) Subscriptions Receivable

The balance of subscriptions receivable represent amounts owed by a director of the company for share capital subscribed.

NOTE 5 COMMENCEMENT OF OPERATIONS

The company was incorporated under the "Company Act of British Columbia" on June 19, 1987 and commenced operations on August 11, 1987. Accordingly, there are no comparative figures.

BUTTER ROCK RESOURCES INC.

SCHEDULE 1

DEFERRED ADMINISTRATIVE EXPENSES

JULY 31, 1988

| | |
|---------------------------|------------------|
| Management fees (Note 4a) | \$ 28,675 |
| Audit | 2,500 |
| Licences | 1,450 |
| Travel | 1,026 |
| Vehicle | 700 |
| Telephone | 240 |
| Bank charges | 89 |
| Interest revenue | <u>(577)</u> |
| | <u>\$ 34,103</u> |

See accompanying notes to the financial statements

BUCKLEY & SHIKAZE
CHARTERED ACCOUNTANTS

BUTTER ROCK RESOURCES INC.

SCHEDULE 2

EXPLORATION COSTS

JULY 31, 1988

| | |
|--------------------------------------|------------------|
| Magnetic and electromagnetic surveys | \$ 18,000 |
| Data correlation, drafting, report | 12,300 |
| Linecutting | 12,600 |
| Geological mapping and sampling | 12,000 |
| Equipment rental | 8,950 |
| Assays | 7,800 |
| Geochemical soil sampling | <u>7,680</u> |
| | <u>\$ 79,830</u> |

See accompanying notes to the financial statements.

BUTTER ROCK RESOURCES INC.

FINANCIAL STATEMENTS

JULY 31, 1990

AUDITORS' REPORT

To the Directors of Butter Rock Resources Inc.:

We have examined the balance sheets of Butter Rock Resources Inc. as at July 31, 1988, 1989 and 1990 and the statements of loss and deficit and changes in financial position for the 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 July 31, 1988, 1989 and 1990 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding years.

Vancouver, B.C.
September 25, 1990

C. Buckley & Co. Inc.
Chartered Accountants

BUTTER ROCK RESOURCES INC.

FINANCIAL STATEMENTS

INDEX

| | | |
|--|----------|-------|
| AUDITORS' REPORT | | |
| STATEMENT OF LOSS AND DEFICIT | PAGE | 1 |
| BALANCE SHEET | | 2 |
| STATEMENT OF CHANGES IN FINANCIAL POSITION | | 3 |
| NOTES TO THE FINANCIAL STATEMENTS | | 4 - 7 |
| DEFERRED EXPLORATION COSTS | SCHEDULE | 1 |

BUTTER ROCK RESOURCES INC.

1.

STATEMENT OF LOSS AND DEFICIT

FOR THE YEAR ENDED JULY 31, 1990

| | 1990 | 1989 |
|----------------------------|--------------------|--------------------|
| REVENUE | | |
| Interest | \$ <u>333</u> | \$ <u>213</u> |
| ADMINISTRATIVE EXPENSES | | |
| Legal | 12,181 | 5,170 |
| Director fees | 10,000 | - |
| Audit | 3,300 | 2,040 |
| Management fees | 2,000 | 6,750 |
| Filing fees | 735 | - |
| Office | 88 | - |
| Bank charges | 30 | 14 |
| Travel | - | <u>631</u> |
| | <u>28,334</u> | <u>14,605</u> |
| NET LOSS FOR THE YEAR | (27,996) | (14,387) |
| DEFICIT, beginning of year | <u>(48,490)</u> | <u>(34,103)</u> |
| DEFICIT, end of year | <u>\$ (76,486)</u> | <u>\$ (48,490)</u> |

See accompanying notes to the financial statements.

BUTTER ROCK RESOURCES INC.

