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PROPERTY FILE

SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE

92F079-05
92F331

STATEMENT OF MATERIAL FACTS (#153/87)
EFFECTIVE DATE: DECEMBER 16, 1987

ANGLE RESOURCES LTD., 3270 Park Place Tower,
666 Burrard Street, Vancouver, British Columbia 682-8567
NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

12th Floor, 1190 Hornby Street,
Vancouver, British Columbia
ADDRESS OF REGISTERED AND RECORDS OFFICES OF ISSUER

Central Trust Company, 700 - 750 West Pender Street,
Vancouver, British Columbia
NAME AND ADDRESS OF REGISTRAR AND TRANSFER AGENT FOR ISSUER'S
SECURITIES IN BRITISH COLUMBIA

OFFERING: 300,000 UNITS - each Unit consisting of one common
share without par value and two Series "A" share
purchase warrants.

	Estimated Price to Public	Estimated Agent's Commission	Estimated Net Proceeds to Issuer
Per Unit:	\$ 2.25	\$ 0.16875	\$ 2.08125
Total:	\$675,000.00	\$50,625.00	\$624,375.00

The Agent will receive a commission on the sale of the units
qualified for sale pursuant to this Statement of Material Facts
at the maximum rate allowed by the rules and by-laws of the
Vancouver Stock Exchange.

ADDITIONAL OFFERING: This Statement of Material Facts also
qualifies for sale to the public any Units purchased by the Agent
from the Offering and any shares and Units acquired upon the
exercise of the Series "A" or Agent's Warrants or the Greenshoe
Option, at the prevailing market price for a period of one year
from the Offering Day.

AGENT: CANARIM INVESTMENT CORPORATION LTD.
2200 - 609 Granville Street
Vancouver, British Columbia
V7X 1H2

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

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

1. DETAILS OF THE CIRCUMSTANCES RELATING
TO THE OFFERING OF SECURITIES

Offering

The Issuer, by its Agent, hereby offers (the "Offering") to the public through the facilities of the Vancouver Stock Exchange (the "Exchange") 300,000 units (the "Units"), each Unit consisting of one common share and two Series "A" share purchase warrants (the "Warrants"). The Offering will take place on a day (the "Offering Day") not more than 30 business days after the date (the "Effective Date") this Statement of Material Facts is accepted for filing by the Exchange and the Superintendent of Brokers for British Columbia (the "Superintendent").

The price of the Units (the "Offering Price") will be determined by the Issuer and the Agent in accordance with the Exchange's rules and policies, at a premium over the average trading price (the "Average Trading Price") of the Issuer's common shares as traded on the Exchange and as determined by the Exchange.

The Agent is entitled to over-allot the Units in connection with the Offering and, in such case, the Issuer has granted to the Agent an option (the "Greenshoe Option") to purchase at the net price to the Issuer's treasury, such number of Units being the lesser of 15% of the Offering or the actual number of Units subscribed for by way of over-subscription. The Greenshoe Option is exercisable for a period of 30 trading days from the Offering Day. The number of Units subject to the Greenshoe Option shall be determined at the conclusion of the Offering Day.

The Agent is in the alternative entitled to cover such oversubscription by making purchases of the Issuer's Units in the open market through the facilities of the Exchange at the market price from time to time.

The purchaser of any Units will be required to pay regular commission rates as specified in the rules and by-laws of the Exchange.

Up to 100,000 of the Units from this issue may be sold to brokerage houses in Great Britain and Western Europe who will sell to their clients who are not citizens or residents of Canada or the United States of America. Any sales of the Units of the Issuer outside of Canada will be subject to and conducted in accordance with the laws of the countries in which the sales are made.

Appointment of Agent

The Issuer, by an agreement dated for reference November 17, 1987 (the "Agency Agreement"), appointed Canarim Investment Corporation Ltd. as its agent (the "Agent") to offer the Units to the public.

The principal purposes for which the net proceeds from the Offering are to be spent and the order of priority are as follows:

(a) Costs of Issue	\$ 20,000.
(b) To extinguish the Issuer's working capital deficiency of approximately \$35,000. (as at October 31, 1987)	\$ 35,000.
(c) To purchase the remaining 950 preferred shares of Putco Holdings II Ltd., pursuant to a private placement of "flow-through" shares of the Issuer with First Exploration Fund 1987 and Company, Limited Partnership (the proceeds of which will be used for exploration of the Issuer's Debbie Property (approximately \$790,000.) and Yellow Mineral Claim (approximately \$910,000.))	\$ 95,000.
(d) General corporate purposes	<u>\$ 474,375.</u>
Total:	<u>\$ 624,375.</u>

If the net proceeds from the Offering is greater than the estimated net proceeds, due to exceeding the estimated price, the increase in net proceeds will be used for general corporate purposes. In addition, the Issuer has arranged for a \$852,000. private placement with Handelskredit-Bank, AG, to be used for general corporate purposes. This private placement is subject to regulatory approval and is more particularly described under Item 9E of this Statement of Material Facts.

None of the proceeds from the Offering will be spent otherwise than as referred to above without the prior approval of the Exchange where (a) such expenditure totals in excess of \$500,000., (b) such expenditure is in excess of \$150,000. and involves the issuance of more than 100,000 shares of the Issuer, or (c) the acquisition is not at arms length to the insiders of the Issuer.

3. MATERIAL NATURAL RESOURCE PROPERTIES

Summary of Material Mining Properties

- Group I - Properties for which regulatory approval has been obtained under this Statement of Material Facts.
- Group II - Presently held properties which are currently producing or being explored, or upon which exploration is planned within the next year.

Group III - Other presently held properties upon which the Issuer's acquisition and exploration costs to date exceed \$100,000.

<u>Group</u>	<u>Property Name</u>	<u>Issuer's Acquisition and Exploration Costs to Oct. 31, 1987</u>	<u>Shares Issued to Date</u>	<u>Planned Expenditure from Funds Available upon Completion of the Offering</u>
II	Debbie Property	\$475,091.	None	Nil
II	Yellow Mineral Claim	\$556,070.	90,000	Nil
II	Kitkat Property	\$220,969.	100,000	Nil
II	Cow Property	\$ 978.	None	Nil
III	Thistle Property	\$758,652.	None	Nil

GROUP I - PROPERTIES FOR WHICH REGULATORY APPROVAL HAS BEEN OBTAINED UNDER THIS STATEMENT OF MATERIAL FACTS.

None

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

Debbie Property

The Debbie Property consists of the following located mineral claims, covering approximately 6,000 hectares, situated approximately 7 kilometres southeast of Port Alberni, in central Vancouver Island, British Columbia (49° 13' latitude 124° 41' longitude):

<u>Claim Name</u>	<u>Mining Division</u>	<u># of Units</u>	<u>Record #</u>	<u>Expiry Date</u>
Debbie 1	Alberni	20	451	May 2/88
Debbie 2	"	12	452	May 2/97
Debbie 3	"	20	453	May 2/88
Lucy 1	"	15	372	May 2/97
Lucy 2	"	12	373	May 2/97
Lucy 3	"	16	374	May 2/97
Linda 1	"	16	454	May 2/97
Linda 2	"	12	455	May 2/97
Jenny	"	20	636	Nov. 13/97
Cam	"	6	930	June 20/97
Oets	"	20	487	June 28/97
Oets 2	"	12	507	Aug. 3/88
Stokes	"	20	1306	Aug. 24/88
Cop	"	10	1002	Aug. 24/97
Loupy	"	6	637	Nov. 13/97

China	"	2	1234	May	14/97
Grizzly	"	8	1239	May	26/97
China 2	"	1	2923	May	28/97
Grizzly 2	"	3	2924	May	28/97
Katrina	"	8	1726	Apr.	21/88

The Issuer and Nexus Resource Corporation ("Nexus") each own an undivided 25% interest in the Debbie Property. Westmin Resources Limited ("Westmin") owns an undivided 50% interest in the Debbie Property.

Westmin has carried out all recent exploration programs and has received a management fee of 15%, as operator. If Westmin is diluted below an undivided 50% interest, it will lose its right to be the operator.

James W. MacNeil, Leon E. Nowek and Thomas S. Hughes are common insiders of both the Issuer and Nexus.

About 90% of the Debbie Property is underlain by Paleozoic Sicker Group rocks. The remaining 10% is underlain by younger rocks of the Mesozoic Vancouver and Nanaimo Groups and minor Tertiary intrusive rocks. The sequence has been metamorphosed to lower green schist facies, deformed into an anticlinal structure with a 320° axial trend, hydrothermally altered. The Myra Formation, which hosts the Myra-Lynx-HW Mines, Twin J. Mine, Thistle Mine and Vancouver Island Mine, is the main exploration target on the Debbie Property.

Mineralization consists of extensive, conformable, pyritic zones associated with felsic volcanics that are locally enriched in Au, Ag, Cu, Pb, and Zn. The presence of a showing of zinc-rich volcanogenic massive sulphide, associated with a pyritic, sericite schist containing a gypsum-bearing pyrite stringer zone, indicates a favourable setting for precious metal enhanced, massive sulphide deposits like the HW Mine in the same formation 80 km to the northwest.

The Debbie Property received only limited and cursory exploration attention until 1979 when the claims were staked by Westmin Exploration Ltd. Extensive systematic exploration has been conducted by Westmin which has identified several mineralized zones and drill targets.

The Debbie Property covers a favourable belt of Myra Formation volcanic rocks of the Sicker Group, the formation which hosts Westmin's mines at Buttle Lake 80 km to the northwest.

The results of the 1986-1987 exploration program are set out in a geological report dated July 15, 1987, prepared by John J. Watkins. The objective of the 1986-1987 exploration program was to quickly identify and test by drilling potential "ore grade"

targets. Work was concentrated in two areas on the Debbie Property:

1. Mineral and Yellow Creeks area

In the Mineral and Yellow Creeks area, epigenetic-like gold mineralization was discovered and interpreted to be related to a major fault zone. The area was initially covered by 58 line kilometres of cut grid, and 1713 soil and 336 surface samples were collected, 18 line kilometers of IP/resistivity and 16.5 line kilometres of magnetometer and VLF-EM surveyed. Five areas were drill tested by 52 holes which resulted in the discovery of three gold zones (i.e. 900 Zone, Mineral Creek Zone and the Linda Zone). Three other targets were identified and require further testing.

The 1987 program has yielded very encouraging results to date with the most significant being Hole DN118 on the 900 Zone which was drilled through the area of Hole DN50 of last year's program that intersected 44.3 feet of 1.137 oz Au/T. DN118 was drilled on a section at right angles to DN50 and returned an uncut value of 4.078 oz Au/T over a core length of 47.1 feet in the interval 142.3 to 189.4 feet. Within this section was 19 feet of 9.782 oz Au/T and 2.6 feet of 30.49 oz Au/T.

2. The Regina area

The Regina area is thought to be an exhalative massive sulphide target. Base metal mineralization in old workings lies stratigraphically below a thick interval of felsic volcanic rocks. The area was surveyed by 3.65 line kilometers of cut grid, 90 meters of back-hoe trenches dug, 94 surface rock and 142 soil samples collected, and 3.65 line kilometres of IP/resistivity surveyed. Ten drill holes tested scattered IP anomalies. One hole intersected greater than 100 meters of semi-massive sulphide mineralization with subeconomic copper and anomalous gold values.

The Mineral Creek area offers the greatest potential for the realization of ore. Definition drilling on the three zones is recommended in order to identify a combined ore reserve that will justify a central milling facility. The combined economic potential of the Mineral Creek area on the Debbie Property resulting from the 1986-1987 program is 1,180,000 tons grading 0.17 ounces per ton gold. The potential of the Mineral Creek area can be increased if the Yellow Mineral Claim, centered on Mineral Creek, is included in the total ore potential picture.

Recommendations for the Regina area are a detailed geologic mapping and drilling with the objective to trace known mineralization and to identify new targets.

Recommendations for the Debbie Property, as set out in the report of Dr. Peter A. Christopher, P. Eng., dated October 28, 1987 (revised December 4, 1987), are property wide geologic mapping, soil and rock chemistry, geophysical surveys over selected areas, and drill testing of identified targets, all at an estimated cost of \$2,200,000.

The Issuer's portion is approximately \$790,000., which will be funded through the private placement of "flow-through" shares with First Exploration Fund 1987 and Company, Limited Partnership, as more particularly described under Item 9A of this Statement of Material Facts.

Logging roads operated by the Cameron Division of MacMillan Bloedel Limited, along China Creek, Rogers Creek and Cameron River provide road access to most of the Debbie Property.

The property has no proven ore reserves.

Yellow Mineral Claim

Pursuant to a joint venture agreement with Silver Cloud Mines Ltd. (N.P.L.) ("Silver Cloud") and Reward Resources Ltd. ("Reward"), the Issuer (as to a 24.5% interest), Reward (as to a 24.5% interest) and Silver Cloud (as to a 51% interest) have agreed to jointly explore and develop a located mineral claim, known as the Yellow Mineral Claim, which comprises an area of approximately 370 acres situated in the Alberni Mining Division, British Columbia. See the heading "Amalgamation with Silver Cloud Mines Ltd. (N.P.L.)" under Item 9 hereof for particulars of the pending amalgamation of Silver Cloud and the Issuer.

The Issuer and Reward, with Silver Cloud's consent, have granted an option to Westmin Resources Limited ("Westmin") which allows Westmin to acquire a 12.25% interest in the Yellow Mineral Claim from each of the Issuer and Reward. In order to exercise its option, Westmin must pay \$50,000. to Reward on or before January 1, 1988 and fund further exploration on the Yellow Mineral Claim after January 1, 1988 to a total amount equal to 75% of \$450,000. (being the amount of exploration which was carried out by the Issuer and Reward to earn their aforesaid interests) plus 36.75% of all additional exploration which will have been carried out by the Issuer and Reward prior to Westmin exercising its option. This expenditure must be completed by Westmin prior to December 31, 1988.

The Yellow Mineral Claim covers the old Vancouver Island gold mine located on Mineral Creek. Development of the Vancouver Island gold mine began in 1895 when the original claims were staked. From 1886 to 1898, a relatively minor amount of tunnelling was carried out by Consolidated Alberni Mining Co. The mine then lay dormant until 1933 when Vancouver Island Gold

Mines Ltd. recommenced production. Total reported production was 438 tonnes of ore yielding 384 ounces of gold, 52 ounces of silver and 88 kilograms of copper. In 1962, a regional aeromagnetic survey was carried out. During 1963 to 1966, Gunnex Ltd. carried out a regional mapping program with some prospecting and silt sampling. No further exploration was carried out until 1973 when surface and underground mapping and sampling was carried out by Keywest Resources Ltd. Silver Cloud acquired the Yellow Mineral Claim in 1979 and since then has constructed an access road and carried out limited exploration consisting of prospecting and soil sampling.

Since 1986, the Issuer and Reward carried out three phases of an exploration program on the Yellow Mineral Claim which included line cutting, prospecting, geological mapping, soil sampling, induced polarization surveying, underground sampling, trenching and diamond drilling. In addition, a total of 4,976 meters of wire line drilling in 20 holes was carried out. The total cost of the three phases was approximately \$848,000.

The Phase IV program has commenced, however no results have been received to date.

The Issuer intends to expend approximately \$910,000. to fund its portion of Phase IV of the work program recommended by Dr. Peter A. Christopher, P.Eng., in his report dated June 3, 1987 (revised December 4, 1987) on the Yellow Mineral Claim. Phase IV consists of detailed mapping and geophysical surveying to select sites for diamond drilling, underground rehabilitation and mapping, sampling, road construction and 7,400 meters of diamond drilling. The total cost of Phase IV is approximately \$2,000,000., of which the Issuer's portion is approximately \$910,000. and Reward's portion is approximately \$1,090,000. The Issuer proposes to raise such funds through the private placement of "flow-through" shares with First Exploration Fund 1987 and Company, Limited Partnership, as more particularly described under Item 9A of this Statement of Material Facts.

Leon E. Nowek, James W. MacNeil and Thomas S. Hughes are common insiders of the Issuer and Reward.

Logging roads operated by the Cameron Division of MacMillan Bloedel Limited, along China Creek, Rogers Creek and Cameron River provide road access to most of the Yellow Mineral Claim.

The property has no proven ore reserves.

Kitkat Property

The Kitkat Property consists of the following located mineral claims, covering approximately 3,300 hectares, situated approximately 29 kilometres southeast of Port Alberni, in central

REPORT ON THE DEBBIE PROPERTY
NANAIMO & ALBERNI MINING DIVISIONS
VANCOUVER ISLAND, BRITISH COLUMBIA

LOCATION

N.T.S.: 92F-2E, 7E
Latitude: 49° 10'N.
Longitude: 124° 40'W.

FOR

ANGLE RESOURCES LTD.
&
NEXUS RESOURCE CORPORATION
3270-666 Burrard Street
Vancouver, B. C. V6C 2Z9

PREPARED BY

PETER A. CHRISTOPHER, PH.D., P.ENG.
PETER CHRISTOPHER & ASSOCIATES INC.
3707 West 34th Avenue
Vancouver, B. C. V6N 2K9



October 28, 1987
(Revised December 4, 1987)

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SUMMARY

The Debbie Property, consisting of 21 metric claims totaling 247 units is situated in the Nanaimo and Alberni Mining Divisions about 4 km east of Port Alberni, Vancouver Island, B.C. The property is owned 50% by Westmin Resources Limited and 50 % by Nexus Resource Corporation and Angle Resources Ltd.

The Debbie Property has good road access via Highway 4 and Cameron Main and logging access along China Creek and Rogers Creek. A mining road up Mineral Creek and logging road up Yellow Creek in the south central part of the property provides partial access to the main mineral zones but extension of the existing road system is required to complete surface exploration.

The property is mainly underlain by sedimentary and volcanic rocks of the Sicker Group with Nitinat and Myra Formation well exposed by a major north-northeast trending fault zone in the Yellow and Mineral Creek area. The fault zones are well mineralized with geological, geochemical and geophysical evidence that mineralization may extend for several kilometers. Three main structurally controlled mineralized zones with epithermal gold mineralization are referred to as the Mineral Creek Zone, 900 Zone and Linda Zone. The Linda and Mineral Creek Zones have been traced onto the adjoining Yellow property which is controlled by Angle Resources Ltd. and Reward Resources Ltd.

An exhalitive massive sulphide target has been located in the Regina area of the Debbie Property. Base metal mineralization is stratigraphically below a thick pile of felsic volcanic rocks. A drill hole intersected greater than 100 meters of semi-massive sulphide mineralization with subeconomic copper and anomalous gold values.

The writer agrees with Watkins (1987) conclusions that, "The Mineral Creek area offers the greatest potential for the realization of ore." Definition drilling on the zones is required to identify combined reserves adequate to justify a central milling facility. Possible extensions of the Linda and Mineral Creek zones occur on the enclosed Yellow Property that is presently being explored by Angle Resources Ltd. and Reward Resources Ltd. Westmin Resources has estimated the economic potential of the Mineral Creek area on the Debbie Property at 1,189,000 tons grading 0.17 ounces per ton gold with the ore potential increased if the area of the Yellow claim is included.

The writer agrees with Westmin's proposed program of property wide geological mapping, extension of soil and rock geochemical surveys, selective employment of geophysical surveys, and drill testing of identified targets. Road building and trenching will be required to provide access to targets. A budget of \$2,200,000 is recommended for next exploration Stage with the Angle Resources Ltd. portion being \$ 785,000 and the Nexus Resource Corporation portion being \$400,000.

INTRODUCTION

The writer was retained by the management of Angle Resources Ltd. and Nexus Resource Corporation to review exploration reports on Debbie Property, summarize previous exploration programs and recommend a program for further development of the Debbie Property. The writer examined the Debbie Property on May 11, 1987. The exploration status of the Debbie Property is documented in a comprehensive report by J. J. Watkins, E. A. G. Trueman and G. A. Price dated July 15, 1987.

This report provides a summary of the Watkins-Trueman-Price report and outlines an exploration program designed to further define the extent and tenor of the auriferous zone on the Debbie Property.

