

✓ PW

006229

Blue chip 1 claim
Blue 1 claim
0A2E/8E New

THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY MAY BE LAWFULLY OFFERED FOR SALE AND THEREIN ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES. NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER, AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

P R O S P E C T U S

DATED: July 16, 1990

CORONET METALS INC.
(hereinafter called the "Issuer")
1505 - 409 Granville Street, Vancouver, British Columbia
Telephone Number: (604) 669-8881

MAXIMUM PUBLIC OFFERING: 700,000 Common Shares

<u>Shares</u>	<u>Price to Public</u>	<u>Commission</u>	<u>Net Proceeds to be Received by Issuer</u>
Per Share:	\$0.50(1)	\$0.06	\$0.44
Total:	\$350,000	\$42,000	\$308,000(2)

MINIMUM PUBLIC OFFERING: 500,000 Common Shares

<u>Shares</u>	<u>Price to Public</u>	<u>Commission</u>	<u>Net Proceeds to be Received by Issuer</u>
Per Share:	\$0.50(1)	\$0.06	\$0.44
Total:	\$250,000	\$30,000	\$220,000(2)

- (1) The price of the shares was established pursuant to negotiations between the Issuer and the Agent.
- (2) Before deduction of the costs of the Issue estimated to be \$20,000.

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

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED AS SPECULATION. THE PROPERTY IN WHICH THE ISSUER HAS AN INTEREST IS IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY AND IS WITHOUT A KNOWN BODY OF COMMERCIAL ORE. NO SURVEY OF THE PROPERTY OF THE ISSUER HAS BEEN MADE AND THEREFORE IN ACCORDANCE WITH THE MINING LAWS OF THE JURISDICTION IN WHICH THE PROPERTY IS SITUATED, ITS EXISTENCE AND AREA COULD BE IN DOUBT. SEE ALSO PARAGRAPH "RISK FACTORS" ON PAGE 6.

The Vancouver Stock Exchange has conditionally listed the securities being offered pursuant to this Prospectus. Listing is subject to the Issuer fulfilling the listing requirements of the Exchange on or before January 21, 1991 including prescribed distribution and financial requirements.

Aug-7/90

No person is authorized by the Issuer to provide any information or to make any representation other than those contained in this prospectus in connection with the issue and sale of the securities offered by the Issuer.

This offering is a best efforts offering subject to a minimum subscription being received by the Issuer within 180 days from the Effective Date of this Prospectus. Further particulars of the minimum subscription are disclosed on page 3 under the caption "USE OF PROCEEDS TO ISSUER".

Upon completion of the maximum offering, the issue will represent 34.15% of the shares then outstanding as compared to 46.15% that will then be owned by the Directors, Senior Officers, Promoters and Underwriters of the Issuer. If the minimum offering is sold, the issue will represent 27.02% of the shares then outstanding as compared to 51.08% that will then be owned by the Directors, Senior Officers, Promoters and Underwriters of the Issuer. Refer to the caption "RISK FACTORS" on pages 6 and 7 herein for details.

The Offering Price of \$0.50 per Share exceeds the net tangible book value per share by \$0.295 after giving effect to the maximum offering, representing a dilution of 59% and exceeds the net tangible book value per share by \$0.318 after giving effect to the minimum offering, representing a dilution of 63.6%.

One or more of the Directors of the Issuer has an interest, direct or indirect in other natural resource companies. Reference is made to the caption "DIRECTORS AND OFFICERS" on page 8 for a comment as to the resolution of possible conflicts of interest.

Shareholders, partners, employees and/or associates of underwriters, as defined in the Securities Act of British Columbia, own directly 100,000 shares in the capital of the Issuer, all of which were purchased while the Issuer was a private issuer at \$0.25 per share.

As agent, we conditionally offer these securities subject to prior sale, if, as and when issued by the Issuer and accepted by us in accordance with the conditions contained in the Agency Agreement referred to under the caption "PLAN OF DISTRIBUTION" on page 2 of this Prospectus.

AGENT:

L.O.M. Western Securities Ltd.
2200 - 609 Granville Street
Vancouver, British Columbia

EFFECTIVE DATE: July 19, 1990

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SUMMARY

The information in this Summary is qualified in its entirety by the more detailed information appearing elsewhere in the Prospectus:

OFFERING: Maximum offering of 700,000 Common Shares and a minimum offering of 500,000 Common Shares at \$0.50 per share resulting in the net proceeds to the Issuer of \$0.44 per share (before costs of the issue). See PLAN OF DISTRIBUTION.

ISSUER: Coronet Metals Inc. is a British Columbia corporation whose principal business is the acquisition, exploration and development of natural resource properties. See BUSINESS OF THE ISSUER.

USE OF PROCEEDS: The net proceeds will be used primarily to conduct an exploration program on the Issuer's property in the Alberni Mining Division, British Columbia and to provide working capital. The Issuer's property consists of a 100% interest in 2 mineral claims located in the Alberni Mining Division, British Columbia. See PROPERTY OF THE ISSUER and USE OF PROCEEDS TO ISSUER.

MANAGEMENT: The Issuer's management team is comprised of individuals with experience in natural resource development. See DIRECTORS AND OFFICERS.

RISK FACTORS: The Issuer's properties are without a known body of commercial ore. Proceeds from this offering will be used to carry out further exploration on the Issuer's property in order to establish ore of commercial tonnages and grades. However, there is no assurance that minerals will be discovered in commercially mineable quantities. See RISK FACTORS.

DILUTION: Reference is made to the pro forma dilution of the shares purchased hereunder based on the net tangible assets of the Issuer. See page 7.

DIVIDENDS: The Issuer has no dividend policy because it has no profits. A dividend policy will be determined by the Board of Directors when operations are profitable.

NAME AND INCORPORATION OF ISSUER

The full name of the Issuer is Coronet Metals Inc. Its registered and records office is Suite 1620 - 701 West Georgia Street, Vancouver, British Columbia. Its head office is Suite 1505 - 409 Granville Street, Vancouver, British Columbia V6C 1T2.

The Issuer was incorporated by Memorandum and Articles on the 23rd day of October, 1989 under the laws of the Province of British Columbia. The Issuer will be a reporting company when the Superintendent of Brokers issues a receipt for the final Prospectus.

PLAN OF DISTRIBUTION

The Issuer by an agreement (the "Agency Agreement") dated the 18th day of May, 1990 appointed L.O.M. Western Securities Ltd. of Suite 2200 - 609 Granville Street, Vancouver, B.C. V7Y 1H2 as its Agent ("Agent"), on a best efforts basis to offer (the "Offering") through the facilities of the Vancouver Stock Exchange (the "Exchange") 700,000 shares (the "Shares"), at a purchase price of \$0.50 per share.

The Offering is subject to a minimum subscription of the 500,000 shares. 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 Effective Date of this Prospectus.

The Agent will receive a commission of \$0.06 per Share.

The Agent reserves the right to offer selling group participation, in the normal course of the brokerage business to selling groups of other 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 by the Agent at any time before the day the Shares are posted and called for trading on the Exchange on the basis of its assessment of the state of the financial markets and may also be terminated at any time upon the occurrence of certain stated events.

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

The Directors, Officers and other insiders of the Issuer may purchase Shares from this Offering, and in that event the percentage of Shares owned by Directors, promoters or controlling shareholders will vary from the percentage figure set out on the cover page hereof.

The Vancouver Stock Exchange has conditionally listed the securities being offered pursuant to this Prospectus. Listing is subject to the Issuer fulfilling the listing requirements of the Exchange on or before January 21, 1991, including prescribed distribution and financial requirements.

The Issuer has granted the Agent a right of first refusal with respect to any future equity financings it may require during the twelve month period following the Effective Date.

USE OF PROCEEDS TO ISSUER

The Offering is subject to a minimum subscription of 500,000 shares being sold on the Offering Day. The net proceeds to be derived by the Issuer from the Offering will be a maximum of \$308,000 and a minimum of \$220,000 which together with working capital of approximately \$17,000 as at June 18, 1990 will be used as follows:

	<u>Minimum Subscription</u>	<u>Maximum Subscription</u>
(1) Cost of this issue	\$ 20,000	\$ 20,000
(2) Phase I of the program recommended by T. Greg Hawkins, P.Geol., in his report dated March 7, 1990, Summarized May 7, 1990 on the Blue Chip claims	\$100,000	\$100,000
(3) Reserve for a portion of Phase II of the program recommended by T. Greg Hawkins, P.Geol., in his report dated March 7, 1990, Summarized May 7, 1990 on the Blue Chip claims (Subject to favourable results of Phase I)	\$ 42,000	\$100,000
(4) Working capital*	<u>\$ 75,000</u>	<u>\$105,000</u>
TOTAL:	<u>\$237,000</u> =====	<u>\$325,000</u> =====

*Funds raised for working capital will be used for administration costs and future exploration and acquisition costs.

If the minimum subscription is not reached, all funds will be returned to the purchasers without deduction. All monies will be held in trust by the Agent or the Issuer's registrar and transfer agent until such time as the minimum amount of Shares have been sold.

The proceeds from the sale of the shares are intended to be used for the purposes set forth above. The Issuer will not discontinue or depart from the recommended programs of work unless advised in writing by its consulting engineer to do so. Should the Issuer contemplate

any such changes or departures, notice thereof will be given to all shareholders. If such a change occurs during the primary distribution of securities pursuant to this Prospectus, an amendment hereto will be filed. 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 intend to use the proceeds to acquire other than trustee-type securities, after the distribution of the securities offered by this Prospectus, approval by the members of the Issuer must first be obtained and notice of the intention must be filed with the regulatory securities bodies having jurisdiction over the sale of the securities offered by this Prospectus.

In the event of any material change in the affairs of the Issuer during the primary distribution of the shares offered by this Prospectus, an amendment to this Prospectus will be filed. Following completion of the primary distribution of the shares offered by this Prospectus, shareholders will be notified of changes in the affairs of the Issuer in accordance with the requirements of the appropriate regulatory authorities.

DESCRIPTION OF SHARE CAPITAL STRUCTURE

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

CAPITALIZATION

<u>Designation of Security</u>	<u>Amount Authorized to Issue</u>	<u>Amount outstanding at March 31, 1990 Balance Sheet</u>	<u>Amount outstanding at date of this Prospectus</u>	<u>Amount outstanding if all Securities Sold</u>
Common shares	20,000,000	1,350,001	1,350,001	Maximum offering 2,050,001 Minimum offering 1,850,001

According to the Issuer's financial statements prepared by Ellis Foster, Chartered Accountants, as at March 31, 1990, the Issuer had a deficit of \$45,077.

DESCRIPTION OF BUSINESS

The principal business of the Issuer is the acquisition, exploration and development of natural resource properties.

Blue Claims, British Columbia

The Issuer is the owner of a 100% interest in the following mineral claims located in the southwest side of Flores Island approximately 30 kilometers northwest of Tofino in the Alberni Mining Division, British Columbia, described as follows:

<u>Name</u>	<u>Record Number</u>	<u>Expiry Date</u>
Blue Chip 1	3645	August 27, 1990
Blue 1	3981	January 15, 1991.

The Issuer acquired the Blue Chip 1 claim from Edward Hayes of 555 West Hastings Street, Vancouver, British Columbia V6B 4N5 for \$900.00 and the Blue 1 claim by staking at a cost of \$2,495.00.

The claims which are contiguous are centered at approximately 49°19.5'N latitude, 126°14'W. longitude on map sheet 92E/8E.

Access to the claims is by boat or helicopter from the town of Gold River or by float plane from Tofino.

The claims cover an area of approximately 950 hectares.

There is no record of any previous work having been filed for the area covered by the claims. In 1971, Canadian Superior Exploration Limited carried out geological mapping and a soil survey to the north of the claims. In 1988, Edward Hayes carried out prospecting over the area covered by the Blue Chip 1 claim.

In 1989, the Issuer carried out geological mapping, rock, silt and soil sampling, prospecting, trenching, a magnetometer survey and linecutting on the claims at a cost of \$74,128. Geological mapping indicates that the claims are underlain by granodiorites of the Westcoast Complex and metasediments and volcaniclastics of the Bonanza Group. Both the Westcoast complex and the Bonanza Group are cut by numerous shears which contain quartz veins, varying from 3 to 10 cm. in width. Locally, the quartz veins contain galena, sphalerite, chalcopyrite and pyrite in massive, semimassive and disseminated forms. See the report of T. Greg Hawkins, P. Geol., dated March 7, 1990, Summarized May 7, 1990 for analytical results of samples taken from the claims. Soil geochemical surveys defined two zones of anomalous copper, arsenic, and gold values which are orientated in the north-south direction. The magnetic survey also outlined five magnetic features of which three are coincident with the soil geochemical anomalies. Particulars of the work done by the Issuer on the claims are described in the report of T. Greg Hawkins. The report recommends a first phase of geological, geochemical and geophysical surveys at a cost of \$100,000 and a second phase, if warranted, of diamond drilling at a cost of \$250,000.

There is no surface or underground plant or equipment on the claims. There has been no underground exploration or development work done on the claims.

There is no known body of commercial ore on the claims and the program recommended is a search for copper, lead, zinc, silver and gold ore.

RISK FACTORS

The Shares offered by this Prospectus must be considered speculative, generally because of the nature of the Issuer's business. In particular:

1. There is no known body of ore on the Issuer's mineral property. The purpose of the present offering is to raise funds to carry out further exploration with the objective of establishing an economic body of ore. If the Issuer's exploration programs are successful, additional funds will be required for the development of an economic ore body and to place it in commercial production. The only sources of future funds presently available to the Issuer are the sale of equity capital, or the offering by the Issuer of an interest in its property to be earned by another party or parties carrying out further exploration or development thereof.
2. There is no established market for the shares of the Issuer and no assurance that one will develop.
3. Exploration for minerals is a speculative venture necessarily involving some substantial risk. There is no certainty that the expenditures to be made by the Issuer in the acquisition of the interests described herein will result in discoveries of commercial quantities of ore.
4. Resource exploration and development is a speculative business and involves a high degree of risk. The marketability of natural resources which may be acquired or discovered by the Issuer will be affected by numerous factors beyond the control of the Issuer. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Issuer not receiving an adequate return on invested capital or a loss of part or all of the investment.
5. Mining operations generally involve a high degree of risk. Hazards such as unusual or unexpected formations and other conditions are involved. The Issuer may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the Issuer's financial position.

6. While the Issuer has obtained the usual industry standard title report with respect to its property, this should not be construed as a guarantee of title. The property may be subject to prior unregistered agreements or transfers or native land claims, and title may be affected by undetected defects.

7. The Issuer's property consists of recorded mineral claims which have not been surveyed, and therefore, the precise area and location of such claims may be in doubt.

8. If the maximum amount of securities offered by this Prospectus are issued, the Issuer will have a book value per common share of \$0.205. Accordingly, purchasers of the securities offered under this Prospectus will experience an immediate and substantial dilution of \$0.295 per share (59%) in the net tangible book value of their investment. If the minimum amount of securities offered under this Prospectus are issued, the Issuer will have a book value of \$0.182 and the purchasers of the securities offered under this Prospectus will experience an immediate and substantial dilution of \$0.318 per share (63.6%) in the net tangible book value of of their investment.

9. Reference is made to the section headed "Directors and Officers" concerning possible conflicts of interest involving directors and officers of the Issuer.

