

1. STATEMENT OF MATERIAL CHANGES IN THE AFFAIRS OF THE COMPANY

Terms of Reference: Prior to the effective date of the amalgamation, Pacific Sentinel Gold Corp. will be referred to as the "Company" or "Old Pacific Sentinel". Post-amalgamation references to Pacific Sentinel Gold Corp. will be to the "Amalgamated Company".

A. AMALGAMATION OF THE COMPANY WITH BIG CREEK RESOURCES LTD.

Pursuant to an Amalgamation Agreement dated August 21, 1992, the Company agreed to amalgamate with Big Creek Resources Ltd. pursuant to Sections 271 through 275 of the Company Act (British Columbia).

Legal Procedure

The Amalgamation Agreement provides, subject to the approval of 75% the Company and Big Creek shareholders voting, receipt of regulatory acceptance and approval of the Supreme Court of British Columbia, an amalgamation (also known as a "merger") of the Company and Big Creek (collectively herein referred to as the "Amalgamating Companies") will be made effective. After the effective date of the amalgamation (estimated to be mid-November, 1992), the shares of the Amalgamating Companies will be exchanged for common shares of the Amalgamated Company as follows:

- (a) All the unissued shares of the Amalgamating Companies will be cancelled.
- (b) All the issued shares of either of the Amalgamating Companies held by, or on behalf of, the other Amalgamating Company will be cancelled without any repayment in respect thereof.
- (c) For every one share of the Company issued and outstanding, the holder will receive in exchange one fully paid common share without par value of the Amalgamated Company. There are 7,059,244 shares issued and outstanding in the capital of the Company.
- (d) For every one share of Big Creek issued and outstanding, the holder will receive in exchange one fully paid common share without par value of the Amalgamated Company. There are 7,255,002 shares issued and outstanding in the capital of Big Creek.
- (e) There will be reserved for issuance 300,000 common shares of the Amalgamated Company, to enable the Amalgamated Company to issue fully paid Amalgamated Company common shares if options, warrants or rights outstanding in respect of 300,000 shares of the Company are exercised, on the same ratio of exchange as set out in paragraph (c).
- (f) There will be reserved for issuance 25,000 common shares of the Amalgamated Company, to enable the Amalgamated Company to issue fully paid Amalgamated Company common shares if options or rights outstanding in respect of 25,000 shares of Big Creek are exercised, on the same ratio of exchange as set out in paragraph (d).
- (g) The Amalgamated Company will have authorized shares consisting of one class, common shares without par value, of which 100,000,000 will be authorized.

The Amalgamation Agreement also contains the usual covenants regarding corporate authority and status, fair presentation of financial condition in financial statements, no occurrence of any adverse financial or other adverse material change which has not been disclosed and accepted, lack of any agreements or orders which would preclude the amalgamation from occurring, which would impose restrictions or obligations on the amalgamated company

greater than those of the amalgamating companies or which would give any third party a right to terminate any material agreement or purchase any material asset. The Company also represents that it will have unencumbered working capital of not less than \$2,400,000 including amounts loaned to Big Creek as part of working capital. The new form of Articles of the Amalgamated Company are available for inspection at the registered office of the Company.

Principal Shareholders' Agreement

In conjunction with the Amalgamation Agreement, certain principal shareholders of the Company and Big Creek have agreed pursuant to a Shareholders' Agreement dated August 21, 1992 to:

- (a) vote all such shares in favour of the Amalgamation Agreement;
- (b) to hold 80% of such shares until the effective date of the Amalgamation Agreement unless an offer is made to acquire all of the outstanding shares of the Company and Big Creek, in which case such parties may accept such offer if all other parties to the Shareholders' Agreement also accept such offer; and
- (c) not to avail themselves of the dissent provisions (see the Notice of Meeting attached hereto) available under applicable corporate legislation.

There are no persons known to Big Creek who beneficially own more than 10% of the issued equity shares of Big Creek. The five largest shareholders of Big Creek and the Company who are signatories to the Principal Shareholders' Agreement are:

<u>Big Creek</u>		<u>Pacific Sentinel</u>	
R.A. Bruce McDonald	257,500	Robert G. Hunter	671,844
Noramco Mining Corp.	712,500	Robert A. Dickinson	851,766
James M. Stephen	529,900	Douglas B. Forster	873,467
Archer, Cathro & Associates (1981) Limited	232,000	Barry D. McKnight	344,000
Alan R. Archer and related parties	627,500	Jeffrey P. Franzen	305,000

Ross Glanville & Associates Ltd. of Vancouver, British Columbia was retained to prepared an opinion with respect to the fairness of the amalgamation ratio. Subject to the qualifications set out in such opinion, Ross Glanville & Associates Ltd. is of the opinion that the Amalgamation is fair and reasonable to the shareholders of the Amalgamating Companies.

In consideration for preparation of the fairness opinion, Ross Glanville & Associates Ltd. will receive a fee of \$4,000.

A copy of the fairness opinion of Ross Glanville & Associates Ltd. is available for inspection at the registered office of the Company.

The following can be considered the material resource properties of each of the Amalgamating Companies and which are more particularly described in Item 4 hereof:

Pacific Sentinel Gold Corp.

1. Cooke Inlet Project
2. Cascadia Syndicate
3. Ersus Creek
4. Nation River
5. Churchill Gold Project

Big Creek Resources Ltd.

1. Casino Property, Yukon Territory
2. Antoniuk Property, Yukon Territory
3. Revenue Property, Yukon Territory
4. Nucleus, Nitro Properties, Yukon Territory
5. Cash Property, Yukon Territory

2. FINANCIAL INFORMATION

The approximate working capital of the Amalgamated Company, as of the date of the amalgamation, will be \$2.4 million. See attached Appendix 1 hereto Pro Forma Financial Information for the Amalgamating Companies.

3. MATERIAL NATURE RESOURCE PROPERTIES

A. DESCRIPTION OF PROPERTIES OF PACIFIC SENTINEL GOLD CORP.

Glossary of Terms

Andesite (Andesitic)	A volcanic rock composed of plagioclase and one or more mafic constituents (eg. hornblende), pyroxene or biotite.
Arsenopyrite (FeAsS)	An arsenic rich, tin-white coloured, sulfide mineral.
Aureole	A zone surrounding an igneous intrusion in which contact metamorphism (ie., chemical alteration) of the country rock has taken place.
Biotite	A common rock forming mica mineral which is black to green in colour.
Brecciated	Describes rock which is angular, jagged in shape.
Chalcopyrite	A sulphide mineral of copper and iron, a common ore of copper.
Dacite	An extrusive volcanic rock of intermediate composition.
Down dip	Along the angle of inclination of a planar feature (eg., shear, rock bed, fault) from the horizontal.
Dykes	A tabular intrusive igneous rock that cuts across or along pre-existing country rock, often occurring in "swarms".
Electrum	A natural alloy of gold and silver, varying from pale to deep yellow.

Epiclastic Stratabound Lense	A lense of mechanically deposited sediments (gravel, sand, mud) located between separate rock layers or units.
Felsic	A descriptive term used to describe a light coloured igneous rock which is predominantly composed of quartz, potassium feldspar and other felsic minerals.
Galena	A sulphide mineral of lead being a common lead ore.
Gangue	The worthless rock or vein matter in which valuable metals or minerals occur.
Hydrothermal Alteration	The chemical and mineralogical changes in rock brought about by the addition or removal of materials through the medium of hydrothermal fluids (ie., silicification).
Hydrozincite	A basic zinc carbonate mineral, $ZnCO_3 \cdot 2Zn(OH)_2$, which occurs in zinc mines as a result of alteration.
Induced Polarization ("IP") Anomaly	A geophysical (mineralization potential) feature which is considered to be different in appearance from the typical survey results (background) when tested for electro conductivity.
Mafic	A descriptive term used to describe a dark coloured igneous rock which is predominantly composed of magnesium rock forming minerals.
Malachite	A basic copper carbonate mineral, $Cu_2(CO_3)(OH)_2$, a common alteration product of copper ores.
Mesozoic	An era of geologic time succeeded by the Cenozoic era and following the Paleozoic era; comprised of the Triassic, Jurassic and Cretaceous periods (ranging from approximately 66-245 million years ago).
Metasomatize	The process by which one mineral is replaced by another of different chemical composition set up by the introduction of external fluids.
Monzonite	A granular plutonic rock containing approximately equal amounts of orthoclase and plagioclase; quartz is usually present, but less than 2% in volume.
Net Smelter Return (NSR)	The gross revenues received from sale of mine products.
Paleozoic	An era of geologic time between the Precambrian and Mesozoic eras, comprising the Cambrian, Ordovician, Silurian, Devonian, Carboniferous and Permian systems (ranging approximately from 245-570 million years ago).
Pluton	Typically a large body of intrusive igneous rock.
Porphyritic	An igneous rock in which relatively large conspicuous crystals called phenocrysts are set in a fine-grained ground mass.