PROPERTY LOCATION, ACCESS, AND TITLE (Figures 1 & 2)

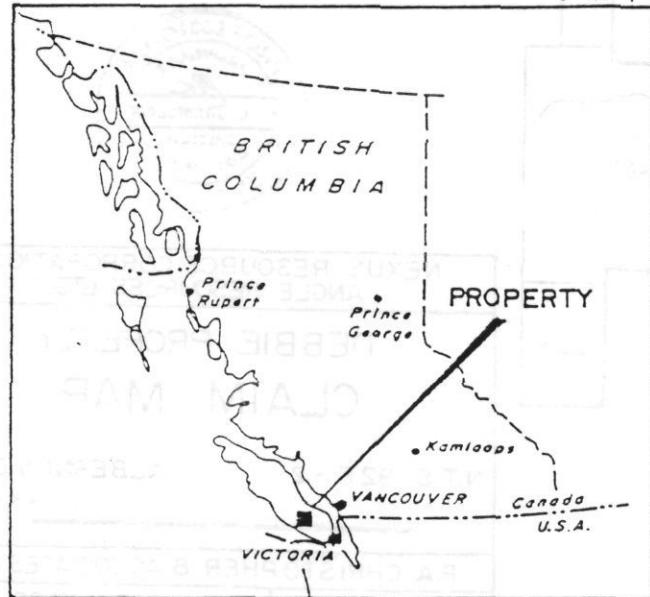
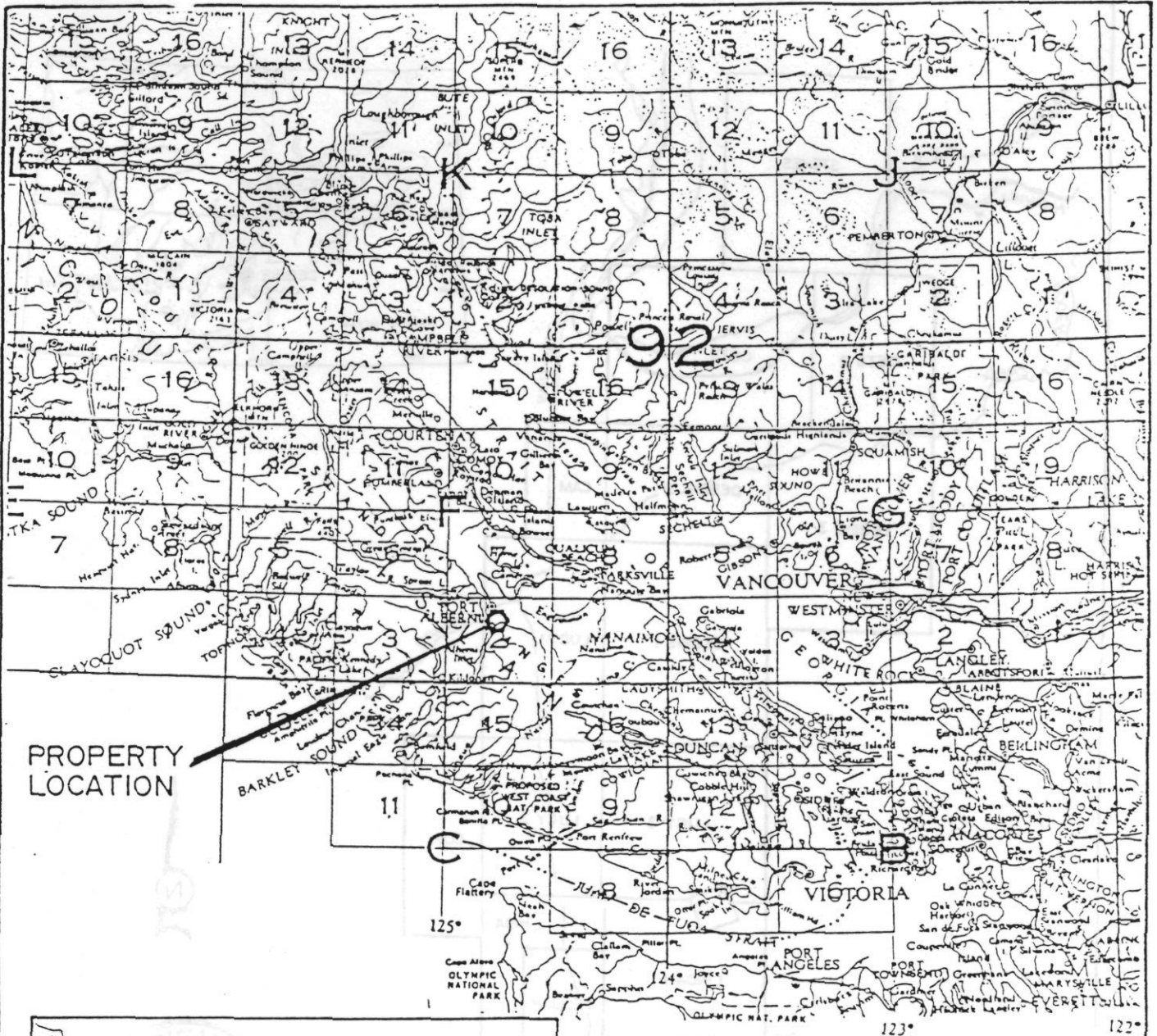
The Debbie Property is located about 4 kilometers east of Port Alberni in the Alberni and Nanaimo Mining Divisions of British Columbia. A 21 claim block is centered at approximately 49° 10'N latitude and 124° 40'W longitude on 1:50,000 NTS mapsheets 92F/2 and 92F/7 and covers a contiguous block 6 by 16 kilometers.

The Debbie Property straddles the Cameron River valley and is segmented by two northwest trending valleys occupied by China Creek and Rogers Creek. The area is mountainous with elevations ranging from 350 meters to 1310 meters. The property centers on McLaughlin Ridge which is bounded on the north and south by Rogers and China creeks, respectively.

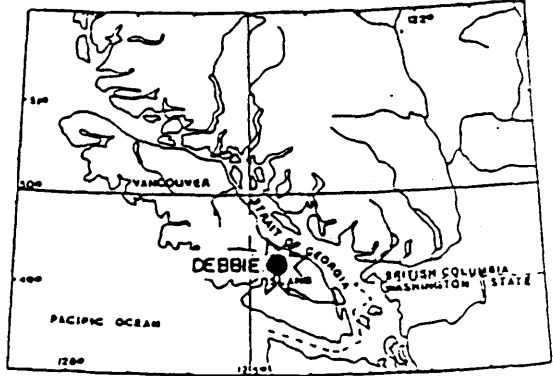
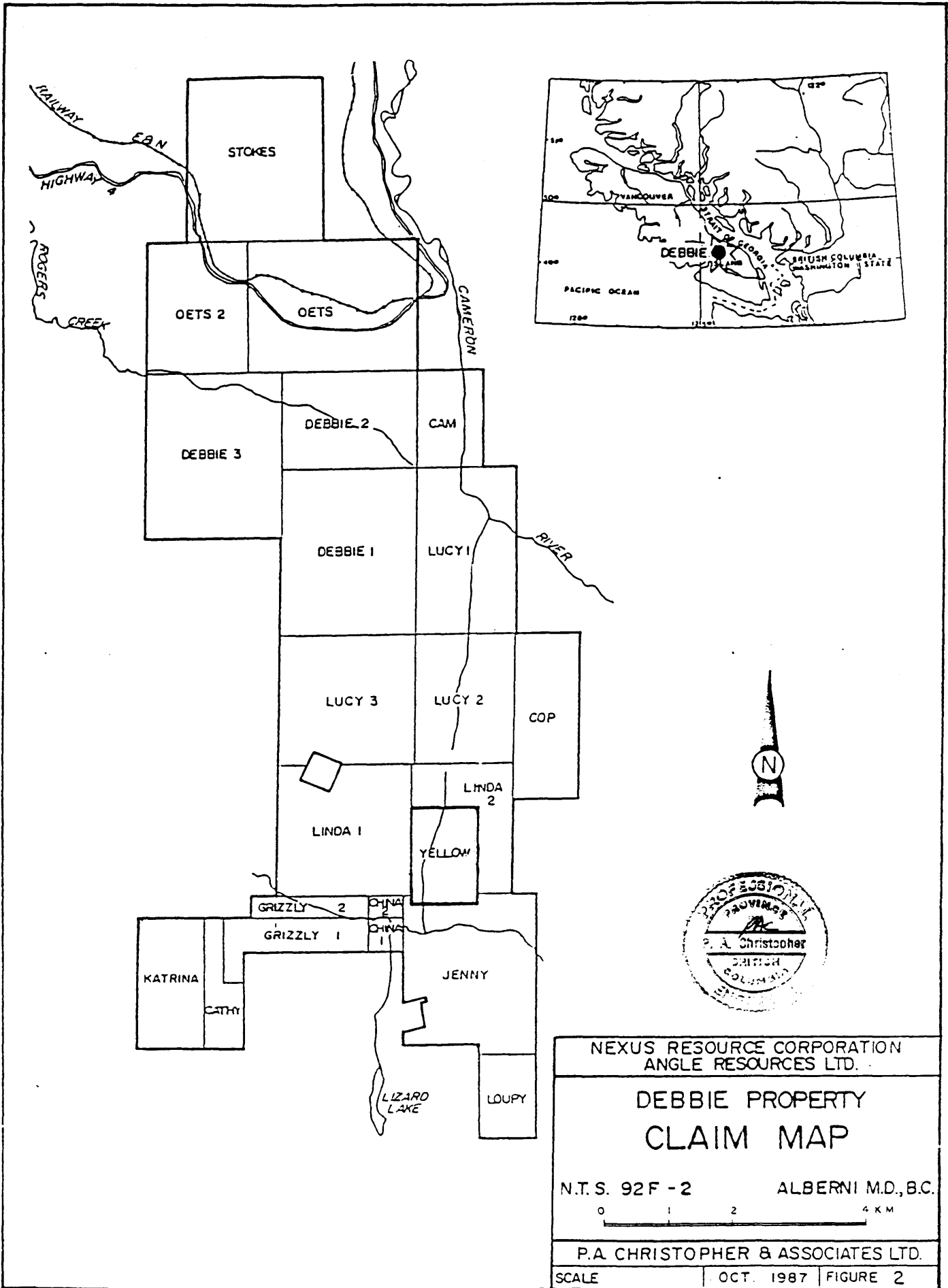
The E and N Railway line and main Highway 4 cross the property north of Rogers Creek. Local access to the property is via the MacMillan Bloedel Cameron Main, Yellow Creek, Mineral Creek and China Creek logging roads from Port Alberni. At about 7 kilometers on the China Creek road, a 4WD road turns northerly to access the Mineral Creek area and the old Vancouver Mine site. Logging road YC 840 along Yellow Creek accesses the top of McLaughlin Ridge with trails extending to old working and helicopter access drill sites in the upper Mineral Creek area.

The Debbie Property consists of the 21 metric claims covering about 6,000 hectares in the Alberni and Nanaimo Mining Divisions. The property includes claims which are owned by Westmin Resources Limited and Nexus Resource Corporation that were staked between April 1979 and May 1986. Westmin Resources Ltd. holds precious metal rights on all of its claims and base metal rights on approximately 76% of its claim area and Nexus Resource Corporation holds only precious metal rights on its claims. Base metal rights to part of the property are owned by MacMillan Bloedel Ltd.

The Property operator is Westmin Resources Limited with Angle Resources Ltd. and Nexus Resources Corporation sharing a 50% working interest. Pertinent claim data is summarized in Table 1 and the claim location is shown on Figure 2.



NEXUS RESOURCE CORPORATION ANGLE RESOURCES LTD.		
DEBBIE PROPERTY LOCATION MAP		
N.T.S. 92F-2	ALBERNI M.D., B.C.	
P.A. CHRISTOPHER & ASSOCIATES LTD.		
SCALE 1:1900,800	OCT. 1987	FIGURE 1



NEXUS RESOURCE CORPORATION
 ANGLE RESOURCES LTD.

**DEBBIE PROPERTY
 CLAIM MAP**

N.T.S. 92 F - 2 ALBERNI M.D., B.C.

0 1 2 4 KM

P.A. CHRISTOPHER & ASSOCIATES LTD.

SCALE OCT. 1987 FIGURE 2

Table 1. Pertinent Claim Data Yellow Claim.

<u>CLAIM</u>	<u>RECORD #</u>	<u>UNITS</u>	<u>RECORD DATE</u>	<u>WORK DUE</u>	<u>OWNED BY</u>
Debbie 1	451 (5)	20	May 2, 1979	1988	Westmin
Debbie 2	452 (5)	12	"	1997	"
Debbie 3	453 (5)	20	"	1988	"
Lucy 1	372 (5)	15	"	1997	"
Lucy 2	372 (5)	12	"	1997	"
Lucy 3	374 (5)	16	"	1997	"
Linda 1	454 (5)	16	"	1997	"
Linda 2	455 (5)	12	"	1997	"
Jenny	636 (11)	20	Nov. 13, 1979	1997	"
Cam	930 (6)	6	June 30, 1980	1997	"
Oets	507 (8)	20	June 28, 1979	1997	"
Oets 2	507 (8)	12	Aug. 3, 1979	1988	"
Stokes	1306 (8)	20	Aug. 24, 1981	1988	"
Cop	1002 (8)	10	Aug. 24, 1981	1997	"
Loupy	637 (11)	6	Nov. 13, 1979	1997	"
China	1234 (5)	2	May 14, 1981	1997	Nexus
Grizzly	1239 (5)	8	May 26, 1981	1997	"
China 2	2923 (5)	1	May 28, 1986	1997	"
Grizzly 2	2924 (5)	3	"	1997	"
Cathy	2922 (5)	8	April 21, 1983	1997	"
Katrina	1726 (4)	8	"	1988	"
<u>21 claims</u>		<u>247 units</u>			

HISTORY

Exploration activity in the Debbie Property area dates from the early 1860's with small scale placer production from China Creek as early as 1862. Attention later shifted to gold-bearing quartz veins with several vein occurrences developed by adits and pits (Figure 5).

The Vancouver Island Gold Mine on the enclosed Yellow Property, one of five past gold producers in the area was first worked in 1895 when the original claims were staked. From 1896 to 1898 a relatively minor amount of tunneling was carried out yielding about 32 tons of ore, and a 10 ton per day, 8 stamp mill was constructed by the Consolidated Alberni Gold Mining Company. The property was active again between 1933 and 1936 when it was operated by Vancouver Island Gold Mines, Limited. A 35-ton pilot mill was constructed in 1936 but because of operating difficulties milled only a few tons of ore (Stevenson, 1945). The Vancouver Island Gold Mine produced 438 tonnes yielding 384 ounces of gold, 52 ounces of silver and 88 kilograms of copper between 1896 and 1939 (Naciuk and Hawkins, 1987). Other gold producers in the area include the Thistle Mine, Black Panther Mine, 3-W Mine and Havilah Mine.

A regional aeromagnetic survey, flown by Hunting Survey Corp. Ltd. in 1962 covered part of the claim block. During the period 1963-1966, Gunnex Ltd. carried out a regional mapping program over a large portion of the E & N Land Grant, with some prospecting and silt sampling. Some sampling was carried out at the Vancouver Island Gold

Mine in 1964. Keywest Resources Ltd. carried out surface and underground mapping and sampling in 1973 and 1974. Western Mines Ltd. carried out reconnaissance geological mapping and soil sampling in the area in 1976. The area of the Vancouver Island Mine was acquired as the Yellow Property by Silver Cloud Mines Ltd. in 1979 and in 1986 the Yellow Property was optioned to Angle Resources Ltd. and Reward Resources Ltd. The Yellow Property appears to contain mineralized extensions of both the Upper and Lower Mineral Creek zones on the Debbie Property.

Mineral claims comprising were acquired by Westmin Resources Ltd. starting in April 1979 and initially evaluated for precious metal enhanced, exhalitive massive sulphide deposits like Westmin's deposits at Buttle Lake. The initial evaluations (Benvenuto 1981, 1982, 1983) attempted to define favourable stratigraphy in the Sicker Group for hosting exhalitive sulphide ore deposits. A drill test of the Roger's Creek sphalerite occurrence was made in 1984 by Noranda Exploration Ltd. (Walker, 1986; Walker and Benvenuto, 1985).

Pursuant to an agreement dated July 16, 1986, Nexus Resource Corporation obtained an option to earn an undivided 50% interest in the Debbie Property by expending on exploration \$ 461,000 on or before February 27, 1987 and an additional \$ 539,000 on or before February 27, 1988. Pursuant to an agreement dated December 9, 1986, Angle Resources Ltd. funded the second portion of the exploration program at a cost of \$ 539,000 to earn a 50% interest in the Nexus interest.

The 1986-1987 work program funded mainly by Nexus Resource Corporation and Angle Resources Ltd. resulted in accelerated exploration of the Debbie Property. The work was concentrated in the Mineral and Yellow creeks area and the Regina area of the property. A total of 62 drill holes, totaling 9650.0 meters, tested five areas identified by basic geological, geochemical and geophysical surveys and resulted in the discovery of three gold zones. A comprehensive report entitled "1986-1987 Debbie Project Report" and dated July 15, 1987 was prepared for the joint venture by John J. Watkins, E.A.G. Truemen and Georgina A. Price. The Watkins-Truemen-Price report provides the basis for this summary report. Watkins (1987) stated that, "The Mineral Creek area offers the greatest potential for the realization of ore. Definition drilling on the three zones is recommended in order to identify a combined ore reserve that will justify a central milling facility. The combined economic potential of the Mineral Creek area on the Debbie Property resulting from the 1986-1987 program is 1,180,000 tons grading 0.17 ounces per ton gold. The potential of the Mineral Creek area can be increased if the Yellow claim, centered on Mineral Creek is included in the total ore potential picture."

The 1986-1987 program on the Debbie Property included the drilling of 62 holes totaling 9,650 meters. The Upper Mineral Creek, Regina, 900, Yellow Creek and Lower Mineral Creek zones were drill tested with 4,081.9 meters, 2,319.0 meters, 1,923.5 meters, 744.6 meters, and 581.0 meters, respectively.

The 1987-1988 drilling program on the Debbie Property started in June 1987 with drilling in 43 holes totaling 6,070.9 meters completed by October 1, 1987. The results are summarized in a progress report by Ed Lyons dated October 6, 1987. Significant drill results are summarized in a Westmin/Nexus/Angle News Release dated October 9, 1987 with the 900 Zone yielding 6.9 feet of 2.760 oz Au/ton and 1 foot of 3.919 oz Au/ton in holes DN86 and DN89, respectively and the Linda Zone yielding 4.6 feet of 1.31 oz Au/ton in hole DM91. Several wide intersection of low grade gold were obtained from the Mineral Creek Zone (eg. Hole DM87: 64.3 feet at 0.082 oz Au/ton).

REGIONAL GEOLOGY (Figures 3 & 4)

The Debbie Property is situated in the Insular Tectonic Belt of the Canadian Cordillera. The regional geology of the area has been mapped by C.H. Clapp (1912), J.E. Muller and D.J.T. Carlson (1969) and J.E. Muller (1977 and 1980). The predominant rock units in the Port Alberni-Nitinat River area are the Upper Paleozoic Sicker Group, the Lower Mesozoic Vancouver Group, and lesser amounts of Jurassic Island intrusions, Westcoast complex, and late Cretaceous Nanaimo Group (Figures 3 and 4).

The Sicker Group, the oldest rocks in the area, have been divided from oldest to youngest (Muller, 1980) into the Nitinat Formation, Myra Formation, Sediment-Sill Unit, and Buttle Lake Formation. The Nitinat Formation consists predominately of basic volcanic rocks which include flow breccias, massive flows and rare pillow basalts or agglomerates. The abundance of uraltized phenocrysts and pervasive shear foliation are characteristics of the Nitinat Formation. The Myra Formation unconformably overlies the Nitinat Formation and consists of mafic to rhyodacitic banded tuff, breccia, and flows with argillite, siltstone and chert. The Sediment-Sill Unit consists of argillite, siltstone and chert interlayered with tabular diabase bodies. The Buttle Lake Formation consists of limestone and chert.














The Vancouver Group, consisting of the Karmutsen Formation basalts overlain by limestone of the Quatsino Formation and calcareous siltstone, greywacke, silty-limestone and minor conglomerate is the thickest and most widespread group on Vancouver Island. Karmutsen Formation rocks are relatively undeformed and weakly metamorphosed compared to Sicker Group rocks.