If the maximum offering of 700,000 shares is sold, 46.10% of the total shares outstanding will be held by Directors, Officers, Promoters and Underwriters and the maximum offering will represent 34.15% of the total shares outstanding. If the minimum offering of 500,000 shares is sold, 51.08% of the total shares outstanding will be held by Directors, Officers, Promoters and Underwriters and the minimum offering will represent 27.02% of the total shares outstanding.

PRELIMINARY EXPENSES

Since October 23, 1989, the date of the Issuer's incorporation, it has incurred acquisition, exploration and development expenses of approximately \$75,000 and administration expenses of approximately \$66,000. The Issuer's estimate of future expenditures for the remaining six months of 1990 for exploration and development is approximately \$100,000 and approximately \$20,000 for administration.

ACQUISITIONS

Reference is made to the caption "DESCRIPTION OF BUSINESS" on page 5 for details of the acquisition by the Issuer of a 100% interest in the Blue Chip 1 and Blue claims which are located in the Alberni Mining Division, British Columbia.

PROMOTERS

Marjorie D. Morningstar and Daniel G. Ozmun are Directors of the Issuer and are considered the promoters of the Issuer in accordance

with Section 1(1) of the Securities Act. While the Issuer was a private Issuer, Marjorie D. Morningstar, a Director and Promoter of the Issuer, purchased one share at a price of \$1.00 and 25,000 shares at \$0.25 per share and, Doro Investments Ltd., a company which was controlled by Marjorie D. Morningstar, purchased 750,000 shares at \$0.01 per share; and Daniel G. Ozmun, a Director and Promoter of the Issuer, purchased 10,000 shares at \$0.25 per share.

During the six month period ended March 31, 1990, Doro Investments Ltd., a company which was controlled by Marjorie D. Morningstar, was paid \$15,000 for providing bookkeeping and management consulting services to the Issuer. Doro Investments Ltd. established the accounting procedure for the Issuer, and arranged for the preparation and signature of the documents for this Prospectus and negotiated the terms of the Agency Agreement referred to under the "PLAN OF DISTRIBUTION". The Issuer does not intend to pay any additional management fees during the current fiscal year ending March 31, 1991.

DIRECTORS AND OFFICERS

<u>Name and address</u>	<u>Principal Occupation for Past Five Years</u>
Robert Sidney Adamson* 872 East 17th Street North Vancouver, B.C. Vice-President, Secretary and Director	Consulting Geological Engineer with Orcan Minerals Associates Ltd.; Director of Gala Resources Ltd.
Francis Grant Morningstar* 6186 Tisdall Street Vancouver, B.C. Director	Sales Manager for Gordon's Ltd.; Secretary of Montoro Resources Inc.
Marjorie Doreen Morningstar 6186 Tisdall Street Vancouver, B.C. President, Chief Financial Officer and Director	President and Director of Anglo- Bomarc Mines Ltd., Aries Resources Inc., Big Ben Resources Inc., First Idaho Resources Inc., Montoro Resources Inc., Thor Explorations Ltd. (N.P.L.) and Munde Mines Ltd.; Vice President and Director of Mark V Petroleum & Mines Ltd. (N.P.L.)
Daniel Glen Ozmun* #1703 - 1133 Beach Avenue Vancouver, B.C. Director	Public Relations Consultant; Director of Aries Resources Ltd., Big Ben Resources Ltd., First Idaho Resources Inc., Montoro Resources Inc., Munde Mines Ltd. and Thor Explorations Ltd. (N.P.L.); Formerly a Securities Salesman with Continental Securities and Yorkton Securities and a Computer Salesman with Sesame Computer

*Denotes Members of the Audit Committee.

During the past five years, none of the Directors, Officers or Promoters of any reporting issuer that, while he/she was acting in that capacity, was struck off the register of companies by the British Columbia Registrar of Companies or other similar authority, or was the subject of a cease trade or suspension order for a period of more than 30 consecutive days.

Some of the Directors of the Issuer also serve as Directors of other companies. Accordingly, it may occur that business opportunities will be offered to both the Issuer and such other companies. Furthermore, those other companies may participate in the same businesses as those in which the Issuer has an interest. As a result, there may be situations which involve a conflict of interest. In that event, the Directors would not be qualified to vote at meetings of Directors on resolutions which evoke any such conflict. The Directors will attempt to avoid dealing with such other companies in situations where conflicts might arise and will at all times use their best efforts to act in the best interests of the Issuer.

EXECUTIVE COMPENSATION

There are two (2) executive officers of the Issuer. There has been no compensation paid directly to the executive officers, or any of the directors or officers of the Issuer. During the most recently completed financial year ended March 31, 1990, Doro Investments Ltd., a company which is controlled by Marjorie D. Morningstar, was paid \$15,000 for bookkeeping and management consultant services. Reference is also made to the caption "PROMOTERS" on page 8 for particulars of shares purchased by the executive officers.

ESCROWED SHARES

As of the date of this Prospectus, 750,000 shares are held in escrow by Central Guaranty Trust Company, 800 West Pender Street, Vancouver, British Columbia V6C 2V7 subject to the direction or determination of the Superintendent of Brokers ("Superintendent"). The escrow restriction provides that the Shares may not be traded in, dealt with in any manner whatsoever, or released nor may the Issuer, its Transfer Agent or Escrow Holders make any transfer or record any trading of shares without the consent of the Superintendent or, upon listing of its shares, the consent of the Vancouver Stock Exchange.

In addition, the escrow restrictions provide that any shares not released from the terms of escrow within ten years of the effective date of this Prospectus, shall be cancelled and that the holders of the shares waive any rights attached to those shares to receive dividends or to participate in the assets and property of the Issuer on a winding up or dissolution. Holders of the shares retain the right to vote the shares, except on a resolution respecting their cancellation. The complete text of the Escrow Agreement will be available for inspection at

the Company's records office, Suite 1620 - 701 West Georgia Street, Vancouver, British Columbia, during primary distribution hereunder.

<u>Designation of Class</u>	<u>Number of Shares Held in Escrow</u>	<u>Percentage of Class</u>
Common	750,000	55.56%

PRINCIPAL HOLDERS OF SECURITIES

To the knowledge of the Directors and Senior Officers of the Issuer, only the following hold beneficially, directly or indirectly, more than 10% of any class of shares of the Issuer, as at the date hereof:

<u>Name and Address</u>	<u>Type of Ownership</u>	<u>Class and Number of Common Shares Owned</u>	<u>Percentage of Class</u>
Marjorie D. Morningstar 6198 Tisdall Avenue Vancouver, B.C.	Beneficially*	750,000 escrow) 25,001 free)	57.40%

*Registered in the name of Doro Investments Ltd., a company controlled by Marjorie D. Morningstar.

The following table shows the percentage of shares of the Issuer beneficially owned either directly or indirectly by the Directors and Senior Officers of the Issuer as a group as at the date hereof:

<u>Designation of Class</u>	<u>Number of Shares</u>	<u>Percentage of Class</u>
Common	845,001	62.59%

PRIOR SALES

The following shares of the Issuer were sold within the past twelve months:

<u>Number Sold</u>	<u>Price</u>	<u>Total Cash Received</u>	<u>Commission Paid</u>
1	\$1.00	\$1.00	Nil
750,000	\$0.01	\$7,500.00	Nil
600,000	\$0.25	\$150,000.00	Nil

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Directors, Senior Officers, 10% shareholders and their associates or affiliates have no direct or indirect material interest in transactions within the last three years, or in proposed transactions, which materially affected or will materially affect the Issuer, other than as disclosed under the caption "PROMOTERS" on page 7.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The auditor of the Issuer is Ellis Foster, Chartered Accountants of 3rd Floor, 1867 West Broadway, Vancouver, British Columbia V6J 4W1.

The Issuer's Registrar and Transfer Agent is Central Guaranty Trust, 800 West Pender Street, Vancouver, British Columbia V6C 2V7.

MATERIAL CONTRACTS

The following are material contracts entered into by the Issuer within two years preceding the date hereof:

1. Agency Agreement dated May 18, 1990, made between the Issuer and L.O.M. Western Securities Ltd. referred to under the caption "PLAN OF DISTRIBUTION".
2. Escrow Agreement (Performance Shares), dated April 24, 1990 made between the Issuer, Central Guaranty Trust Company and Doro Investments Ltd., which agreement is referred to under the caption "ESCROWED SHARES".

All material contracts of the Issuer may be inspected while the Issuer's Shares are in primary distribution, during normal business hours, at the Issuer's records office, Suite 1620 - 701 West Georgia Street, Vancouver, British Columbia.

MANAGEMENT'S DISCUSSION OF FINANCIAL RESULTS SINCE MARCH 31, 1990

The Issuer has not carried out any exploration on its properties subsequent to March 31, 1990. From March 31, 1990 to June 18, 1990, the Issuer has incurred expenditures of \$10,700 for rent, \$2,300 for printing and stationary, \$1,500 for prepaid legal fees, \$6,285 for filing fees to the Vancouver Stock Exchange and the Superintendent of Brokers and incurred accounts payable of \$2,500 for general expenses. The Issuer has received an interest credit of \$629.

OTHER MATERIAL FACTS

The Issuer has not made any arrangements, written or oral, for promotional or public relation services. There are no other material facts relating to the securities offered by this Prospectus which are not disclosed under the foregoing captions.

PURCHASER'S STATUTORY RIGHTS

The Securities Act provides a purchaser with the right to withdraw from an agreement to purchase securities within two business

days after receipt or deemed receipt of a Prospectus and further provides a purchaser with remedies for rescission or damages where the Prospectus and any amendment contains a material misrepresentation or is not delivered to the purchaser before delivery of the written confirmation of sale or prior to midnight on the second business day after entering in the agreement, but such remedies must be exercised by the purchaser within the time limit prescribed. For further information concerning these rights, and the time limits within which they must be exercised, refer to Sections 66, 114, 118 and 124 of the Securities Act or consult a lawyer.

CORONET METALS INC.
FINANCIAL STATEMENTS
MARCH 31, 1990

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Exhibit B	Statement of Loss and Deficit
Exhibit C	Statement of Deferred Exploration Expenditures
Exhibit D	Statement of Changes in Financial Position
	Notes to Financial Statements

AUDITORS' REPORT

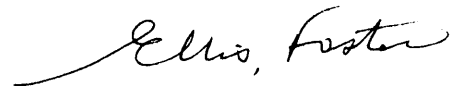
TO THE DIRECTORS

CORONET METALS INC.

We have examined the balance sheet of **Coronet Metals Inc.** as at March 31, 1990 and the statements of loss and deficit, deferred exploration expenditures and changes in financial position for the period 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 March 31, 1990 and the results of its operations and the changes in its financial position for the period then ended in accordance with generally accepted accounting principles.

Vancouver, B.C.
April 12, 1990



Chartered Accountants

CORONET METALS INC.

Balance Sheet

Exhibit A

March 31, 1990

Assets

Current

Cash	\$ 43,519
Funds held in trust	<u>10,001</u>
	53,520

Resource Properties (Note 3)

75,028

\$128,548

Liabilities

Current

Accounts payable and accrued liabilities	<u>\$ 16,124</u>
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Shareholders' Equity

Share Capital (Note 4)	157,501
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Deficit - Exhibit B	<u>(45,077)</u>
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112,424

\$128,548

Approved by the Directors



Director

Marjorie D. Morningstar



Director

Daniel G. Ozmun

The accompanying notes form an integral part of these financial statements.

CORONET METALS INC.

Statement of Loss and Deficit

Exhibit B

**From October 23, 1989 (Date of Incorporation) to
March 31, 1990**

Administration Expenditures

Legal and audit	\$ 6,301
Listing and filing fees	500
Management fees (Note 5)	15,000
Office, rent and secretarial services	19,648
Printing and stationery	2,100
Shareholders' information and public relations	<u>2,400</u>
	45,949

Interest Income

872

Loss For The Period, being deficit - Exhibit A

\$45,077

Loss Per Share

\$0.19

The accompanying notes form an integral part of these financial statements.

CORONET METALS INC.

**Statement of Deferred Exploration Expenditures
From October 23, 1989 (Date of Incorporation) to
March 31, 1990**

Exhibit C

Expenditures During The Period

Consulting	\$36,175
Engineering reports and assays	25,256
Equipment rentals	<u>12,697</u>
Balance, end of period	<u>\$74,128</u>

The accompanying notes form an integral part of these financial statements.

CORONET METALS INC.

Statement of Changes in Financial Position
From October 23, 1989 (Date of Incorporation) to
March 31, 1990

Exhibit D

Cash Provided By (Used For) Operating Activities

Operations:	
Loss for the period - Exhibit B	\$(45,077)
Cash provided by non-cash working capital	<u>16,124</u>
	<u>(28,953)</u>

Cash Provided By Financing Activities

Issue of common shares for cash	<u>157,501</u>
---------------------------------	----------------

Cash Provided By (Used For) Investing Activities

Acquisition of mineral properties and rights	(900)
Deferred exploration costs	<u>(74,128)</u>
	<u>(75,028)</u>

Cash Position, End of Period	<u>\$ 53,520</u>
-------------------------------------	------------------

Represented By:

Cash	\$43,519
Funds held in trust	<u>10,001</u>
	<u>\$53,520</u>

The accompanying notes form an integral part of these financial statements.

CORONET METALS INC.
Notes to Financial Statements
March 31, 1990

Note 1: Nature of Operations

The Company is in the process of exploring and developing its resource properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for resource properties and related deferred costs, if applicable, is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and upon future profitable productions.

Note 2: Significant Accounting Policies

The Company follows the accepted accounting practice of capitalizing exploration and development costs applicable to properties held. If the properties become productive, the costs will be amortized over the anticipated production of the property. If the property is abandoned, the applicable costs will be written off.

Depletion of costs capitalized to properties will be recorded using the unit-of-production method based on estimated proven reserves as determined by independent engineers.

The costs capitalized represent those costs incurred to date and do not necessarily reflect present or future values.

Note 3: Resource Properties

The Company owns certain mineral claims in the Port Alberni Mining District of British Columbia.