Potassium Feldspar	A mineral member of the Feldspar group containing a high potassium content.
Pyrite	A common sulphide mineral, shiny and yellow in colour composed of sulphur and iron sometimes known as "fool's gold".
Pyroclastics	Any rock consisting of unworked solid material explosively or aerially ejected from a volcanic vent.
Quesnel Belt	A regionally extensive belt of early Mesozoic volcanic and sedimentary rocks in which the Mount Milligan and other copper-gold deposits are located.
Shear-Hosted	A type of deposit located within a zone in which shearing has occurred on a large scale so the rock is crushed and brecciated.
Silicified	A rock which has seen the introduction or replacement of its components by silica (quartz).
Skarns	A term used to describe metasomatically altered carbonaceous rocks (limestone, dolomite) due to the introduction of an intrusive rock.
Sphalerite	Sulphide mineral of zinc being a common zinc ore.
Sulphide	A compound of sulphur with another element.
Syenite	A plutonic igneous rock consisting principally of alkalic feldspar along with one or more mafic minerals.
Tetrahydrite	An antimony rich sulfide; an ore of silver and copper.
Tuff	A rock formed of compacted volcanic fragments, generally less than 4 millimeters in size.
Volcanic Sedimentary	A package of volcanic and sedimentary rocks.
Volcanogenic	A term used to describe mineral deposits that were formed through volcanic activity.

(1) **Cook Inlet Project**

The Company has entered into an agreement (the "PSG Agreement") dated June 14, 1991 with Cathedral Gold Corporation ("Cathedral") and Cathedral's wholly owned subsidiary, Abbey Gold Inc. ("Abbey"), whereby Cathedral and Abbey (together referred to herein as the "Optionor") have agreed to grant the Company an option (the "PSG Option") to acquire a 50% interest in the Optionor's interest in approximately 300,000 acres of mineral rights near Anchorage, Alaska, known as the Cook Inlet Project. Approximately 180,000 acres of the mineral rights are located along the north shore of Cook Inlet some 40 miles west of Anchorage. The rest of the mineral rights are located 30 miles northeast of Anchorage. Cathedral is an Ontario company whose shares trade on The Toronto Stock Exchange in Canada, and Abbey is a Nevada incorporated company.

The Optionor's interest in the project consists of an option (the "Abbey Option") under an agreement made effective June 4, 1991 (the "NPMC Agreement") between Abbey and North Pacific Mining Corporation ("NPMC"), an

Alaska corporation acting as agent for the underlying landowner, Cook Inlet Region, Inc. ("CIRI"). CIRI is an Alaska regional native owned corporation formed pursuant to the Alaska Native Claims Settlement Act. Pursuant to the NPMC Agreement Abbey has the right to explore the minerals for a period (the "Option Period") ending December 31, 1994. To acquire the Abbey Option, Abbey paid (US) \$30,000 upon execution of the NPMC Agreement, and, to keep the Abbey Option in good standing is required to make annual payments to NPMC and to incur aggregate expenditures on exploration of the Cook Inlet Project in accordance with the following schedule:

<u>Date</u>	<u>Cash Payments (\$ US)</u>	<u>Aggregate Expenditures (\$ US)</u>
December 31, 1991		\$250,000 (firm commitment)
May 31, 1992	\$30,000	
December 31, 1992		\$750,000
May 31, 1993	\$50,000	
December 31, 1993		\$1,250,000
May 31, 1994	\$75,000	
December 31, 1994		\$2,000,000

Following its initial expenditure of (US) \$250,000 Abbey may designate any area (or areas) of between 7,500 acres and 15,000 acres each within the Cook Inlet Project for lease (a "Designated Area") whereby Abbey and NPMC will enter into an agreed upon Exploration and Mining Lease (the "Lease") entitling Abbey to explore, develop and mine the Designated Area. Abbey would be required to pay (US) \$100,000 upon execution of a Lease, and to keep any such Lease in good standing Abbey would be required to make annual payments of (US) \$50,000 in the first three years and (US) \$100,000 per year thereafter. Lease payments would be adjusted for inflation, subject to maximum yearly payments of (US) \$150,000. Minimum annual property expenditures under a Lease are (US) \$250,000 in the first year and (US) \$500,000 per year thereafter. Upon completion of a feasibility study on any Designated Area, NPMC would have the election to either participate on a joint venture basis of between 6% and 30% by reimbursement of such pro-rata share of incurred expenditures in excess of (US) \$2,500,000, or to retain a net smelter return royalty of 2%, increasing to 3% after payback of capital costs.

The PSG Option was initially contingent upon the Company agreeing to cause the purchase of all unsubscribed for Cathedral Units (as hereinafter defined) under an offering of rights (the "Rights Offering") by Cathedral to its common shareholders ("Cathedral Shareholders"). Under the Rights Offering each Cathedral Shareholder received one right ("Right") for each common share of Cathedral held on the record date. Seven Rights entitle the holder to purchase one unit ("Cathedral Unit") at a subscription price of (Cdn) \$0.75 per Cathedral Unit. Each Cathedral Unit consists of one common share of Cathedral and one series "I" warrant ("Warrant"). Four Warrants entitle the holder to purchase three common shares of Cathedral for (Cdn) \$0.75 per share on or before one year after the expiry date of the Rights Offering, or (Cdn) \$0.95 per share on or before two years after the expiry date of the Rights Offering. A total of 7,770,438 Cathedral Rights were issued under the Rights Offering (representing a potential issuance of 1,100,497 Cathedral Units). The Company purchased 425,650 Cathedral Units at a cost of (US) \$280,000.

Upon the PSG Option becoming effective at the conclusion of the Rights Offering, the Optionor became obligated to complete an exploration program on the Cook Inlet Project consisting of closely spaced stream sediment, soil and rock sampling at an estimated cost of \$250,000 during the summer season of 1991. Cathedral spent (US) \$529,000 on the regional program during 1991. The results of this exploration program were provided to the Company in the form of a written report (the "Report") with recommendations, if warranted by the Optionor, for a further exploration program for 1992 (the "1992 Program"). The Company may exercise the PSG Option by committing to pay for 50% of the cost of the 1992 Program. The Company may also elect to exercise the PSG Option only in respect of any specified portion of the Cook Inlet Project, in which case it would commit to pay only 50% of the costs of the 1992 Program which relate to that specified area (and forego any rights with respect to the remainder of the Cook Inlet Project). Upon exercise of the PSG Option the Company will become a party to the NPMC Agreement, and the Company and the Optionor will have reciprocal rights of first refusal both with respect to assignments of any interest and in the event of an election by either party not to keep the NPMC Agreement in good standing. The Company is currently discussing its plans and recommendations for this project with Cathedral. The Company has no plans to expend further funds on the project during 1992.