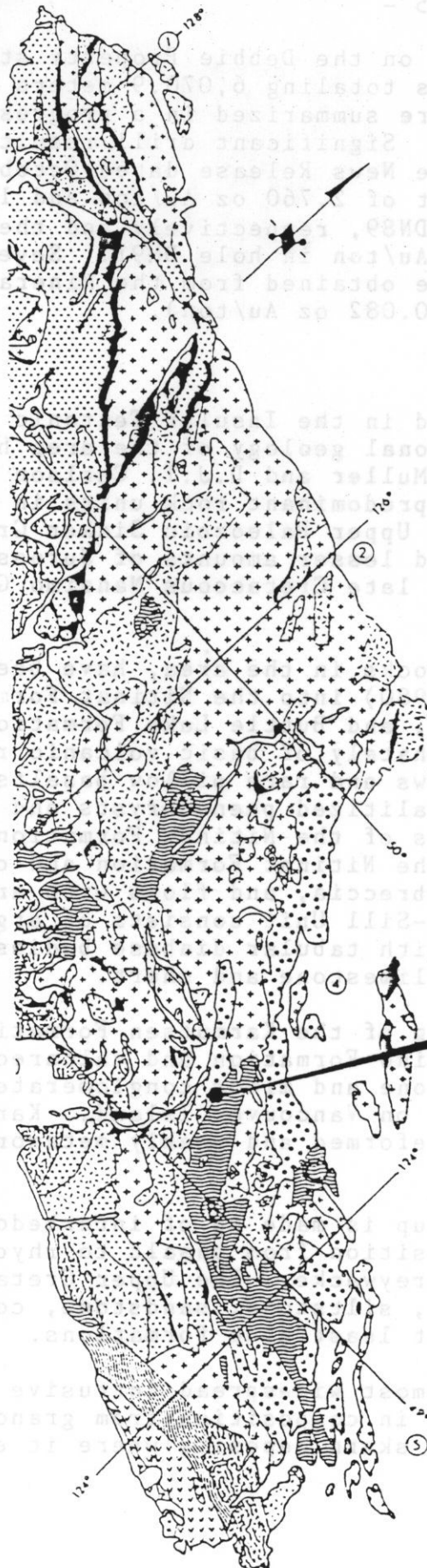
The Lower Jurassic Bonanza Group is made up of interbedded lava, breccia, and tuff ranging in composition from basalt to rhyolite with interbedded marine argillite and greywacke. The Upper Cretaceous Nanaimo Group, consisting of shale, siltstone, sandstone, conglomerate and coal has been separated into at least nine formations.

The Island Intrusions are the most widespread intrusive unit on Vancouver Island. The unit varies in composition from granodiorite to granite and has caused a number of skarn deposits where it encounters limy units.

Geological sketch map of Vancouver Island.

LEGEND

	CARMANAH GROUP	MIDDLE TERTIARY
	CATFACE INTRUSIONS	EARLY TO MIDDLE TERTIARY
	METCHOSIN VOLCANICS	EARLY TERTIARY
	NANAIMO GROUP	LATE CRETACEOUS
	QUEEN CHARLOTTE GROUP KYUQUOT GROUP	LATE JURASSIC TO EARLY CRETACEOUS
	LEECH RIVER FORMATION PACIFIC RIM COMPLEX	EARLY AND (?) MIDDLE JURASSIC
	ISLAND INTRUSIONS	
	BONANZA GROUP	EARLY JURASSIC
	VANCOUVER GROUP	LATE AND (?) MIDDLE TRIASSIC
	PARSON BAY FORMATION QUATSINO FORMATION	
	KARMUTSEN FORMATION	
	SICKER GROUP	PALEOZOIC
	METAMORPHIC COMPLEXES	JURASSIC AND OLDER

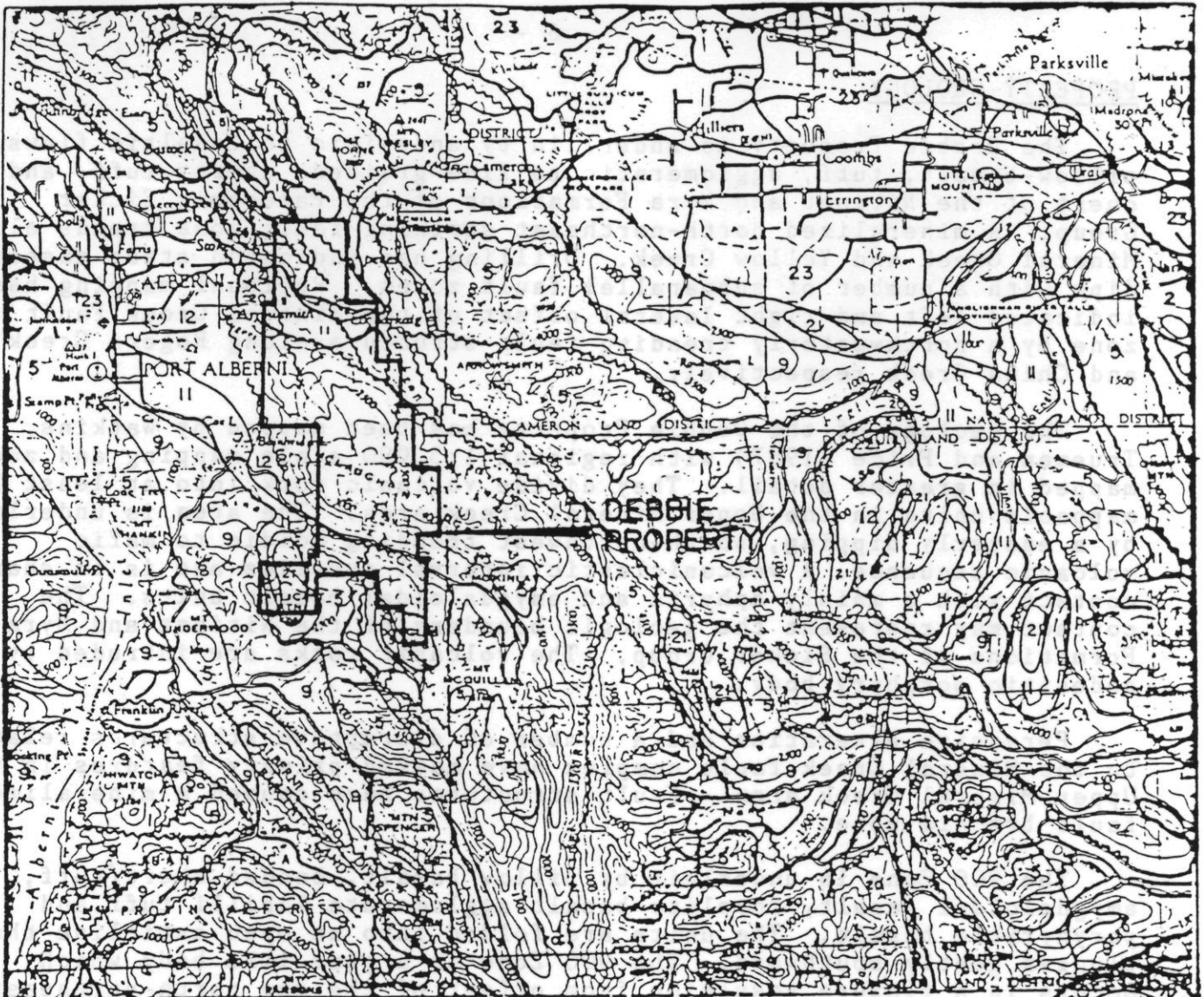


DEBBIE PROPERTY

- ① ALERT BAY - CAPE SCOTT, 92 L - 102 I (G.S.C. PAPER 74-8)
 - ② BUTE INLET, 92 K (IN PREPARATION), O.P. MAP 345
 - ③ NOOTKA SOUND, 92 E (IN PREPARATION)
 - ④ ALBERNI 92 F (G.S.C. PAPER 68-50)
 - ⑤ VICTORIA, 92 B, C (FIELD WORK IN PROGRESS: SEE G.S.C. PAPERS 75-1A, p. 21-26; 76-1A, p. 107-111, 77-1A, p. 287-294.)
- A — BUTTLE LAKE UPLIFT
 - B — COWICHAN - HORNE LAKE UPLIFT
 - C — NANOOSE UPLIFT



FIGURE 3 : REGIONAL GEOLOGY
P.A. CHRISTOPHER & ASSOCIATES LTD.



LEGEND

QUATERNARY

23 Glacial and alluvial deposits

TERTIARY

21 Hornblende quartz diorite, leuquartz monzonite, porphyritic dacite, breccia.

UPPER CRETACEOUS NANAIMO GROUP

13 EXTENSION-PROTECTION FM.: sandstone, conglomerate, shale, coal.

12 HASLAM FM.: shale, siltstone, fine sandstone.

11 COMOX FM.: sandstone, conglomerate, shale, coal.

MIDDLE TO UPPER JURASSIC
 9 ISLAND INTRUSIONS: biotite-hornblende granodiorite, quartz diorite.

LOWER JURASSIC
 8 BONANZA GROUP: andesitic to latitic breccia, tuff, and lava; minor greywacke, argillite, and siltstone.

UPPER TRIASSIC VANCOUVER GROUP
 6 QUATSINO FM.: massive to thick bedded limestone, minor thin bedded limestone.

5 KARMUTSEN FM.: pillow-basalt and pillow breccia, massive basalt flows, minor tuff, volcanic breccia; Jasperoid tuff, breccia and conglomerate at base.

TRIASSIC OR PERMIAN
 4 Gabbro, periodite, diabase.

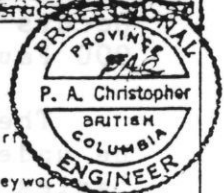
LOWER PERMIAN TO PENNSYLVANIAN SICKER GROUP

3 BUTTLE LAKE FM.: limestone, chert

2 MYRA FM.: lower unit; argillite, greywacke, conglomerate, tuff, minor limestone. Upper unit; rhyodacite to rhyolite tuff, lapilli tuff, breccia lesser siliceous siltstone, argillite, quartz porphyry and mafic flows.

1 NITINAT FM.: basaltic uraltite porphyry, agglomerate, pillow lava; greenschist.

0 5 10 km



NEXUS RESOURCE CORPORATION ANGLE RESOURCES LTD.	
DEBBIE PROPERTY REGIONAL GEOLOGY	
N.T.S. 92F-2	ALBERNI M.D., B.C.
P.A. CHRISTOPHER & ASSOCIATES LTD.	
OCT. 1987	FIGURE 4

PROPERTY GEOLOGY

The Debbie Property is underlain by andesitic to basaltic flows, pillow-basalt, tuff, agglomeratic to fine-grained, cherty tuff, and chert of the Nitinat and Myra Formations of the Paleozoic Sicker Group. A mineralized north-northeast striking fault zone trends along Mineral Creek and Yellow Creek. Drilling has indicated steep easterly dips with a number of subparallel fault zones. Regional mapping has indicated left and right lateral offset of the Mineral Creek Fault zone by a northwesterly trending fault structure along Rogers Creek and China Creek respectively.

The geology of the Debbie Property has been mapped by Watkins, Truemen and Price (1987) with regional 1:5,000 scale mapping and zones mapped in greater detail. They divide volcanic rock into at least 10 mappable units in the Upper Mineral Creek area. The area is underlain by a easterly dipping, north-northwest trending acidic to mafic volcanic sequence. A volcanoclastic interval overlies and is in sharp contact with a mainly aphyric and amygdaloidal basalt units. The contact may represent the geologic boundary of the Nitinat and Myra Formations of the Sicker Group. The volcanic rocks are intruded by a andesitic porphyry body.

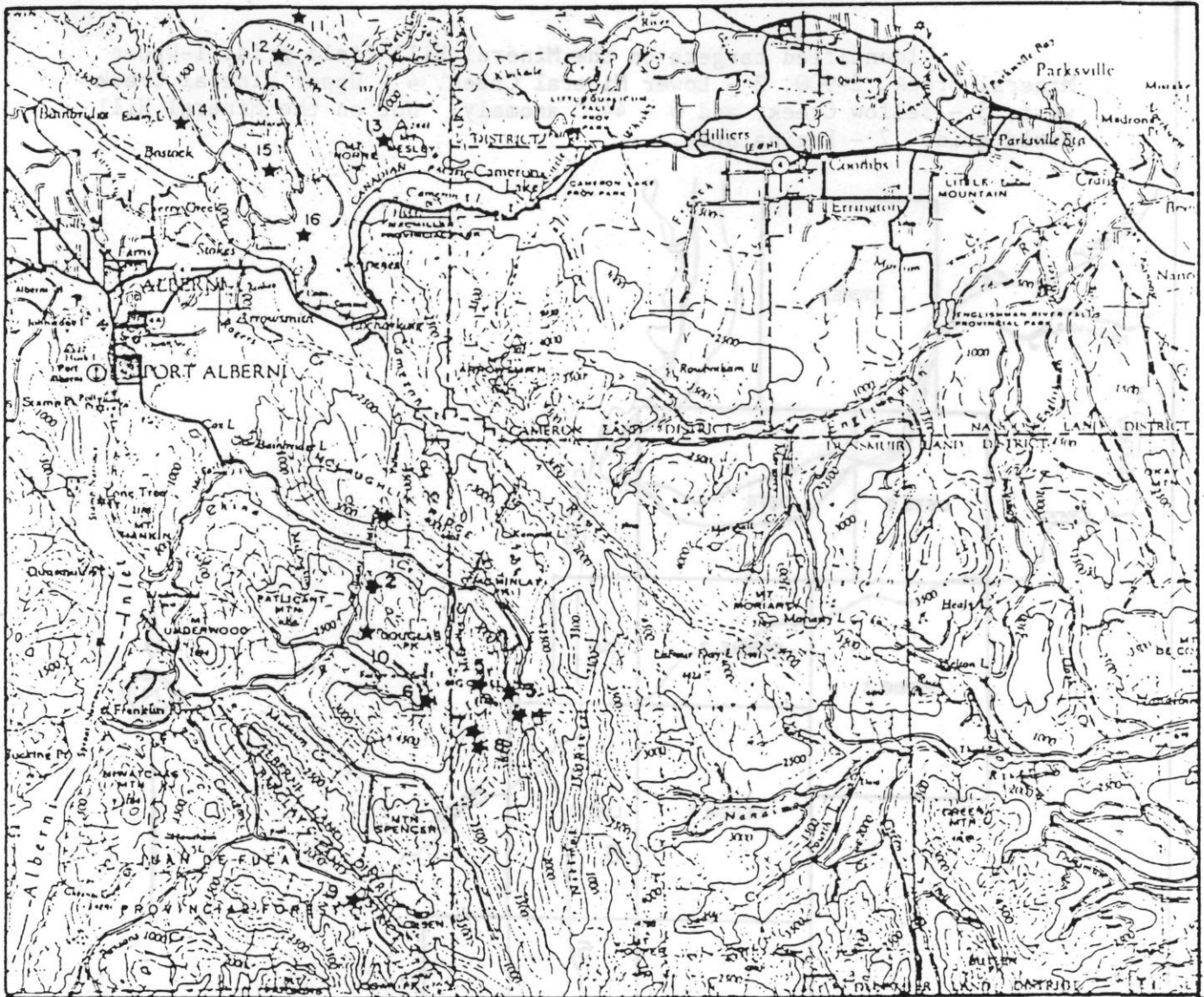
Pervasive alteration and a number of disruptive structures related to the Mineral Creek fault complex have masked primary features in the Upper Mineral Creek area. Fault structures have caused a mineralized fault breccia zone.

The 900 Zone is underlain by pillow basalt, banded chert/tuff, amygdaloidal basalt, rhyolite-basalt agglomerate lapilli tuff and porphyritic basalt. The units are folded into an open anticline that plunges gently southward. The 900 Zone is a pipe like body which occurs in a flexure resulting from offset of the the north-northeast 900 Fault by the west-northwest W Fault.

The Regina area is interpreted (Price 1987 part D. Regina Area) to be underlain by a northwest-trending graben characterized by a sharp facies change from interbedded rhyolites and basalts to a thick monotonous pillow basalt sequence. Base metal enhanced pyrite mineralization occurs in the volcanoclastic rocks at the facies transition.

MINERALIZATION (Figure 5)

The Sicker Group is the host for a number of precious metal enhanced volcanogenic massive sulphide deposits and structurally controlled vein deposits on Vancouver Island. Volcanogenic massive sulphide deposits include the Lynx, Myra and H-W deposits of Westmin Resources Limited at Buttle Lake, the Twin J Mine and Laura Property near Mt. Sicker in the Duncan area, and the Thistle Mine (Figures 3 & 5). The reserves of the H-W deposit are 15.23 million tons grading



GOLD DEPOSITS AND OCCURRENCES

- | | |
|-------------------------------|-----------------------|
| 1. Vancouver Island Gold Mine | 11. P.D |
| 2. Regina | 12. Silver Bell |
| 3. Golden Eagle | 13. Mt. Wesley Copper |
| 4. B & K. | 14. Esary Lake |
| 5. Havilah | 15. Lacy Lake |
| 6. Thistle | 16. Cameron Lake |
| 7. Black Panther | |
| 8. Black Lion | |
| 9. 3-W | |
| 10. Lizard Lake | |



NEXUS RESOURCE CORPORATION
ANGLE RESOURCES LTD.

DEBBIE PROPERTY
MINERAL OCCURRENCE

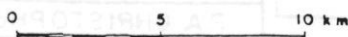
N.T.S. 92F-2

ALBERNI M.D., B.C.

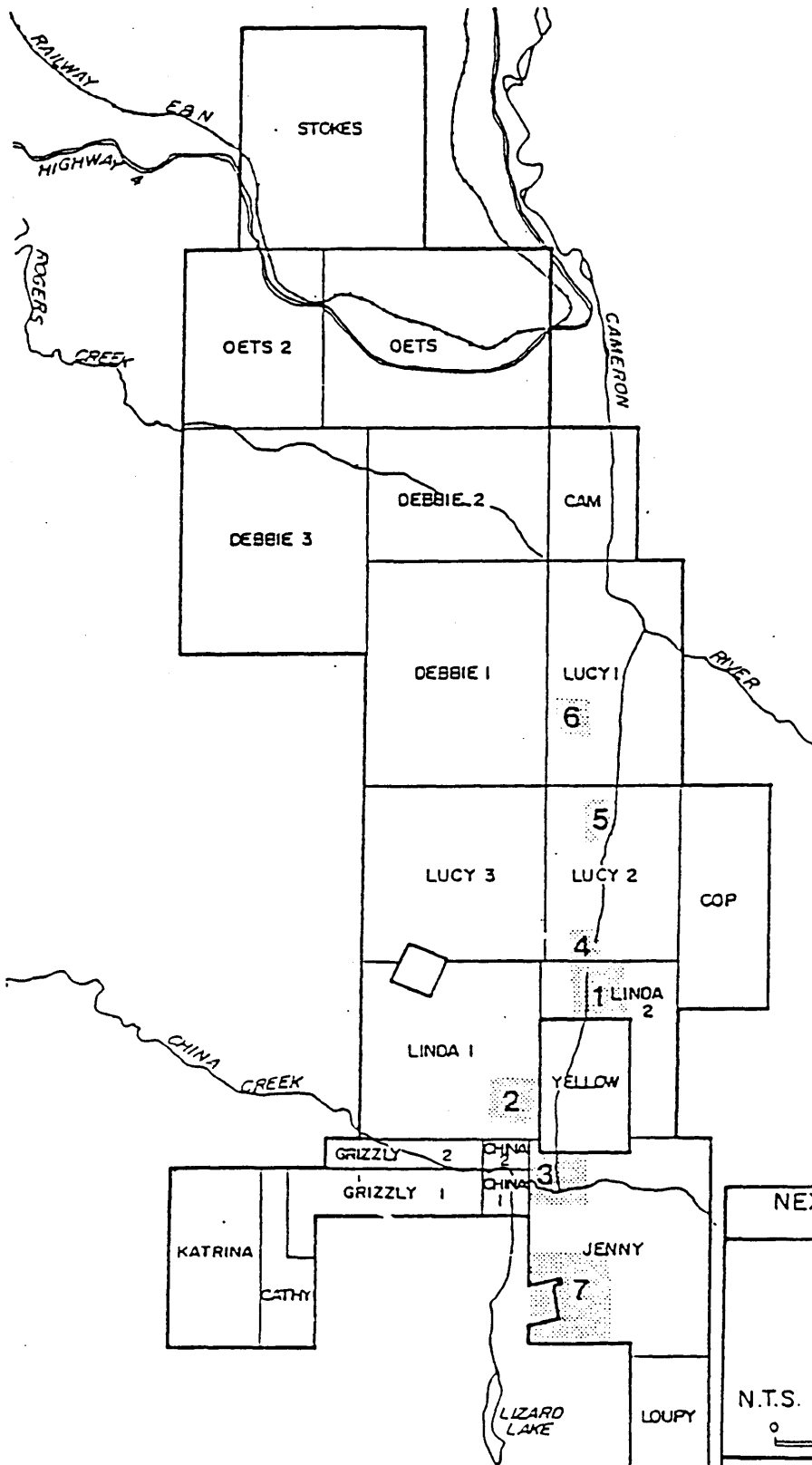
P.A. CHRISTOPHER & ASSOCIATES LTD.

