

007066

SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE
STATEMENT OF MATERIAL FACTS (#30/88)
EFFECTIVE DATE: APRIL 18, 1988

CONSOLIDATED GOLDWEST RESOURCES LTD.
910 - 475 Howe Street, Vancouver, British Columbia (604) 681-9565

NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

2100 - 505 Burrard Street, Vancouver, British Columbia
ADDRESS OF REGISTERED AND RECORDS OFFICES OF ISSUER

National Trust Company, 9th Floor, 666 Burrard Street, Vancouver, British Columbia
NAME AND ADDRESS OF REGISTRAR AND TRANSFER AGENT FOR ISSUER'S SECURITIES IN BRITISH COLUMBIA

OFFERING: 450,000 UNITS, EACH UNIT CONSISTING OF ONE COMMON SHARE WITHOUT PAR VALUE AND TWO SERIES "A" SHARE PURCHASE WARRANTS

Estimated Price to Public	Estimated Broker's Commission	Estimated Net Proceeds to Issuer
\$ 0.40	\$ 0.03	\$ 0.37
\$180,000.	\$13,500.	\$166,500.

OFFERING:

All receive a non-transferable warrant entitling the Agent to purchase up to 450,000 shares of the Issuer in consideration of agreeing to purchase any Units offered for at the conclusion of the Offering. These shares are qualified for sale pursuant to this Statement of Material Facts as described in Item 1 under the heading "Additional Offering."

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.

AGENT:

McDermid St. Lawrence Limited
1000 - 601 West Hastings Street
Vancouver, British Columbia

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.

LOG NO: MAY 17 1988 VAN

ACTION:

FILE NO:

FILE
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0005-1

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

The Issuer by its agent hereby offers (the "Offering") to the public through the facilities of the Vancouver Stock Exchange (the "Exchange") 450,000 Units (the "Units") each unit consisting of one (1) common share and two (2) Series "A" share purchase warrants (the "Warrants").

The price of the Units (the "Offering Price") will be determined by the Exchange in accordance with its rules and policies, at a premium over the average trading (the "Average Trading Price") of the Issuer's common shares as traded on the Exchange and as determined by the Exchange, but in any event not less than \$.40 per unit.

The Offering shall be made on a day (the "Offering Day") within the period of 30 business days following the Effective Date of this Statement of Material Facts (the Effective Date being the date of acceptance of this Statement of Material Facts by the Exchange and the Superintendent of Brokers as noted on the cover page of this Statement of Material Facts) at the Offering Price.

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

Appointment of Agent

The Issuer, by an agreement dated for reference April 8, 1988 (the "Agency Agreement"), appointed McDermid St. Lawrence Limited as its agent (the "Agent") to offer the Units to the public.

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.

The Issuer has granted the Agent a right of first refusal with respect to any future equity financings it may require during the 12 month period following the Effective Date.

The Agent has agreed to purchase from the Offering any of the Units which remain unsubscribed for at the conclusion of the Offering and, in consideration therefor, the Issuer has agreed to allot and issue to the Agent, immediately following conclusion of the Offering, non-transferable share purchase warrants (the "Agent's Warrants") entitling the Agent to purchase a total of 225,000 common shares of the

("Discovery"). The Issuer paid Discovery \$1,500. for the assignment of the option and paid Raymond Bakke \$18,000. in order to execute the option. The principal of Discovery is Hank Leis.

The Issuer acquired the remaining 50% interest in the B & M claims by bill of sale dated June 2, 1983 from Verna Wilson, President of the Issuer, be reimbursing to Mrs. Wilson her out-of-pocket acquisition costs of \$5,700.

The Issuer originally held an option to acquire 100% of the B & M claims which it acquired through Pacific Properties Ltd., the principal of which is W.L. Vernon-Martin, by agreement dated November 8, 1980. Pacific Properties Ltd. held an option from the owners of the mineral claims, C.C. Mollison and Raymond Bakke. The Issuer paid \$10,500. to acquire its option and another \$14,500. to maintain it. A further \$185,000. was required to maintain and ultimately exercise the option. The Issuer was financially unable to maintain the option due to depressed market conditions and the parties mutually agreed to terminate the various agreements between them by agreement dated August 6, 1982. The Issuer was subsequently able to acquire the claims on much more favourable terms.

The Rita 1 and Rita 2 claims were purchased from William L. Vernon-Martin, of 4 - 3981 Nelthorpe Street, Victoria, B.C., for the sum of \$12,500., by bill of sale dated April 7, 1981.

The Issuer purchased the MVM 1 claim from Verna Wilson by bill of sale dated December 13, 1983 by reimbursing Mrs. Wilson's out-of-pocket acquisition costs of \$2,000.