Summary

The Cook Inlet Project consists of two separate areas. The larger of the two areas, located along the northwest shore of Cook Inlet, covers sections of a 77 mile long, Jurassic volcanic-sedimentary belt, here named the Iliamna Belt. Access to the Cook Inlet Project is via boat from Anchorage, or by fixed wing aircraft from Anchorage to the shore of Cook Inlet. Within this belt, a felsic pyroclastic member of the lower Jurassic aged Talkeetna formation is the host for the Johnson River Deposit. The discovery hole at Johnson River, in 1982, graded 0.59 oz/t gold, 9.4% zinc, 2.8% lead and 1.1% copper over 164 feet and geological reserves at Johnson, as of 1987, were 1 to 2 million tons grading 0.27 oz/t gold and 7% zinc. The Johnson River deposit is optioned by a private group from CIRI and Cathedral is involved in separate discussions regarding possible acquisition of the Johnson River property. If this property is acquired by Cathedral, it will become subject to the NPMC Agreement and the PSG Option.

The smaller of the two areas is located northeast of Anchorage and covers an extension of the Talkeetna formation, here named the Chickaloon Belt. Several zinc and copper stream anomalies occur in this area and this area is a second priority to the Iliamna Belt area northwest of Cook Inlet.

Regional Geology

The lower Jurassic Talkeetna formation consists of subaqueous felsic and mafic volcanics and minor sediments and occurs in a 112 mile belt along the northwest shore of Cook Inlet, and as a narrow belt northeast of Anchorage. The Talkeetna formation appears to be the equivalent of the lower Jurassic Hazelton Group in the Stikine Camp. The Middle Jurassic Tuxedni Group, which overlies the Talkeetna, is dominated by marine sediments.

Previous Exploration Within the Belts

The Iliamna and Chickaloon belts of Talkeetna formation have had sparse exploration coverage as a result of large areas being withdrawn from availability in 1971 by the Native Land Claims Settlement Act. The Chickaloon Belt has probably seen more prospecting due to its proximity to the highway.

Resource Associates of Alaska ("RAA") on contract to the CIRI, carried out a regional reconnaissance program along the west side of Cook Inlet in 1973. The Johnson River deposit was discovered as a result of the 1973 work. Limited regional follow-up work was conducted in 1975 because most of the follow-up was concentrated on Johnson River. The RAA stream sediment coverage was sparse, less than 1 sample per square mile. However, several anomalies in major drainages were identified. The heavily vegetated terrain in the area is cut by numerous small streams and a sample density of greater than 5 samples per square mile would be required to adequately explore an area.

Anaconda had an exploration agreement with CIRI in 1980 but their work focused on the Johnson River deposit. Anaconda carried out a sparse stream sediment survey northeast of Johnson River and covered part of the Chickaloon Belt. Several targets were identified but were not followed up. In 1985, Anaconda stopped all exploration in Alaska.

From 1985 to 1990 no follow-up had been carried out on either the RAA data or the Anaconda work, with the exception of work on the Johnson River deposit. In 1990, CIRI organized North Pacific Mining Corporation as a subsidiary to deal with CIRI's mineral lands. Cathedral is the first company to review the CIRI land package and exploration data base in detail at Anchorage.

Targets

The main exploration targets on the CIRI mineral lands are volcanogenic massive sulphide and porphyry copper-gold deposits. During 1991, a number of mineral targets were located as described below:

Difficult Creek

Located 11 km north of the Johnson River deposit, this is the highest priority target area. Further work should focus on the Haggis Showing, a large malachite hydrozincite stain zone on a cliff face with highly anomalous gold in talus (up to 800 ppb) and on a gold soil anomaly one kilometer farther northeast.

West Bay Gold Showing

This showing is located on the west shore of Ilimana Bay. A grab sample from a 60 centimeter wide northeast striking quartz vein assaying 0.7 oz/t gold 5.7 oz/t silver and 1.5% zinc. This showing was discovered at the very end of the 1991 program and has not received any follow-up attention.

AC Point

Located in the southern part of the exploration area, this showing consists of rock samples from pyritized dacite tuffs with anomalous gold and copper; a float sample from this area assayed 0.1 oz/t gold. No follow-up work has yet been carried out here.

Back Range

Extremely high copper values were found in stream sediments in the Back Range area and may be explained by chalcopyrite lenses within a major northeast trending fault zone. Given the very high geochemical values and the presence of sulphides (although shear controlled) further checking is warranted.

Other regions of the extensive land holdings remain to be prospected and assessed.

Cathedral has recommended follow-up exploration on these target areas which will include detailed soil sampling, prospecting, geophysics, line cutting and rock sampling. The 1992 exploration budget is (U.S.)\$140,000.

The Company will not be committing any further funds to this project, and has recommended to the operator that the joint venture seek a partner to further advance this project.

(2) Cascadia Syndicate

In July 1991 the Company entered into an agreement with Cascade Pacific Explorations Ltd., Andaurex Resources Inc. and Starrex Mining Corporation and formed a prospecting syndicate in which the Company has a 25% interest. The Company acquired its interest by contributing (Cdn)\$32,500 to a (Cdn)\$125,000 reconnaissance exploration program directed at locating precious metal and massive sulphide mineralization in the Coast Range Mountains of British Columbia. Two properties were staked and prospected. The Company has no plans to expend additional monies on this project during 1992. The prospecting syndicate is currently discussing its plans with regard to the two staked properties.

(3) Ursus Creek Project, Province of British Columbia

On December 1, 1986 the Company acquired by staking, 15 mineral claims (the "Ursus Creek Project") in the Ursus Creek area of western Vancouver Island in British Columbia. After expending approximately (Cdn) \$95,000 in exploration and development of the Ursus Creek Project, the Company entered into an agreement dated January 15, 1988 with Corptech Industries Inc. ("Corptech") of Vancouver, Canada, whereby Corptech was granted an option to acquire a 55% interest in the Ursus Creek Project. In order to exercise its option, Corptech was required to make exploration and development expenditures of (Cdn) \$800,000 on or before January 31, 1991. Subsequently, Corptech assigned its interest in the option to Pezgold Resource Corporation of Vancouver, Canada, who in turn assigned 50% of its right under the option to Trans International Gold Corporation of Vancouver, Canada. To date, approximately (Cdn) \$250,000 has been expended by Corptech and its assigns towards exercise of the option. On August 23, 1990 Pezgold Resource Corporation and Trans International Gold Corp. notified the

Company that they were terminating their option on the Ursus Creek Project due to lack of financing. The Company is currently seeking joint venture participants to conduct further exploration of its Ursus Creek Project.

No known mineral production has been documented from the Ursus Creek Project Claims.

The Ursus Creek property is located approximately 19 miles northeast of Tofino on the west coast of Vancouver Island in the Alberni Mining division. The property covers 9 miles of Ursus Creek and the headwaters of the Taylor River.

There is no direct road access to the property. Access is afforded by helicopter from permanent bases in Nanaimo or from temporary seasonal bases, at Port Alberni or Tofino. Landing sites have been cleared at the Camp zone, each of the three drill pads in the Junction Zone and the new Elmer Vein Showing east of the Junction Zone. Intermediate pads also exist between the Camp Zone and Junction Zone and between the Junction Zone and Elmer Veins. Parts of the western claim area can be accessed by landing on sand bars in Ursus Creek. Heavy equipment may be air-lifted from the Taylor River road some 6 miles east of the property or from the head of Bedwell Sound after barging from Tofino.

The 1988-89 Ursus Creek exploration program involved prospecting to determine the extent of mineralization over the entire claim area and drilling to test the known Junction Zone.

Prospecting determined there are three styles of mineralization present. They include auriferous cataclastic zones, quartz veins and magnetite-chalcopyrite replacement deposits.

Cataclastic zones occur along the length of Ursus Creek and several feeder creeks. This area appears to be underlain by a host rock receptive to later gold mineralization. Sections of the cataclastic zone with late shear zones, narrow quartz veins and albitite dykes are most favourable for gold mineralization. The Junction Zone is the only mineralized area of this type known at this time. Several narrow quartz veins along Ursus Creek were auriferous. These veinlets may indicate areas where proximal cataclastic zones are more favourable.

The Elmer Veins were found east of the Junction zone. Grab samples of the vein carry up to 0.614 oz gold/ton.

Replacement showings in the volcanics were small and only weakly anomalous in gold but may provide an indicator to where auriferous intrusions were emplaced and therefore merit further prospecting.