	<u>Property Costs</u>	<u>Deferred Exploration & Development Costs</u>	<u>Total</u>
Port Alberni Mining District, B.C.	<u>\$900</u>	<u>\$74,128</u>	<u>\$75,028</u>

CORONET METALS INC.
Notes to Financial Statements
March 31, 1990

Note 4: Share Capital

The Company has authorized 20,000,000 no par value common shares. As of March 31, 1990, the Company's issued and subscribed share capital was as follows:

	<u>Shares</u>	<u>Amount</u>
Issued for cash @ \$0.01 per share	750,000	\$ 7,500
Issued for cash @ \$1.00 per share	<u>1</u>	<u>1</u>
Issued and outstanding	750,001	7,501
Subscribed for cash @ \$0.25 per share	<u>600,000</u>	<u>150,000</u>
Balance, end of period	<u>1,350,001</u>	<u>\$157,501</u>

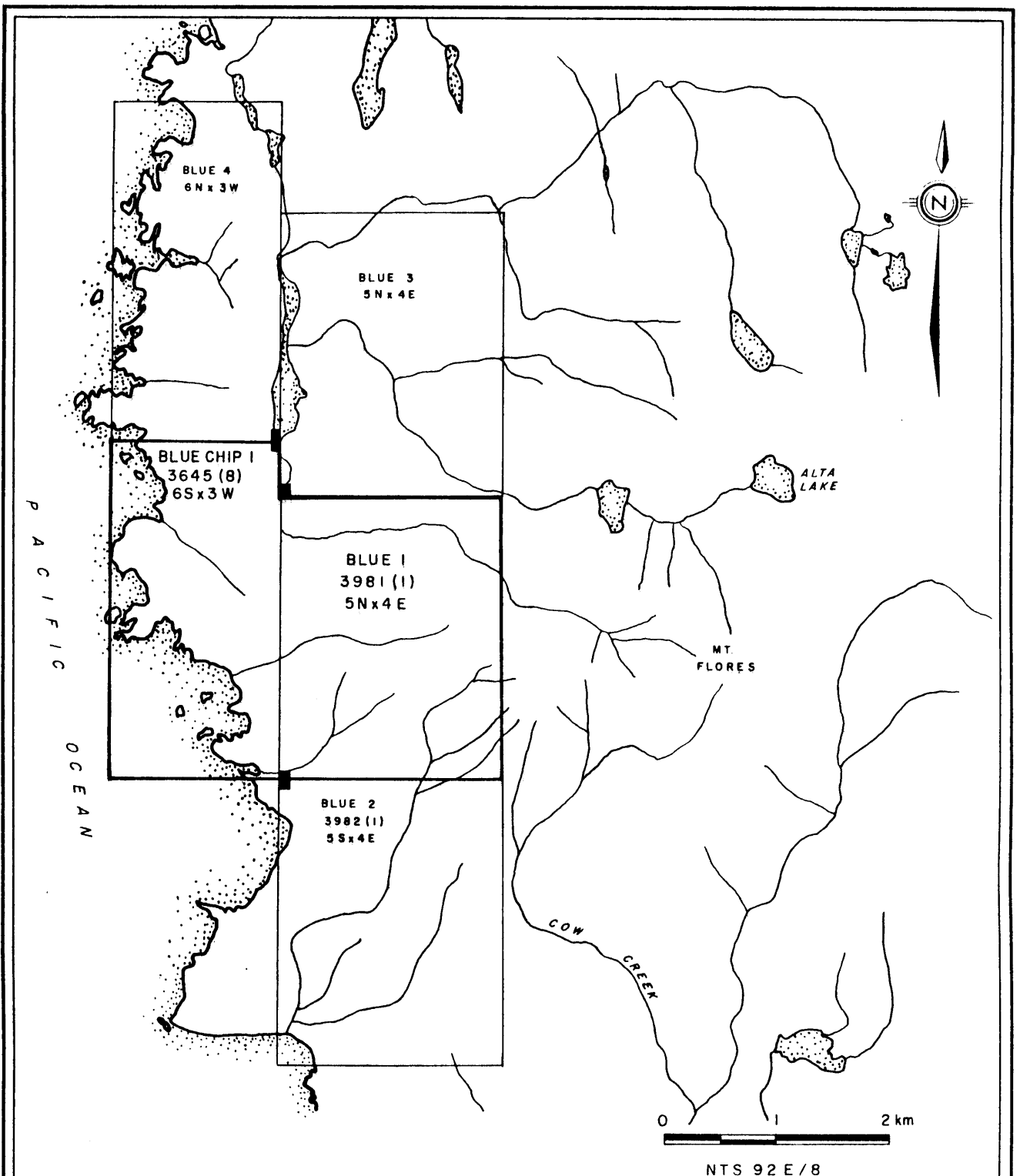
Included in the issued shares are 750,000 escrow shares whose release shall be subject to the direction or determination of the Vancouver Stock Exchange.

Note 5: Related Party Transactions

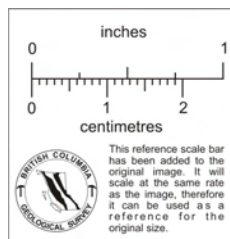
- a) A Company controlled by an officer of the Company was paid management fees totalling \$15,000 of which \$7,500 is included in accounts payable at March 31, 1990.
- b) The Company shares office facilities and services with other companies related by common management and directorship. Such expenses amounted to \$24,110.

Note 6: Subsequent Events

The Company intends to issue 700,000 common shares at \$0.50 per share through a public offering. The offering is subject to a minimum subscription of 500,000 common shares being sold therefore the net proceeds will be a maximum of \$308,000 and a minimum of \$220,000.



NTS 92 E / 8



CORONET METALS INC.

CLAIM MAP

BLUE CHIP 1 & BLUE 1 CLAIMS
ALBERNI MINING DIVISION, B.C.

Project No V 311

By G. Y.

Scale 1 : 50,00

Drawn G. Y. / dw

Drawing No 2

Date MARCH 1990



MPH Consulting Limited

3.0 PREVIOUS WORK

The ground which now comprises the Blue Chip 1 claim was originally staked by S. Craig in 1968. There is no record of assessment work being filed. The claims were allowed to lapse.

To the north, the Bay claim group was explored for copper and molybdenum in 1971. Geological mapping and a preliminary soil survey were conducted by D.L. Cooke Ph.D., P.Eng. for Canadian Superior Exploration Limited (Cooke, 1971). This exploration program identified the presence of chalcopyrite mineralization within several narrow fracture zones in porphyritic and granitoid intrusions. Soil geochemical results indicated only isolated copper anomalies.

In July 1988, Mr. Ted Hayes staked the Blue Chip 1 claim and prospected approximately 1 km of the shoreline, collecting 23 rock samples. Mineralized quartz veins returned concentrations of up to 1560 ppb Au, 149.7 pm Ag, 4328 ppm As, 19,825 ppm Cu, 29,849 ppm Pb and >99,999 ppm Zn (Thomae, 1988).

4.0 REGIONAL GEOLOGY AND ECONOMIC SETTING

The west coast of Vancouver Island in the vicinity of Flores Island is underlain primarily by plutonic, metavolcanic and lesser metasedimentary rocks of the Westcoast Complex (derived mainly from Paleozoic Sicker Group sediments and volcanics and Bonanza Group rocks) and a variety of volcanics of the Jurassic Bonanza Group (Muller et al., 1981) (figure 3). These rocks are intruded by Tertiary Catface Intrusions in the Flores Island area as well as other parts of Vancouver Island.

4.1 Regional Geology

The Sicker Group is composed of island-arc volcanoclastic and sedimentary rocks which are overlain by tholeiite basalt and limestone.

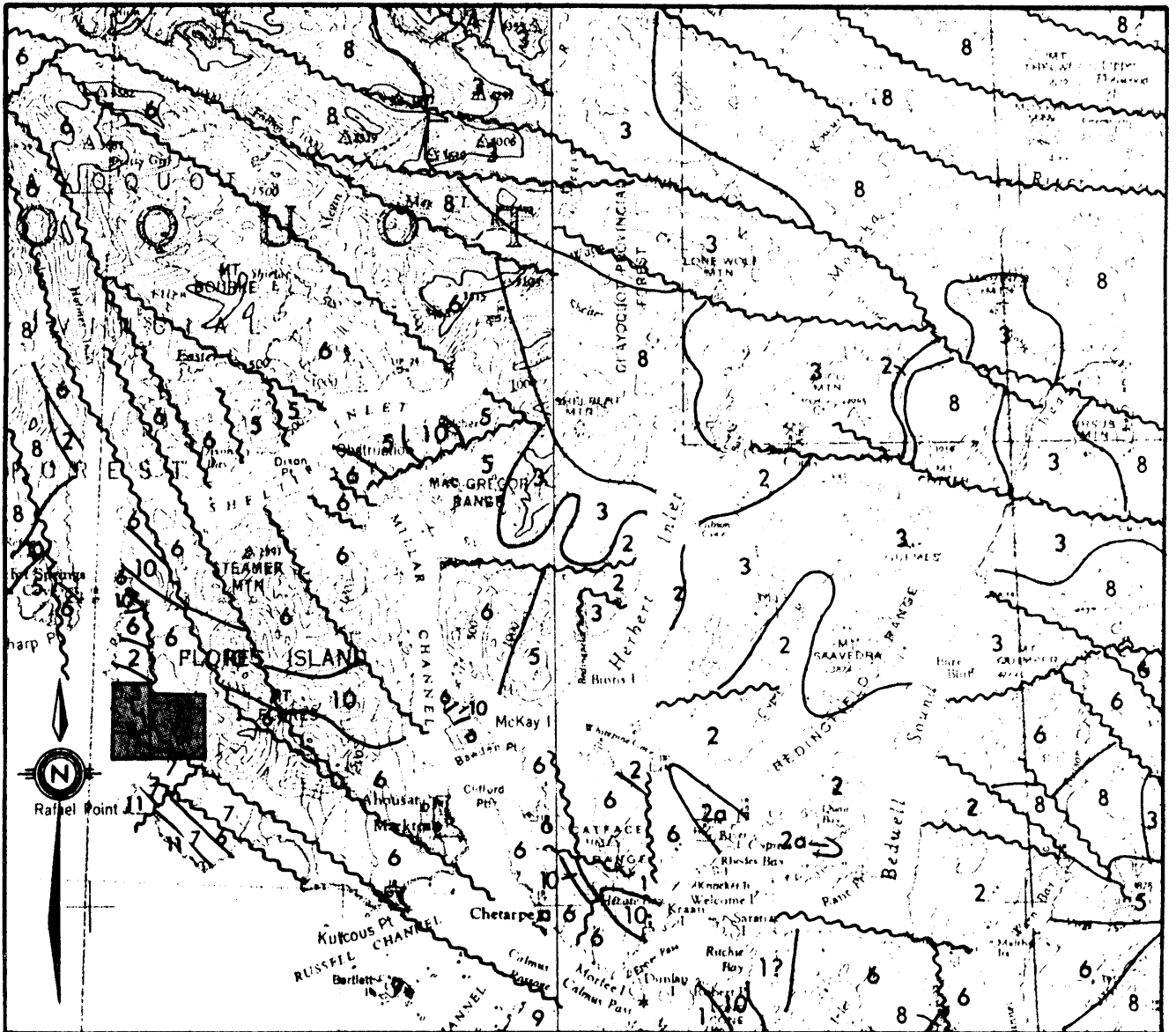
The Westcoast Complex consists of two units; an amphibolite unit consisting of metavolcanics and metasediments and a migmatite unit composed of quartz diorite and tonalite and migmatites (Muller et al., 1981).

The Bonanza Group consists of interbedded basaltic, rhyolitic and lesser andesitic and dacitic lava, tuff, breccia marine argillite and greywacke.

The Catface Intrusions consist of quartz diorite.

4.2 Structure

Structure in the Flores Island area is characterized by block faulting. Bonanza and Island Intrusion rocks are affected mainly by northerly and westerly trending faults. In the coastal areas, rocks are cut by predominantly northwesterly and, less importantly, northeasterly trending faults.



TERTIARY

Eocene and Oligocene

11 Hesquiat Fm.

Eocene

10 Catface Intrusions

JURASSIC AND CRETACEOUS

9 Pacific Rim Complex

JURASSIC

8 Island Intrusions

Lower Jurassic

7 Bonanza Gp.

PALEOZOIC AND MESOZOIC

Westcoast Complex

6 Westcoast Diorite

5 Westcoast Amphibolite

TRIASSIC

(Middle ? and) Upper Triassic
Vancouver Group

4 Quatsino Fm.

3 Karmutsen Fm.

PALEOZOIC

Sicker Group

2 Sediments

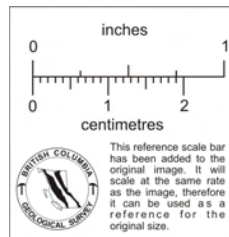
2a - diabase sills

1 Volcanics

References GSC OF 463; Paper 80-16



NTS 92 E/8



CORONET METALS INC.

REGIONAL GEOLOGY MAP

BLUE CHIP I & BLUE I CLAIMS
ALBERNI MINING DIVISION

Project No: V311	By: B. T.
Scale: 1 : 250 000	Drawn: J. S.
Drawing No: FIG. 3	Date: MARCH 1990



MPH Consulting Limited



Steep faults may have vertical as well as transcurrent offsets that are difficult to determine due to lack of marker beds. However, faulting is shown to be widespread in the entire area based on supporting evidence of faulting in Tertiary sediments (Muller, et al, 1981). Young hydrothermal activity along structural trends is indicated by active hot springs, one at the southern end of Matilda Inlet (on a north trending structure), and the more well known one at Hot Springs Cove, northwest of Flores Island, also on a north trending structure.

4.3 Economic Setting

Contact metasomatic (skarn) deposits, veins and shear zones, and porphyry deposits constitute the major metalliferous deposits in the vicinity of Flores Island (Muller et al., 1981).

Iron and copper skarns are promising targets where Island Intrusions intrude Vancouver Group rocks or in the roof pendants of Sicker Group metasediments surrounded by Island Intrusions and Westcoast Complex rocks (figure 4). Two such properties exist locally, and have reported limited production. Thirty-two km to the northwest, the Glengarry, located at the head of Head Bay, milled 56,700 tonnes of ore which produced 22,680 tonnes of magnetite concentrate. Fifteen km to the northwest, the Indian Chief on Stewartson Inlet shipped 73,600 tonnes yielding 1,102,360 kg of Cu, 22,456 g of Au, and 1,707,400 g of Ag.

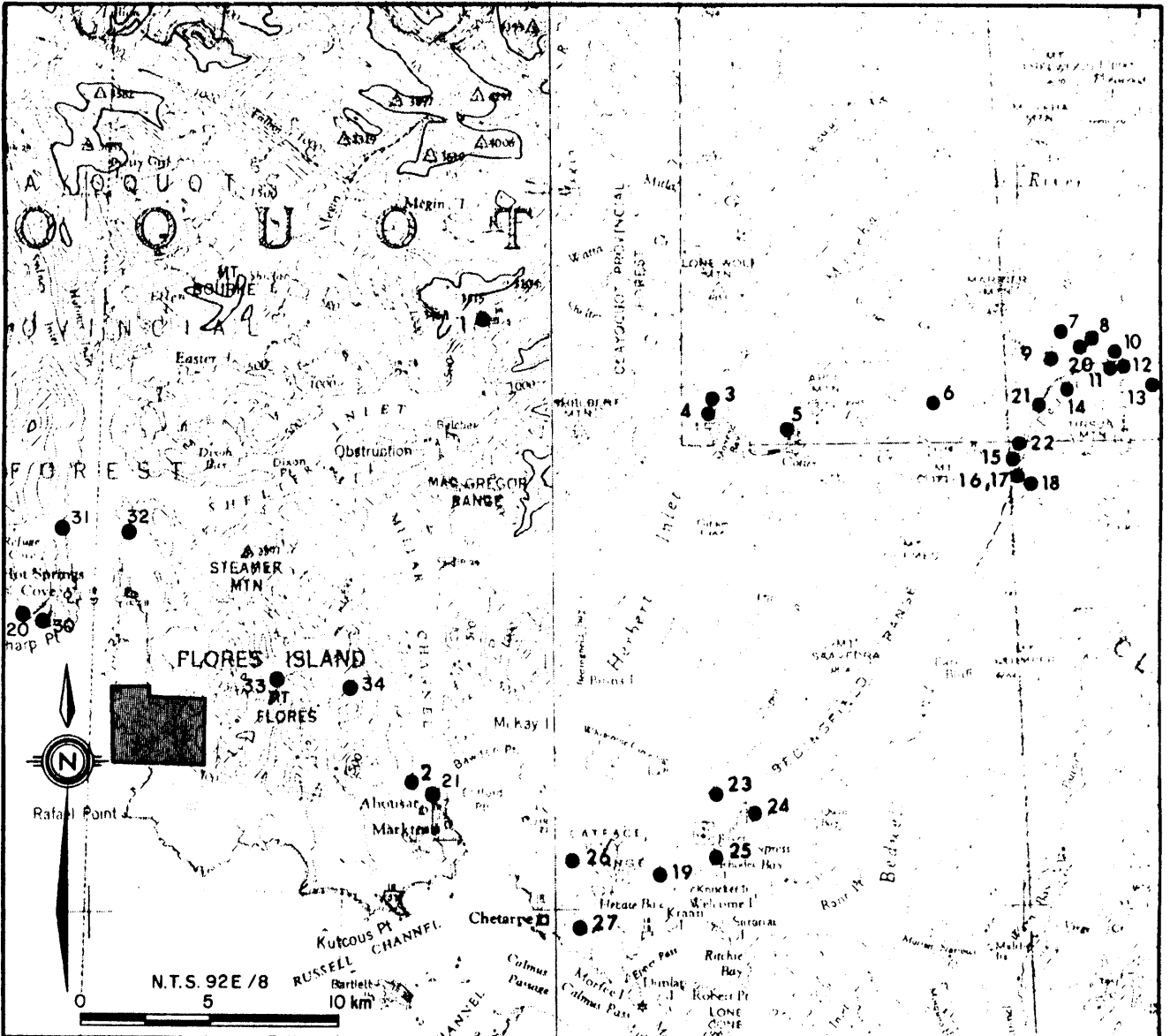
Tertiary pluton-associated copper and molybdenum occurrences on Flores Island contain lower copper and molybdenum concentrations, however, they do have many similarities to the Catface porphyry copper-molybdenum deposit 1 km to the east. Reserves of the Catface deposit are estimated at 181,440,000 tonnes of 0.5% Cu, molybdenum, gold and minor silver. A thorough description of mineral occurrences in the vicinity of Flores Island is provided in Hawkins (1987).