BALANCE SHEET

AS AT JULY 31, 1990

| ASSETS | | 1990 | 1989 |
|-------------------------|--|-------------------|-------------------|
| CURRENT | | | |
| Bank | | \$ 7,653 | \$ 581 |
| Prepaid expense | | <u>-</u> | <u>204</u> |
| | | 7,653 | 785 |
| MINERAL CLAIMS (Note 2) | | 111,830 | 104,330 |
| INCORPORATION COSTS | | <u>795</u> | <u>795</u> |
| | | <u>\$ 120,278</u> | <u>\$ 106,410</u> |

LIABILITIES

| | | | |
|------------------|--|------------------|------------------|
| CURRENT | | | |
| Accounts payable | | <u>\$ 36,514</u> | <u>\$ 16,900</u> |

SHARE CAPITAL AND DEFICIT

| | | | |
|------------------------|--|-------------------|-------------------|
| SHARE CAPITAL (Note 3) | | 160,250 | 138,000 |
| DEFICIT | | <u>(76,486)</u> | <u>(48,490)</u> |
| | | 83,764 | 89,510 |
| | | <u>\$ 120,278</u> | <u>\$ 106,410</u> |

APPROVED BY THE DIRECTORS:


 _____ Donald Axent

_____ Andrew Stasiak

See accompanying notes to the financial statements.

BUTTER ROCK RESOURCES INC.

3.

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED JULY 31, 1990

| | 1990 | 1989 |
|---|-----------------|-----------------|
| CASH PROVIDED BY (USED FOR) | | |
| OPERATING ACTIVITIES | | |
| Net loss for the year | \$ (27,996) | \$ (14,387) |
| Changes in non-cash working capital items | | |
| Prepaid expense | 204 | - |
| Accounts payable | <u>19,614</u> | <u>2,400</u> |
| | <u>(8,178)</u> | <u>(11,987)</u> |
| FINANCING ACTIVITIES | | |
| Share capital subscribed | 22,250 | - |
| Subscriptions receivable | <u>-</u> | <u>3,750</u> |
| | <u>22,250</u> | <u>3,750</u> |
| INVESTING ACTIVITIES | | |
| Exploration costs | <u>(7,000)</u> | <u>-</u> |
| INCREASE (DECREASE) IN CASH | 7,072 | (3,237) |
| CASH, BEGINNING OF YEAR | <u>581</u> | <u>8,813</u> |
| CASH, END OF YEAR | <u>\$ 7,653</u> | <u>\$ 581</u> |

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 1990

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

a) Mineral Claims

The Company's mineral properties are in the exploration stage and based on the information available to date, the Company has not yet determined whether these properties contain economically recoverable reserves. The recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their development and to meet the requirements of lenders providing this financing, and upon future profitable production.

Investments in mineral properties are recorded at cost. A separate full cost centre is maintained for each property. The costs attributed to mineral properties and deferred exploration and development expenses relating thereto, when applicable, are not intended to reflect their present or future values. The Company has adopted the policy of deferring all exploration and development expenditures on property under development. Costs associated with a successful property will be amortized over the property's productive life.

Costs associated with a particular property will be stated at a value less than cost when management is of the opinion that a property is worth less than its capitalized value. Costs associated with a particular property will be written off entirely at such time as management decides not to pursue further development of a non-producing property or at such time as a property is otherwise abandoned.

b) Change in Accounting Policy

These financial statements have been amended as a result of a change in accounting policy. Administration expenses are written off as they are incurred, and not deferred as done previously.

BUTTER ROCK RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 1990

NOTE 2 MINERAL CLAIMS

| | BALANCE
JULY 31,
1989 | CURRENT
EXPENDITURES | BALANCE
JULY 31,
1990 |
|---|-----------------------------|-------------------------|-----------------------------|
| Three mineral claims in
the Victoria Mining Division | | | |
| Claims acquisition | \$ 25,000 | \$ - | \$ 25,000 |
| Exploration | 79,330 | 7,000 | 86,830 |
| | <u>\$ 104,330</u> | <u>\$ 7,000</u> | <u>\$ 118,830</u> |

On September 13, 1987, the Company entered into an agreement to acquire a 100% undivided interest in three mineral claims in the Victoria Mining Division. The purchase price is as follows:

- a) \$25,000 upon execution of the agreement. This amount has been paid.
- b) 75,000 shares to be issued as follows:
 - i) 25,000 shares upon approval of the agreement by regulatory authorities and the listing of Butter Rock Resources Inc. on the Vancouver Stock Exchange;
 - ii) 25,000 shares upon the filing of an acceptable qualified report received from the engineer reviewing the completion of a recommended Phase II work program and recommending a Phase III work program; and
 - iii) 25,000 shares upon the filing of an acceptable qualified report received from the engineer reviewing the completion of Phase III of the work program and recommending further work or commercial production.