Drilling of the Junction Zone indicated the cataclastic zone is 25 to 50 feet wide and persists to a depth of 475 feet with a known strike length of 720 feet. Mineralized intersections include 5.5 feet with a weighted average grade of 0.254 oz gold/ton, and 6 feet of 0.266 oz gold/ton.

Geologic mapping of the Junction Zone and the Elmer Veins was recommended by the Company's former joint venture partners followed by further drilling on the Junction Zone and trenching and possible drilling of the Elmer Veins, dependent on the trenching program to determine continuity and grade. The Company has not allocated funds to commence the recommended program, however it is seeking joint venture participation whereby the Company would dispose of a partial interest in the project in exchange for a commitment to conduct the recommended work program. The project claims are in good standing until at least December 1, 1992.

(4) Nation River Project, Province of British Columbia

In December, 1988 the Company acquired, by staking, 9 mineral claims (the "Nation River Project"), covering 7,533 acres in north-central British Columbia, Canada. In August, 1989 the Company entered into an agreement, as amended October 17, 1989, with Mercantile Gold Corp. ("Mercantile") of Vancouver, Canada, wherein the Company granted Mercantile an option to earn a 50% interest in the Nation River Project by paying the Company (Cdn) \$270,000 over four years, by issuing 200,000 shares of Mercantile to the Company over three years and by making \$1,500,000 in exploration expenditures on the Nation River Project over four years, all in accordance with the following schedule:

<u>Date</u>	<u>Cash Payments</u>	<u>Issuance of Mercantile Shares</u>	<u>Exploration Expenditures</u>
October 11, 1989	(Cdn) \$35,000	50,000	Nil
October 11, 1990	(Cdn) \$35,000	50,000	(Cdn) \$200,000
October 11, 1991	(Cdn) \$50,000	50,000	(Cdn) \$300,000
October 11, 1992	(Cdn) \$50,000	50,000	(Cdn) \$500,000
October 11, 1993	(Cdn) \$100,000	Nil	(Cdn) \$500,000

The Nation River Project is located approximately 100 miles north of Prince George in north-central British Columbia. The property can be accessed utilizing a 2-wheel drive vehicle from the town of Fort St. James which is located 56 miles south of the project area. The claims were staked to cover an airborne magnetic anomaly. A ground magnetic survey conducted on the project in late 1989 identified three semi-circular magnetic highs which may represent buried monzonite stocks. An orientation induced polarization survey has been completed on the claim group. The induced polarization survey failed to penetrate the deep overburden encountered in the study area. Additional geophysics is required to fully test the potential of the Nation River claim area. The Company is currently seeking a joint venture partner for this project, whereby the Company would dispose of a partial interest in the project in exchange for a commitment to conduct further work programs. During 1992, the Company has not allocated any funds to this project.

Mercantile did not fulfil its October 11, 1990 work requirements on the project, and accordingly the October 1989 option agreement was terminated. Mercantile has an outstanding debt to the Company in the amount of (Cdn) \$57,442.48. The project claims are in good standing until at least December, 1993.

(5) Churchill Gold Project, Province of Manitoba

Pursuant to agreements entered into in January, 1988 with Douglas Forster ("Forster"), a director of the Company, and United Mineral Services Ltd. ("UMS"), a company owned by Robert Dickinson, a director and officer of the Company, to acquire 28 mineral claims located near Churchill, Manitoba, Canada (the "Churchill Gold Project"), in consideration for (Cdn) \$98,392 and the issuance to Forster and UMS of 400,000 shares of the Company (200,000 each) with a further 800,000 shares of the Company issuable, as to 400,000 upon completion of a further (Cdn) \$390,000 in exploration expenditures by the Company and a further 400,000 shares if the Churchill Gold Project is brought into commercial production. On September 17, 1990 Forster and UMS agreed to relinquish their contingent right to these further 400,000 shares in consideration for payment by the Company of 50,000 shares to each of Forster and UMS. Accordingly, a total of 500,000 shares of the Company were issued as consideration for the Churchill Gold Project. The Company subsequently granted Homestake Mineral Development Company ("Homestake") an option to acquire a 60% interest in the Churchill Gold Project, but this option was terminated in 1989.

The Churchill Gold Project is located on the Seal River, 40 miles northwest of Churchill, Manitoba, Canada. Access to the property is by float or ski equipped aircraft from Churchill or Thompson.

Resampling of AQ core drilled in the 1970's indicated that gold-bearing iron formation was present on the Churchill Gold property. Assays from the AQ drill core indicated that gold was present in the sampled iron formation.

In February, 1988, a total of 37 line miles of grid-controlled magnetometer, vertical magnetic gradient, and Max-Min II HLEM surveys were completed on the Hadd grid in order to outline this prospective horizon. The geophysical surveys delineated a northerly trending folded magnetic high containing several parallel EM conductors.

During February to April, Homestake completed a total of 6,500 feet of NQ diamond drilling in the eleven holes PG-88-1 to PG-88-11 to test six separate targets along the main magnetic ridge. The drill holes cored through a steeply dipping sequence of andesitic flows, sulphide rich graphitic metasediments and the target horizons of silicate and oxide facies iron formation.

The best results, up to 0.03 oz gold/ton over 3 feet, were associated with weak arsenopyrite mineralization, quartz-carbonate veinlets, and cross-cutting structural features. The iron formation generally displayed weakly elevated gold concentrations of less than 100 ppb, far too low to be of economic interest.

The gold mineralization observed to date on the Churchill Gold property appears to be of a structurally controlled, epigenetic nature. Surface mapping and possibly trenching is recommended by Homestake to locate indications of shearing, gold mineralization, or attendant alteration. If no sign of mineralization or structural control can be exposed, further exploration on this property is unlikely to be cost effective at this time. No further exploration is contemplated at this time. No known mineral production has been documented from the Churchill Gold Project. The Company has not allocated any funds to this project during 1992. The claims are in good standing until at least December, 1993.

B. DESCRIPTION OF PROPERTIES OF BIG CREEK RESOURCES LTD.

A. CASINO PROPERTY, WHITEHORSE MINING DISTRICT, YUKON TERRITORY

Property Agreements

By agreement dated November 12, 1991 with Archer, Cathro & Associates (1981) Limited ("Archer, Cathro"), as amended by agreements dated April 13, 1992 and July 15, 1992, Archer, Cathro assigned to Big Creek its option in respect of the Casino property, located in west-central Yukon. Archer, Cathro acquired the option from Casino Silver Mines Ltd. (N.P.L.) ("Casino Silver"), which currently holds a 100% interest in this property. The agreements are structured so that Big Creek can either participate in the proceeds of the sale of the property, earn a 50% interest therein by completing certain exploration expenditures thereon, or purchase a 100% working interest in the property, subject to a 10% net profits interest in favour of Casino Silver, by making payments according to the following schedule:

<u>Prior to</u>	<u>Cumulative Cash Payments</u>
December 31, 1992	\$ 1,000,000
December 31, 1993	\$ 3,000,000
December 31, 1994	\$15,000,000

* Archer, Cathro & Associates (1981) Limited is a private geological engineering company in which Alan R. Archer, a former Director of Big Creek, has a one-third interest.