Fieldwork on the Blue Chip 1 and Blue 1 claims included geological mapping (1:5000); rock, silt and soil sampling; prospecting, trenching; magnetometer surveying and the establishment of 7.7 km of grid including 1.1 km of line-cutting.

5.0 1989 EXPLORATION PROGRAM

5.1 Property Geology

The northern and southern portions of the claims are underlain by granodiorite of the Westcoast Complex (figure 5). Between these two units is an east trending package of volcanoclastic and metasedimentary rocks, possibly correlative with the Bonanza Group.

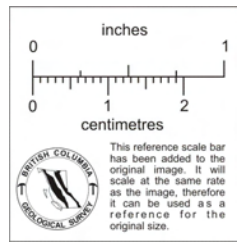


Precious Metal Occurrences

1	High Boy	Au
2	Contact	Au Ag Cu Pb Zn As
3	Big Boy	Au Ag Cu Pb
4	Moyeha, Tye	Au Ag
5	Abco Mine	Au Ag
6	Dawn	Au
7	Belvedere	Au Ag
8	OK	Au Ag
9	Noble	Au Ag
10	BB and M	Au
11	Joker	Au Ag ?
12	Musketeer	Au Ag Zn Cu Pb
13	Buccaneer	Au Ag Cu Pb
14	Corona	Au
15	Avon	Au Cu Ag Pb Fe
16	Seattle	Au Cu Fe
17	Brooklyn	Au Pb
18	Prosper	Au Ag Cu Pb
19	Cyprus	Au Cu Mo
20	"K-18"	Au Cu
21	Gold	Showing

Other Occurrences

22	Dry Gulch	Mo	32	Bay	Cu Mo Ag Tr Au
23	Empress	Cu			
24	Galena	Fe Cu	33	Flow	Cu
25	Cats - Eye	Cu	34	"JR"	Cu Mo
26	Bay Creek	Cu			
27	Good Hope	Cu Au Ag			
28	Irishman Ck.	Cu			
29	Carface	Cu Mo Au Ag			
30	"K-15"	Zn Ag			
31	Sydney	Cu Mo			



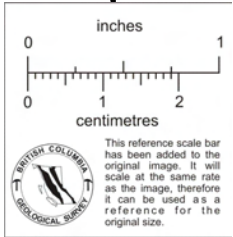
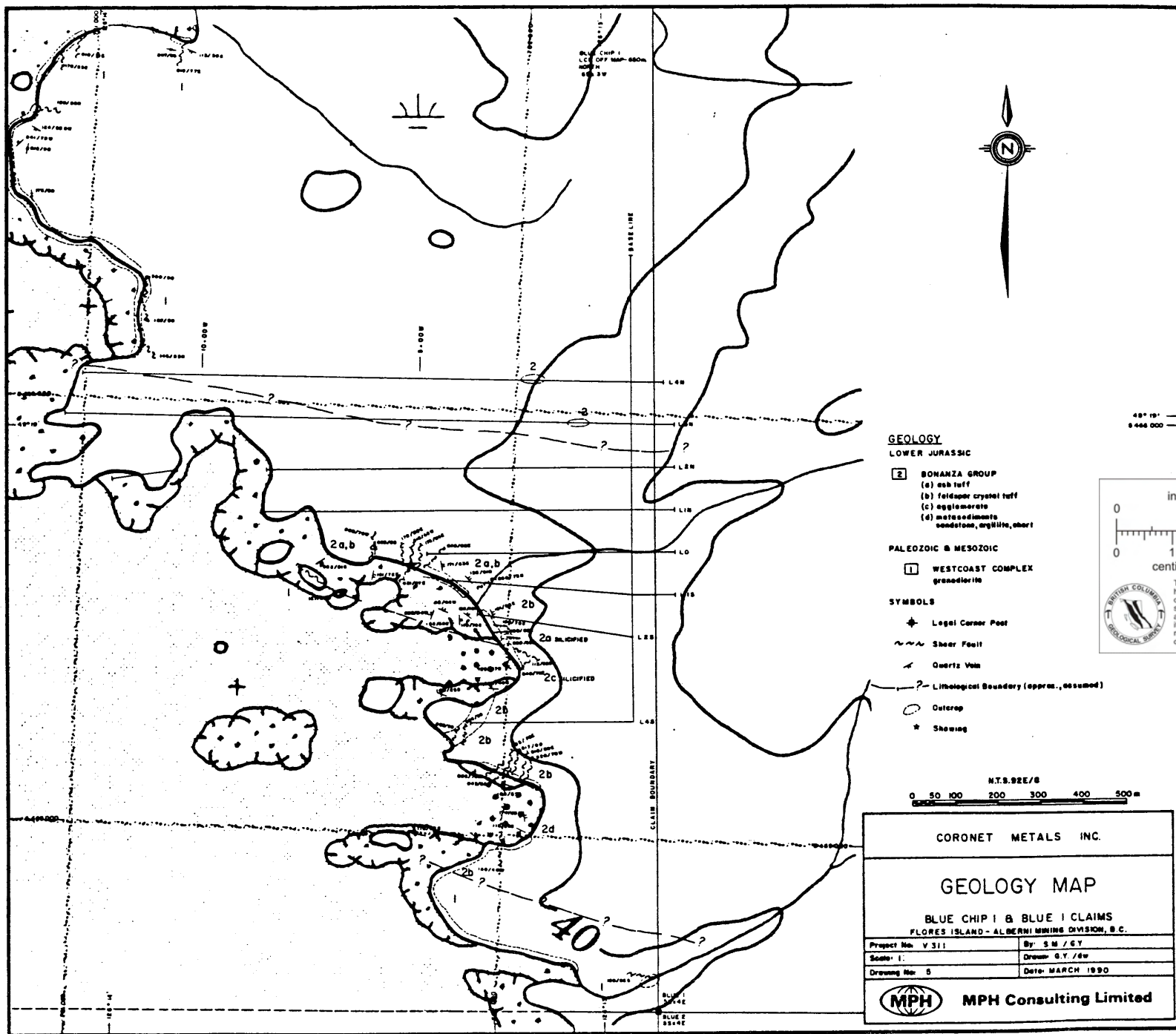
CORONET METALS INC.

MINERAL OCCURRENCES LOCATION MAP

BLUE CHIP I & BLUE I CLAIMS
ALBERNI MINING DIVISION

Project No. V 311	By: G. Y.
Scale: 1 : 250 000	Drawn: J. S.
Drawing No: FIG. 4	Date: MARCH 1990

MPH **MPH Consulting Limited**





The granodiorite (Unit 1) is composed of anhedral mafic, feldspar and quartz grains.

The volcanoclastic and metasedimentary rocks (Unit 2) comprise very fine grained ash tuffs (Unit 2a), feldspar crystal tuffs (Unit 2b), agglomerates (Unit 2c) and metamorphosed sandstone, argillite and chert (Unit 2d).

5.2 Structure

Both the Westcoast Complex and the Bonanza Group are cut by numerous north-south trending shear zones. The shear zones reach widths of up to 25 cm with strikes varying from 136° to 190° and dips varying from 35° to 90° S to E. A fault approximately 1.5 m wide with a strike varying from 112° to 127° with a dip of 50°SW can be intermittently traced for approximately 500 m along the shoreline. The hanging wall is composed of very intensely silicified agglomerates. The footwall is composed of moderately to very intensely silicified and locally foliated feldspar crystal tuff. Bedding in argillites and sandstones varies from 094° to 123° with dips ranging from 25°S to 57°S.

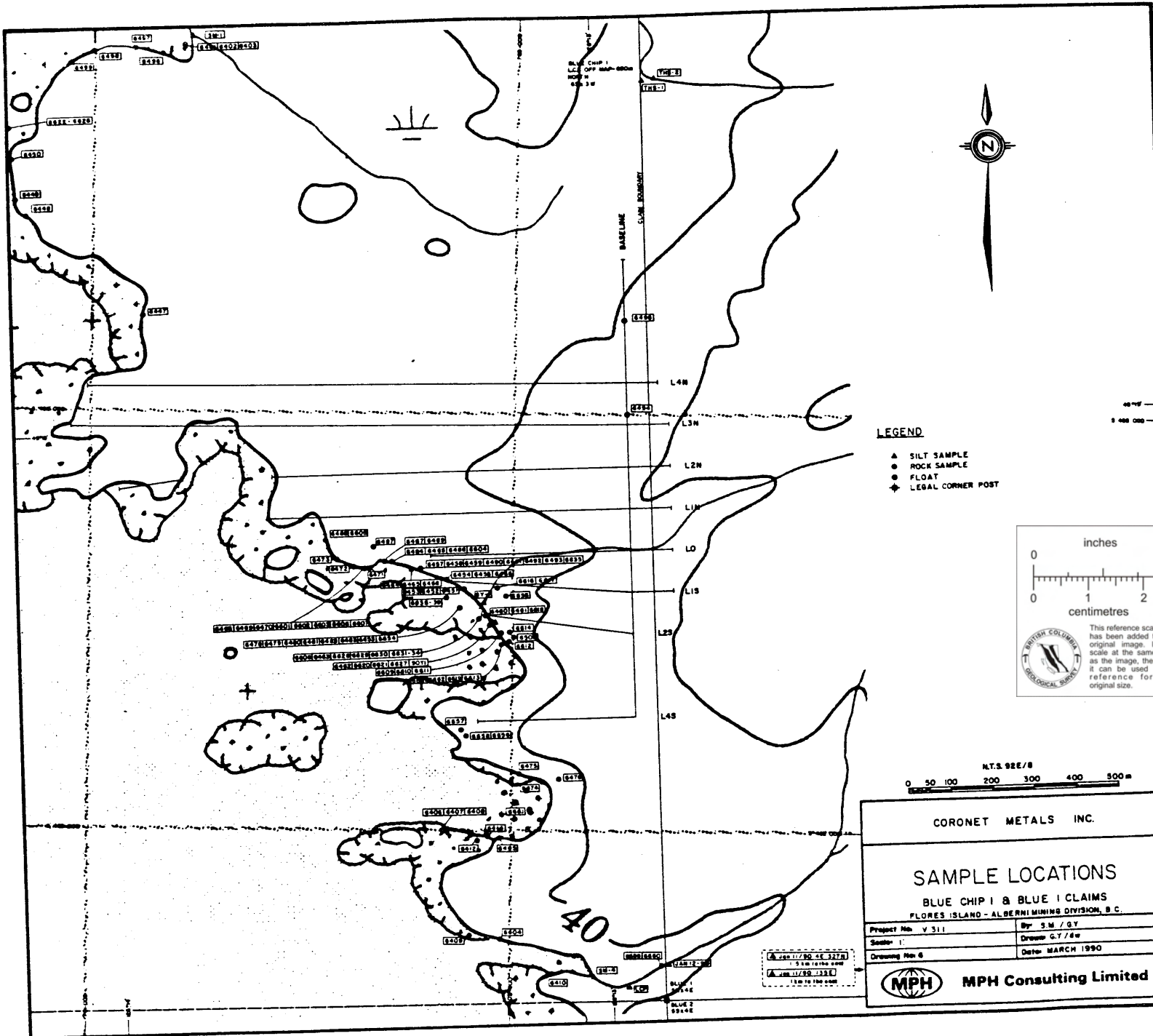
Regional mapping by Muller et al. (1981) has indicated the presence of a major north-south trending fault. This fault terminates at the junction with a northwest-southeast fault in the region of the east-central boundary between the Blue Chip 1 and Blue 1 claims. The region of the property is marked by a topographic depression and an east-west flowing creek.

5.3 Mineralization

A total of 118 rock samples was collected and analyzed for gold by AA and for 31 elements by ICP by Rosbacher Lab. Sample locations can be found in figure 6. Within the intrusive and volcanoclastic rocks are numerous shears which contain quartz veins, varying from 3 to 10 cm in width, striking 124° to 190° with dips varying from 44° to 90° E to S. Locally, quartz veins contain galena, sphalerite, chalcopryrite and pyrite in massive, semimassive and disseminated forms. Assays of up to 0.7 g/t Au, 603.4 g/t Ag, 4.92% Cu, 8.96% Pb and 19.9% Zn were returned from rock sampling. See page 11 for for sample descriptions.

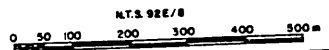
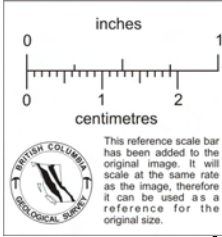
The "high grade" showing consists of a mineralized fault approximately 15 to 25 cm wide, with an orientation of 176/84E. The weathered surfaces are coated with malachite stains. Galena, sphalerite, and chalcopryrite occur as massive fracture fillings. Samples from this fault returned up to 603.4 g/t Ag, 4% Cu, 6.36% Pb and 19.9% Zn. See page 11 for sample descriptions. Samples 6457-59, 89-92 and 6607 were collected from the showing and the immediate vicinity.

Selected analytical results are summarized in Table 1.



LEGEND

- ▲ SILT SAMPLE
- ROCK SAMPLE
- FLOAT
- ◆ LEGAL CORNER POST



CORONET METALS INC.

SAMPLE LOCATIONS
 BLUE CHIP 1 & BLUE 1 CLAIMS
 FLORES ISLAND - ALBERNI MINING DIVISION, B.C.