OCT 1987

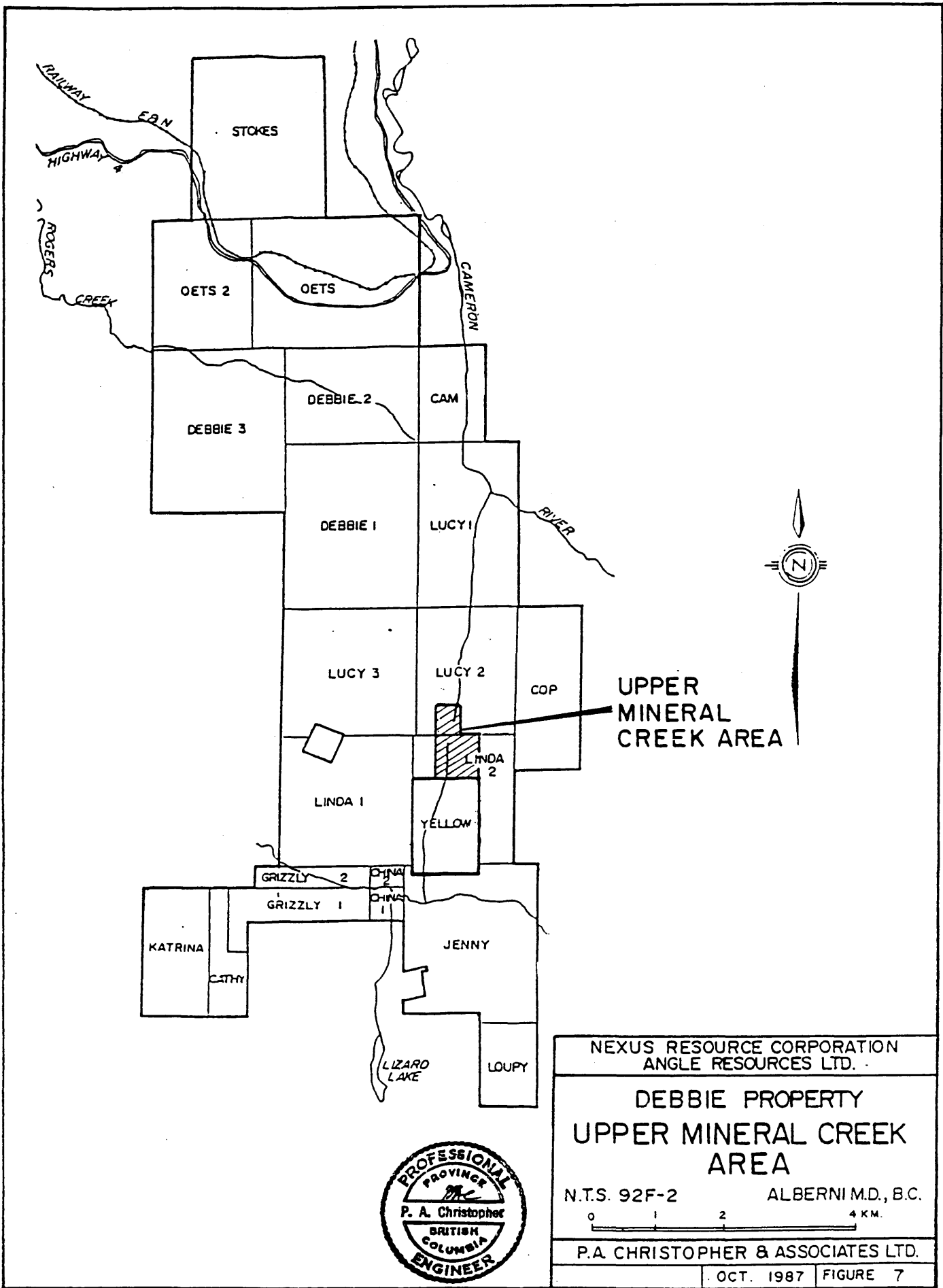
FIGURE 5



Identified targets on the Mineral Hill field grid: 1-Upper Mineral Creek, 2-900, 3 - Lower Mineral Creek, 4 - Upper Mineral Creek west, 5 - Yellow Creek, and 6 - 4400 anomaly. Not on the Mineral Hill field grid: 7 - Regina area.

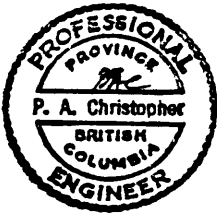


NEXUS RESOURCE CORPORATION ANGLE RESOURCES LTD.	
DEBBIE PROPERTY TARGET AREA	
N.T.S. 92F-2	ALBERNI M.D., B.C.
0 1 2 4 KM.	
P.A. CHRISTOPHER & ASSOCIATES LTD.	
OCT. 1987	FIGURE 6



UPPER
MINERAL
CREEK AREA

NEXUS RESOURCE CORPORATION ANGLE RESOURCES LTD.	
DEBBIE PROPERTY UPPER MINERAL CREEK AREA	
N.T.S. 92F-2	ALBERNI M.D., B.C.
P.A. CHRISTOPHER & ASSOCIATES LTD.	
OCT. 1987	FIGURE 7



NEXUS RESOURCE CORPORATION
ANGLE RESOURCES LTD.

DEBBIE PROPERTY UPPER MINERAL CREEK DRILL HOLE PLAN

N.T.S. 92F-2

ALBERNI M.D., B.C.

0 50 100 150 METRES

P.A. CHRISTOPHER & ASSOCIATES LTD.

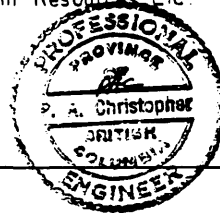
SCALE 1:2500

OCT. 1987

FIGURE 8

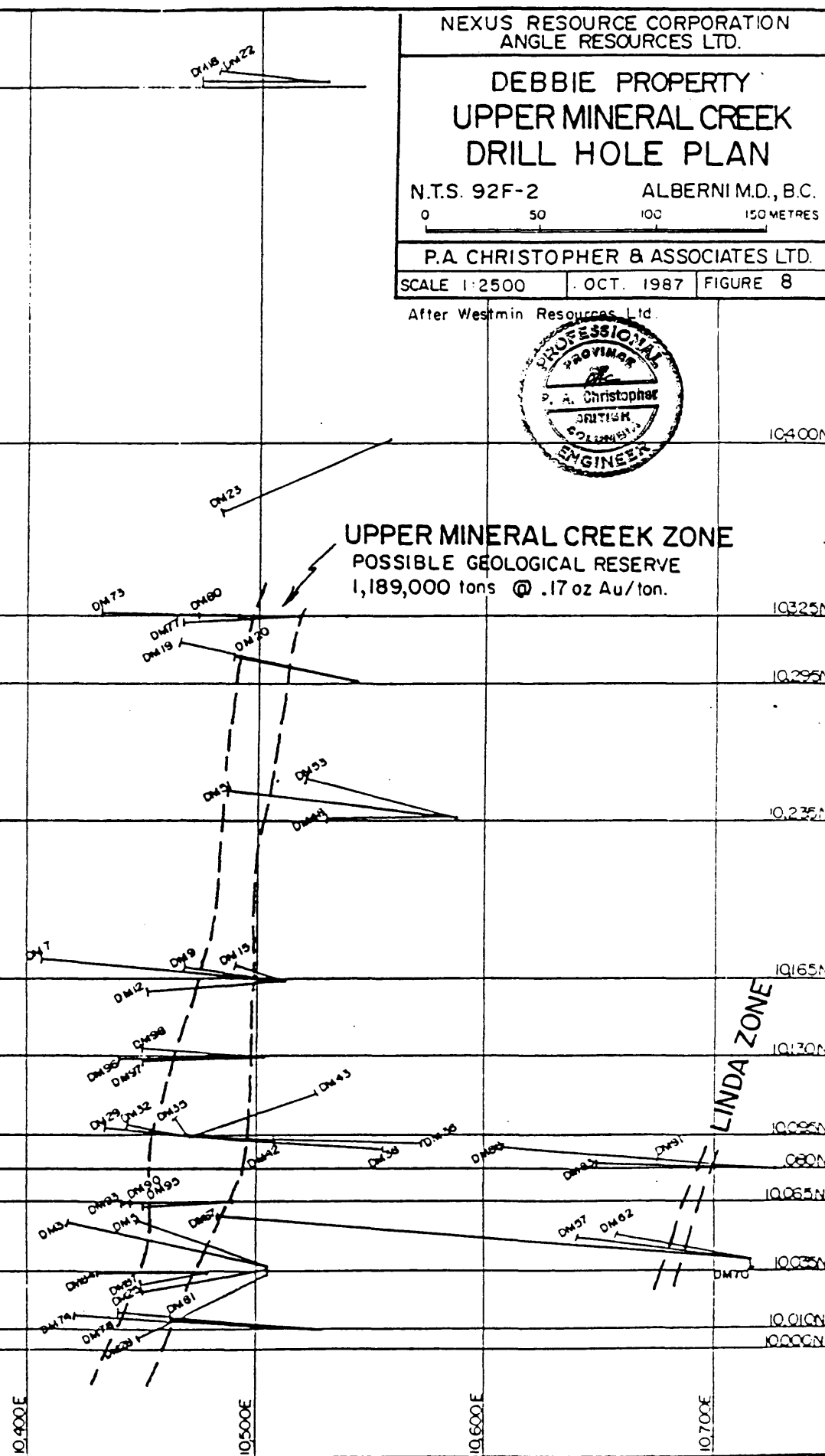


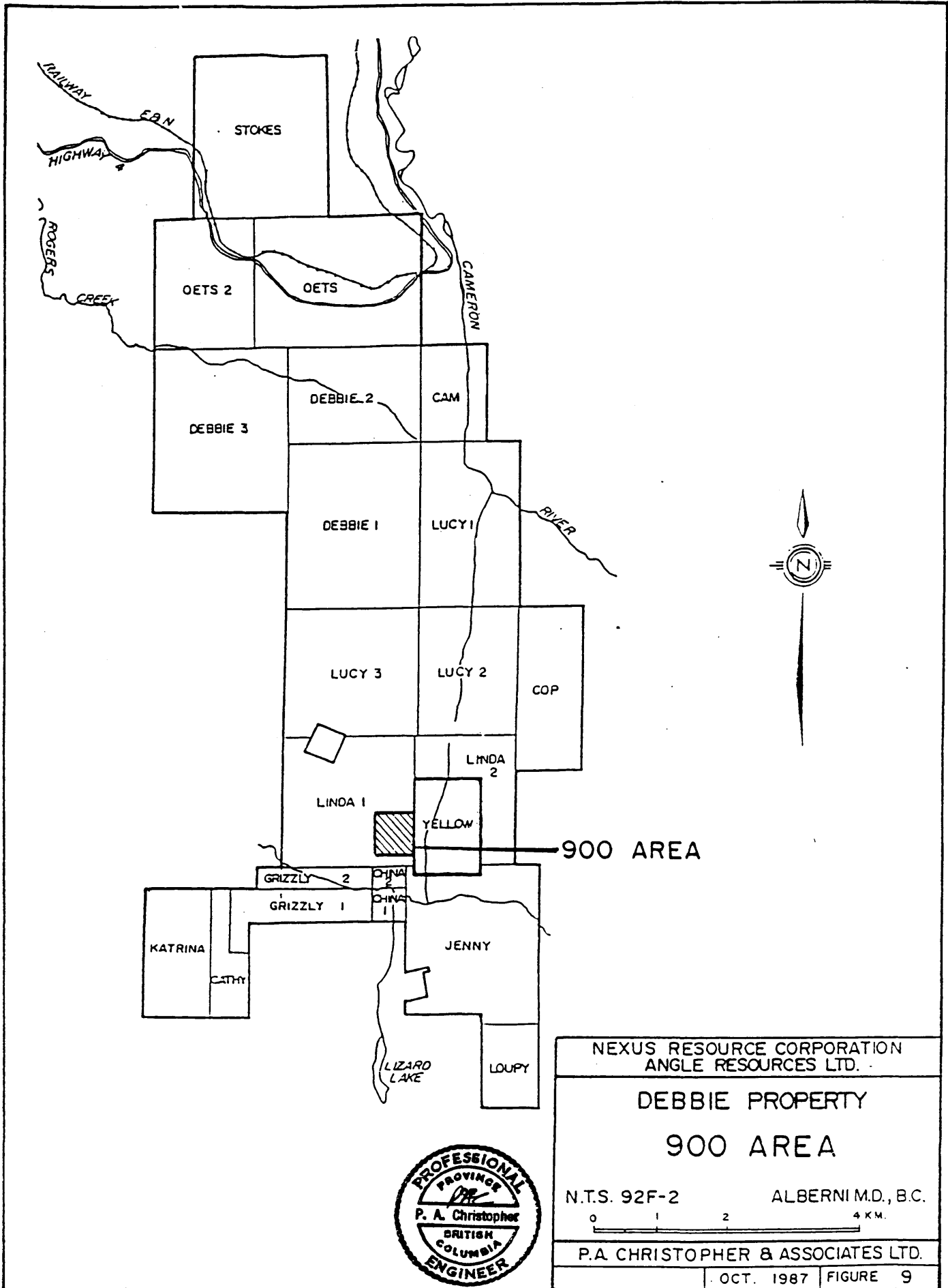
After Westmin Resources Ltd.

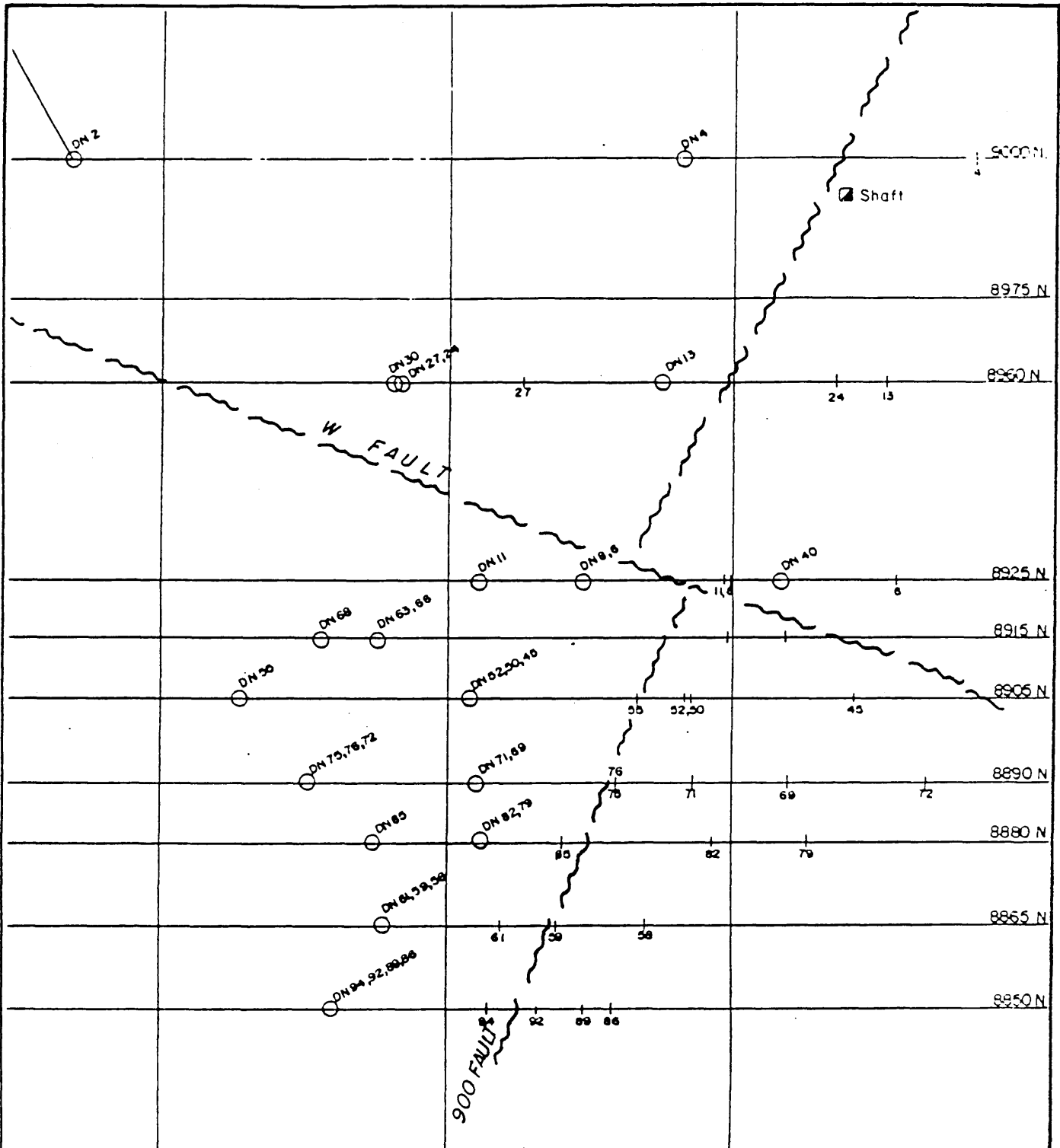


UPPER MINERAL CREEK ZONE
POSSIBLE GEOLOGICAL RESERVE
1,189,000 tons @ .17 oz Au/ton.