The agreement between Casino Silver and Archer, Cathro requires minimum exploration expenditures by Archer, Cathro of \$3,500,000 as follows:

<u>Date</u>	<u>Cumulative Expenditures</u>
December 31, 1992	\$ 1,000,000
December 31, 1993	\$ 3,000,000
December 31, 1994	\$ 3,500,000

The agreement between Archer, Cathro and Big Creek requires that Big Creek arrange exploration financing according to the schedule shown below and that these funds be expended on the property. The financing schedule is as follows:

<u>Date</u>	<u>Cumulative Financing</u>
May 1, 1992	\$ 500,000
September 1, 1992	1,000,000
November 1, 1992	1,500,000
May 1, 1993	2,000,000
July 1, 1993	3,000,000
August 1, 1993	3,500,000

If the property is not sold by June 1, 1995, and providing Big Creek has incurred \$3,500,000 in exploration expenditures thereon, it will have the option to earn a 50% interest in the property by spending an additional \$4,000,000 in the exploration thereof, as follows:

<u>Date</u>	<u>Cumulative Expenditures</u>
May 1, 1996	\$ 1,000,000
May 1, 1997	\$ 2,500,000
May 1, 1998	\$ 4,000,000

If the property is not sold and Big Creek earns this 50% interest therein, Archer, Cathro will be granted a 5% net profits interest in the property, payable from Big Creek's interest. In this event, Big Creek will also have the right to sell its interest and Casino Silver's interest in the property for a minimum of \$15,000,000. Proceeds from any sale will be divided by Big Creek and Casino Silver as follows: as to 20% (Big Creek) and 80% (Casino Silver) for the first \$15,000,000, as to 50% each for that portion over \$15,000,000 and up to \$100,000,000, and as to 60% (Big Creek) and 40% (Casino Silver) for any portion over \$100,000,000. Archer, Cathro will receive 5% of Big Creek's share of any sale proceeds up to \$100,000,000 and 10% of Big Creek's share of any sale proceeds exceeding \$100,000,000.

Engineering Report

Big Creek has obtained an Engineering Report on this property, prepared by A. D. Drummond, PhD., P. Eng., dated May 8, 1992, portions of which are quoted verbatim or are paraphrased herein (the "Drummond Report"). A complete copy of the Drummond Report may be inspected at the head office of Big Creek, at Suite 900-999 West Hastings Street, Vancouver, British Columbia, during normal business hours during the period until the shareholders' meeting on October 26, 1992.

Location and Access

The Casino porphyry copper-molybdenum-gold deposit is situated at 62 degrees 43 minutes north latitude and 138 degrees 49 minutes west longitude some 300 air kms northwest of Whitehorse, the capital of the Yukon Territory. The property lies within N.T.S. map area 115J/10 and 15 near a height of land between Canadian Creek and Casino Creek in the Dawson Range physiographic region. The Alaska Highway passes within 120 air kms to the southwest while the Whitehorse-Keno road (Highway 2) passes within 105 air kms to the east. The Yukon River passes within 19 kms to the north.

Access to the property in the past has been by (1) wheeled aircraft to the property landing strip, (2) via a 224 km winter tote road from Burwash Landing on the Alaska Highway and (3) via river barge along the Yukon River from Dawson City (200 river kms) then via road 19 kms from the Yukon River to the property. The airstrip is 762 m long and can accommodate aircraft up to DC-3 size.

Property Summary

Big Creek has acquired an option on 230 full and fractional mineral claims covering the Casino porphyry copper-molybdenum-gold deposit, located in the Dawson Range at an elevation of about 1,200 m above sea level some 300 air kms northwest of Whitehorse.

Casino Silver Mines Ltd. initially explored the lead-zinc-silver veins which occur at the perimeter of the metal zoned Casino breccia complex. The potential for disseminated porphyry type mineralization was recognized in late 1967 by Mr. Alan Archer, who is a former director of Big Creek. By the end of 1970, the property had been drilled by Casino Silver Mines Ltd., Brameda Resources Ltd. and Teck Corporation, which drilling totalled 11,263 m of B.Q.size diamond drilling and 4,345 m of five inch diameter rotary holes. During this period, geochemical, geophysical and geological surveys indicated that a large copper-molybdenum-gold geochemical anomaly was centred over a Late Cretaceous breccia complex which has since become known as the Casino breccia complex. This deposit lies within an unglaciated region of the Yukon which has produced a mature topography and deep surficial weathering. The drilling has shown that there is a vertical zonation in copper, molybdenum and gold over

the Casino breccia complex which zonation has produced a leached cap, a supergene (enriched) and a hypogene (primary) zone of mineralization. Geological logging of drill core has shown the presence of typical porphyry type hydrothermal alteration facies with the central copper associated potassic (K-feldspar-biotite-magnetite) facies lying within the Casino breccia complex. This porphyry system is large as the copper-molybdenum-gold mineralization is known to occur within an area of 1,000 m x 1,000 m approximately centred on Patton Hill. The limits of mineralization have yet to be defined.

A review of the drilling techniques used to date to evaluate the Casino deposit has indicated that the reliability of the B.Q. drill results are open to question. Rotary drill results are probably more realistic in defining the actual metal value especially in the economically important supergene zone. The review also indicated that the depth of the leached cap and the thickness of the supergene zone could vary depending on the type of drill data used. It is concluded that the mineral inventory studies conducted to date are not accurate in that the data base is not consistent. Former mineral inventory tonnage and grade figures should be considered as indicative but should not be considered as firm figures on which to form an economic evaluation.

A program of additional drilling using HQ diamond drill core with the appropriate drilling mud has been recommended in order to obtain firm grade and distribution data to allow a feasibility study.

Mineral Inventory Calculations

Outlined below are four mineral inventories calculated independently by four consultants in late March 1970 (information taken from the files of Archer, Cathro & Associates (1981) Limited ("Archer, Cathro") and reproduced herein).

CONSULTANT	TONS (MILLIONS)	CU (%)	MoS2 (%)	PIT DEPTH (FEET)	APPROX. STRIP RATIO
Chapman, Wood and Griswold (1)	193	0.36	0.065	Not defined	N/A
(2)	629	0.33	0.053	Not defined	0.55:1
(3)	1,132	0.29	0.044	1,400	0.15:1
Walter Clarke	272	0.27	0.035	1,000	0.97:1
Colin Knight	427	0.27	0.037	1,000	1.4:1
Archer, Cathro	209.4	0.35	0.047	900	1.62:1

(Note: Average gold values were not calculated by these consultants because the assay data was incomplete.)

In 1991, Archer, Cathro recalculated the mineral inventory using all of the drill data (P Series and R Series) and incorporating available gold composite assays. This recalculation identified an area of higher grade supergene mineralization in the core of the deposit within a mineral inventory which is listed below.

CONSULTANT	TONS (MILLIONS)	CU (%)	MoS2 (%)	Au (OPT)	PIT DEPTH (FEET)	APPROX. STRIP RATIO
Archer, Cathro (1991)	417	0.30	0.038	0.01	1,000	1:1
including	71	0.46	0.036	0.014	500	0*

* assuming that the leached cap overlying the high grade supergene core contained sufficient recoverable gold to pay for its stripping.

The 1991 Archer, Cathro mineral inventory noted several important considerations in the assignment of a gold value: (1) the gold assays were done on composite samples using lower analytical sensitivities and higher detection limits than are now in use; (2) most of the gold analyses came from the small (BQ) diameter drill holes which typically produced poor core recovery especially in highly fractured and brecciated rock; (3) gold assays are available for 68% of the mineral inventory tons in the supergene zone; and (4) gold assays are available for 52% of the mineral inventory tons in the leached cap overlying the supergene core.

Cathro and Main (1986) reported on a surface trenching program undertaken by Big Creek in joint venture with Permian Resources Ltd. which outlined a mineral inventory for the Patton Hill gold zone as of January 1, 1986 to an average depth of 70 m, the latter mineral inventory for the northeast flank of Patton Hill being reproduced below.

SOURCE	CUTOFF GRADE (OPT Au)	TONS	GRADE (OPT Au)	APPROX. STRIP RATIO
Cathro and Main (1986)	0.010	22,662,500	0.017	0.4:1
	0.015	12,363,400	0.021	0.7:1
	0.020	7,924,000	0.022	1.1:1
	0.025	2,301,800	0.029	1.9:1
	0.030	1,411,984	0.034	3.3:1

In 1979, Godwin and Sinclair (1979) published a multiple regression analysis of a selected area within the Casino deposit which they reported contained 162 million tons of 0.37% Cu and 0.039% MoS₂ in an open pit design with a 1.67 : 1 (waste : ore) strip ratio. They conclude that all variables used were thought on geological grounds to relate to potential mineralization. More importantly, these authors state that "more than 50% of the high (grade) cells have not been drilled".