Project No. V 511	By: S.M./G.Y.
Sheet: 1	Drawn: G.T./B.W.
Drawing No. 6	Date: MARCH 1990

 **MPH Consulting Limited**

Scale 1:50,000
 1 cm = 500 m



TABLE 1

Sample	Description	Au ppb	Ag g/t	Cu %	Pb	Zn %
6448	Chip sample across 3-5 cm wide quartz vein containing 3% disseminated chalcopyrite, galena, sphalerite.	160	58.3 ppm	1.66	8.96%	7.88
6457	Chip sample across a 15-25 cm wide shear with 3-5% chalcopyrite, 1-3% sphalerite and 1% galena. High-grade showing.	5	301.7	4.00	0.79%	8.64
6464	Chip across a 10 cm wide sheared quartz vein with 3% chalcopyrite, sphalerite and galena. Sample is located 20 m NW of the showing.	90	136.5	1.98	2799 ppm	8.08
6468	Chip sample from a 5 cm wide quartz vein with 3% galena, 3% sphalerite, 2% chalcopyrite and 2% pyrite.	70	129.6	0.74	7.82%	11.32
6484	Chip sample from a 10 cm wide quartz vein with 10% galena and sphalerite and 3% chalcopyrite. Sample is approximately 100 m west of the high-grade showing.	30	312.0	4.92	5146 ppm	12.32
6601	Chip sample from a 4 cm wide quartz vein with 5-7% galena and sphalerite and 3% chalcopyrite. Sample is approximately 140 m west of the high-grade showing.	40	248.2	3.28	5.7%	18.70
6607	Chip across a 15 cm wide mineralized vein with 30% galena, 10% chalcopyrite and 10% sphalerite. Sample is from the high-grade showing.	20	603.4	3.78	6.36%	19.90
6633	Grab sample from a 3 cm quartz vein with host rock inclusions; 5% disseminated pyrite.	0.7 g/t	2 ppm	793 ppm	19 ppm	381 ppm

5.4 Soil Geochemistry

A total of 314 soil samples was collected and analyzed for gold by AA and 31 elements by ICP. Threshold values for gold, silver, copper, lead, zinc and arsenic were determined to be 10 ppb, 0.4 ppm, 22 ppm, 112 ppm, 63 ppm and 39 ppm respectively.

Copper soil geochemical concentrations range up to 162 ppm (figure 7). Six anomalies varying from 25 m to 125 m in width stretch from lines 4N and 3N to lines 3N and 1S.

Arsenic values returned a maximum of 1482 ppm (figure 7). Narrow north-south linear groupings of up to 571 ppm appear to be concentrated on lines 1N, 2N, 3N and 4N. These groupings vary from approximately 25 to 100 m in width and have lengths of up to 300 m. The maximum of 1482 ppm is a spot high located on Line 0, 0+00.

The anomalous gold soil geochemical results appear to be localized (figure 8). The highest value returned was 560 ppb. An arcuate and a weak linear trend have been outlined. The arcuate trend extends westward from approximately line 0, 0+75W to line 1N, 8+25W and to the north to line 3N. Gold values within this trend vary from 5 to 180 ppb. The linear trend begins at Line 1N, 8+00W and angles in a northeasterly direction for approximately 350 m.

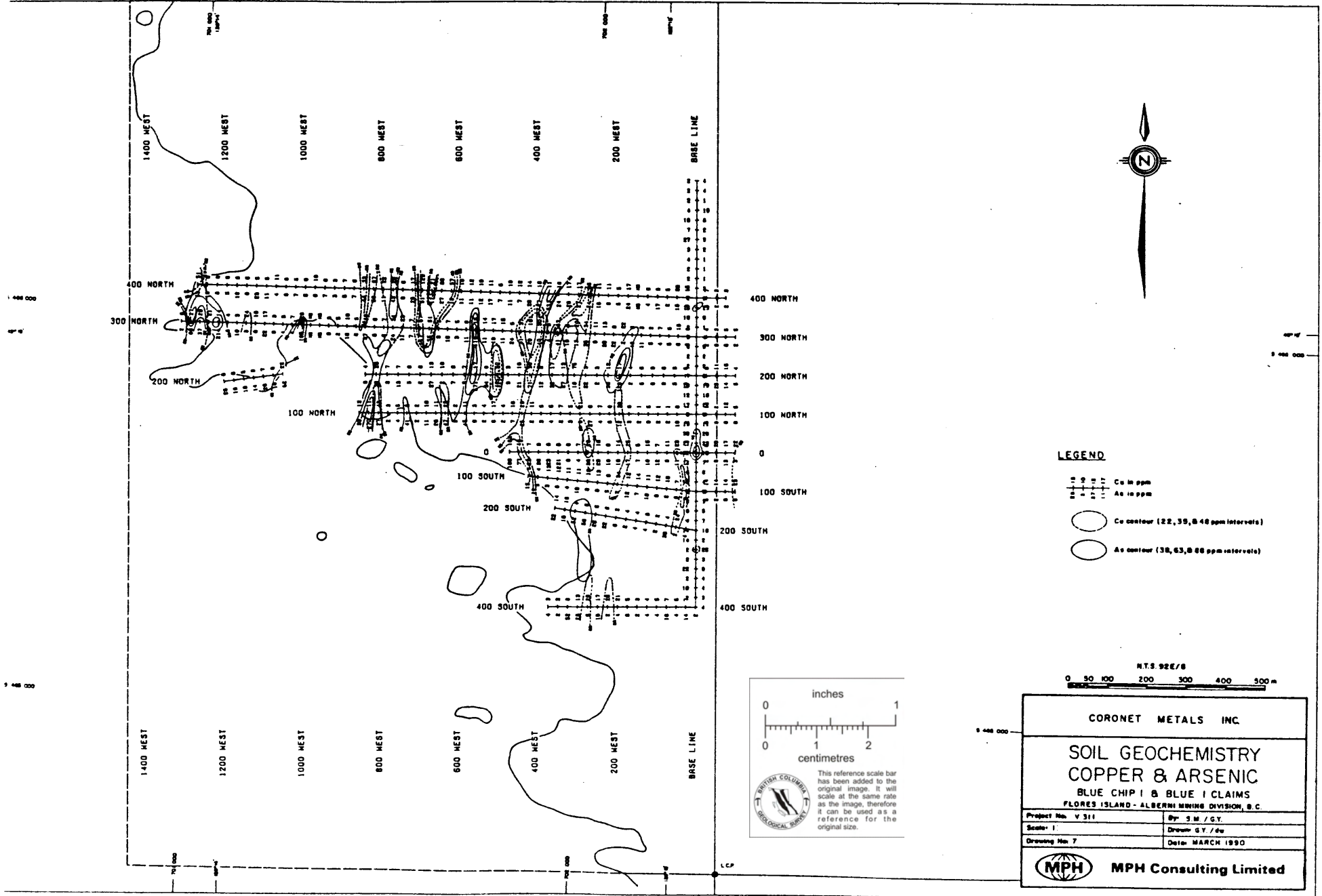
Silver soil geochemical results range up to 7.3 ppm (figure 8). The majority of the anomalous values, varying from 1.0 to 7.3 ppm, are grouped along line 1S from 3+50W to 1+00E. Localized anomalies occur on the west end of line 0, 4+50W and on line 1N, 3+00W and 4+00W with values reaching a maximum of 5.6 ppm.

Lead and zinc returned maximum values of 22,400 and 903 ppm respectively (figure 9). On lines 3N and 4N, 9+75W to 12+50W, linear trends varying from approximately 25 m to 75 m in width and having lengths greater than 100 m, have values up to 184 ppm Zn and 475 ppm Pb. The lead high of 22,400 ppm is a spot value on the baseline at 4+25N. The zinc high of 903 ppm and arsenic high of 1482 ppm are located at Line 0, 0+00 in an area of coincident lead and zinc anomalies.

5.5 Magnetometer Survey

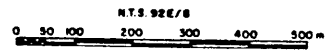
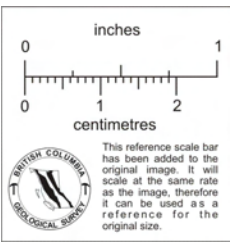
A test magnetometer survey was carried out on lines 4S, 2S, 1N, 2N and along 800 m of baseline. Measurements were taken at 25 m and 12.5 m intervals. The data was corrected for diurnal variations and reduced to a base level of 55000 nanoteslas (nT).

The survey defined five magnetic features (figure 10), four of which appear to be linear and trending north-south. Feature 1 is located on line 1N at 7+50W and on line 2N at 6+75W. This feature varies from approximately 12.5 m to 50 m in width with a peak value of 476.1 nT. Feature 2 is located on line 1N at 5+50W and on line 2N at 5+50W. The width varies from approximately 25 m to 40 m and has a maximum value of 202.5 nT. Feature 3

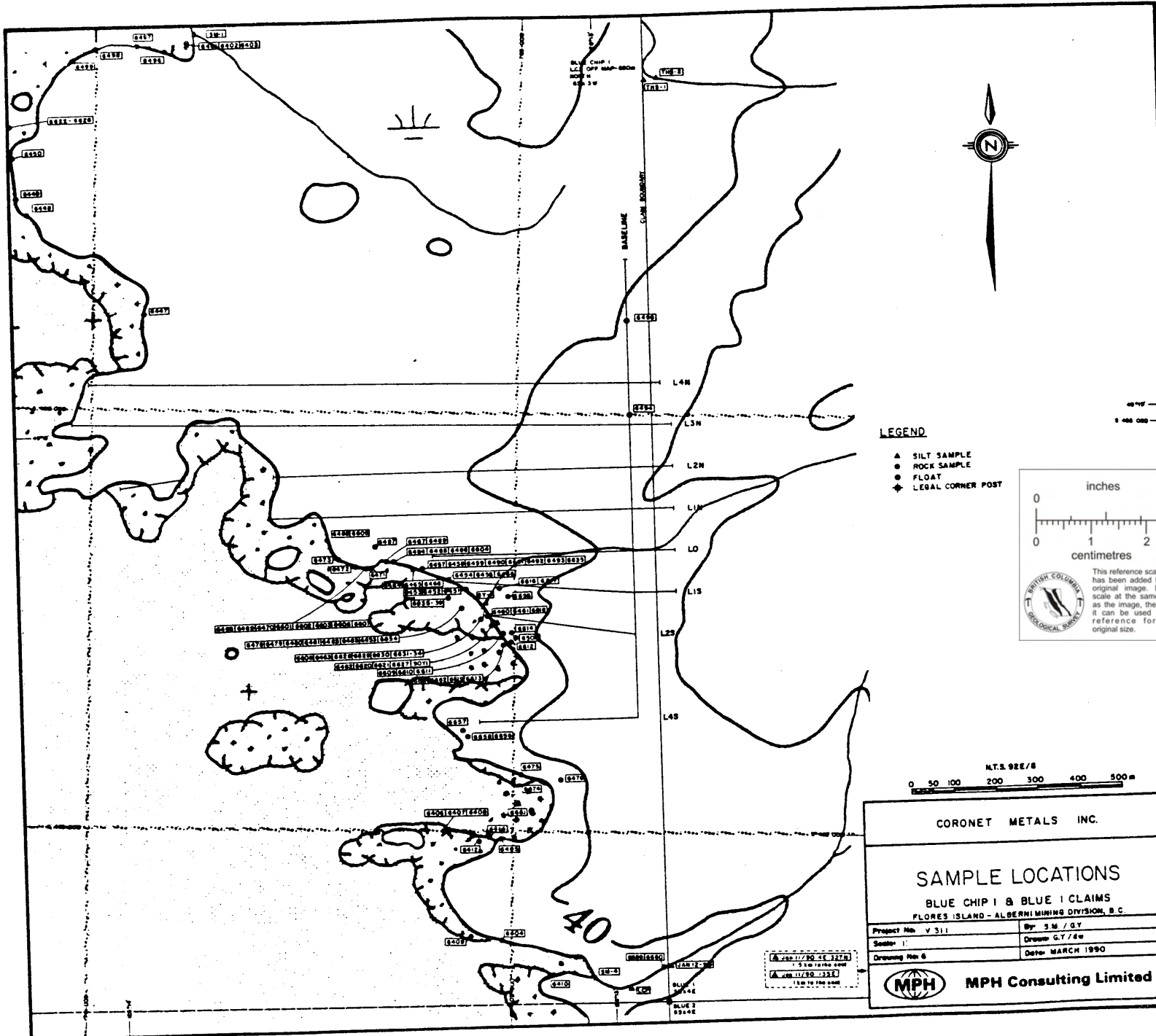


LEGEND

- Cu in ppm
- As in ppm
- Cu contour (22, 35, & 48 ppm intervals)
- As contour (38, 63, & 88 ppm intervals)

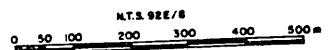
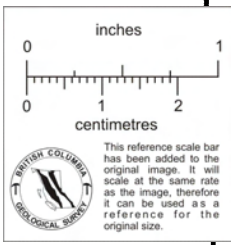


CORONET METALS INC	
SOIL GEOCHEMISTRY COPPER & ARSENIC	
BLUE CHIP I & BLUE I CLAIMS	
FLORES ISLAND - ALBERNI MINING DIVISION, B.C.	
Project No. V 311	By: S.M./G.Y.
Scale: 1	Drawn: G.Y./G.Y.
Drawing No. 7	Date: MARCH 1990
MPH Consulting Limited	



LEGEND

- ▲ SILT SAMPLE
- ROCK SAMPLE
- FLOAT
- ✦ LEGAL CORNER POST



CORONET METALS INC.	
SAMPLE LOCATIONS	
BLUE CHIP 1 & BLUE 1 CLAIMS FLORES ISLAND - ALBERNI MINING DIVISION, B.C.	
Project No. V 311	By: S.M./G.Y.
Sheet: 1	Drawn: G.Y./S.W.
Drawing No. 6	Date: MARCH 1990
MPH Consulting Limited	