LINDA ZONE

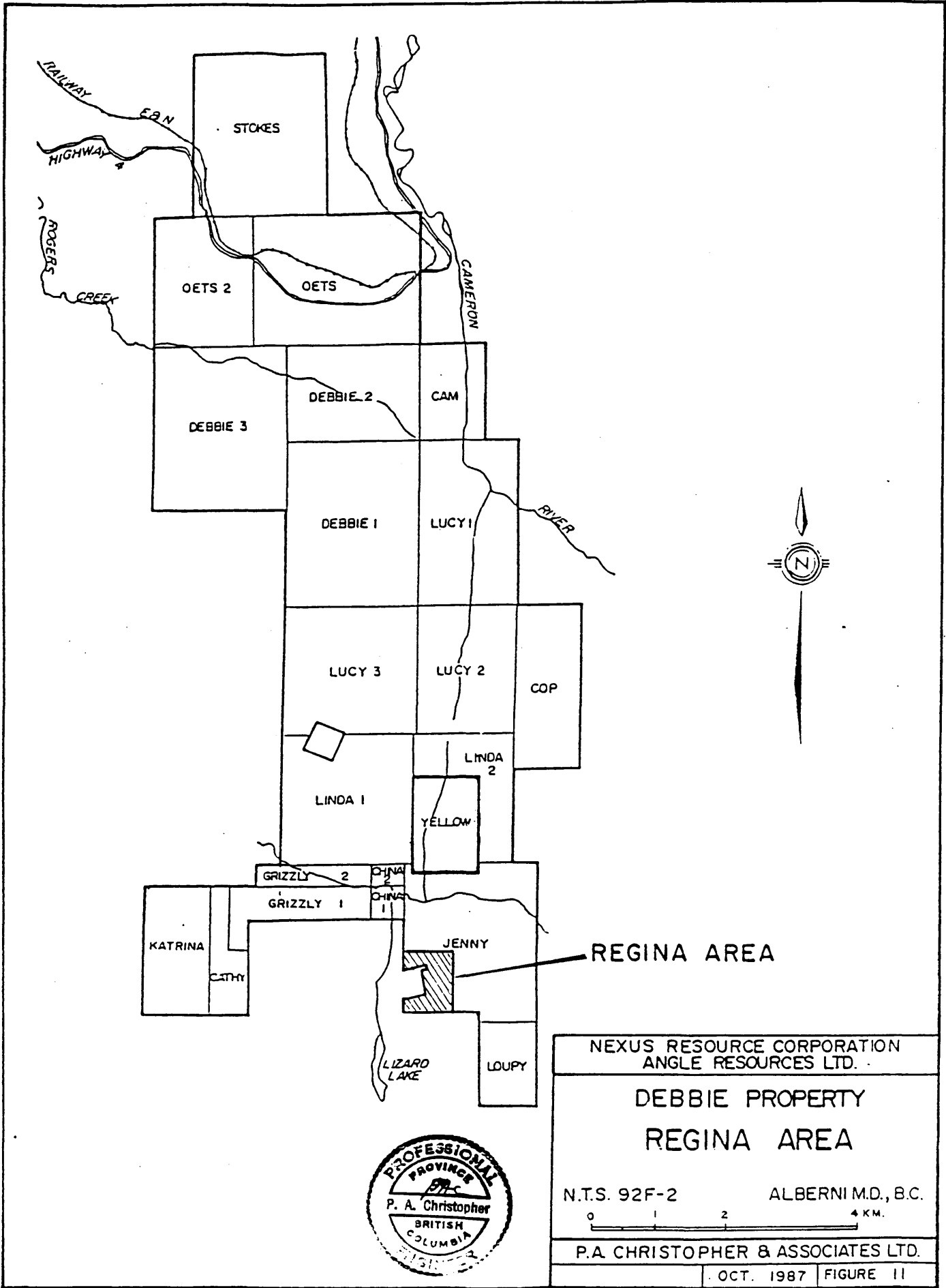






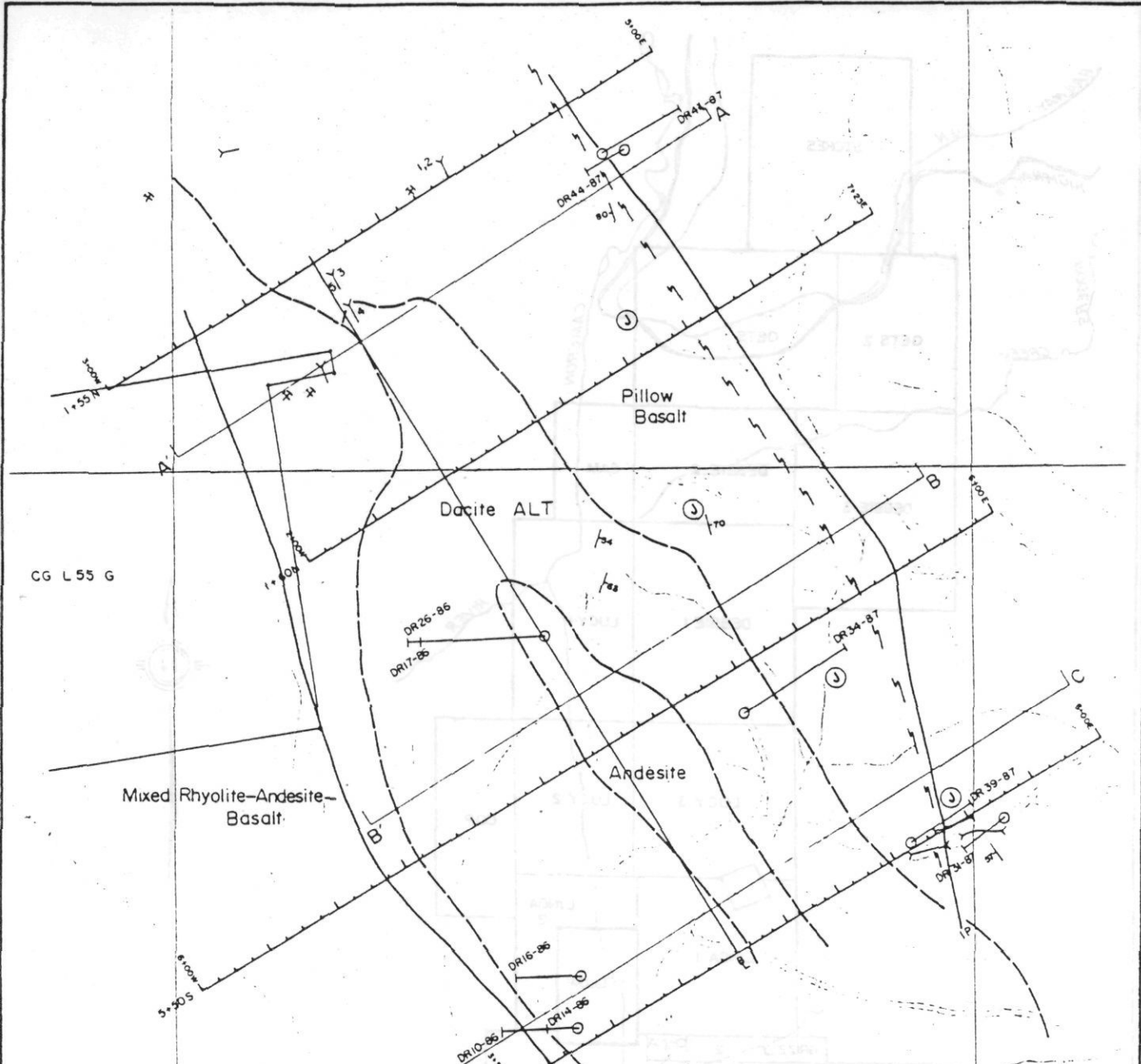
NEXUS RESOURCE CORPORATION ANGLE RESOURCES LTD.		
DEBBIE PROPERTY 900 AREA DRILL HOLE PLAN		
N.T.S. 92F-2	ALBERNI M.D., B.C.	
0 10 20 50 METRES		
P.A. CHRISTOPHER & ASSOCIATES LTD.		
SCALE 1:1000	OCT. 1987	FIGURE 10

After Westmin Resources Ltd.



NEXUS RESOURCE CORPORATION ANGLE RESOURCES LTD.	
DEBBIE PROPERTY REGINA AREA	
N.T.S. 92F-2	ALBERNI M.D., B.C.
P.A. CHRISTOPHER & ASSOCIATES LTD.	
OCT. 1987	FIGURE 11





CG L 55 G

Mixed Rhyolite-Andesite-Basalt

Dacite ALT

Pillow Basalt

Andesite

ROCK GEOCHEMISTRY

LOWER ADITS (assays: % Cu, Pb, Zn; oz/T Ag, Au)

- 1 1.6 Cu, 0.78 Pb, 1.40 Zn, 0.6 Ag, 0.01 Au
- 2 2.27 Cu, 0.28 Pb, 2.64 Zn, —, 0.008 Au
- 3 0.68 Cu, 1.20 Pb, 2.70 Zn, 0.3 Ag, 0.02 Au
- 4 0.28 Cu, —, 0.03 Zn, 0.1 Ag, —
- 5 0.41 Cu, 6.13 Pb, 19.48 Zn, —, 0.019 Au

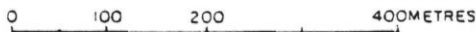


AFTER WESTMIN RESOURCES LTD.

NEXUS RESOURCE CORPORATION
ANGLE RESOURCES LTD.

DEBBIE PROPERTY
REGINA AREA
DRILL HOLE PLAN

N.T.S. 92F-2 ALBERNI M.D., B.C.



P.A. CHRISTOPHER & ASSOCIATES LTD.

SCALE AS SHOWN . OCT. 1987 FIGURE 12

SYMBOLS

- IP Anomaly
- Road
- Lithologic contact (assumed)
- Fault (assumed)
- Diamond Drill Hole
- Adit
- Trench
- Sulphide Mineralization
- Bedding (dip)
- Jasper



5.3% zinc, 2.2% copper, 0.07 oz/ton Au, 1.1 oz/ton Ag and 0.3% lead (Walker, 1983). The Twin J Mine produced 306,000 tons yielding 7.5% zinc, 3.4% copper, 0.15 oz/ton Au and 3.1 oz/ton Ag with minor lead and cadmium. The Thistle Mine produced 6920 tons yielding 4.92% copper, 2760 ounce of gold and 2120 ounces of silver. On Laura Property, Abermin Corporation has delineated a large polymetallic massive sulphide zone with trench sample values up to 24.58 g/t Au, 513.6 g/t Ag, 43.01% zinc, 8.3% lead, and 3.04 % copper over 3.5 meters.

Figure 5 shows the location of sixteen gold deposits and occurrences in the area of the Debbie Property. The Vancouver Island Gold Mine, in the Mineral Creek Zone on the enclosed Yellow claim has reported production of 438 tonnes yielding 384 ounces of gold, 52 ounces of silver and 88 kilograms of copper. Minor production has also been reported for the Black Panther Mine, 3-W and Havilah deposits. The occurrences are mainly structurally controlled quartz-carbonate alteration zones in Sicker Group or overlying Vancouver Group rocks.

Recent discoveries at the 900 zone, Linda zone and Upper Mineral Creek zone on the Debbie Property, under exploration by Nexus Resource Corporation, Angle Resources Ltd and Westmin Resources Ltd. are shown on Figure 6 as exploration target areas. Hole DN50-87 in the 900 zone contained 44.3 feet assaying 1.137 oz/ton gold. Hole DM57 in the Linda zone contained 0.7 feet from 127.1 to 127.8 and 6.8 feet from 420.4 to 427.2 assaying 4.895 oz/ton gold and 0.347 oz/ton gold respectively. Hole DM62 in the Linda zone contained 9.8 feet from 132.4-142.2 and 5.2 feet from 421.0 to 426.2 assaying 0.578 oz/ton gold and 0.312 oz/ton gold respectively. Significant assay results for 1986-1987 program holes in the Upper Mineral Creek, Linda and 900 zones are summarized in Table 2 and significant results for the 1987-1988 exploration program are summarized in Table 3. Hole and zone locations are shown on Figures 7 through 12.

In the Mineral Creek area, gold with arsenopyrite is spatially related to the Mineral Creek fault zone. The Upper Mineral Creek zone is characterized visible gold in discrete quartz-rich veins and fine gold with ankerite, sericite, quartz and pyrite mineralization. At the 900 zone free gold occurs in a quartz stockwork in massive basalt flows and at the Linda zone free gold occurs in a set of east dipping quartz veins the cut mafic to intermediate bedded volcanoclastic rocks.

On the Yellow claim, massive and stockwork quartz veins occur in the Mineral Creek fault zone and in two structures to the east. Zones of pyritic ankerite-sericite-quartz alteration occur proximally to these structures. The auriferous zones are characterized by a rusty color, the presence of green fuchsitic clots and sulphide contents up to 15%. A total of 4976.36 meters of wire line drilling was completed in 20 holes on the Yellow Property with 29 intersections containing more than 1.71 g/t (0.05 oz/T). The writer agrees with Watkins et al. (1987) that significant economic potential for the Mineral Creek zone exists on the Yellow claim.

Table 2. Summary of Drill Results (from Watkins et al., 1987).

<u>Hole #</u>	<u>Interval(ft)</u>	<u>Length(ft)</u>	<u>Gold (Oz/ton)</u>
		<u>Mineral Creek Zone</u>	
DM3-86	329.4 - 366.6	37.2	0.124
DM5-86	223.5 - 232.5	9.0	0.311
	304.0 - 306.5	2.5	0.145
DM9-86	203.5 - 205.4	1.9	0.303
	239.1 - 239.7	0.6	0.112
	281.6 - 289.7	8.1	0.147
	301.1 - 303.1	2.0	0.138
	327.6 - 338.9	11.3	0.175
	379.5 - 388.3	8.8	0.104
	470.8 - 477.0	6.2	0.091
DM12-86	172.9 - 181.1	8.2	0.164
	223.0 - 235.7	12.7	0.146
	255.8 - 262.1	6.3	0.105
DM15-86	410.9 - 418.5	7.6	0.556
	558.7 - 562.4	3.7	0.102
DM19-86	61.8 - 65.3	3.5	0.098
	191.7 - 207.3	15.6	0.099
	217.1 - 234.9	17.8	0.081
	261.4 - 264.4	3.0	0.156
	269.6 - 270.6	1.0	0.153
DM20-86	64.3 - 71.3	7.0	0.075
	305.0 - 306.4	1.4	0.099
DM25-87	288.6 - 297.2	8.6	0.110
DM28-87	475.1 - 496.9	21.8	0.062
	547.7 - 551.0	3.3	0.105
DM29-87	78.7 - 165.6	86.9	0.087
DM32-87	111.8 - 118.4	6.6	0.166
	180.7 - 182.7	2.0	0.104
	210.6 - 213.3	2.7	0.121
DM35-87	201.4 - 240.4	39.0	0.067
DM36-87	118.7 - 120.3	1.6	0.845
	168.4 - 171.7	3.3	0.485
DM43-87	247.2 - 260.9	13.7	0.246
DM51-87	396.6 - 398.0	1.4	0.248
		<u>900 ZONE</u>	
DN6-86	207.3 - 210.6	3.3	0.128
DN8-86	131.5 - 134.8	3.3	0.101
	149.6 - 171.2	21.6	0.143
DN13-86	124.0 - 129.9	5.9	0.223
DN45-87	79.0 - 85.0	5.9	0.101
	98.7 - 108.5	9.8	0.051
DN50-87	140.0 - 143.3	3.3	0.164
	182.7 - 227.0	44.3	1.137
	249.0 - 254.2	5.2	0.452
DN52-87	122.0 - 148.2	26.2	0.243
DN55-87	278.4 - 285.0	6.6	0.210
	311.3 - 314.6	3.3	0.564
DN58-87	87.9 - 88.9	1.0	0.135
	103.0 - 104.3	1.3	1.924
DN59-87	74.5 - 79.7	5.2	0.959
	104.6 - 107.9	3.3	0.166
	124.3 - 127.6	3.3	0.101

Table 2. cont.

<u>Hole #</u>	<u>Interval(ft)</u>	<u>Length(ft)</u>	<u>Gold (Oz/ton)</u>
<u>LINDA ZONE</u>			
DM57-87	127.1 - 127.8	0.7	4.895
	420.4 - 427.2	6.8	0.347
DM62-87	132.4 - 142.2	9.8	0.578
	421.0 - 426.2	5.2	0.312

Table 3. Summary of 1987-1988 Drill Results to Oct. 1, 1987
(Westmin/Nexus/Angle News Release, October 9, 1987).

<u>Hole #</u>	<u>Interval(ft)</u>	<u>Length(ft)</u>	<u>Gold (Oz/ton)</u>
<u>MINERAL CREEK ZONE</u>			
DM74	117.2 - 118.7	1.5	0.443
	331.2 - 352.6	21.4	0.073
	378.5 - 420.5	42.0	0.073
DM78	108.6 - 109.6	1.0	0.285
	260.5 - 267.2	6.7	0.295
DM87	210.6 - 274.9	64.3	0.082
DM90	246.7 - 301.8	55.1	0.071
<u>900 ZONE</u>			
DN75	173.5 - 179.1	5.6	0.125
DN79	65.9 - 88.9	23.0	0.078
DN85	102.3 - 105.9	3.6	0.409
	154.5 - 156.1	1.6	0.187
DN86	94.5 - 97.1	2.6	0.118
	125.6 - 130.5	4.9	0.074
	140.0 - 146.9	6.9	2.760
INCLUDES	145.3 - 146.9	1.6	11.38
DN89	108.9 - 112.8	3.9	0.310
	158.4 - 159.4	1.0	3.919
DN92	133.8 - 135.4	1.6	0.152
	183.0 - 193.2	10.2	0.145
DN94	155.9 - 159.5	3.6	0.353
<u>LYNDA ZONE</u>			
DM67	136.1 - 139.4	3.3	0.174
	415.5 - 417.7	2.2	0.280
	457.1 - 460.4	3.3	0.123
DM70	252.8 - 254.4	1.6	0.122
	438.2 - 441.5	3.3	0.199
	465.2 - 466.8	1.6	0.216
DM83	316.6 - 319.9	3.3	0.330
DM91	291.0 - 295.6	4.6	1.31

DISCUSSION

Exploration on the Debbie Property has been successful in defining three gold zones and a number of target areas (Figure 6) with potential for economic gold reserves in structurally controlled vein and breccia zones and/or volcanogenic massive sulphide deposits (Regina Zone). Further surface drilling is required to define the appropriate location for underground exploratory workings and to expand the reserve potential. The Mineral Creek Zone occurs within a mineralized structural zone that has been traced for several

kilometers on the Debbie Property and enclosed Yellow claim. Exploration to date has indicated potential for both selective mining of high grade and bulk mining of lower grade auriferous material.

The combined mineral potential of the Mineral Creek area on the Debbie Property has been estimated by Watkins (1987) to be 1,180,000 tons 0.17 ounces per ton gold with the economic potential of the zone doubled by addition of potential on the Yellow claim. Addition of the Yellow claim to the property would allow for more orderly development and cost effective exploration, development and mining.

CONCLUSIONS AND RECOMMENDATIONS

The success of the 1986-1987 exploration program in locating ore grade gold drill intersections over a 700 vertical and 2,000 meter horizontal range provides justification for accelerated exploration of the Debbie Property. The writer is in agreement with the proposed program of reserve definition in the Mineral Creek area with systematic advancement of the Regina and other target areas with basic exploration programs.

A summary of the proposed 1987-1988 exploration budget which has been recommend by the Westmin Resources Ltd. exploration staff and endorsed by the writer, follows:

COST ESTIMATES

(Debbie Project 1987-1988 Exploration Project.)

<u>Mobilization/Demobilization</u>	\$	2,500
<u>Personnel</u>		
Geologists 650 man days.....		156,000
Geological Assistant 1025 man days		148,750
Labourers 600 man days		51,000
Draftsperson 180 man days.....		19,800
<u>Room & Board</u> 2355 man days		70,650
<u>Transportation & Communication</u>		92,800
<u>Equipment Rentals</u>		4,500
<u>Contract Services</u>		
Drilling 15,240 m @ \$75.00/m.....		1,143,000
Line Cutting & Soil Sampling 175km @ \$ 450/km		78,750
Geophysical Services.....		40,000
Road Building & Trenching 400 hrs. @ \$ 75/hr.....		30,000
Surveying.....		20,000
<u>Geochemical Analyses</u>		120,600
<u>Report Preparation</u>		5,000
<u>Contingency</u>		50,000
<u>Management Fee 7.5%</u>		153,650
<u>Exploration Manager Fee</u>		13,000
	Total Estimate	\$ <u>2,200,000</u>

Westmin Resources Ltd. Portion	\$ 1,015,000
Angle Resources Ltd. Portion	785,000
Nexus Resource Corporation	<u>400,000</u>

Total Budget \$ 2,200,000

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CERTIFICATE

I, Peter A. Christopher, with business address at 3707 West 34th Avenue, Vancouver, British Columbia, do hereby certify that:

1) I am a consulting geological engineer registered with the Association of Professional Engineers of British Columbia since 1976.

2) I am a Fellow of the Geological Association of Canada and a member of the Society of Economic Geologists.


3) I hold a B.Sc. (1966) from the State University of New York at Fredonia, a M.A. (1968) from Dartmouth College and a Ph.D. (1973) from the University of British Columbia.

4) I have been practising my profession as a Geologist for over 20 years.

5) I have no direct or indirect interest, nor do I expect to receive any interest directly or indirectly in the properties or securities of Angle Resources Ltd., Nexus Resource Corporation or associated companies.

6) I have based this report on a review of government and company reports listed in the bibliography and on a field examination of the geological setting and claim locations on May 11th, 1987 and November 28, 1987.

7) I consent to the use of this report by Angle Resources Ltd. and/or Nexus Resource Corporation in any Filing Statement, Statement of Material Facts or Prospectus issued by the companies.


Peter A. Christopher, P.Eng.
October 28, 1987
Revised December 4, 1987



Peter Christopher & Associates Inc.

GEOLOGICAL & EXPLORATION SERVICES

3707 West 34th Ave., Vancouver, B.C. V6N 2K9

Office/Res: 263-6152

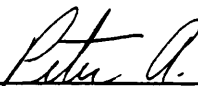
December 4, 1987

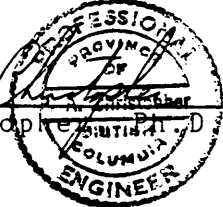
Angle Resources Ltd.
Nexus Resource Corporation
3270-666 Burrard Street
Vancouver, British Columbia
V6C 2Z9

Dear Sirs:

I, Peter A. Christopher, Ph.D., P.Eng., hereby consent to the use of my report dated October 28, 1987, revised December 4, 1987 on the Yellow Property, Alberni Mining Division, British Columbia, by Angle Resources Ltd. and/or Nexus Resource Corporation in any Filing Statement, Statement of Material Facts, Prospectus or for obtaining private financing.

Dated at Vancouver, British Columbia, this 4th day of December, 1987.


Peter A. Christopher, Ph.D., P.Eng.



REPORT ON THE YELLOW PROPERTY
ALBERNI MINING DIVISION
VANCOUVER ISLAND, BRITISH COLUMBIA

LOCATION

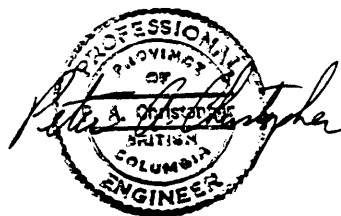
N.T.S.: 92F-2E
Latitude: $49^{\circ} 10.5'N$.
Longitude: $124^{\circ} 39.7'W$.

FOR

ANGLE RESOURCES LTD.
&
REWARD RESOURCES LTD.
3270-666 Burrard Street
Vancouver, B. C. V6C 2Z9

PREPARED BY

PETER A. CHRISTOPHER, PH.D., P.ENG.
PETER CHRISTOPHER & ASSOCIATES INC.
3707 West 34th Avenue
Vancouver, B. C. V6N 2K9



June 3, 1987
Revised November 3, 1987
Revised December 4, 1987

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SUMMARY

The Yellow Property, consisting of the six unit Yellow claim is situated in the Alberni Mining Division about 10 km southeast of Port Alberni, Vancouver Island, B.C. The property, owned by Silver Cloud Mines Ltd. and under option to Reward Resources Limited and Angle Resources Ltd., covers the old Vancouver Island Mine on Mineral Creek. The Vancouver Island Mine produced 438 tonnes yielding 384 ounces of gold, 52 ounces of silver and 88 kilograms of copper between 1896 and 1939. The Yellow Property is surrounded by the Debbie Property which has been actively explored by Westmin Resources Ltd. since 1979 for precious metal enhanced, volcanogenic massive sulphide deposits. Angle Resources Ltd. (25%) and Nexus Resources Ltd. (25%) have earned a 50% working interest in the Debbie Property by funding the 1986-1987 work program. The 1986-1987 exploration program on the Debbie Property located significant epithermal gold mineralization in the Upper Mineral Creek, Linda and 900 zones which have strike and dip projections on the Yellow Property.