Metallurgy

The following outlines the type and extent of the preliminary metallurgical testing undertaken on the deposit. Preliminary tests were carried out by the Colorado School of Mines Research Institute, Golden, Colorado; Britten Research Ltd. of Vancouver, and Seymour Laboratories of North Vancouver. The Colorado School of Mines testing was done solely on supergene material and recovered 86% of the copper and 88% of the molybdenite by conventional flotation. Britten Research conducted tests on three types of mineralization: (a) supergene, (b) a mixture of supergene and hypogene and (c) hypogene. Results by Britten showed an average work index of 12.0 and flotation recoveries of about 80% for copper and 88% for molybdenite in a concentrate grading 25% copper. Gold and silver were found to report with the copper with recoveries up to 88% for gold. Flotation tests on hypogene mineralization by Seymour gave recoveries of 90.7% for copper and 93.7% for molybdenite.

Preliminary gold metallurgical testing was conducted by Coastech Research Inc. of North Vancouver and by Witteck Development Inc. of Mississauga, Ontario during the 1985 investigation of gold in the Casino leached cap zone. Both laboratories undertook column cyanide leach tests on either crushed or uncrushed material and suggested that gold recoveries could be in the order of 70% after about 12 days leach duration.

Environmental Aspects

Work to date on the Casino porphyry type deposit has shown that the deposit is large and if further drilling as proposed herein is successful in delineating an economically viable mineral deposit, there are environmental aspects which should be identified at an early stage. Investigation of current and possible future land claim status in the region is a necessity. Background field studies on fish and caribou habitat should also be evaluated at an early stage. Preliminary assessment of water rights availability and permitting requirements for an all-weather road access should be investigated. Acid generation tests should be completed on the mineralization types which may form dump or tailing material.

Conclusions on Exploration Potential

The Drummond Report concludes that the Casino porphyry copper-molybdenum-gold breccia complex is a very large mineralized system, the limits of which have yet to be defined, and that geological evaluation has confirmed a broad hydrothermal alteration facies signature which is coupled with a broad geochemical signature. The Drummond Report also states that, owing to the deep weathering and unglaciated nature of the Dawson Range portion of the Yukon in which this deposit is situated, it has been difficult to establish the areal extent of the mineralized Casino breccia complex, and that, having established geologically that the Casino breccia complex hosts a disseminated porphyry type copper-molybdenum-gold deposit, it is then important to review the sampling procedures used to evaluate this deposit.

A review of the assay results from the P Series (BQ diamond drill coring technique) and the R Series (rotary drill technique) has indicated that the assay results from the two sampling techniques should NOT be used together or given the same economic reliability for evaluation purposes. Given the comparison of the supergene zone between the two sampling methods when restricted to the >0.4% Cu material, the R Series data indicated 0.67% Cu, 0.045% MoS₂ and 0.020 opt Au (0.69 g/tonne Au) while the P Series data suggested 0.53% Cu, 0.048% MoS₂ and 0.014 opt Au (0.48 g/tonne Au). Comparison of twinned holes has also shown that the P Series data is undervalued in relation to the R Series data. Further, use of P Series metal gradients to define economic margins produces different economic margins in three dimensional space than the R Series data. This latter point is important in that it strongly indicates that:

- (1) the margins of the mineralized Casino breccia complex are not yet defined;
- (2) the relative thickness of the leached cap, supergene and upper portion of the hypogene zones are yet to be assigned reliable copper, molybdenum or gold values;
- (3) the grade of the economically significant supergene zone is as yet undefined as its definition in space is based predominantly on P Series holes;
- (4) the grade of the leached cap, the higher portion of which lies directly above the higher grade portion of the supergene zone which, in turn, lies directly above the higher grade portion of the hypogene zone, has yet to be realistically defined; and
- (5) the former point above is of economic importance in open pit design as it may be feasible to leach the gold from the overlying leached cap which would reduce the stripping cost and enhance economic viability.

In light of the unreliability suggested by comparing the assay results of the P Series and R Series holes, the Drummond Report concludes that the mineral inventories completed to date should be viewed as project exercises and not as a true appraisal of the economic potential of the Casino porphyry deposit.

Recommendations

The Drummond Report states that, in light of the lack of sampling result reliability outlined above, it is necessary to establish a sampling confidence by redrilling a significant portion of the Casino porphyry deposit using a different sampling technique, and recommends that diamond drilling be undertaken using HQ diameter core and that the appropriate circulation mud be used in an attempt to eliminate poor recoveries experienced in highly fractured and brecciated ground which incidentally may contain the highest metal values.

It further recommends that metallurgical tests be conducted on appropriate material from the HQ holes for the leached cap, supergene and hypogene zones.

In addition to the above, the Drummond Report recommends an environmental review to collect the base data required for a prefeasibility environment assessment.

B. ANTONIUK PROPERTY, WHITEHORSE MINING DISTRICT, YUKON TERRITORY

This property consists of 14 surveyed and leased (21 year lease) claims held under option from Rayrock Yellowknife Resources Inc. ("Rayrock") and 6 adjoining mineral claims which were acquired by staking during 1985 and 1986, which claims are included under the option. Big Creek can earn between a 30.6% and a 100% interest in the property (subject to a 15% profits interest), depending on certain elections to be made by others having an interest in the property. To date Big Creek and its joint venture partners have made option payments aggregating \$40,000 and expended \$1,000,000 on exploration of the property. Big Creek's portion to May 31, 1992 was \$283,576. To complete its earn-in in respect of a 60% interest in the property, Big Creek is obliged to incur additional exploration expenditures of \$400,000, subject to Rayrock's right to require these expenditures to be completed within a period of 12 months of its giving Big Creek notice in this regard. To date, no such notice has been given to Big Creek by Rayrock. Upon completion of the aforesaid, Big Creek will hold a 60% interest in the property and will operate the property with its 40% joint venture partner, Rayrock. Rayrock retains the option to purchase up to 33 1/3% of Big Creek's earned interest by paying to Big Creek \$75,000 for each one percentage point purchased. If commercial production is obtained, the Big Creek will be responsible for a portion of the operating costs.

Indicated reserves are approximately 3.5 million tonnes grading 1.23 g/t Au which could be mined with a 1.14 to 1 stripping ratio.

C. REVENUE PROPERTY, YUKON

Pursuant to an agreement dated February 19, 1991 Big Creek acquired a 100% interest in 69 mineral claims located in the Whitehorse Mining District, Yukon Territory from Yukon Revenue Mines Ltd. (N.P.L.), in consideration of the issuance of 200,000 shares and a 5% net smelter royalty. None of the above properties have a known reserve of commercial ore. Exploration work to date indicated copper-gold porphyry type mineralization. At May 31, 1992 Big Creek had incurred acquisition and exploration expenditures of \$994,974 on this property.

D. NUCLEUS, NITRO, ACK AND ALO PROPERTIES, YUKON

Big Creek holds a 100% interest in four claim groups, Nucleus, Nitro, Ack and Alo, located in the Whitehorse Mining District, Yukon Territory. All of the properties exhibit widespread copper and gold soil geochemical anomalies and have potential to host porphyry-type mineralization. To date, Big Creek has expended \$287,281 on these claims.

E. CASH PROPERTY, YUKON

Big Creek holds a 100% interest in 200 mining claims situated near Big Creek in the Dawson Range, Whitehorse Mining District pursuant to agreements with Archer, Cathro & Associates (1981) Limited, Norvista Developments Limited and Renoble Holdings Inc. Acquisition and exploration costs to date amount to approximately \$169,891.

4. PARTICULARS OF NON-RESOURCE ASSETS

The Company has no material non-resource assets except working capital.

5. CORPORATE INFORMATION

Effective on the date of the Amalgamation the Company will have authorized share capital of one class only, namely Common Shares without par value. There will be 100,000,000 Common Shares authorized of which approximately 14,314,246 Common Shares will be issued and outstanding. There are no provisions or any redemption, conversion or the like respecting the Common Shares and each outstanding Common Share carries one vote to elect the directors of the Company and to vote on such other matters as Common Shares ordinarily would vote upon.