A 240/11/90 21 3273
 1:50,000 scale
 1:50,000 scale
 1:50,000 scale

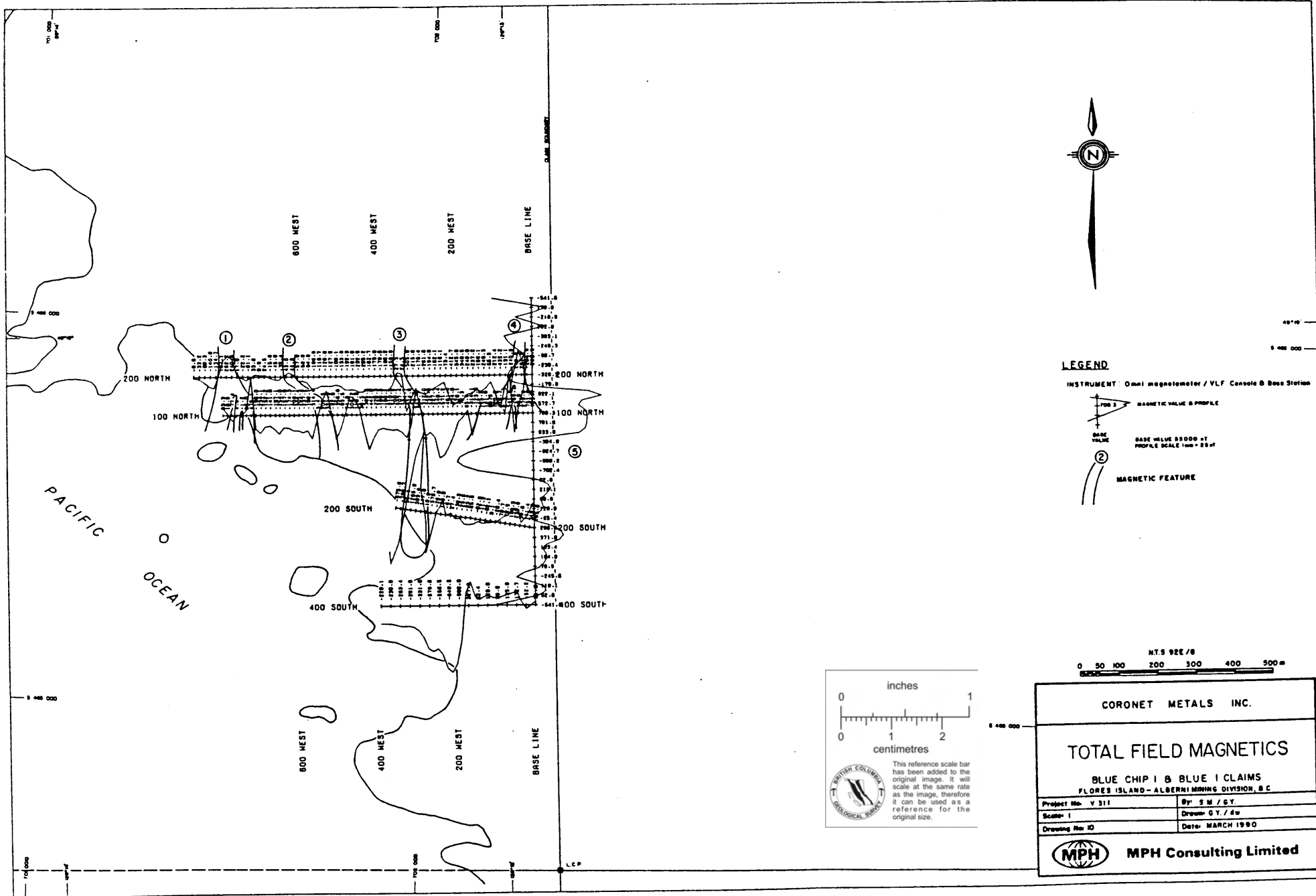


TABLE 1

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6457	Chip sample across a 15-25 cm wide shear with 3-5% chalcopyrite, 1-3% sphalerite and 1% galena. High-grade showing.	5	301.7	4.00	0.79%	8.64
6464	Chip across a 10 cm wide sheared quartz vein with 3% chalcopyrite, sphalerite and galena. Sample is located 20 m NW of the showing.	90	136.5	1.98	2799 ppm	8.08
6468	Chip sample from a 5 cm wide quartz vein with 3% galena, 3% sphalerite, 2% chalcopyrite and 2% pyrite.	70	129.6	0.74	7.82%	11.32
6484	Chip sample from a 10 cm wide quartz vein with 10% galena and sphalerite and 3% chalcopyrite. Sample is approximately 100 m west of the high-grade showing.	30	312.0	4.92	5146 ppm	12.32
6601	Chip sample from a 4 cm wide quartz vein with 5-7% galena and sphalerite and 3% chalcopyrite. Sample is approximately 140 m west of the high-grade showing.	40	248.2	3.28	5.7%	18.70
6607	Chip across a 15 cm wide mineralized vein with 30% galena, 10% chalcopyrite and 10% sphalerite. Sample is from the high-grade showing.	20	603.4	3.78	6.36%	19.90
6633	Grab sample from a 3 cm quartz vein with host rock inclusions; 5% disseminated pyrite.	0.7 g/t	2 ppm	793 ppm	19 ppm	381 ppm

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A total of 314 soil samples was collected and analyzed for gold by AA and 31 elements by ICP. Threshold values for gold, silver, copper, lead, zinc and arsenic were determined to be 10 ppb, 0.4 ppm, 22 ppm, 112 ppm, 63 ppm and 39 ppm respectively.

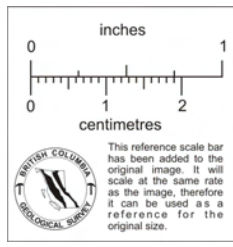


LEGEND

INSTRUMENT: Omal magnetometer / VLF Console & Base Station

MAGNETIC VALUE & PROFILE
 BASE VALUE
 BASE VALUE 25000 nT
 PROFILE SCALE 1mm = 25 nT

MAGNETIC FEATURE



N.T.S. 92E/8
0 50 100 200 300 400 500m

CORONET METALS INC.	
TOTAL FIELD MAGNETICS	
BLUE CHIP I & BLUE I CLAIMS FLORES ISLAND - ALBERNIMING DIVISION, B.C.	
Project No. V 311	By: S.M./G.Y.
Scale: 1	Drawn: G.Y./G.W.
Drawing No. 10	Date: MARCH 1990
	MPH Consulting Limited



is located on line 2N at 3+00W, line 1N at 3+00W and line 2S at 3+00W. The width varies from approximately 25 m to 50 m. The feature is approximately 450 m long with a maximum value of 1285.9 nT. Feature 4 is located on line 1N between 0+00 and 2+00W and line 2N at approximately 0+50W with a maximum value of 751.0 nT. Feature 5 is a magnetic low of -988.2 nT with a corresponding high to the north of 922.1 nT. The width of the feature varies from 100 to 150 m.

5.6 Trenching

Two blast pits were used to follow up anomalous gold and arsenic soil geochemical results. A pit at line 2S, 3+50W, at the site of a soil geochemical value of 560 ppb Au exposed an outcropping of very intensely silicified, light grey ash tuff(?) which returned no significant geochemical results.

The second pit, at line 0, 1+75W, the site of a soil geochemical value of 90 ppb Au, failed to reach bedrock. Overburden at this site was found to be greater than 1 m deep. A check soil sample from the bottom of this pit returned 150 ppb Au.

5.7 Discussion

The arcuate shape of the gold soil geochemistry anomaly may define the contact between the volcanoclastic/metasedimentary rocks and the intrusive rocks.

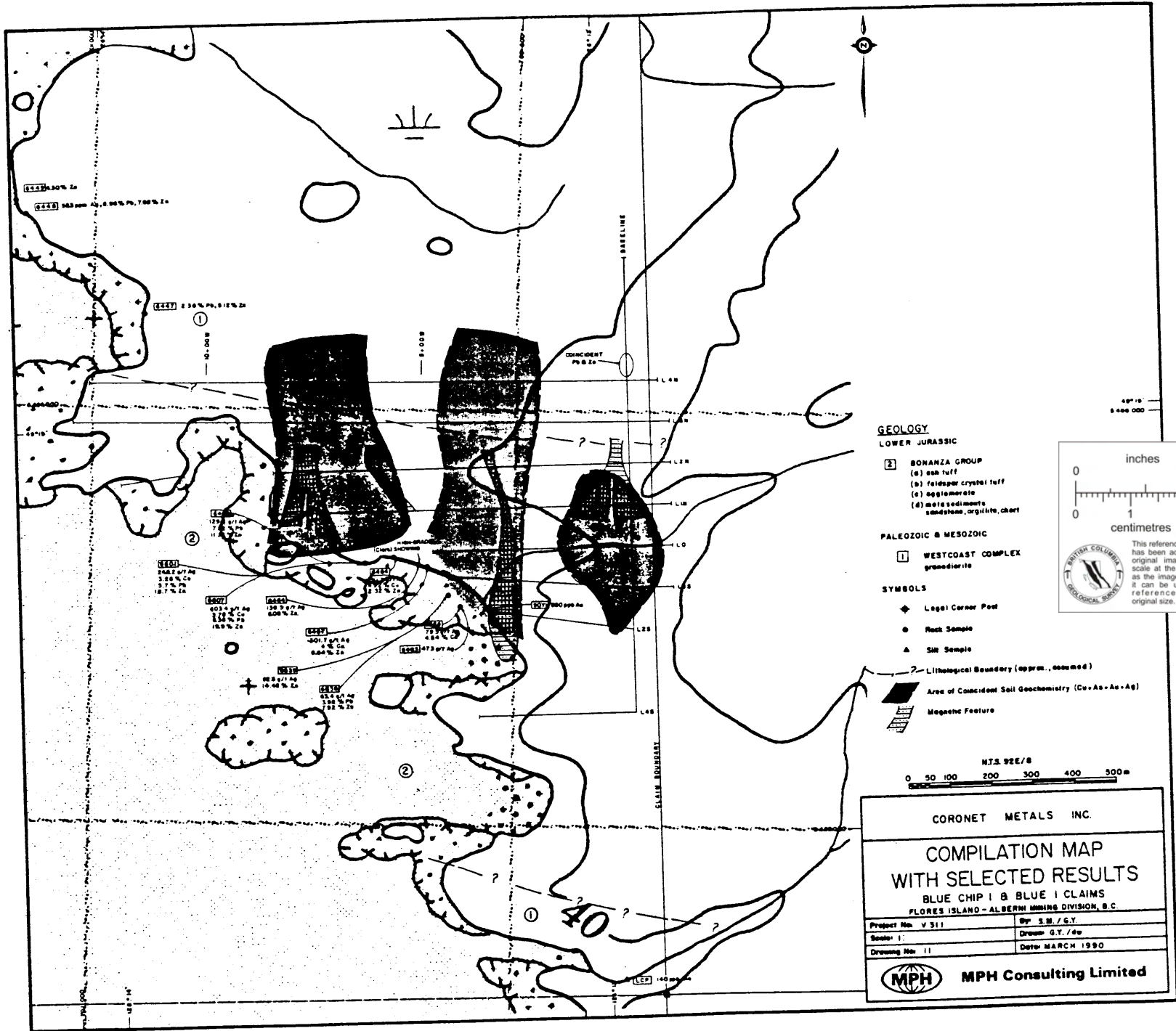
Three broad linear zones are defined by anomalous copper, arsenic, lead and locally gold and silver soil geochemistry (figure 11). These zones vary from 200 to 300 m in width and are up to approximately 500 m in length.

Magnetic features 1, 2 and 3 occur within these geochemically anomalous zones. At the southern terminus of two of these zones on the shoreline are numerous quartz veins in shear zones, some of which have returned highly anomalous values of silver, lead, copper, zinc and locally, gold.

Feature 5 has been interpreted as a possible fault contact between volcanoclastic/metasedimentary rocks and an intrusive plug or dyke. This area is marked by a topographic depression occupied by an east to west flowing creek. Feature 5 is located in the area of the east-west trending fault mapped by government geologists. The fault contact is flanked to the south by a series of silver soil geochemistry anomalies with spot anomalies of gold, arsenic, zinc and lead.

5.8 Stream Sediment Survey

A total of 11 stream sediment samples was collected from streams draining the property. These were concentrated by heavy liquids, then analyzed



GEOLOGY

LOWER JURASSIC

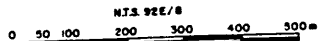
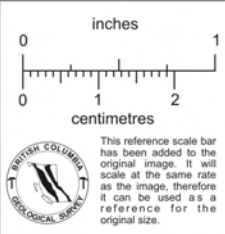
- 2 **BOHANZA GROUP**
 - (a) ash tuff
 - (b) feldspar crystal tuff
 - (c) agglomerate
 - (d) meta-sediments (sandstone, argillite, chert)

PALEOZOIC & MESOZOIC

- 1 **WESTCOAST COMPLEX**
granodiorite

SYMBOLS

- ◆ Legal Corner Post
- Rock Sample
- ▲ Soil Sample
- Lithological Boundary (approx., assumed)
- Area of Coincident Soil Geochemistry (Cu-Ag-Au-Ag)
- ▨ Magnetic Feature



CORONET METALS INC.	
COMPILATION MAP	
WITH SELECTED RESULTS	
BLUE CHIP I & BLUE I CLAIMS	
FLORES ISLAND - ALBERNI MINING DIVISION, B.C.	
Project No. V 311	By S.M./S.Y.
Scale: 1:	Drawn G.T./aw
Drawing No. 11	Date: MARCH 1990
MPH Consulting Limited	



for Au by AA, and 31 other elements by ICP methods by Rossbacher Lab. Analytical results are generally low with the exception of two samples; LCP and 90Y1 which returned 880 and 140 ppb Au respectively. Sample 90Y1 was collected from a creek draining in the area of a soil sample which returned 560 ppb Au. The anomalous sample 90Y1 may be an indication of mineralization located in the vicinity of the mapped fault structure. Sample LCP was collected from a creek drainage across the southern boundary of the property. The gold present in sample LCP is possibly derived from skarn mineralization. The contact between the intrusive and metasedimentary /volcaniclastic rocks has not been mapped but is assumed to be immediately to the north.

6.0 PROPOSED WORK PROGRAM

6.1 Plan

A two-phase program to follow up the encouraging results of the 1989 reconnaissance work is proposed. Phase I is to include additional geological, geochemical and geophysical work to develop targets for Phase II diamond drill testing.

Phase I geological mapping, prospecting and rock sampling will be carried out along the shoreline in those areas not previously examined. The grid will be extended to the north and east at line spacings of 100 m. Soil sampling at 25 m intervals along the grid extensions and magnetometer surveying at 12.5 m intervals along the grid extensions as well as those lines of the existing grid not previously covered, will be carried out. Selective linecutting will be carried out in order to facilitate access along the grid lines. Hand trenching is to be carried out in the area of soil geochemical and/or magnetic anomalies in an effort to determine their cause.

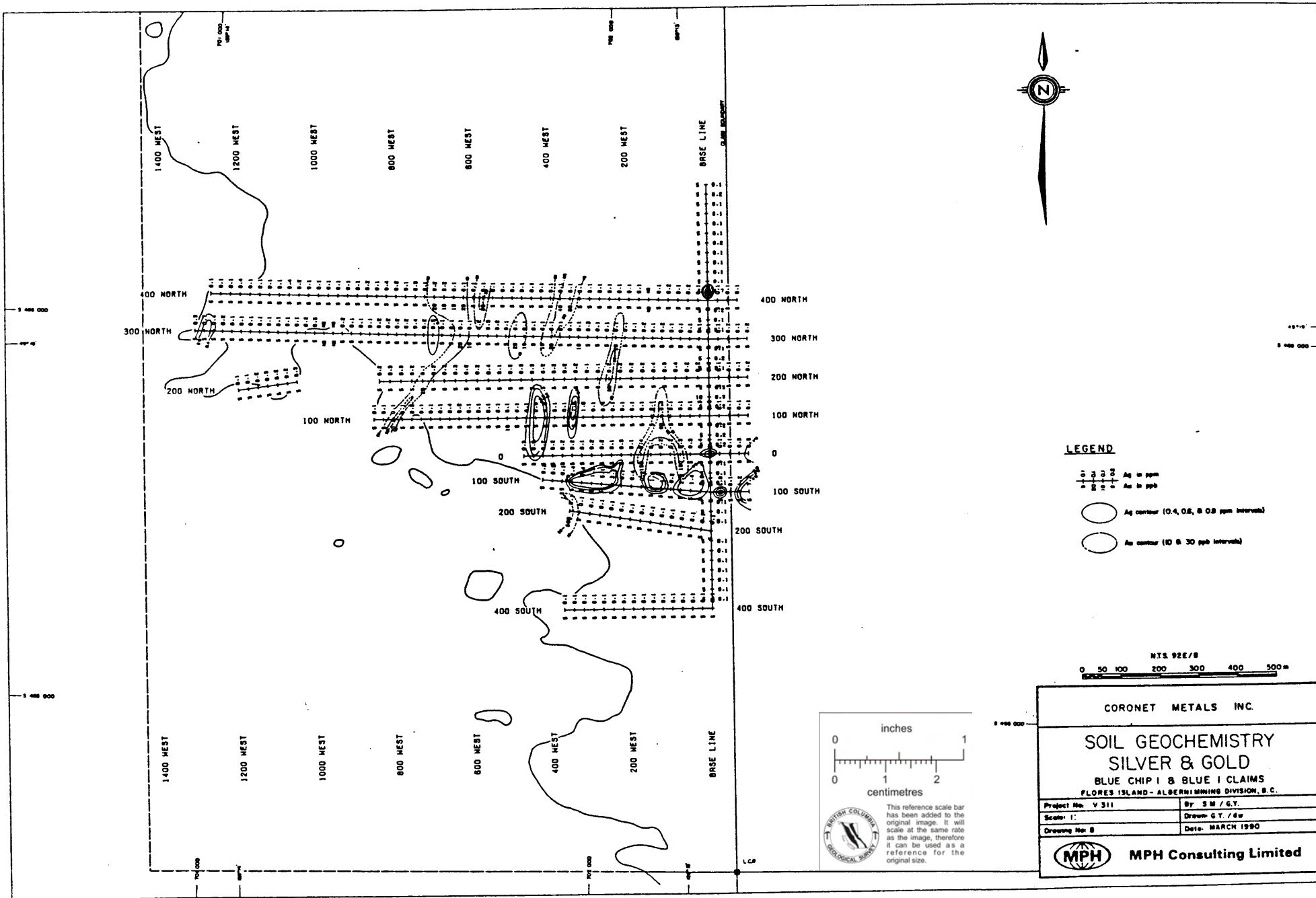
If warranted by the results of Phase I exploration, Phase II is to comprise diamond drill testing of the highest priority targets delineated by Phase I.