The Yellow Property has good road access via the China Creek Main logging road and a mining road up Mineral Creek to the west central part of the property with trails leading to showings and a number of old workings. Extension of the existing road system is required to complete surface exploration.

The property is mainly underlain by sedimentary and volcanic rocks of the Sicker Group with Nitinat and Myra Formation well exposed by a major north-northeast trending fault zone along Mineral Creek. The fault zone is well mineralized with geological, geochemical and geophysical evidence that it extends for 1500 meters from the north to south property boundaries and connects with the Upper and Lower Mineral Creek Zones on the adjoining Debbie Property. The 900 Zone and Linda Zone on the adjoining Debbie Property occur along the western and northern boundary of the Yellow Property, respectively. Diamond drilling of geochemical and/or geophysical anomalies on the Yellow Property resulted in 29 intersections containing more than 1.71 g/t (0.050 oz/T) Au (Naciuk and Hawkins, 1987). Surface assays up to 22.4 oz Au/ton were reported for trenches between the Mac and Dunsmuir workings on the Yellow Property. Drill hole locations are shown on Figure 6 with a number of the better intersections summarized below.

Summary of Drill Results (from Naciuk and Hawkins, 1987).

<u>Hole #</u>	<u>Sample #</u>	<u>Interval(m)</u>	<u>Length(m)</u>	<u>Gold</u>		<u>Silver</u>
				<u>(Oz/T)</u>	<u>(g/t)</u>	<u>(ppm)</u>
Y1-86	14440-14442	153.60-158.19	4.59	0.551	18.89	1.6
Y13-87	17225-17240	99.75-120.80	21.05	0.103	3.53	0.9
Y16-87	17326-17328	73.60-76.80	3.20	0.116	3.98	2.1
"	17352	102.95-104.40	1.45	0.315	10.80	1.5
Y18-87	16425-17391	58.65-63.10	4.45	0.101	3.46	0.7
"	17271-17273	87.85-93.17	5.32	0.131	4.49	6.8
"	17277	100.16-102.60	2.44	0.128	4.39	0.4
"	17280-17282	106.80-113.55	6.75	0.118	4.05	0.8
"	17294-16401	135.10-149.10	14.00	0.104	3.56	0.8

The following, priority exploration target areas (Figure 7) have been selected on the basis of favourable geology, chargeability and/or resistivity anomalies, previous drill intersections and coincident gold-arsenic soil anomalies:

Target 1. North Mineral Creek Zone: Definition drilling (5265 m. see Figure 8) between Mac Adit and Mineral Creek Zone on Debbie Property, check high grade trench results between Mac and Dunsmuir vein systems and test A and B chargeability anomalies. Recent drilling has intersected visible gold along a 045° structure (045 zone) extending from the Mac-Dunsmuir adit area to the Linda Zone.

Target 2. Waterfall Zone-Possible extension of Linda Zone on Debbie Property: Object is to test coincident chargeability anomaly D and a gold-arsenic geochemical anomaly.

Target 3. South Mineral Creek Zone: Further exploration of chargeability anomalies F and FF and coincident gold-arsenic geochemical anomaly.

Target 4. Southeast Zone: Anomaly along the southern projection of the Linda and Waterfall zones with chargeability anomaly G and associated gold-arsenic geochemical anomalies.

Target 5. South extension of chargeability anomaly A with coincident gold arsenic anomaly.

Target 6. LCP Zone: Possible north-south carbonate altered structure which requires initial trenching.

Testing of the selected target areas with a Phase IV, 1987/88 exploration program consisting of surface mapping, detailed geophysics, underground rehabilitation, mapping, and sampling, road construction and 7400 meters of diamond drilling is recommended at an estimated cost of \$ 2,000,000.

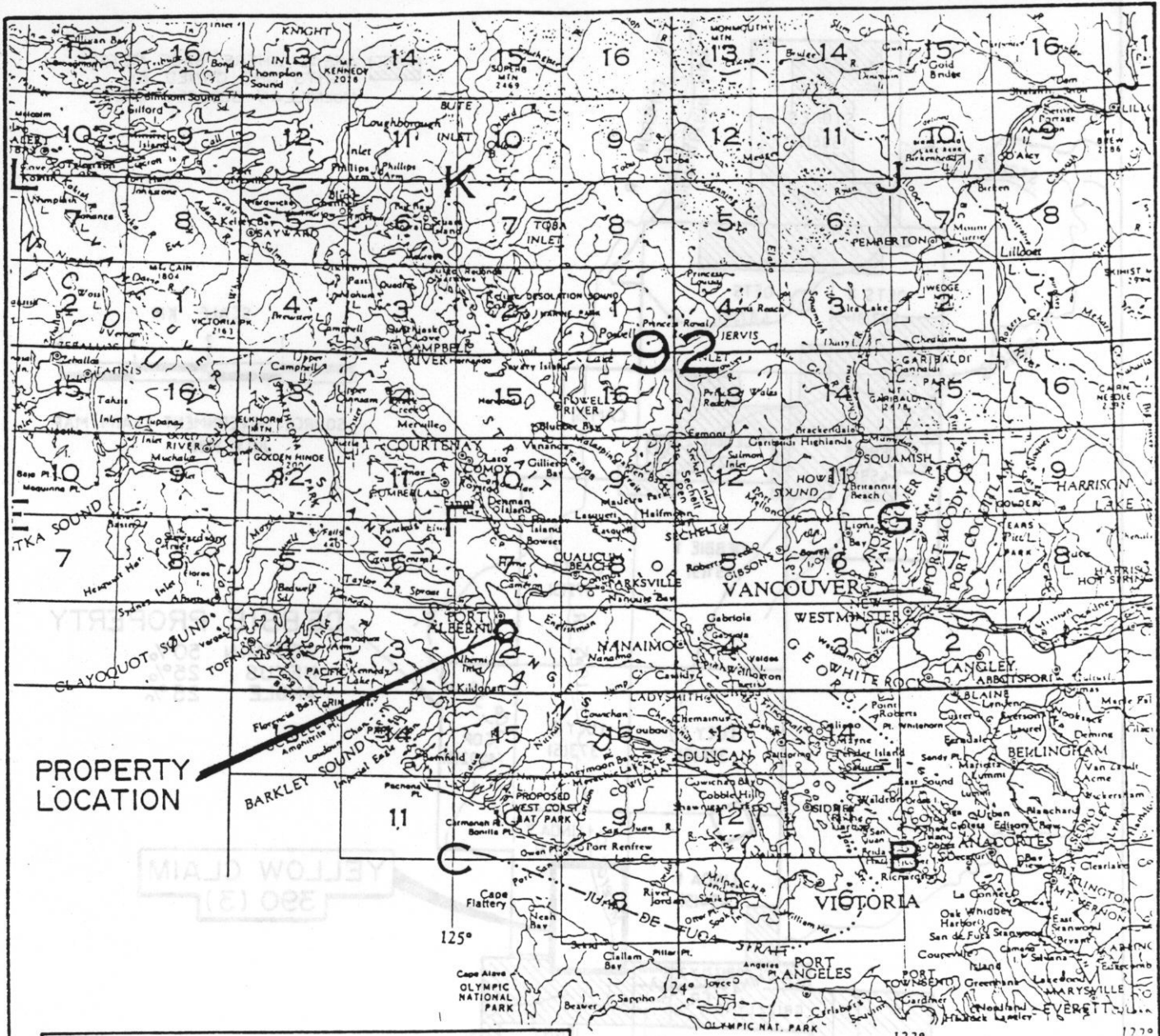
INTRODUCTION

The writer was retained by the management of Angle Resources Ltd. and Reward Resources Ltd. to examine the Yellow Property, summarize previous exploration programs and recommend a program for further development of the Yellow Property. The writer examined the Yellow Property on May 11, 1987. Exploration Phases I to III of the Yellow Property, conducted from November 20, 1986 to February 28, 1987 are documented in a comprehensive report by T.M. Naciuk and T.G. Hawkins (1987).

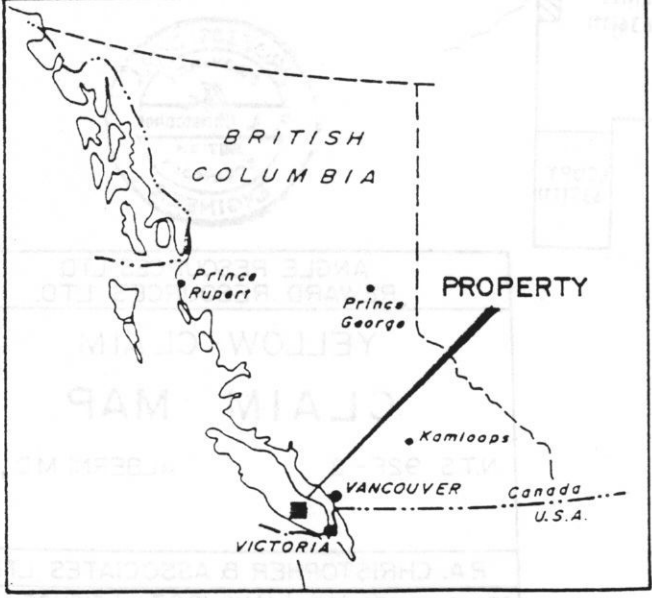
This report basically provides a summary of the Naciuk-Hawkins report and outlines an exploration program designed to improve property access and to further define the extent and tenor of the auriferous zone on the Yellow Property.

PROPERTY LOCATION, ACCESS, AND TITLE (Figures 1 & 2)

The Yellow Property is located about 10 kilometers southeast of Port Alberni on the north side of China Creek, in the Alberni Mining



PROPERTY
LOCATION



ANGLE RESOURCES LTD.
REWARD RESOURCES LTD.


**YELLOW CLAIM
LOCATION MAP**

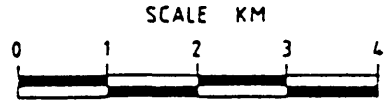
N.T.S. 92F-2 ALBERNI M.D., B.C.

0 50 100 KM.

P.A. CHRISTOPHER & ASSOCIATES LTD.

SCALE 1:190,800	MAY 1987	FIGURE 1
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 AREAS WHERE BASE METAL RIGHTS ARE OWNED BY MacMILLAN BLOEDEL LTD.



SOURCE: GOVERNMENT CLAIM MAP JULY, 1986

DEBBIE PROPERTY
 WESTMIN 50%
 NEXUS 25%
 ANGLE 25%

YELLOW CLAIM
 390 (3)



ANGLE RESOURCES LTD
REWARD RESOURCES LTD.

YELLOW CLAIM
CLAIM MAP

N.T.S. 92F - 2

ALBERNI M.D., B.C.

P.A. CHRISTOPHER & ASSOCIATES LTD.

SCALE 1:120,000

MAY 1987

FIGURE 2

Division of British Columbia. The claim is centered at approximately 49° 10.5'N latitude and 124° 39.7'W longitude on 1:50,000 NTS mapsheet 92F/2 (Alberni Inlet).

Access to the property is via the MacMillan Bloedel Cameron Main and China Creek logging road from Port Alberni. At about 7 kilometers on the China Creek road, a 4WD road turns northerly onto the Yellow Property. The property road extends to the old Vancouver Mine site with foot trails to old working and helicopter access drill sites.

The Yellow Property consists of the Yellow claim comprising 6 units or about 150 hectares (1.5 square km). The claim owner is Silver Cloud Mines Ltd. with the present operators Angle Resources Ltd. and Reward Resources Ltd. Pertinent claim data is summarized in Table 1 and the claim location is shown on Figure 2. A legal survey of the Yellow claim was completed in February 1987 with drill holes, roads and workings located relative to the legal corner post. A number of reference survey points have been established on the property.

Table 1. Pertinent Claim Data Yellow Claim.

<u>CLAIM</u>	<u>RECORD #</u>	<u>UNITS</u>	<u>RECORD DATE</u>	<u>WORK DUE</u>
YELLOW	390(3)	6	MARCH 26, 1979	1997

HISTORY

Exploration activity in the Yellow Property area dates from the early 1860's with small scale placer production from China Creek as early as 1862. Attention later shifted to gold-bearing quartz veins with several vein occurrences developed by adits and pits (Figure 5).

The Vancouver Island Gold Mine, one of five past gold producers in the area was first worked in 1895 when the original claims were staked. From 1896 to 1898 a relatively minor amount of tunneling was carried out yielding about 32 tons of ore, and a 10 ton per day, 8 stamp mill was constructed by the Consolidated Alberni Gold Mining Company. The property was active again between 1933 and 1936 when it was operated by Vancouver Island Gold Mines, Limited. A 35-ton pilot mill was constructed in 1936 but because of operating difficulties milled only a few tons of ore (Stevenson, 1945). The Vancouver Island Gold Mine produced 438 tonnes yielding 384 ounces of gold, 52 ounces of silver and 88 kilograms of copper between 1896 and 1939 (Naciuk and Hawkins, 1987). Other gold producers in the area include the Thistle Mine, Black Panther Mine, 3-W Mine and Havilah Mine.

A regional aeromagnetic survey, flown by Hunting Survey Corp. Ltd. in 1962 covered the claim block. During the period 1963-1966, Gunnex Ltd. carried out a regional mapping program over a large portion of the E & N Land Grant, with some prospecting and silt sampling. Some sampling was carried out at the mine in 1964. Keywest Resources Ltd. carried out surface and underground mapping and sampling in 1973 and 1974. Western Mines Ltd. (now Westmin Resources Ltd.) carried out reconnaissance geological mapping and soil sampling in the area in 1976.

In 1979 Western Mines Ltd. started acquisition of the large Debbie Property (Figure 2) and testing for precious metal enhanced massive sulphide deposits. In 1986, Nexus Resource Corporation acquired an option to earn a 50% working interest in the Debbie Property by expending \$ 461,000 on or before February 27, 1987 to earn a 10% interest and \$ 539,000 on or before February 27, 1988 to earn an additional 40% interest. Nexus Resources Corporation expended the initial \$ 461,000 and pursuant to an agreement dated December 9, 1986, Angle Resources Ltd. funded the second year portion of the exploration program at a cost of \$ 539,000 to earn 50% of Nexus's interest in the Debbie Property.

The present Yellow Property was acquired by Silver Cloud Mines Ltd. in 1979 in order to test the auriferous zone at the Vancouver Island Gold Mine with modern geochemical, geophysical and drilling methods. The initial program included access road construction and prospecting. In 1981 and 1983, sampling of the accessible stopes and the mylonite zone was carried out by A & M Exploration Ltd. (Allen, 1985). Soil sampling over known showings outlined an area 425 meters by 300 meters with gold values greater than 100 ppb. Within this area a smaller zone, 120 meters by 300 meters with values over 1000 ppb is centered over the old works and extends uphill beyond the workings. Mapping down Mineral Creek and reconnaissance soil sampling was continued by A & M in May 1985.

Geological and geochemical exploration of the Yellow Property for Silver Cloud Mines Ltd. was continued in October 1985 by MPH Consulting Limited.

In 1986 the Yellow Property was optioned to Angle Resources Ltd. and Reward Resources Ltd. with line cutting, prospecting, geological mapping, soil sampling, induced polarization surveys, underground sampling, trenching, a B.C. Land Survey, road building and diamond drilling conducted from November 20, 1986 to February 28, 1987. A total of 4976.36 meters of wireline drilling was completed in 20 holes drilled from seven setup sites. Drill hole locations are shown on Figure 6. The program is reported to have cost \$847,964.68.














For the 1987-1988 program, Angle Resources Ltd. and Reward Resources Ltd. have retained Westmin Resources Ltd. as the contractor which will allow systematic, cost effective exploration of the Mineral Creek, 900 and Lynda (045) zones which are continuous onto the adjoining Debbie Property. Angle Resources Ltd. plans to participate with Westmin Resources Ltd. and Nexus Resource Corporation in a \$2,200,000 exploration program on the Debbie Property (Christopher, 1987). Westmin will be operator of the Debbie Property exploration and will fund its 50% share of the exploration costs on the Debbie Property.

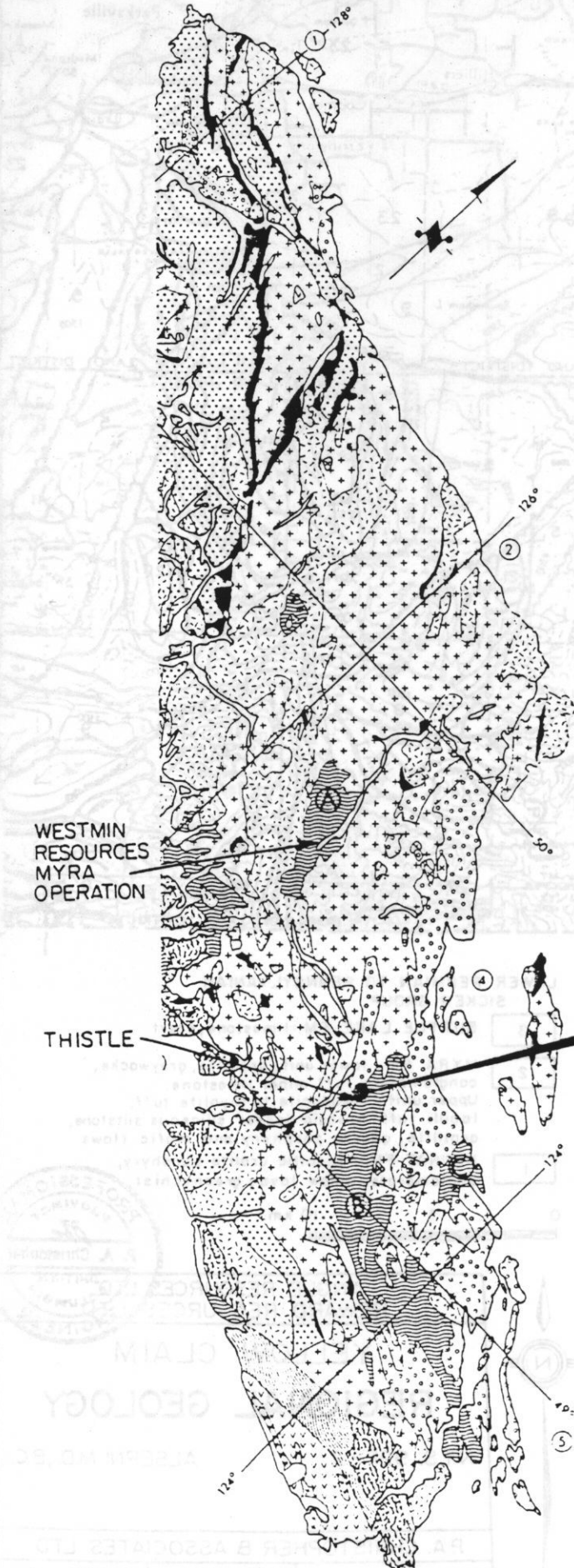
REGIONAL GEOLOGY (Figures 3 & 4)

The Yellow Property is situated in the Insular Tectonic Belt of the Canadian Cordillera. The regional geology of the area has been mapped by C.H. Clapp (1912), J.E. Muller and D.J.T. Carlson (1969) and

Geological sketch map of Vancouver Island.