**6. DIRECTORS, OFFICERS, PROMOTERS AND PERSONS
HOLDING MORE THAN 10% OF THE ISSUED VOTING SHARES**

The names, addresses and occupations of the first directors of the Amalgamated Company are:

ROBERT GEORGE HUNTER

780 Rochester Avenue
Coquitlam, B.C. V3K 2W2

Chairman of the Board of Directors and Chief Executive Officer

Robert G. Hunter, for the last ten years, has been active in the development of mining properties in North America and has served as a director of other public companies listed on the Toronto and Vancouver Stock Exchange. Certain of these companies are also quoted on the NASDAQ system in the United States.

Mr. Hunter is currently or has been involved with the following public companies in the last five years: Chairman and Chief Executive Officer, Continental Gold Corp., May 1986 to November 1990; Chairman of the Board, Chief Executive Officer and Director, Taseko Mines Limited, January, 1991

to present; Chairman, Director and Chief Executive Officer, Covenant Resources Ltd., November 1990 to July 1991 and with post amalgamation successor company, El Condor Resources Ltd. to present; Chairman and Director, Byron Resources Inc., March 1987 to present; Director of ADI Technologies Inc. ("ADI"), March 1987 to present; Director and Chairman, North American Metals Corp., October 1985 to present, Director of Farallon Resources Ltd. and Lumina Investments Corp. (an investment company). All the foregoing are mining companies except Lumina and ADI which is an image data compression and transmission company. Mr. Hunter was a director of Rio Gold Mining Ltd. when it was cease traded for failure to file financial information. The information has since been filed.

Number of Shares Owned: 671,844

ROBERT ALLAN DICKINSON, B.Sc., M.Sc.
1020 - 800 West Pender Street
Vancouver, B.C. V6C 2V6

President, Director and Chief Financial Officer

Robert A. Dickinson is a mining geologist who has been for the last 6 years, associated with Mr. Hunter in several mining companies as well as being involved in other mining ventures. He holds a Bachelor of Science (hons. geology) degree and a Master of Science, Business Administration (finance) degree from the University of British Columbia.

Mr. Dickinson is currently or has been involved with the following public companies in the last five years: President, Chief Financial Officer and Director, Taseko Mines Limited, January, 1991 to present; President and CFO, Covenant Resources Ltd., November 1990 to July, 1991 and President and CFO with post amalgamation successor company, El Condor Resources Ltd. to present; Director, American Bullion Minerals Ltd., August 1988 to present; Former President, CFO and Director, Continental Gold Corp., May 1986 to November 1990; former Secretary and Managing Director, North American Metals Corp., February 1985 to May 1988, Director, Anooraq Resources Corporation, November 1990 to present; Director of Farallon Resources Ltd. All the foregoing are mining resource exploration companies.

Number of Shares Owned: 851,766

DOUGLAS BURTON FORSTER, M.Sc., P. Geo.
3330 Radcliffe Avenue, West
Vancouver, B.C. V7V 1G6

Vice President and Director

Mr. Forster is a professional geoscientist and economic geologist. He holds a Masters of Science degree from the University of British Columbia. In the previous five years Mr. Forster has held executive project development positions with several mining companies including Continental Gold Corp. and North American Metals Corp.

Mr. Forster is currently or has been involved with the following public companies in the last five years: Senior Vice-President and Director, Taseko Mines Limited, February, 1991 to present; Continental Gold Corp., January 1988 to November 1990; Secretary and Director, El Condor Resources Ltd., July 1991 to present; Director, North American Metals Corp., February 1988 to May 1988; Director, Covenant Resources Ltd., February 1990 to July 1991 and director with post amalgamation successor company,

El Condor Resources Ltd. to present; Director, Farallon Resources Ltd. All the foregoing are mining resource exploration companies.

Number of Shares Owned: 873,467

ABDULAZIZ SHARIFF, F.C.A.

2 Mountainview,
Northwood, Middlesex
England, HA6 3NZ

Director

Mr. Shariff is a UK based Chartered Accountant and financier who has for the last five years been an independent businessman and fundraiser for corporations worldwide. He was elected a director of the Company in July, 1991, and was previously an officer of the Company. For the past five years he has also served on various boards of other publicly listed companies as follows:

Director of Taseko Mines Limited, February, 1992 to present; former officer of North American Medical Services Inc., former Director, Harvard Capital Corp., 1990 to June 1992.

Number of Shares Owned: 100,000

R.A. BRUCE McDONALD

3233 Celtic Avenue
Vancouver, B.C.

Director

Chairman, Director, President and Chief Executive Officer of Noramco Capital Corp.

Number of Shares Owned: 257,500

JAMES M. STEPHEN

2120 Abbott Street
Kelowna, B.C.

Director

Mining executive; President of each of Cash Resources Ltd., NDU Resources Ltd. and YGC Resources Ltd.

Number of Shares Owned: 529,900

OTHER INFORMATION CONCERNING MEMBERS OF MANAGEMENT

Big Creek - Management Remuneration

During the fiscal year ended February 29, 1992 the aggregate cash compensation paid or payable to the executive officers for services rendered was \$45,400 as follows:

- (a) \$24,000 to Norvista Developments Ltd., controlled by James M. Stephen, for management services and exploration and development consulting services.
- (b) \$21,400 to Noramco Mining Ltd., a public company controlled by R.A. Bruce McDonald, for administrative and consulting services, including the provision of office space and secretarial services.

The Company - Management Remuneration

For the year ended December 31, 1991 the aggregate remuneration paid to the three executive officers of the Company in their capacities as such was \$26,430. No other cash compensation, including salaries, fees, commissions, and bonuses was paid or is to be paid to the directors and officers of the Company for services rendered, nor was any remuneration paid to the Company's directors in their capacity as such. A payment of \$5,477 was made by the Company to a director for accounting services rendered.

Directors and Officers of the Company were granted incentive stock options to purchase 100,000 shares of the Company at \$1.55 per share, and recently has granted a 100,000 two year option at \$2.69 all of which remain outstanding. As required by the listing policies of the VSE, the exercise price of the Company's stock options closely approximated the market price at the time of granting.

No profit sharing, pension or retirement benefit plans have been instituted by the Company and none are proposed at this time. There are no arrangements for payments on termination of any member of management in the event of a change of control.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Big Creek

The following are material transactions involving Big Creek within three years prior to the date hereof in which any director or officer of Big Creek or any associate or affiliate of such persons, has or had a material interest:

For the fiscal year ending February 29, 1992 and the 3 month period ending May 31, 1992, Big Creek paid \$246,479 and \$50,418, respectively to Archer, Cathro & Associates (1981) Limited, of Vancouver, British Columbia for administrative services and for the repayment of exploration and development expenses incurred by it on behalf of Big Creek in connection with work performed on certain of Big Creek's mineral properties located in the Yukon Territory. Archer, Cathro & Associates (1981) Limited is a private geological engineering company owned 1/3 by Alan Archer, a former Director of Big Creek.

In addition, Dilbagh S. Gujral was granted two options to purchase shares of Big Creek, one to purchase up to 150,000 shares at a price of \$0.57 per share and the other to purchase 100,000 shares at \$1.08 per share, each exercisable until June 12, 1992 and July 30, 2002, respectively. These options have been exercised in full.

In addition, P.O. Hachey was granted an option to purchase up to 60,000 shares of Big Creek at a price of \$1.08 per share, exercisable until July 30, 2002. This option has been exercised in full.

The Company

No current director, officer or promoter of the Company has any material transaction involving the Company nor has received anything of value from the Company within the past year. The Company shares office space and related expenses with other companies some of which have common ownership or management with the Company but these transactions are not considered material and in any case take place at fair market value.

INVOLVEMENT OF ANY DIRECTOR WITH DEFUNCT COMPANIES

No director of the Company was, during the period he was a director, officer or promoter of such Company struck of the Register of Companies by the British Columbia Registrar of Companies or other similar authority or whose securities were the subject of a cease trade or suspension order for a period of more than 30 consecutive days except Robert G. Hunter was a director of Rio Gold Mining Ltd. during a period of time (1990 through 1992) and was the subject of a cease trade order for failure to file financial statements. The requisite financial statements have since been filed and Rio Gold is in the process of reactivating its affairs.