6.2 Proposed Budget

Phase I

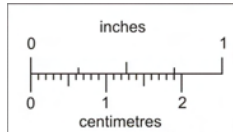
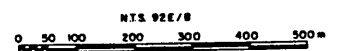
Personnel	\$42,400
Room and Board	8,385
Equipment Rental	3,820
Analyses	19,561
Air Support	3,700
Miscellaneous	2,120
Report Costs	2,750
Administration	4,220
Contingency	<u>13,043</u>

Total, say \$100,000




LEGEND

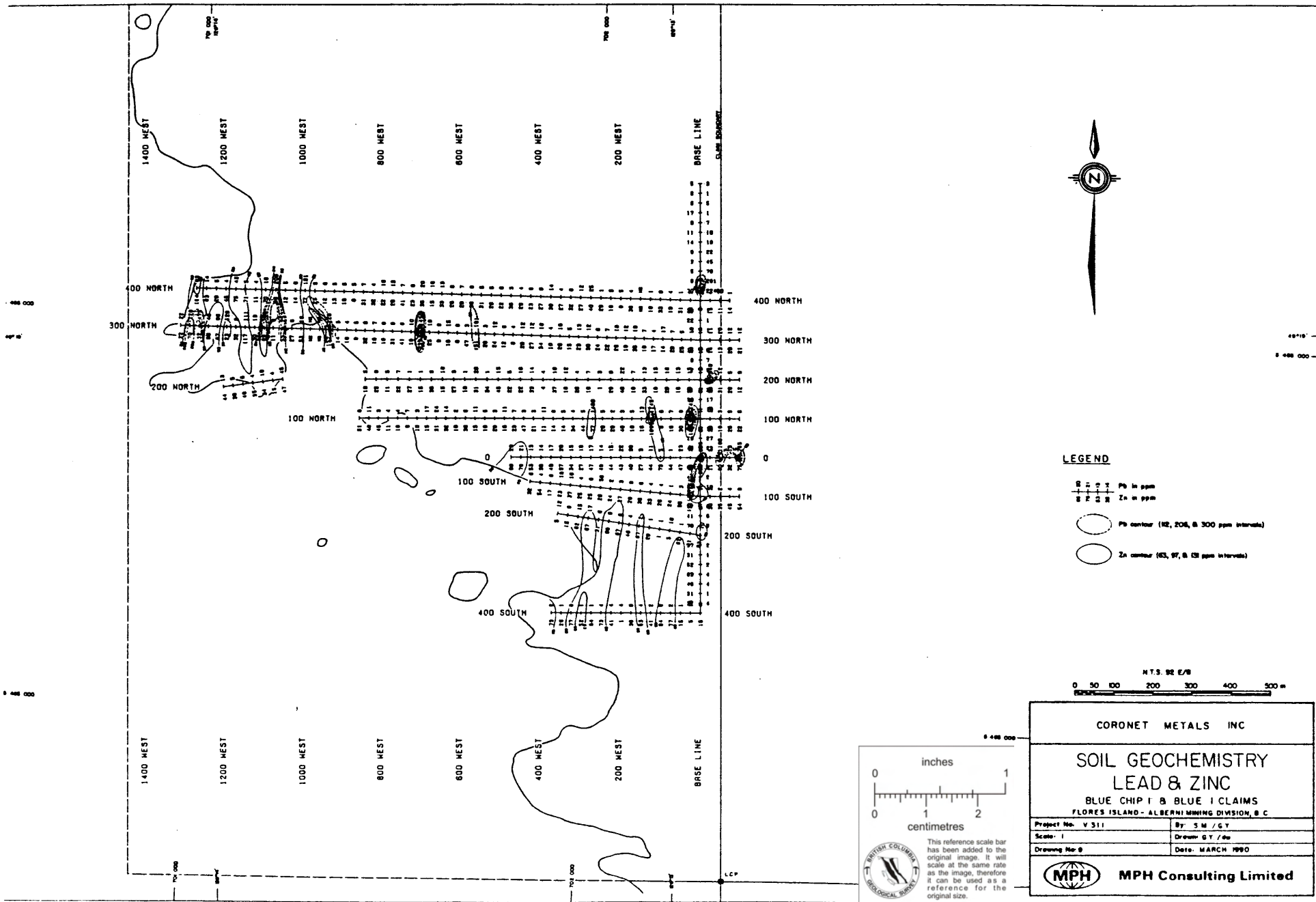
- Ag in ppm
- Au in ppb
- Ag contour (0.4, 0.8, & 0.8 ppm intervals)
- Au contour (10 & 30 ppb intervals)



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.

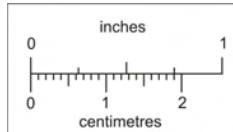
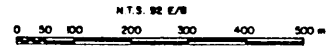


CORONET METALS INC.	
SOIL GEOCHEMISTRY	
SILVER & GOLD	
BLUE CHIP I & BLUE I CLAIMS	
FLORES ISLAND - ALBERNIMMING DIVISION, B.C.	
Project No. V 311	By SM / G.Y.
Scale: 1"	Drawn G.Y. / G.Y.
Drawing No: 8	Date: MARCH 1990
 MPH Consulting Limited	



LEGEND

- Pb in ppm
- Zn in ppm
- Pb contour (10, 20, 30, 40 ppm intervals)
- Zn contour (10, 20, 30 ppm intervals)



BRITISH COLUMBIA
GEOLOGICAL SURVEY

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.

CORONET METALS INC	
SOIL GEOCHEMISTRY LEAD & ZINC	
BLUE CHIP I & BLUE I CLAIMS FLORES ISLAND - ALBERNI MINING DIVISION, B.C.	
Project No. V 311	By: S.M./G.Y.
Scale: 1	Drawn: G.Y./de
Drawing No. 8	Date: MARCH 1990
MPH Consulting Limited	



Sample No.	Descriptions	Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm	Other ppm
6409	Intrusive(?). This sample appears to be a very highly altered intrusive(?) with arsenopyrite(?).	5	0.1	36	7	88	As 37
6410	Intrusive(?). This is a highly silicified intrusive, which contains disseminated sulphides.	5	0.1	56	23	53	As 629
6411	Ash tuff. This sample is an intensely silicified volcanic which is highly fractured. Sample contains chalcopyrite.	5	0.1	53	31	205	As 66
6412	Ash tuff. This sample is an intensely silicified volcanic containing pyrite and chalcopyrite.	5	0.1	24	32	246	As 44
6447	Quartz vein. Chip from 10-20 cm wide, grey-white, massive quartz vein with an orientation of 360/90° in diorite. 3% disseminated sphalerite, 3% disseminated galena and 1% disseminated chalcopyrite and sphalerite.	10	22.8	3396	2.36%	5.12%	As 104
6448	Quartz vein. Chip from 3-5 cm wide, grey-white, massive quartz vein with an orientation of 175/90° in diorite. 3% disseminated chalcopyrite galena and sphalerite.	160	58.3	1.66%	8.96%	7.88%	As 1911,
6449	Quartz vein. Chip sample from a 3-10 cm wide, grey-white, massive quartz vein with an orientation of 012/90°. 3% disseminated galena, 1% disseminated chalcopyrite and sphalerite.	5	16.5	1.37%	2417	4.30%	
6450	Quartz vein. Grab from a 50 cm wide, grey-white quartz vein with an orientation of 124/62°SW in diorite. Trace disseminated pyrite.	5	1.2	162	295	501	
6451	Quartz vein. Chip sample across a 5 cm wide quartz vein with an orientation of 136/61°N in feldspar crystal tuff. Massive off-white quartz vein with green elongate inclusions of host rock(?), 2% crystalline pyrite (<1.0 mm) occurs in seams (1-3 mm wide) parallel with the vein.	20	1.1	1086	24	91	As 333



Sample No.	Descriptions	Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm	Other ppm
6452	Feldspar crystal tuff. Grab sample from the hanging wall of sample 6451. Light grey-green feldspar crystal tuff. Off-white feldspar fragments range from <1 mm to 3 mm and vary from angular to subrounded within a fine-grained green matrix. Sample is intensely silicified and contains no visible mineralization.	5	0.1	14	9	98	As 20
6453	Ash tuff. Grab sample from footwall of sample 6451. Light grey-green, very fine-grained tuff with sparse dark green mafic crystal fragments (<1.0 mm) and feldspar fragments ranging from <1.0 mm to 2 mm. No visible mineralization.	5	0.1	13	9	108	As 19
6454	Quartz vein. Chip sample from a 3 cm wide quartz vein, with an orientation of 171/63°E. Massive off-white quartz vein with 1% disseminated galena, 1% disseminated chalcopyrite and trace pyrite. Weathered surfaces are locally stained with malachite.	40	37.5	2010	0.7%	0.62%	As 307
6455	Ash tuff. Grab from hanging wall of sample 6454. Light-medium green, very fine-grained tuff with sporadic dark green mafic fragments (<1.0 mm). Sample is silicified and contains no visible mineralization.	5	1.8	92	438	1754	As 148
6456	Ash tuff. Grab from footwall of sample 6454. Light green, very fine-grained, silicified ash tuff with trace disseminated chalcopyrite throughout.	10	4.0	264	1049	680	As 254
6457	Ash tuff. Chip sample from a mineralized shear (15-25 cm wide) with an orientation of 176/84E. Host rock appears to be a light green mafic tuff. 3-5% chalcopyrite, 1-3% sphalerite, and 1% galena as fracture fill.	5	301.7 g/t	4%	0.79%	8.64%	As 452, W 118
6458	Ash tuff. Chip from hanging wall of sample 6457. Medium grey-green, very fine-grained ash tuff with 1-2% disseminated chalcopyrite, galena and sphalerite.	5	4.8	1522	482	0.73%	As 198
6459	Feldspar crystal tuff. Chip from footwall of sample 6457. Medium to light green feldspar crystal tuff. Off-yellow subangular-subrounded feldspar fragments <2.0 mm in a very fine-grained, green matrix. No visible mineralization.	5	0.7	278	115	4324	As 46



Phase II

Diamond drilling,
approximately 1300 m @ \$192/m, all-inclusive
Total, say \$250,000

7.0 CONCLUSIONS

1. The Blue Chip 1 and Blue 1 claims are underlain by Bonanza Group volcanoclastic/metasedimentary rocks and intruded by granodioritic rocks of the Westcoast Complex.
2. Silver, copper, lead and zinc mineralization is contained in quartz veins in shear zones that trend in a north-south direction.
3. The "high grade" showing is a mineralized shear zone striking in a north-south direction.
4. The soil geochemical survey has defined two zones of anomalous copper, arsenic, lead, silver, and gold values which are orientated in a north-south direction.
5. The magnetometer survey has defined five magnetic features. Three of these magnetic features are coincident with soil geochemical anomalies. Rocks with anomalous copper, lead, zinc, silver, and locally gold values are found on the shoreline immediately south of these features.

8.0 RECOMMENDATIONS

1. Continuation of prospecting and geological mapping of the shoreline to the north is recommended, in an attempt to locate the contact between the volcanoclastic/metasedimentary and the intrusive rocks and possible skarn type mineralization.
2. Extension of the grid to the east and to the north, with corresponding soil sampling, is recommended.
3. A magnetometer survey should be carried out over gridlines which have not been surveyed.
4. Hand trenching of soil geochemical anomalies and/or magnetic features is recommended.
5. Investigation of anomalous gold values from silts is recommended to determine the cause of the anomalous values.
6. Establishment of a system of cut lines would provide better access to various regions of the property.



7. The proposed Phase I work program is recommended at an estimated cost of \$100,000.
8. Contingent upon favourable results from Phase I exploration, Phase II diamond drilling is recommended at an estimated cost of \$250,000.

Respectfully submitted


T. Greg Hawkins, PGeol.

May 7, 1990
Vancouver, B.C.

CERTIFICATE

I, T.E. Gregory Hawkins, do hereby certify:

1. That I am a Consulting Geologist with business offices at 2406-555 West Hastings St., Vancouver, B.C. V6B 4N5.
2. That I am a graduate in geology of The University of Alberta, Edmonton (BSc. 1973), and of McGill University, Montreal (MSc. 1979).
3. That I have practised within the geological profession for the past seventeen years.
4. That I am a Fellow of the Geological Association of Canada and a Professional Geologist registered in the Province of Alberta.
5. That the information contained herein is based on field work on the subject property, and a review of relevant literature by MPH personnel supervised by me.
6. That I own no direct, indirect, or contingent interests in the subject property or shares or securities of Coronet Metals Inc. or associated companies.


T.E. Gregory Hawkins, PGeol.