LEGEND

	CARMANAH GROUP	MIDDLE TERTIARY
	CATFACE INTRUSIONS	EARLY TO MIDDLE TERTIARY
	METCHOSIN VOLCANICS	EARLY TERTIARY
	NANAIMO GROUP	LATE CRETACEOUS
	QUEEN CHARLOTTE GROUP KYUQUOT GROUP	LATE JURASSIC TO EARLY CRETACEOUS
	LEECH RIVER FORMATION PACIFIC RIM COMPLEX	
	ISLAND INTRUSIONS	EARLY AND (?) MIDDLE JURASSIC
	BONANZA GROUP	EARLY JURASSIC
	VANCOUVER GROUP	LATE AND (?) MIDDLE TRIASSIC
	PARSON BAY FORMATION QUATSINO FORMATION	
	KARLUTSEN FORMATION	
	SICKER GROUP	PALEOZOIC
	METAMORPHIC COMPLEXES	JURASSIC AND OLDER



YELLOW CLAIM

- ① ALERT BAY - CAPE SCOTT, 92 L - 102 I (G.S.C. PAPER 74-8)
- ② BUTE INLET, 92 K (IN PREPARATION), O.P. MAP 345
- ③ NOOTKA SOUND, 92 E (IN PREPARATION)
- ④ ALBERNI 92 F (G.S.C. PAPER 68-50)
- ⑤ VICTORIA, 92 B.C (FIELD WORK IN PROGRESS: SEE G.S.C. PAPERS 75-IA, p. 21-26; 76-IA, p. 107-111, 77-IA, p. 287-294.)
- A — BUTTE LAKE UPLIFT
- B — COWICHAN - HORNE LAKE UPLIFT
- C — NANOOSE UPLIFT

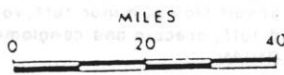
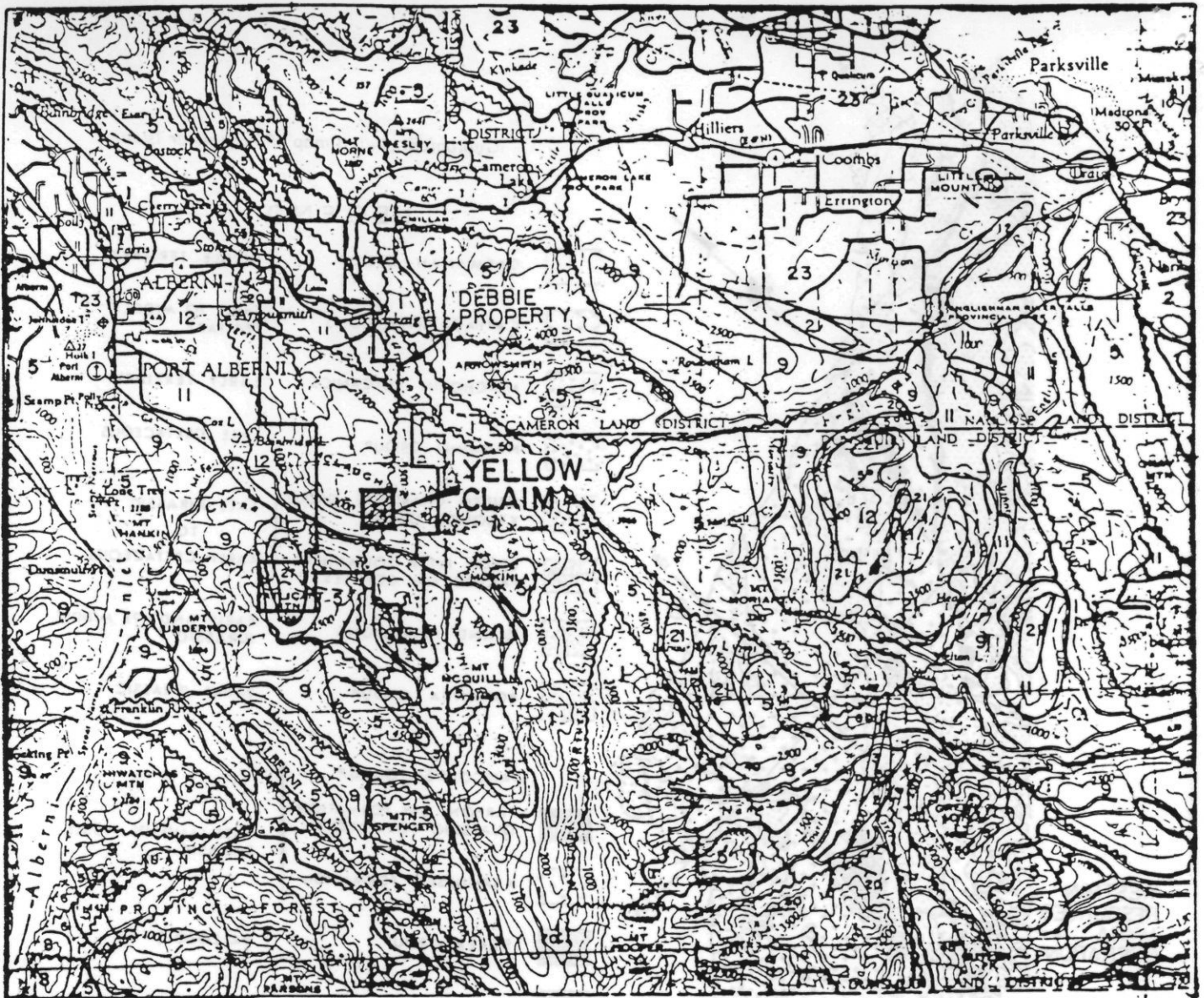


FIGURE 3 : REGIONAL GEOLOGY
P.A. CHRISTOPHER & ASSOCIATES LTD.



LEGEND

QUATERNARY

23 Glacial and alluvial deposits

TERTIARY

21 Hornblende quartz diorite, leucoquartz monzonite, porphyritic dacite, breccia.

**UPPER CRETACEOUS
NANAIMO GROUP**

13 EXTENSION-PROTECTION FM.: sandstone, conglomerate, shale, coal.

12 HASLAM FM.: shale, siltstone, fine sandstone.

11 COMOX FM.: sandstone, conglomerate, shale, coal.

MIDDLE TO UPPER JURASSIC

9 ISLAND INTRUSIONS: biotite-hornblende granodiorite, quartz diorite.

LOWER JURASSIC

8 BONANZA GROUP: andesitic to latitic breccia, tuff, and lava; minor greywacke, argillite, and siltstone.

UPPER TRIASSIC

VANCOUVER GROUP

6 QUATSINO FM.: massive to thick bedded limestone, minor thin bedded limestone.

5 KARMUTSEN FM.: pillow-basalt and pillow breccia, massive basalt flows; minor tuff, volcanic breccia; Jasperoid tuff, breccia and conglomerate at base.

TRIASSIC OR PERMIAN

4 Gabbro, periodite, diabase.

**LOWER PERMIAN TO PENNSYLVANIAN
SICKER GROUP**

3 BUTTLE LAKE FM.: limestone, chert.

2 MYRA FM.: lower unit; argillite, greywacke, conglomerate, tuff, minor limestone. Upper unit; rhyodacite to rhyolite tuff, lapilli tuff, breccia lesser siliceous siltstone, argillite, quartz porphyry and mafic flows.

1 NITINAT FM.: basaltic uralite porphyry, agglomerate, pillow lava; greenschist.

0 5 10 km



ANGLE RESOURCES LTD.
REWARD RESOURCES LTD.

**YELLOW CLAIM
REGIONAL GEOLOGY**

N.T.S. 92F-2

ALBERNI M.D., B.C.

P.A. CHRISTOPHER & ASSOCIATES LTD.

SCALE

MAY 1987

FIGURE 4

J.E. Muller (1977 and 1980). The predominant rock units in the Port Alberni-Nitinat River area are the Upper Paleozoic Sicker Group, the Lower Mesozoic Vancouver Group, and lesser amounts of Jurassic Island intrusions, Westcost complex, and late Cretaceous Nanaimo Group (Figures 3 and 4).

The Sicker Group, the oldest rocks in the area, have been divided from oldest to youngest (Muller, 1980) into the Nitinat Formation, Myra Formation, Sediment-Sill Unit, and Buttle Lake Formation. The Nitinat Formation consists predominately of basic volcanic rocks which include flow breccias, massive flows and rare pillow basalts or agglomerates. The abundance of uraltized phenocrysts and pervasive shear foliation are characteristics of the Nitinat Formation. The Myra Formation unconformably overlies the Nitinat Formation and consists of mafic to rhyodacitic banded tuff, breccia, and flows with argillite, siltstone and chert. The Sediment-Sill Unit consists of argillite, siltstone and chert interlayered with tabular diabase bodies. The Buttle Lake Formation consists of limestone and chert.

The Vancouver Group, consisting of the Karmutsen Formation basalts overlain by limestone of the Quatsino Formation and calcareous siltstone, greywacke, silty-limestone and minor conglomerate is the thickest and most widespread group on Vancouver Island. Karmutsen Formation rocks are relatively undeformed and weakly metamorphosed compared to Sicker Group rocks.

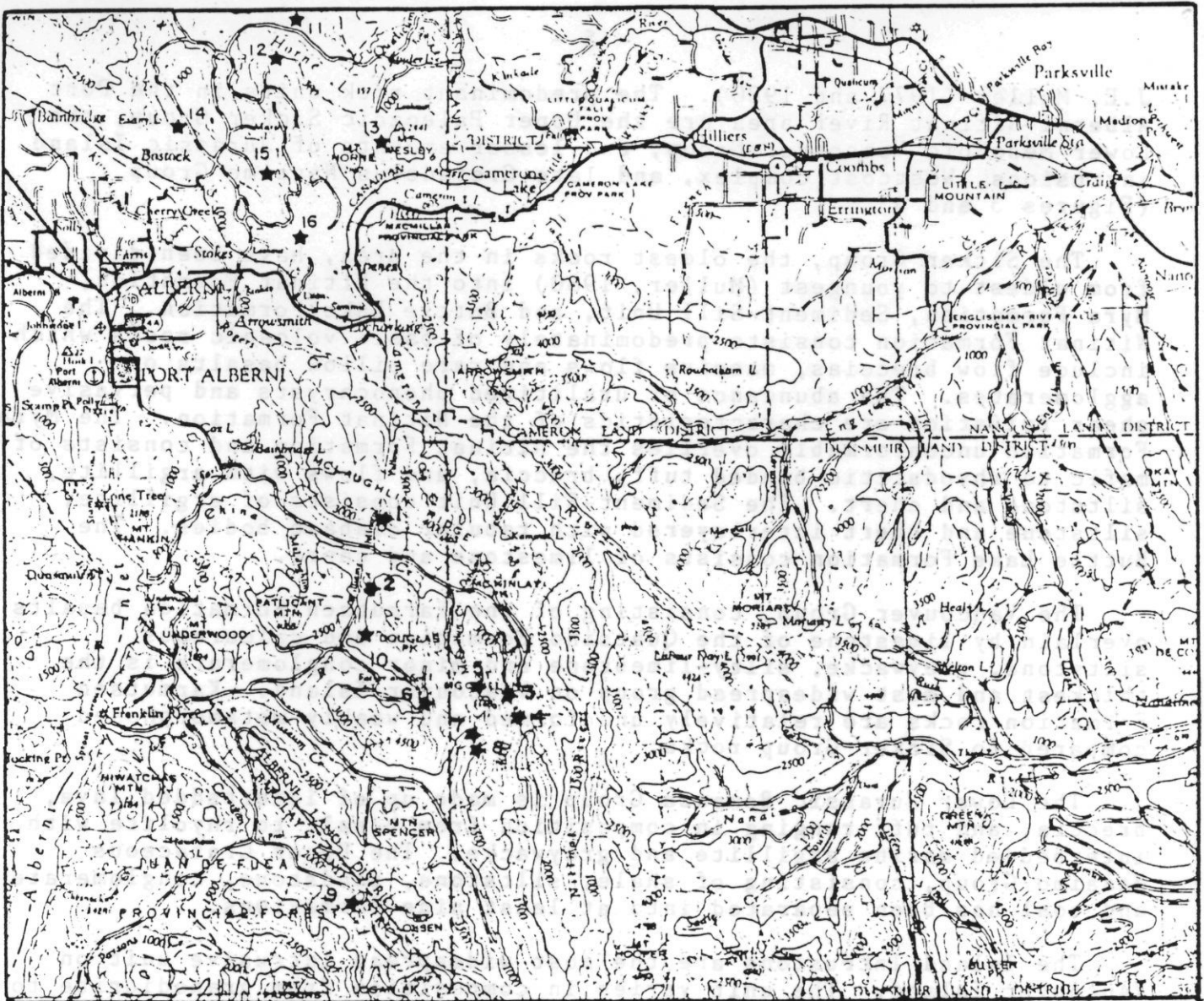
The Lower Jurassic Bonanza Group is made up of interbedded lava, breccia, and tuff ranging in composition from basalt to rhyolite with interbedded marine argillite and greywacke. The Upper Cretaceous Nanaimo Group, consisting of shale, siltstone, sandstone, conglomerate and coal has been separated into at least nine formations.

The Island Intrusions are the most widespread intrusive unit on Vancouver Island. The unit varies in composition from granodiorite to granite and has caused a number of skarn deposits where it encounters limy units.

PROPERTY GEOLOGY (Figure 6)

The Yellow Property is underlain by andesitic to basaltic flows, pillow-basalt, tuff, agglomeratic to fine-grained, cherty tuff, and chert of the Nitinat and Myra Formations of the Paleozoic Sicker Group. A mineralized north-northeast striking fault zone trends along Mineral Creek and at least two subparallel faults occur to the east of Mineral Creek.

The geology of the Yellow Property has been mapped by Naciuk and Hawkins (1987) and is presented as Figure 6 of this report. They divide the rock types into four mappable units: intermediate to mafic volcanics, bedded volcanoclastics, fault zone (mylonite), and foliated volcanics. The rock units have a northerly trend which subparallels the Mineral Creek fault zone.



GOLD DEPOSITS AND OCCURRENCES

- | | |
|-------------------------------|-----------------------|
| 1. Vancouver Island Gold Mine | 11. P.D |
| 2. Regina | 12. Silver Bell |
| 3. Golden Eagle | 13. Mt. Wesley Copper |
| 4. B & K. | 14. Esary Lake |
| 5. Havilah | 15. Lacy Lake |
| 6. Thistle | 16. Cameron Lake |
| 7. Black Panther | |
| 8. Black Lion | |
| 9. 3-W | |
| 10. Lizard Lake | |



ANGLE RESOURCES LTD
REWARD RESOURCES LTD.

YELLOW CLAIM
MINERAL OCCURRENCE

N.T.S. 92F-2

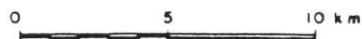
ALBERNI M.D., B.C.

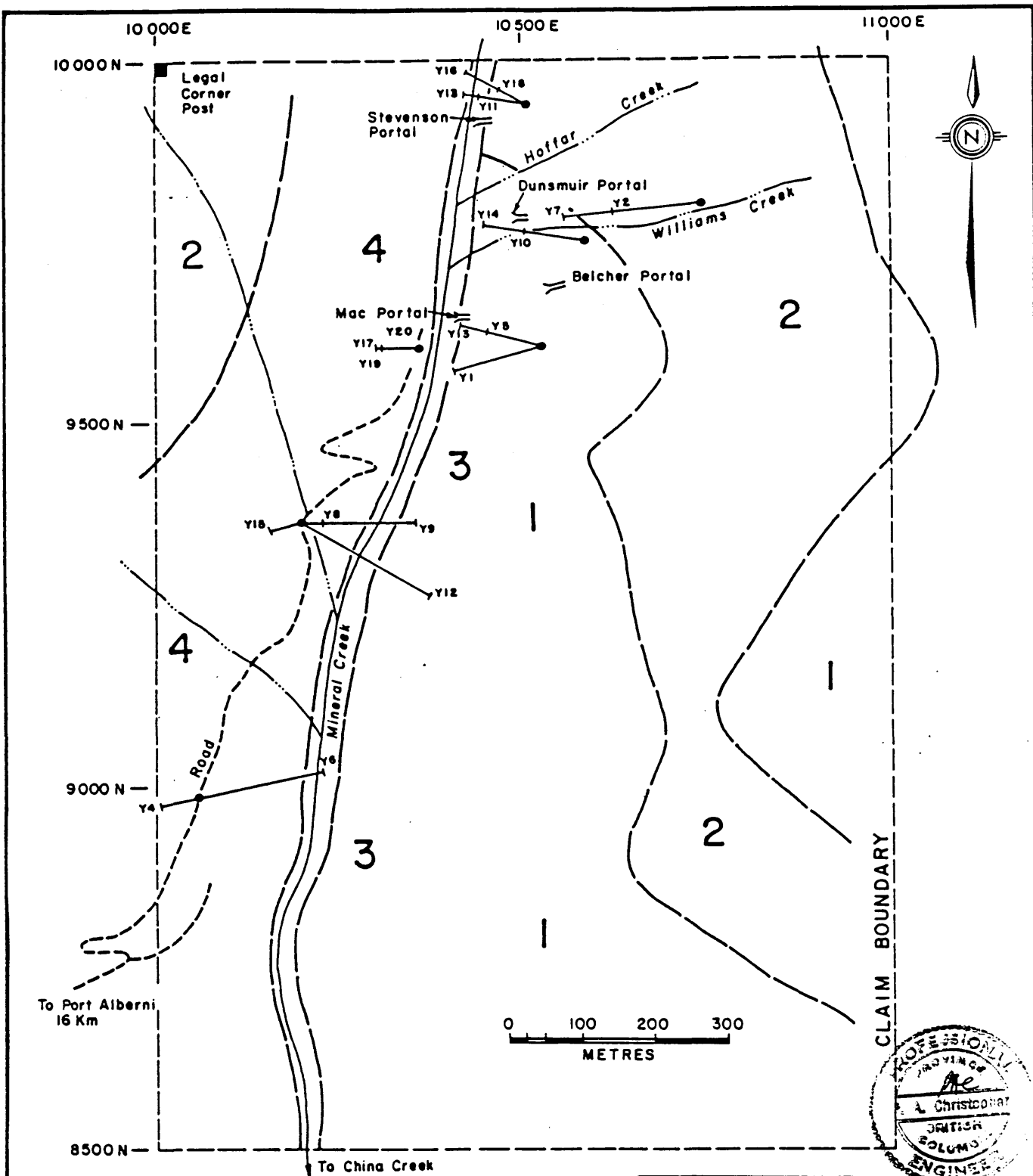
P.A. CHRISTOPHER & ASSOCIATES LTD.

SCALE

MAY 1987

FIGURE 5





LEGEND:

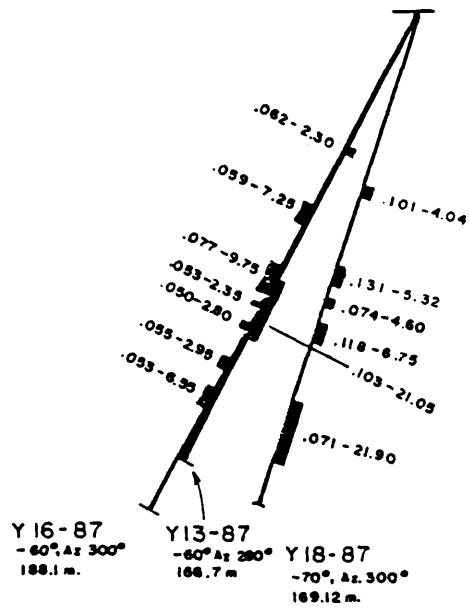
- 1 Intermediate to Mafic Volcanics
- 2 Bedded Volcaniclastics
- 3 Fault Zone
- 4 Foliated Volcanics

Creek (flowing, intermittent)

- Geologic Boundary
- Diamond drill hole & Number

AFTER MPH CONSULTING LTD

REWARD RESOURCES LTD. ANGLE RESOURCES LTD.	
DDH LOCATIONS YELLOW CLAIM	
ALBERNI MINING DIVISION	
Project No. V 249	By: T. N. M.
Scale: 1: 7500	Drawn: r. w. f.
Drawing No.	Date: FEB. 1987
F. A. CHRISTOPHER & ASSOCIATES LTD.	



Y 16-87
-60° Az 300°
188.1 m.

Y 13-87
-60° Az 280°
166.7 m

Y 18-87
-70° Az 300°
169.12 m.



ASSAY = oz. Au/ton-length in metres

REWARD RESOURCES LTD. ANGLE RESOURCES LTD.	
YELLOW CLAIM DRILL SECTION-Y13,16, 18	
N.T.S. 92F-2	ALBERNI M.D., B.C.
0 50 100 METRES	
P.A. CHRISTOPHER & ASSOCIATES LTD.	
SCALE 1:2500	NOV. 1987
FIGURE 6a	

Y 14-87
-65°, Az. 280°
331.62 m.

Y 7-87
-75°, Az. 265°
380.7 m

Y 2-87
-75°, Az. 265°
482.4 m

.052 - 1.38
.052 - .64

.051 - .75
.070 - .20



ASSAY = oz. Au / ton-length in metres

REWARD RESOURCES LTD.
ANGLE RESOURCES LTD.

YELLOW CLAIM
DRILL SECTION - Y 2, 7, 14

N.T.S. 92F - 2 ALBERNI M.D., B.C.

0 50 100 METRES

P.A. CHRISTOPHER & ASSOCIATES LTD.

SCALE 1: 2500 NOV. 1987 FIGURE 6b

MINERALIZATION

The Sicker Group is the host for a number of precious metal enhanced volcanogenic massive sulphide deposits and structurally controlled vein deposits on Vancouver Island. Volcanogenic massive sulphide deposits include the Lynx, Myra and H-W deposits of Westmin Resources Limited at Buttle Lake, the Twin J Mine and Laura Property near Mt. Sicker in the Duncan area, and the Thistle Mine (Figures 3 & 5). The reserves of the H-W deposit are 15.23 million tons grading 5.3% zinc, 2.2% copper, 0.07 oz/ton Au, 1.1 oz/ton Ag and 0.3% lead (Walker, 1983). The Twin J Mine produced 306,000 tons yielding 7.5% zinc, 3.4% copper, 0.15 oz/ton Au and 3.1 oz/ton Ag with minor lead and cadmium. The Thistle Mine produced 6920 tons yielding 4.92% copper, 2760 ounce of gold and 2120 ounces of silver. On Laura Property, Abermin Corporation has delineated a large polymetallic massive sulphide zone with trench sample values up to 24.58 g/t Au, 513.6 g/t Ag, 43.01% zinc, 8.3% lead, and 3.04 % copper over 3.5 meters.