7. OPTIONS TO PURCHASE SECURITIES OF THE AMALGAMATED COMPANY

On completion of the amalgamation the following dilutive securities of the Amalgamated Company will be outstanding:

- Management Incentive Option to purchase 25,000 shares at a price of \$0.57 until June 12, 2002, it has 100,000 shares exercisable at a price of \$1.55 until June 6, 1993 and a warrant to purchase 100,000 shares at a price of \$1.60 until October 30, 1992 and \$1.84 thereafter until October 30, 1993. In addition, the Company has proposed to grant 100,000 Management Incentive Share Purchase Options at a price of \$2.69 per share until September 16, 1994 which option is pending regulatory approval.

8. SECURITIES OF THE AMALGAMATED COMPANY HELD IN ESCROW, IN POOL, OR SUBJECT TO HOLD RESTRICTIONS

(1) On the effective date of the Amalgamation there will be 750,000 shares held in escrow which shares are all held by former insiders of the Company. These shares are subject to a release in the discretion of the Vancouver Stock Exchange in accordance with its policies which provides for release based on expenditures effected by the Amalgamated Company on its mineral properties, the degree of success of such expenditures and a consideration of the general administrative expenses of the Company relative to the foregoing, at the time release is contemplated. Any shares not released before 1996 will be subject to cancellation.

(2) There are no shares held in pool.

(3) Shares which are subject to unexpired hold periods are as follows:

On the effective date of the Amalgamation there will be 1,000,000 shares of Big Creek which would have been subject to a hold period until June 10, 1993 but for the effect of Section

55(2)(8) of the Securities Act (British Columbia). Accordingly, on the effective date of the Amalgamation there will be no shares which are subject to unexpired hold periods.

9. PARTICULARS OF OTHER MATERIAL FACTS

- (1) There are no actual or pending legal proceedings to which the Company is or is likely to be a party or of which any of its properties is or is likely to be subject.
- (2) There are no properties proposed to be acquired or other transactions for which regulatory approval is not being sought hereunder.
- (3) On the effective date of the Amalgamation there will be no bonds, debentures, notes or other debt obligations of the Company outstanding.
- (4) There are no other material facts not previously disclosed herein respecting the affairs of the Company.
- (5) The following are all the material contracts entered into by Big Creek:
 - (a) Assignment Agreement dated November 12, 1991 as amended April 13, 1992 and July 15, 1992 between Big Creek and Archer Cathro Associates (1981) Limited respecting the Casino Property.
 - (b) Option agreement with Rayrock Yellowknife Resources Inc. respecting the Antoniuk Property
 - (c) Amalgamation Agreement dated August 21, 1992 between Big Creek and Pacific Sentinel Gold Corp.
 - (d) Debenture of Big Creek issued to the Company to secure exploration advances of up to \$500,000.
 - (e) Agreement with Noramco Capital Corp. to provide administrative and consulting services.
 - (f) Agreement with Norvista Developments Ltd. to provide management services and exploration and development consulting services.
 - (g) Agreement to be dated for reference August 21, 1992 with Archer, Cathro & Associates (1981) Limited to provide exploration and development consulting services and grant the Amalgamated Company the right to purchase a portion of the Net Profits Interest of Archer, Cathro respecting the Casino property.
- (6) The following are all the material contracts of Pacific Sentinel Gold Corp.:
 - (a) Purchase and Sale Agreement respecting the Churchill Gold Project dated January 27, 1988, as entered into between Robert A. Dickinson and Pacific Sentinel Gold Corp.

- (b) Amending Agreement respecting the Churchill Gold Project dated January 27, 1988, as entered into between United Mineral Services Ltd., Robert A. Dickinson and Pacific Sentinel Gold Corp.
- (c) Purchase and Sale Agreement respecting the Churchill Gold Project dated January 27, 1988, as entered into between Douglas B. Forster and Pacific Sentinel Gold Corp.
- (d) Amending Agreement respecting the Churchill Gold Project dated January 27th, 1988, as entered into between Douglas B. Forster and Pacific Sentinel Gold Corp.
- (e) Grubstaking Agreement respecting the Churchill Gold Project dated January 27, 1988, as entered into between Robert A. Dickinson, United Mineral Services Ltd. and Douglas B. Forster.
- (f) Agreement respecting the Cook Inlet Project dated June 14, 1991 as entered into between Cathedral Gold Corporation and Pacific Sentinel Gold Corp.
- (g) Letter dated June 17, 1991 amending the terms of the Agreement dated June 14, 1991 respecting the Cook Inlet Project, as entered into between Cathedral Gold Corporation and Pacific Sentinel Gold Corp.
- (i) Letter dated June 17, 1991 amending the terms of the Agreement dated June 14, 1991 respecting the Cook Inlet Project, as entered into between Cathedral Gold Corporation and Pacific Sentinel Gold Corp.
- (j) Letter dated June 20, 1991 amending the terms of the Agreement dated June 14, 1991 respecting the Cook Inlet Project, as entered into between Cathedral Gold Corporation and Pacific Sentinel Gold Corp.
- (k) Amending Agreement respecting the Churchill Gold Project dated September 17, 1990 as entered into between United Mineral Services Ltd., Douglas B. Forster and Pacific Sentinel Gold Corp.
- (l) Option and Joint Venture Agreement respecting the Golden West Project dated May 11th, 1990 as entered into between PIC International Prospectors Corporation, Almaden Resources Corporation and Pacific Sentinel Gold Corp.
- (m) Option and Joint Venture Agreement respecting the Ursus Creek Project dated January 15th, 1988 as entered into between Corptech Industries Inc. and Pacific Sentinel Gold Corp.
- (n) Option Amending Agreement respecting the Nation River Project dated October 17th, 1989 as entered into between Mercantile Gold Corp. and Pacific Sentinel Gold Corp.
- (o) Agreement respecting the Cascadia Syndicate dated July 17, 1991 as entered into among Cascade Pacific Explorations Ltd., Andaurex Resources Inc., Starrex Mining Corporation and Pacific Sentinel Gold Corp.
- (p) Amalgamation Agreement dated August 21, 1992 as entered into between Pacific Sentinel Gold Corp. and Big Creek Resources Ltd.

- (7) **Attachments to provide the reader with additional information:**
- (a) **Schedule A Pro Forma Financial Information for the Amalgamated Company; and**
 - (b) **Fairness opinion respecting the amalgamation of Ross Glanville & Associates Ltd.**

CERTIFICATE OF THE AMALGAMATING COMPANIES

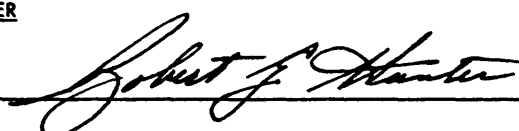
The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the Amalgamating Companies' affairs.

This Certificate must be signed by two directors of each of the Amalgamating Companies.

PACIFIC SENTINEL GOLD CORP.

NAME: ROBERT G. HUNTER

SIGNATURE: _____



NAME: ROBERT A. DICKINSON

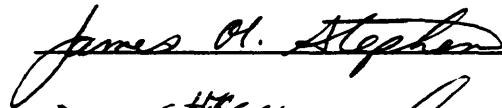
SIGNATURE: _____



BIG CREEK RESOURCES LTD.

NAME: JAMES M. STEPHEN

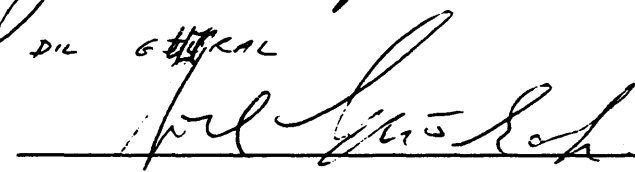
SIGNATURE: _____



NAME:

DIL GUYRAL

SIGNATURE: _____



DATED at Vancouver this 16th day of October, 1992