The issuance of these shares is subject to regulatory approval.

Should the Company fail to comply with these provisions, the property will revert back to the optionor.

NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 1990

NOTE 3 SHARE CAPITAL

Share capital is represented by the following:

Authorized: 100,000,000 Common shares without par value

| | NUMBER OF
SHARES | VALUE |
|---------|---------------------|---------------------|
| Issued: | <u>1,361,001</u> | <u>\$160,250.25</u> |

The Company has granted the following stock options to Directors:

- 195,000 shares @ \$0.40 expiring two years from date of final receipt of Company's prospectus.

The options are subject to regulatory approval.

NOTE 4 RELATED PARTY TRANSACTIONS

Accounts Payable

Included in accounts payable is \$19,750 owing to a director of Butter Rock for management and director services rendered.

NOTE 5 INCOME TAXES

As a result of Butter Rock's exploration and development programs, the Company has acquired the following eligible expenditures for Canadian income tax purposes:

- i) Cumulative Canadian Development Expenses of \$25,000 which are available to offset taxable income incurred at the rate of 30%;

NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 1990

NOTE 5 INCOME TAXES (Continued)

- ii) Cumulative Canadian Exploration Expenses of \$86,830 which may be deducted at the rate of 100% per year to offset taxable income; and
- iii) Mining Exploration Depletion Base of \$26,610 which may be deducted to the extent of 25% of taxable income of the Company in any year.

In addition, the Company has losses carried forward for income tax purposes of \$76,486 for deduction against future years' taxable income. These losses carried forward expire in the fiscal years ending as follows:

| | | |
|------|----|---------------|
| 1995 | \$ | 34,103 |
| 1996 | | 14,387 |
| 1997 | | <u>27,996</u> |
| | \$ | <u>76,486</u> |

NOTE 6 SIGNIFICANT EVENT

During the year, the Company entered into an underwriting agreement with Pacific International Securities Inc. to publicly offer 600,000 shares of the Company at \$0.40, net \$0.35 per share to the Company with agent's warrants of 150,000 shares, exercisable at \$0.40 one year from the listing date or at \$0.46 two years from the listing date.

BUTTER ROCK RESOURCES INC.

SCHEDULE 1

DEFERRED EXPLORATION COSTS

JULY 31, 1990

| | |
|--------------------------------------|------------------|
| Magnetic and electromagnetic surveys | \$ 13,000 |
| Data correlation, drafting report | 15,300 |
| Linecutting | 12,600 |
| Geological and geophysical | 16,500 |
| Equipment rental | 3,950 |
| Assays | 7,800 |
| Geochemical soil sampling | <u>7,680</u> |
| | <u>\$ 86,830</u> |

See accompanying notes to the financial statements.

BUTTER ROCK RESOURCES INC.

FINANCIAL STATEMENTS

NOVEMBER 30, 1990

UNAUDITED

BUTTER ROCK RESOURCES INC.

FINANCIAL STATEMENTS

UNAUDITED

INDEX

| | | |
|--|----------|-------|
| REVIEW ENGAGEMENT REPORT | | |
| STATEMENT OF LOSS AND DEFICIT | PAGE | 1 |
| BALANCE SHEET | | 2 |
| STATEMENT OF CHANGES IN FINANCIAL POSITION | | 3 |
| NOTES TO THE FINANCIAL STATEMENTS | | 4 - 7 |
| DEFERRED EXPLORATION COSTS | SCHEDULE | 1 |

REVIEW ENGAGEMENT REPORT

To The Directors of Butter Rock Resources Inc.:

We have reviewed the balance sheets of Butter Rock Resources Inc. as at November 30, 1989 and 1990 and the statements of loss and deficit and changes in financial position for the four month periods 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.
January 14, 1991

C. Buckley & Co. Inc.
Chartered Accountants

BUTTER ROCK RESOURCES INC.