Figure 5 shows the location of sixteen gold deposits and occurrences in the area of the Yellow Property. The exciting new 900 zone, Linda zone and extension of the Mineral Creek zone on the Debbie Property, under exploration by Nexus Resource Corporation, Angle Resources Ltd and Westmin Resources Ltd. are shown on Figure 6. Hole DN50-87 in the 900 zone contained 44.3 feet assaying 1.137 oz/ton gold. Hole DM57 in the Linda zone contained 0.7 feet from 127.1 to 127.8 and 6.8 feet from 420.4 to 427.2 assaying 4.895 oz/ton gold and 0.347 oz/ton gold respectively. Hole DM62 in the Linda zone contained 9.8 feet from 132.4-142.2 and 5.2 feet from 421.0 to 426.2 assaying 0.578 oz/ton gold and 0.312 oz/ton gold respectively. The Vancouver Island Gold Mine, in the Mineral Creek Zone has reported production of 438 tonnes yielding 384 ounces of gold, 52 ounces of silver and 88 kilograms of copper. Minor production has also been reported for the Black Panther Mine, 3-W and Havilah deposits. The occurrences are mainly structurally controlled quartz-carbonate alteration zones and in Sicker Group or overlying Vancouver Group rocks.

On the Yellow Property, massive and stockwork quartz veins occur in the Mineral Creek fault zone and in two structures to the east. Zones of pyritic ankerite-sericite-quartz alteration occur proximally to these structures. The auriferous zones are characterized by a rusty color, the presence of green fuchsitic clots and sulphide contents up to 15%. A total of 4976.36 meters of wire line drilling was completed in 20 holes on the Yellow Property with 29 intersections containing more than 1.71 g/t (0.05 oz/T) gold (Naciuk and Hawkins, 1987) summarized in Table 2. Drill hole locations are shown on Figure 6.

In a comprehensive, 14 volume report on the 1986-1987 Debbie Property, Watkins et al. (1987) indicated a combined ore potential for the Mineral Creek area of 1,180,000 tons with a grade of 0.17 oz Au/ton and stated that, "...both the Upper Mineral Creek and Linda zones on the Debbie property continue onto the Yellow claim and probably will include gold veins exploited by Vancouver Island Gold Mines. It is reasonable to expect that the potential on the Yellow claim will be the same as that on the Debbie Property."

Table 2. Summary of Drill Results (from Naciuk and Hawkins, 1987).

<u>Hole #</u>	<u>Sample #</u>	<u>Interval(m)</u>	<u>Length(m)</u>	<u>Gold</u>		<u>Silver</u>
				<u>(Oz/T)</u>	<u>(g/t)</u>	<u>(ppm)</u>
Y1-86	14440-14442	153.60-158.19	4.59	0.551	18.89	1.6
	14440-14441	153.60-156.10	2.50	1.010	34.63	2.6
	14467	220.82-221.07	0.25	0.178	6.10	0.6
	14123-14126	245.87-250.85	4.97	0.067	2.30	1.0
	14477-14124	246.40-248.77	2.37	0.108	3.70	1.5
Y2-87	15359-15360	40.60-41.35	0.75	0.051	1.75	1.8
	15360	40.90-41.35	0.45	0.072	2.47	1.5
Y3-87	14489	23.95-25.00	1.05	0.091	3.12	0.5
	16918-16919	224.49-226.47	1.98	0.051	1.74	0.6
	16919	225.49-226.47	0.98	0.072	2.47	0.6
Y7-87	16862	41.30-41.50	0.20	0.070	2.40	0.5
Y11-87	16695	93.30-93.70	0.40	0.088	3.02	0.8
Y13-87	17077-17080	49.65-51.95	2.30	0.062	2.11	0.8
	17079	50.90-51.45	0.55	0.196	6.72	1.8
	17206	81.55-82.25	0.70	0.069	2.37	0.9
	17210	84.80-85.90	1.10	0.062	2.13	1.0
	17213	88.00-88.65	0.65	0.050	1.71	0.4
	17219	93.96-94.50	0.54	0.059	2.02	0.9
	17225-17240	99.75-120.80	21.05	0.103	3.53	0.9
	17226-17228	100.70-104.40	3.70	0.278	9.53	1.7
	17233-17234	109.60-112.45	2.85	0.124	4.25	1.4
	17238	116.16-117.96	1.80	0.132	4.53	0.5
	17247-17248	127.35-128.90	1.55	0.052	1.77	0.7
Y14-87	17112	110.73-112.09	1.36	0.052	1.78	0.4
	17127	142.09-142.73	0.64	0.052	1.78	0.4
Y16-87	17314	60.25-60.55	0.30	0.121	4.15	0.8
	17325-17332	72.40-79.65	7.25	0.059	2.02	1.1
	17326-17328	73.60-76.80	3.20	0.116	3.98	2.1
	17326	73.60-74.20	0.60	0.518	17.76	1.0
	17344-17352	94.65-104.40	9.75	0.077	2.63	0.7
	17345	95.60-96.95	1.35	0.061	2.09	0.5
	17347	97.70-98.50	0.80	0.095	3.26	0.9
	17349	99.67-100.30	0.63	0.100	3.43	1.1
	17352	102.95-104.40	1.45	0.315	10.80	1.5
	17356-17357	108.00-110.35	2.35	0.053	1.83	0.8
	17362-17363	115.90-118.70	2.80	0.050	1.70	0.6
	17365	119.90-121.00	1.10	0.081	2.78	2.0
	17373-17374	129.60-132.55	2.95	0.055	1.89	1.4
	17379-17381	141.25-147.80	6.55	0.053	1.82	0.7

Table 2. cont.

Hole #	Sample #	Interval(m)	Length(m)	Gold		Silver
				(Oz/T)	(g/t)	(ppm)
Y18-87	16425-17391	58.65-63.10	4.45	0.101	3.46	0.7
	17390	59.60-61.35	1.75	0.248	8.50	1.2
	17271-17273	87.85-93.17	5.32	0.131	4.49	6.8
	17272	89.20-91.80	2.60	0.266	9.12	13.4
	17276-17277	98.00-102.60	4.60	0.074	2.54	0.4
	17277	100.16-102.60	2.44	0.128	4.39	0.4
	17280-17282	106.80-113.55	6.75	0.118	4.05	0.8
	17281	109.35-111.55	2.20	0.352	12.07	1.4
	17293-16404	133.30-155.20	21.90	0.071	2.45	0.6
	17294-16401	135.10-149.10	14.00	0.104	3.56	0.8
	17300-16401	145.80-149.10	3.30	0.292	10.01	1.2

DISCUSSION

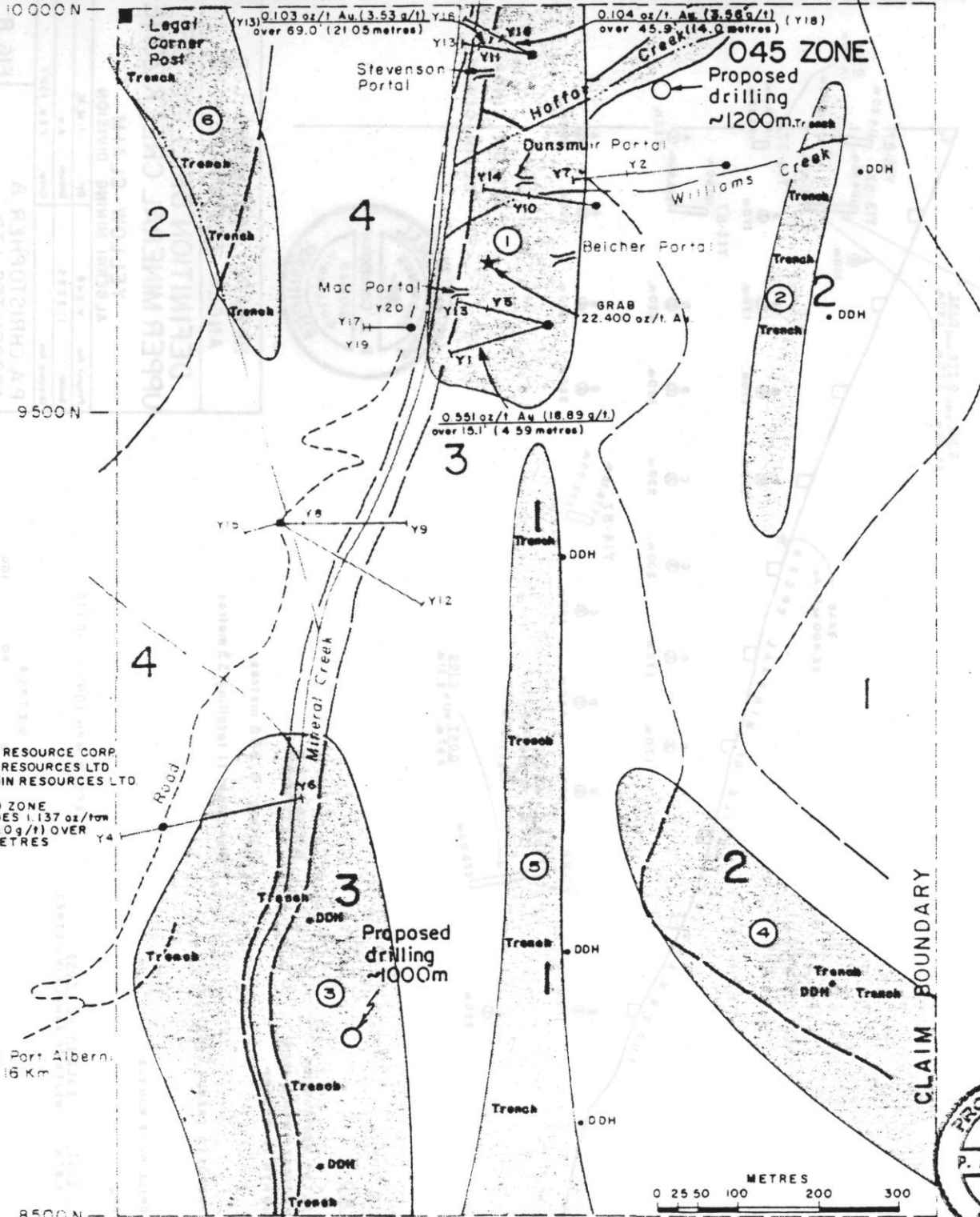
Exploration of Sicker Group rocks in the China Creek-Mineral Creek was started by Westmin Resources Ltd. in 1979 with acquisition of claims that are part of the Debbie Property of Westmin Resources Ltd. (50%), Angle Resources Ltd. (25%) and Nexus Resource Corporation (25%). Exploration on the Debbie Property by Westmin concentrated on the volcanogenic massive sulphide potential prior to involvement by Nexus and Angle in 1986. Accelerated exploration was encouraged by the availability of flow through exploration funds and resulted in the discovery of three gold zone (ie. 900 Zone, Linda Zone and Upper Mineral Creek Zone) that trend onto the Yellow Claim. A \$2,200,000 has been proposed by Westmin Resources Ltd. (Walker, 1987) for continued surface exploration of the Debbie Property.

Exploration by Angle Resources Ltd. and Reward Resources Ltd. has indicated extensions of the Linda and Mineral Creek zones onto the Yellow Property. Westmin Resources Ltd., the operator of the Debbie Property, has been contracted by Angle Resources Ltd. and Reward Resources Ltd. to conduct the 1987-1988 exploration program on the Yellow Property. Combined exploration of the Yellow and Debbie properties allows for systematic, cost effective exploration of mineralized zones which are continuous between adjacent properties. Topographic restraints dictate drilling of long exploratory holes from surface but underground exploration requires better understanding of the extent and continuity of the mineralized zones.

The following, priority exploration target areas (Figure 7) have been selected on the basis of favourable geology, chargeability and/or resistivity anomalies, previous drill intersections and coincident gold-arsenic soil anomalies (see Naciuk and Hawkins, 1987):

Target 1. North Mineral Creek Zone: Definition drilling between Mac Adit and Mineral Creek Zone on Debbie Property, check high grade trench results between Mac and Dunsmuir vein systems and test A and B chargeability anomalies. Figure 8 shows the locations of proposed drill holes with a total of 5465 meters of drilling proposed for the North Mineral Creek Zone. About 1200 meters of drilling is proposed to test a mineralized structure (045 Zone) that extends from the Mac and Dunsmuir portal area to the Linda Zone.

10 000 E NEXUS RESOURCE CORP MINERAL CREEK ZONE LINDA ZONE 11000 E
 ANGLE RESOURCES LTD INCLUDES 0.246 oz/ton Au (8.4 g/t) INCLUDES 0.578 oz/ton Au (19.8 g/t) OVER 3.0 METRES
 WESTMIN RESOURCES LTD OVER 4.2 METRES



LEGEND:

- 1 Intermediate to Mafic Volcanics
- 2 Bedded Volcaniclastics
- 3 Fault Zone
- 4 Foliated Volcanics
- 5 Exploration Zones
- Geologic Boundary
- Creek (flowing, intermittent)
- Diamond drill hole & Number

REWARD RESOURCES LTD.
 ANGLE RESOURCES LTD.

PROPOSED EXPLORATION ZONES

YELLOW CLAIM
 ALBERNI MINING DIVISION

Project No. V 249	By T.M.N.
Scale 1:7500	Drawn d.w.
Drawn, No.	Date FEB 1987

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FIG. 7

AFTER MPH CONSULTING LTD.

ELEVATION IN METRES
ABOVE SEA LEVEL

900 m.

800 m.

700 m.

600 m.

500 m.

400 m.

9500 N.

10000 N.

TOPOGRAPHIC PROFILE OF MINERAL CREEK

GRAB
22.400 oz/L Au.

0.087 with 0.198
2.30 m. with 0.68 m.

0.103 with 0.278 and 0.132
21.05 m. 3.70 m. 1.60 m.

0.104
14.00 m.

Y16-87
114.60 m.

Y13-87
104.62 m.

Y18-87
141.60 m.

Y11-87
161.60 m.

Y11-87
191.60 m.

Y14-87
278.19 m.

Y1-86
278.00 m.

Y3-87
248.00 m.

0.087 with 0.108
4.97 m. with 2.31 m.

YELLOW LINDA
CLAIM CLAIM

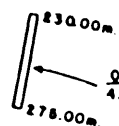
LEGEND

- SETUP DESIGNATION
- ⊕ PROPOSED DRILL HOLE
- 229 m. DEPTH IN METRES

▭ PROPOSED TRENCH LOCATION

DRILL HOLE NUMBER

DRILL HOLE INTERSECTION

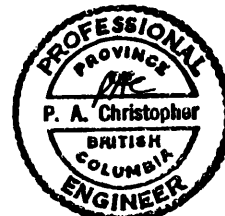


SOLD IN OZ./TONS
WIDTH OF SAMPLE IN METRES

PROPOSED

drilling: 5,265 metres
trenching: 11 totalling 33 metres

AFTER MPH CONSULTING LTD.



REWARD RESOURCES LTD. ANGLE RESOURCES LTD.	
DEFINITION DRILLING OF UPPER MINERAL CREEK ZONE	
YELLOW CLAIM ALBERNI MINING DIVISION	
Project No. V 249	By: T.M.H.
Scale: 1:3225	Drawn: d.w.
Drawing No.	Date: FEB. 1987

P.A. CHRISTOPHER &
ASSOCIATES LTD.

FIG. 8

Target 2. Waterfall Zone-Possible extension of Linda Zone on Debbie Property: Object is to test a coincident chargeability anomaly D and a gold-arsenic geochemical anomaly. Four or five blasted trenches across the vein with drilling of 600 meters in four holes contingent on trench results.

Target 3. South Mineral Creek Zone: Further exploration of chargeability anomalies F and FF, coincident gold-arsenic geochemical anomaly, and jasper-magnetite showing on road. Trenching and sampling of mineral showing with four diamond drill holes totaling 1000 meters contingent on trench results.

Target 4. Southeast Zone: Anomaly along the southern projection of the Linda and Waterfall zones with chargeability anomaly G and associated gold-arsenic geochemical anomalies. Initial trenching is required to expose the vein with three proposed diamond drill holes totaling 300 meters contingent on trench results.

Target 5. South extension of chargeability anomaly A with coincident gold arsenic anomaly. Four or five trenches to expose structure with six short diamond drill holes totaling 435 meters contingent on trench results.

Target 6. LCP Zone: Possible north-south carbonate altered structure which requires initial trenching with four or five trenches required to expose structure for sampling.

CONCLUSIONS AND RECOMMENDATION

Based on a property examination, a review of published information, and a review of company reports, the writer agrees with the recommended work program and budget in the Naciuk and Hawkins (1987) report. Six priority target zones have been selected for follow up exploration (Figure 7). The Mineral Creek zone has been demonstrated to be well mineralized over an impressive strike length on the Yellow Property and adjoining Debbie Property with an excellent possibility of developing a viable deposit on the Yellow Property or exploiting the mineral reserves in conjunction with mining on the adjoining property. The 900 and Linda zone are recent discoveries on the Debbie Property that may have extensions on the Yellow Property and the Mineral Creek fault zone may be mineralized over its entire 1500 meter extent on the Yellow claim (Figure 7).

Detailed mapping and geophysical surveys are recommended in order to select specific drill site and provide data for future development. Road construction is warranted to allow drive-in access to the northern part of the zone and for moving equipment for opening underground workings. A Phase IV, 1987/88 exploration program consisting of surface mapping at 1:2500 scale, detailed geophysical surveys, underground rehabilitation, underground mapping and sampling and road construction and 7400 meters of diamond drilling is estimated to cost \$2,000,000. Cost estimates for the Phase IV program follow:

COST ESTIMATES

Phase IV. Geophysical, Geological, Geochemical, Road Construction,
Diamond Drilling & Underground Rehabilitation.

<u>Personnel Costs</u>		\$ 275,000
<u>Room & Board</u>		59,000
<u>Transportation & Communication</u>		
4x4 Trucks		48,000
Helicopter		40,000
Shipping, Couriers, Telephone etc.		3,000
<u>Supplies</u>		20,000
<u>Equipment Rentals</u>		
VLF-EM	\$ 500	
Magnetometer	2,250	
Generator	2,250	
Computer	4,000	
Plugger	3,000	
Electrical Blaster	700	
Radios	5,900	
Compressor & Jack Hammer	10,000	
Pajari	1,500	
Rock Saw	1,500	
Core Splitter	500	
Chainsaws	<u>1,500</u>	
		33,600
<u>Contract Services</u>		
Drilling 9000 meters @ \$ 80/meter		720,000
Underground Rehabilitation		45,000
Road Construction 3.0 Km @ \$ 70,000/Km		210,000
Environmental Impact Study		5,000
<u>Analyses</u>		50,000
<u>Reporting Costs</u>		68,000
<u>Project Management</u> 15%		159,000
<u>Contingency</u> 15%		<u>240,000</u>
		1,975,600
<u>Audit</u> 1.2% of 1,975,600		<u>23,707</u>
		1,999,307

Total Costs, say \$2,000,000

Reward Resources Ltd. \$1,090,000
Angle Resources Ltd. 910,000



Peter A. Christopher P. Eng.
June 3, 1987
Revised November 3, 1987
Revised December 4, 1987

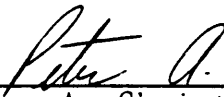

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CERTIFICATE

I, Peter A. Christopher, with business address at 3707 West 34th Avenue, Vancouver, British Columbia, do hereby certify that:

- 1) I am a consulting geological engineer registered with the Association of Professional Engineers of British Columbia since 1976.
- 2) I am a Fellow of the Geological Association of Canada and a member of the Society of Economic Geologists.
- 3) I hold a B.Sc. (1966) from the State University of New York at Fredonia, a M.A. (1968) from Dartmouth College and a Ph.D. (1973) from the University of British Columbia.
- 4) I have been practising my profession as a Geologist for over 20 years.
- 5) I have no direct or indirect interest, nor do I expect to receive any interest directly or indirectly in the properties or securities of Angle Resources Ltd., Reward Resources Ltd. or associated companies.
- 6) I have based this report on a review of government and company reports listed in the bibliography and on a field examination of the geological setting and claim locations on May 11, 1987 and November 30, 1987.
- 7) I consent to the use of this report by Angle Resources Ltd. and/or Reward Resources Ltd. in any Filing Statement, Statement of Material Facts or Prospectus issued by the companies.



Peter A. Christopher, P.Eng.
June 3, 1987
Revised November 3, 1987
Revised December 4, 1987