Vancouver, B.C.
May 7, 1990

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- Hawkins, T.G. 1987: Report on Geology, Lithochemistry, Soil Geochemistry and Magnetometer Survey, Contact 1,2,3 Group, Flores Island, B.C., January 30, 1987, for Parallax Development Corporation; for Prospectus and VSE Listing
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APPENDIX II

Rock Sample Descriptions with Selected Results



ROCK SAMPLE DESCRIPTIONS

Sample No.	Descriptions	Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm	Other ppm
6401	Quartz vein. This sample is composed of vein material; mostly quartz, and appears to have altered to epidote(?) along the fractures. Dark crystals (amphibole) also appear along the margins of some fractures. Trace amounts of pyrite were recorded in the field. The orientation of the vein is 130/12°S.	20	0.1	20	24	41	As 27
6402	Mafic crystal tuff. This sample is a mafic crystal tuff from the hanging wall of sample 6401. It contains 60% feldspar fragments and large amounts of pyroxene fragments. Pyrite appears along fractures and as disseminations.	5	0.1	107	68	110	As 36
6403	Feldspar crystal tuff. This sample is a crystal tuff from the footwall of sample 6401. It is composed of a dark matrix with feldspar crystals. A small amount of mineralization was noted in the field.	5	0.1	96	34	104	As 49
6404	Quartz vein. This sample was taken from a quartz filled shear zone which has an orientation of 148°/90. The sample consists mostly of quartz with small clasts of sheared wall rock. Pyrite appears to be disseminated and in stringers.	5	0.1	10	1	42	As 2051
6405	Ash tuff. This sample is composed of cherty volcanic material and has pyrite mineralization along fractures and as fine disseminations.	5	0.1	32	33	647	As 72
6406	Quartz vein. This sample is taken from a quartz vein orientated at 110/55° N. Within the vein, chlorite, pyrite (possibly chalcopyrite) and fragments of wall rock were observed.	5	0.1	9	1	1	As 2
6407	Intrusive(?). This is from the hanging wall of sample 6406, and appears to be a highly altered and silicified intrusive.	5	0.1	36	12	65	As 15
6408	Intrusive(?). This is the footwall of sample 6406. The sample is a highly altered and silicified intrusive.	5	0.1	34	15	67	As 12



Sample No.	Descriptions	Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm	Other ppm
6460	Quartz vein. Chip sample across 5 cm wide quartz vein with an orientation of 161/56°E. Massive greenish white quartz vein with trace to 1% disseminated pyrite.	60	1.1	400	47	3268	As 1696
6461	Feldspar crystal tuff. Chip sample from the footwall of sample 6460. Light to medium green feldspar crystal tuff. Feldspar crystal fragments are yellow-green, range from <1 mm to 2 mm and are generally altered to epidote. Matrix is medium green in colour and silicified. Trace-1% disseminated pyrite throughout.	5	0.6	64	102	969	As 134
6462	Tuff(?). Chip sample from outcrop. Light to medium green, altered tuff(?). Very intensely silicified with little of original textures remaining. 1-3% crystalline pyrite cubes <1.5 mm scattered throughout.	5	0.1	8	3	101	As 50
6463	Quartz bleb. Grab of a 5 cm diameter quartz bleb. Massive, milky white quartz bleb with streaks of green. 1-2% disseminated pyrite, 1% disseminated chalcopyrite and trace-1% disseminated galena and sphalerite.	30	7.6	1215	1284	0.74%	As 814
6464	Sheared quartz vein. Chip sample across a 10 cm wide sheared quartz vein with an orientation of 010/66°W. Granular, whitish green, sheared quartz vein. 3% massive chalcopyrite, galena and sphalerite.	90	136.5 g/t	1.98%	2799	8.08%	As 2316, W 69
6465	Feldspar crystal tuff. Grab sample from hanging wall of sample 6464. Medium green feldspar crystal tuff. Subangular feldspar fragments <1.5 mm in a silicified, very fine-grained matrix. No visible mineralization.	5	1.5	267	84	1397	As 66
6466	Ash tuff. Grab sample from footwall of sample 6464. Medium green, very fine-grained ash tuff. Sample is intensely silicified with no visible mineralization.	5	1.0	241	72	198	As 53
6467	Ash tuff. Grab sample from outcrop. Medium green, very fine-grained ash tuff. Sample is very intensely silicified with trace to 1% disseminated pyrite.	5	0.1	15	39	246	As 10



Sample No.	Descriptions	Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm	Other ppm
6484	Quartz vein. 10 cm chip sample from a quartz vein with an orientation of 191/72°E. 10% galena and sphalerite and 3% chalcopyrite.	30	312 g/t	4.92%	5146	12.32%	As 675
6485	Feldspar crystal tuff. Grab from hanging wall of sample 6484. Medium grey, very intensely silicified feldspar crystal tuff. 3% angular to subrounded feldspar crystal fragments (<2 mm) in a very fine-grained to massive matrix. Trace disseminated pyrite.	5	10.6	659	146	3492	
6486	Feldspar mafic crystal tuff. Grab sample from footwall of sample 6484. Dark grey, feldspar-mafic crystal tuff with 3% subangular mafic and feldspar crystal fragments (<2 mm). Sample is very intensely silicified.	30	0.9	110	25	584	As 188
6487	Ash tuff. Grab from outcrop. Light to medium grey, very fine-grained, intensely silicified ash tuff. Trace finely disseminated pyrite.	5	0.4	52	10	259	
6488	Feldspar crystal tuff. Grab from outcrop. Medium green-grey, silicified, feldspar crystal tuff. With 5% angular to subrounded feldspar(?) fragments (<5 mm) which have been altered to epidote. Matrix is very fine-grained to massive. No visible mineralization.	5	0.2	18	6	101	
6489	Ash tuff(?). Grab from outcrop. Dark grey, very intensely silicified ash tuff. Trace finely disseminated pyrite.	5	0.1	22	23	85	
6490	Ash tuff(?). Grab from 2 m wide shear with an orientation of 031/57°E. Light grey, very intensely silicified ash tuff. Localized patches of quartz (≈1 cm) within the fractures are epidote and trace pyrite.	30	2.6	1330	252	1.4%	As 665
6491	Ash tuff. Grab from footwall of a 2 m wide fault/shear with an orientation of 031/57°E. Medium grey-green, very fine-grained, intensely silicified, ash tuff. No visible mineralization.	5	0.2	21	12	240	As 173
6492	Ash tuff(?). Grab from 2 m wide shear with an orientation of 031/57°E. Medium to dark grey, intensely silicified ash tuff. Fractures vary from <1 to 3 mm and are locally filled with epidote and trace disseminated pyrite.	10	2.8	129	604	870	



Sample No.	Descriptions	Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm	Other ppm
6493	Feldspar-mafic crystal tuff. Grab from outcrop. Dark grey, intensely silicified feldspar-mafic crystal tuff. 5% grey-white subangular feldspar crystal fragments (<3 mm) and 2% black subangular mafic crystal fragments (<1 mm). Trace-1% disseminated pyrite as fracture fill.	5	12.6	9547	84	1.17%	
6494	Granodiorite(?). Float. Dark grey-black granodiorite(?). 30% anhedral mafic crystals (<3 mm) and 70% anhedral quartz and feldspar crystals. Trace finely disseminated pyrite.	5	0.2	467	2	371	
6495	Mafic tuff(?). Float. Dark blue-grey, intensely silicified ash tuff with trace finely disseminated pyrite.	5	0.1	153	1	126	
6496	Granodiorite. Grab from outcrop. Dark grey-black, very intensely silicified granodiorite. 40% black anhedral mafic crystals (<1 mm), 30% anhedral grey-white quartz crystals (<3 mm) and 30% white anhedral feldspar crystals (<3 mm), trace-1% disseminated pyrite.	5	0.1	117	1	53	
6497	Granodiorite. Grab from outcrop. Medium to dark grey granodiorite. 40% black anhedral mafic crystals (<5 mm), 40% grey-white anhedral feldspar crystals (<5 mm) and 20% anhedral, off-white quartz crystals. Trace-1% disseminated chalcopyrite.	5	0.1	67	1	60	
6498	Quartz diorite(?). Grab from outcrop. Medium grey-white granodiorite. With 30% black anhedral mafic crystals (<3 mm), 50% anhedral grey-white crystals (<5 mm) and 20% anhedral white quartz crystals (<2 mm). 1% disseminated pyrite.	5	0.1	65	4	24	
6499	Diorite. Grab from outcrop. Black and white diorite. 50% black anhedral crystals (<3 mm) and 40% anhedral, grey-white feldspar crystals (<5 mm) and 10% grey anhedral quartz crystals (<2 mm).	5	0.1	131	2	45	
6500	Ash tuff(?). Grab from outcrop. Dark brown, very intensely silicified ash tuff(?). Patches of quartz(?) <2 mm. No visible mineralization.	5	0.1	8	1	32	



Sample No.	Descriptions	Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm	Other ppm
6601	Quartz vein. Chip from 4 cm wide quartz vein from a shear with an orientation of 178/50°E. Sample is massive, milky white with 3 mm patches of epidote. 5-7% galena and 3% chalcopyrite.	40	248.2 g/t	3.28%	5.7%	18.7%	As 671, Mo 24
6602	Ash tuff. Grab from outcrop. Dark green, intensely silicified ash tuff. 1% subrounded to subangular feldspar crystal fragments (<2 mm) altered to epidote. No visible mineralization.	5	2.5	374	683	2652	As 115
6603	Ash tuff. Grab from footwall of sample 6601. Medium green, silicified, very fine-grained ash tuff. Subrounded feldspar crystal fragments (<2 mm) altered to epidote. No visible mineralization. Sample appears to be contaminated by the mentioned quartz vein.	10	233.1 g/t	25652	>3%	>15%	As 132
6605	Ash tuff. Grab from outcrop. Medium grey-green, silicified ash tuff. Sample is cut by subparallel yellow-white quartz veins (3-5 mm), 3% disseminated pyrite is associated with the quartz veins.	10	0.8	259	112	618	As 390
6606	Mafic crystal tuff(?). Grab from foliated outcrop with an orientation of 127/50°W. Dark brown mafic crystal tuff. 3-5% angular to subrounded, black mafic crystal fragments (<3 mm) in a massive, dark brown matrix. 1-2% disseminated pyrite.	5	0.2	19	16	386	
6607	Quartz vein. Chip of a 5 cm wide quartz vein with 3-7% galena, 3% chalcopyrite and 3% sphalerite.	20	603.4 g/t	3.78%	6.36%	19.9%	Mo 22, As 295
6608	Ash tuff(?). Grab from outcrop. Medium brown, very intensely silicified, ash tuff. No original textures remaining.	5	3.6	398	578	2292	
6610	Ash tuff(?). Grab from outcrop. Light brown, very intensely silicified ash tuff(?). No original textures visible.	5	0.1	41	11	210	
6611	Ash tuff(?). Grab from outcrop. Yellow-brown, very intensely silicified ash tuff(?). No original textures visible. Trace finely disseminated pyrite.	5	0.1	22	8	158	As 116



Sample No.	Descriptions	Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm	Other ppm
6612	Ash tuff. Grab from outcrop. Light grey, very intensely silicified ash tuff. 2% dark-grey, subrounded to angular mafic(?) crystal fragments. Trace very finely disseminated pyrite.	5	0.1	21	1	208	As 1592
6613	Ash tuff(?). Grab from outcrop. Maroon, very fine-grained, intensely silicified ash tuff. Sample appears to be foliated. Trace finely disseminated pyrite.	5	0.1	15	1	95	
6614	Ash tuff. Grab from outcrop. Light grey, very fine-grained ash tuff with parallel hairline fractures and 3% porphyroblasts of a brown mineral (garnet?). No visible mineralization.	5	0.1	48	9	44	
6615	Quartz vein(?). Grab from outcrop. Brecciated, yellow-white quartz vein. White and yellow-white angular quartz fragments (<5 mm). No visible mineralization.	5	0.1	16	1409	131	
6616	Ash tuff(?). Grab from outcrop. Dark reddish-brown, very fine-grained, intensely silicified ash tuff(?). Off-white to yellow subangular to rounded feldspar crystal fragments. No visible mineralization.	5	0.1	31	4	39	
6617	Ash tuff. Grab from outcrop. Dark brown, silicified, very fine-grained ash tuff. No visible mineralization.	5	0.1	3	53	668	
6618	Quartz vein. Chip from a 5 cm wide, massive milky white, quartz vein. No visible mineralization.	20	0.1	132	28	303	
6619	Aplite dyke(?). Grab from outcrop. Light grey, very fine-grained aplite dyke(?). 3% subhedral feldspar crystals (<3 mm). Trace finely disseminated pyrite.	5	0.4	35	125	172	
6620	Ash tuff(?). Grab from outcrop. Dark brown, intensely silicified, very fine-grained ash tuff with dark brown circular patches (<4 mm). No visible mineralization.	5	0.1	13	262	52	
6621	Mafic ash tuff. Grab from outcrop. Dark, purplish black, intensely silicified, fine-grained mafic ash tuff. Trace finely disseminated pyrite.	5	0.1	5	50	111	



Sample No.	Descriptions	Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm	Other ppm
6652	Sandstone. Grab from outcrop. Dark grey, silicified, fine-grained sandstone. Angular to rounded clasts (≤ 1 mm). Trace disseminated pyrite.	5	0.1	8	18	87	
6653	Quartz vein. Chip from 3 cm wide, massive, greenish white quartz vein with an orientation of 113/44°N. No visible mineralization.	5	0.2	16	64	92	
6654	Quartz vein. Chip from 1 to 3 cm wide, massive, white quartz vein, with an orientation of 020/84°W. Mineralization consists of disseminated chalcopyrite (1%) and sphalerite (1%).	5	79.5 g/t	4.54%	1126	2.78%	As 224
6655	Ash tuff. Float. Dark, red-brown, intensely silicified, fine-grained ash tuff. Dark brown inclusions (≤ 3 mm). No visible mineralization.	5	2	1066	63	1337	
6656	Mafic ash tuff. Grab of mafic ash tuff from a 20 cm wide shear with an orientation of 020/90°. Tuff is dark, blue-black with 1% angular mafic crystal fragments (≤ 1 mm). Trace disseminated pyrite.	5	0.8	310	38	413	
6657	Feldspar crystal tuff. Grab from a shear with an orientation of 020/90°. Light to medium grey, very intensely silicified feldspar crystal tuff. 3% subrounded, white feldspar crystal fragments (≤ 4 mm). No visible mineralization.	5	0.2	37	21	83	
6658	Feldspar crystal tuff(?). Grab from outcrop. Medium grey, intensely silicified, feldspar crystal tuff. 5% subrounded, grey-white feldspar crystal fragments and 1% subrounded, black, mafic crystal fragments. Trace disseminated pyrite.	5	0.1	38	10	81	
6659	Quartz vein. Chip from 3-5 cm wide, grey-white quartz vein with an orientation of 101/66°S.	5	0.1	48	10	104	
6660	Granodiorite. Grab from hanging wall, of sample 6659. Medium grey, fine-grained granodiorite. 40% anhedral, black, mafic crystals (≤ 1.5 mm), 40% anhedral, yellow-white, feldspar crystals (≤ 2 mm) and 20% anhedral, grey quartz crystals (≤ 2 mm). No visible mineralization.	5	0.1	37	11	88	



Sample No.	Descriptions	Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm	Other ppm
6661	Quartz vein. Grab from 5 cm wide, grey-white, massive quartz vein with an orientation of 174/60°E. Trace finely disseminated pyrite.	5	0.3	25	14	21	

CERTIFICATE OF THE ISSUER

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

July 16, 1990
(date)

Marjorie Doreen Morningstar
MARJORIE DOREEN MORNINGSTAR
- Chief Executive Officer,
Chief Financial Officer
and Promoter

ON BEHALF OF THE BOARD:

Robert Sidney Adamson
ROBERT SIDNEY ADAMSON
- Director and Secretary

Francis Grant Morningstar
FRANCIS GRANT MORNINGSTAR
- Director

Daniel Glen Ozmun
DANIEL GLEN OZMUN
- Director and Promoter

CERTIFICATE OF THE AGENT

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

July 16, 1990
(date)

L.O.M. WESTERN SECURITIES LTD.

Per: Peter M. Brown
PETER M. BROWN