1.

STATEMENT OF LOSS AND DEFICIT

FOR THE FOUR MONTH PERIOD ENDED NOVEMBER 30, 1990

(Unaudited)

| | 1990 | 1989 |
|------------------------------|--------------------|--------------------|
| REVENUE | | |
| Interest | \$ 228 | \$ 15 |
| ADMINISTRATIVE EXPENSES | | |
| Director fees | 8,000 | - |
| Legal and accounting | 1,200 | - |
| Filing fees | 6,300 | 30 |
| Bank charges | 20 | 5 |
| Prospectus fees | 1,000 | - |
| | <u>16,520</u> | <u>35</u> |
| NET LOSS FOR THE PERIOD | (16,292) | (20) |
| DEFICIT, beginning of period | <u>(76,486)</u> | <u>(48,490)</u> |
| DEFICIT, end of period | <u>\$ (92,778)</u> | <u>\$ (48,510)</u> |

See accompanying notes to the unaudited financial statements.

BUTTER ROCK RESOURCES INC.

2.

BALANCE SHEET

AS AT NOVEMBER 30, 1990

(Unaudited)

| | ASSETS | |
|-------------------------|-------------------|-------------------|
| | 1990 | 1989 |
| CURRENT | | |
| Bank | \$ 1,811 | \$ 561 |
| Prepaid expense | <u> -</u> | <u> 204</u> |
| | 1,811 | 765 |
| MINERAL CLAIMS (Note 2) | 111,830 | 104,330 |
| INCORPORATION COSTS | <u> 795</u> | <u> 795</u> |
| | <u>\$ 114,436</u> | <u>\$ 106,390</u> |

LIABILITIES

| | | |
|------------------|------------------|------------------|
| CURRENT | | |
| Accounts payable | \$ <u>46,964</u> | \$ <u>16,900</u> |

SHARE CAPITAL AND DEFICIT

| | | |
|------------------------|-------------------|-------------------|
| SHARE CAPITAL (Note 3) | 160,250 | 133,000 |
| DEFICIT | <u>(92,778)</u> | <u>(48,510)</u> |
| | <u>67,472</u> | <u>89,490</u> |
| | <u>\$ 114,436</u> | <u>\$ 106,390</u> |

APPROVED BY THE DIRECTORS:



Donald Axent



Andrew Stasiak

See accompanying notes to the unaudited financial statements.

BUTTER ROCK RESOURCES INC.

3.

STATEMENT OF CHANGES IN FINANCIAL POSITION
 FOR THE FOUR MONTH PERIOD ENDED NOVEMBER 30, 1990
 (Unaudited)

| | 1990 | 1989 |
|---|-----------------|---------------|
| CASH PROVIDED BY (USED FOR) | | |
| OPERATING ACTIVITIES | | |
| Net loss for the period | \$ (16,292) | \$ (20) |
| Changes in non-cash working capital items | | |
| Accounts payable | <u>10,450</u> | <u>-</u> |
| DECREASE IN CASH | (5,842) | (20) |
| CASH, BEGINNING OF PERIOD | <u>7,653</u> | <u>581</u> |
| CASH, END OF PERIOD | <u>\$ 1,811</u> | <u>\$ 561</u> |

See accompanying notes to the unaudited financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOVEMBER 30, 1990

(Unaudited)

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

Mineral Claims

The Company's mineral properties are in the exploration stage and based on the information available to date, the Company has not yet determined whether these properties contain economically recoverable reserves. The recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their development and to meet the requirements of lenders providing this financing, and upon future profitable production.

Investments in mineral properties are recorded at cost. A separate full cost centre is maintained for each property. The costs attributed to mineral properties and deferred exploration and development expenses relating thereto, when applicable, are not intended to reflect their present or future values. The Company has adopted the policy of deferring all exploration and development expenditures on property under development. Costs associated with a successful property will be amortized over the property's productive life.

Costs associated with a particular property will be stated at a value less than cost when management is of the opinion that a property is worth less than its capitalized value. Costs associated with a particular property will be written off entirely at such time as management decides not to pursue further development of a non-producing property or at such time as a property is otherwise abandoned.

NOTE 2 MINERAL CLAIMS

| | BALANCE
JULY 31,
1990 | CURRENT
EXPENDITURES | BALANCE
NOVEMBER 30,
1990 |
|---|-----------------------------|-------------------------|---------------------------------|
| Three mineral claims in
the Victoria Mining Division | | | |
| Claims acquisition | \$ 25,000 | \$ - | \$ 25,000 |
| Exploration | 86,830 | - | 86,830 |
| | <u>\$ 113,830</u> | <u>\$ -</u> | <u>\$ 113,830</u> |

NOTES TO THE FINANCIAL STATEMENTS

NOVEMBER 30, 1990

(Unaudited)

NOTE 2 MINERAL CLAIMS (Continued)

On September 18, 1987, the Company entered into an agreement to acquire a 100% undivided interest in three mineral claims in the Victoria Mining Division. The purchase price is as follows:

- a) \$25,000 upon execution of the agreement. This amount has been paid.
- b) 75,000 shares to be issued as follows:
 - i) 25,000 shares upon approval of the agreement by regulatory authorities and the listing of Butter Rock Resources Inc. on the Vancouver Stock Exchange;
 - ii) 25,000 shares upon the filing of an acceptable qualified report received from the engineer reviewing the completion of a recommended Phase II work program and recommending a Phase III work program; and
 - iii) 25,000 shares upon the filing of an acceptable qualified report received from the engineer reviewing the completion of Phase III of the work program and recommending further work or commercial production.

The issuance of these shares is subject to regulatory approval.

Should the Company fail to comply with these provisions, the property will revert back to the optionor.

NOTE 3 SHARE CAPITAL

Share capital is represented by the following:

Authorized: 100,000,000 Common shares without par value

| | NUMBER OF
SHARES | VALUE |
|---------|---------------------|---------------------|
| Issued: | <u>1,361,001</u> | <u>\$160,250.25</u> |

BUTTER ROCK RESOURCES INC.

6.

NOTES TO THE FINANCIAL STATEMENTS

NOVEMBER 30, 1990

(Unaudited)

NOTE 3 SHARE CAPITAL (Continued)

The Company has granted the following stock options to Directors:

- 195,000 shares @ \$0.40 expiring two years from date of final receipt of Company's prospectus.

The options are subject to regulatory approval.

NOTE 4 RELATED PARTY TRANSACTIONS

Accounts Payable

- a) Included in accounts payable is \$29,000 owing to a director of Butter Rock for management and director services rendered; and
- b) During the period, \$3,000 was paid or payable to a director for services rendered.

NOTE 5 INCOME TAXES

As a result of Butter Rock's exploration and development programs, the Company has acquired the following eligible expenditures for Canadian income tax purposes:

- i) Cumulative Canadian Development Expenses of \$25,000 which are available to offset taxable income incurred at the rate of 30%;
- ii) Cumulative Canadian Exploration Expenses of \$86,330 which may be deducted at the rate of 100% per year to offset taxable income; and
- iii) Mining Exploration Depletion Base of \$26,610 which may be deducted to the extent of 25% of taxable income of the Company in any year.

BUTTER ROCK RESOURCES INC.

7.

NOTES TO THE FINANCIAL STATEMENTS

NOVEMBER 30, 1990

(Unaudited)

NOTE 5 INCOME TAXES (Continued)

In addition, the Company has losses carried forward for income tax purposes of \$92,778 for deduction against future years' taxable income. These losses carried forward expire in the fiscal years ending as follows:

| | | |
|------|----|---------------|
| 1995 | \$ | 34,103 |
| 1996 | | 14,387 |
| 1997 | | 27,996 |
| 1998 | | <u>16,292</u> |
| | \$ | <u>92,778</u> |

NOTE 6 SIGNIFICANT EVENT

During the July 31, 1990 fiscal year, the Company entered into an underwriting agreement with Pacific International Securities Inc. to publicly offer 600,000 shares of the Company at \$0.40, net \$0.35 per share to the Company with agent's warrants of 150,000 shares, exercisable at \$0.40 one year from the listing date or at \$0.46 two years from the listing date.

BUTTER ROCK RESOURCES INC.

SCHEDULE 1

DEFERRED EXPLORATION COSTS

NOVEMBER 30, 1990

(Unaudited)

| | 1990 | 1989 |
|--------------------------------------|------------------|------------------|
| Magnetic and electromagnetic surveys | \$ 18,000 | \$ 18,000 |
| Geological and geophysical | 16,500 | 12,000 |
| Data correlation, drafting report | 15,300 | 12,800 |
| Linecutting | 12,600 | 12,600 |
| Equipment rental | 8,950 | 8,950 |
| Assays | 7,800 | 7,300 |
| Geochemical soil sampling | 7,680 | 7,680 |
| | <u>\$ 86,830</u> | <u>\$ 79,330</u> |


See accompanying notes to the unaudited financial statements.

CERTIFICATE OF THE ISSUER

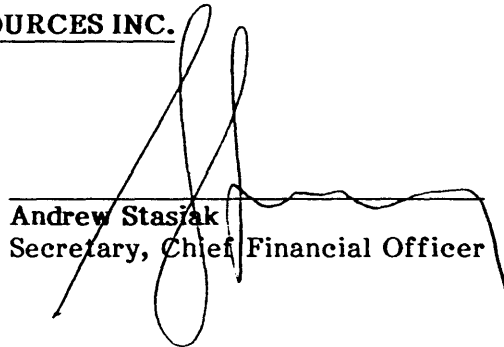
Dated: February 8, 1991.

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 (British Columbia) and its *Regulations*.

BUTTER ROCK RESOURCES INC.

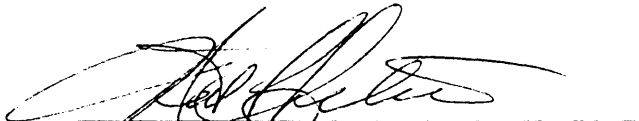


Donald Alex Axent
President, Chief Executive
Officer and a Director

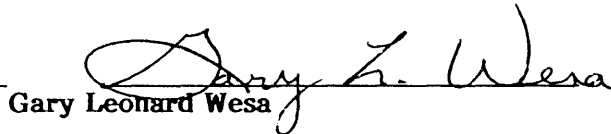


Andrew Stasiak
Secretary, Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS



Nathaniel Chein



Gary Leonard Wesa

PROMOTERS



Donald Alex Axent

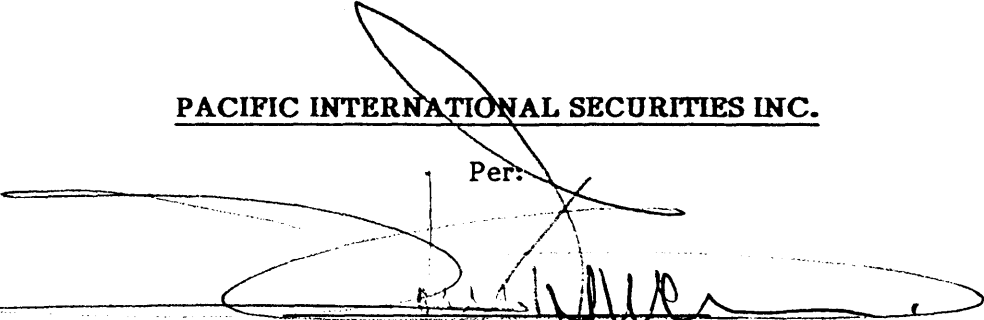
CERTIFICATE OF THE AGENT

Dated: February 8, 1991.

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 (British Columbia) and its Regulations.

PACIFIC INTERNATIONAL SECURITIES INC.

Per:



Authorized Signatory
John T. Eymann

Butter Rock Resources/Prospectus