Subsequent to the acquisition of the Havilah Property, the Issuer entered into a joint venture agreement dated October 5, 1987 (the "Joint Venture Agreement") with Labyrinth Resource Corp. of 3566 King George Highway, Surrey, British Columbia ("Labyrinth"). Pursuant to the joint venture, the Issuer transferred to the joint venture 50% of its interest in the Rita, B & M and MVM claims and Labyrinth transferred to the joint venture 50% of its interest in the Sol claims located adjacent to the Havilah Property.

The Joint Venture Agreement obligates the Issuer to spend \$50,000 on exploration of the properties prior to November 30, 1989 and Labyrinth to spend a minimum of \$80,000 on exploration prior to November 30, 1989. In the event that by November 30, 1989, either of the Issuer or Labyrinth have not fulfilled their exploration expenditure requirement, the relative percentage interest of the defaulting party in the joint venture will be diluted.

Labyrinth has advised the Issuer that it has completed a drilling program on the Havilah Property since entering into the joint venture with the Issuer. The results of this drilling program are not yet available. As of the date of this Statement of Material Facts, Labyrinth has expended in excess of its \$80,000 commitment on exploration of the property.

Access to the area is via logging roads south of Port Alberni from the Bamfield Road. Travel is along the China Creek Road and up McQuillan Creek Road to King Solomon Basin. The distance from Port Alberni to King Solomon Basin is approximately 25 km. A 4-wheel drive vehicle is recommended. From the end of the logging road in King Solomon Basin, a foot trail leads up McQuillan Creek on its eastern side into the area of the three adits of the Havilah Mine.

The lower adit (known as the 1000 Adit) is at an approximate elevation of 1036 m. (3400 ft.), the middle 900 adit is at approximately 1067 m. (3500 ft.) and the uppermost 800 Adit elevation is approximately 1097 m. (3600 ft.) above sea level.

HISTORY AND PREVIOUS WORK

China Creek which is fed in part by McQuillan Creek was the site of small-scale placer mining principally between 1860 and 1900.

Extensive prospecting in the McQuillan Creek area during the 1890's led to the discovery of five known precious metal and base metal deposits, all but one of which occurred south of China Creek.

Renewed activity in the area between 1933 and 1942 resulted in three additional lode discoveries, also south of China Creek. One of the deposits found was the Havilah mine. Within 2.5 km. of the Havilah mine existed the Golden Eagle, Black Panther, Black Lion and Thistle mineral deposits. The Thistle Mine produced 6,867 tons averaging 0.39 oz gold per ton, 0.24 oz silver per ton and 4.56% copper according to the B.C. Ministry of Mines report.

Reports on prospecting on the McQuillan Vein, part of the Havilah Gold Mine, date from the period 1893 to 1895 but the bulk of the work completed on this property dates from the 1930's. In August of 1934 two claims, the White Rose and Red Rose were staked by Walter Harris, and in February of 1936 six additional claims, the Pink Rose, the Yellow Rose and Spike 1-4 were also staked by Walter Harris. In 1936

the work on what has come to be known as the upper showings, consisting mainly of a number of trenches and open cuts, was carried out and the major underground work, driving three adits, was done in 1938 and 1939. The three adits, known as the 800, 900, and 1000 adits, are all on the Gillespie Vein and are 100 ft. (30.5 m.) apart in elevation. The lowest adit, the 1000 adit, is at 3400 ft (1036 m.) elevation and is driven on a bearing of S8 degrees West. The 900 adit is at 3500 ft (1067 m.) elevation and is also driven on a bearing of S8 degrees West, while the 800 adit is at 3600 ft. (1097 m.) elevation and is driven on a bearing of S2 degrees West.

Production from the Havilah Mine has been reported (Stevenson, 1945) as 7 tons in 1936 containing 7 ounces of gold and 6 ounces of silver; and 1,039 tons in 1939 containing 244 ounces of gold and 1328 ounces of silver.

Subsequent to the closure of the Havilah Mine, about 1940 or 1941, little or no work appears to have been done until the 1960's at which time the property fell within that part of the E & N Land Grant within which Gunnex Limited had acquired prospecting rights. In 1963 and 1964 work completed by Gunnex Limited included silt sampling on McQuillan Creek and its tributaries, prospecting, on both the upper and lower workings, and sampling of mineralized areas. Between 1962 and present, a number of regional exploration programs were conducted in the area by companies including Cominco/Coast Copper, Jan Resources and Westmin.

On January 13, 1981 F. Yacoub and J.B.P. Sawyer, of Sawyer Consultants Inc. sampled the 900 adit of the Havilah Mine on behalf of Westgold Resources Ltd. A sampling plan appended to this report shows the disposition of the vein within the 900 adit and the location of the six channel samples taken by Yacoub and Sawyer, at intervals of approximately 10 m. along the quartz vein from the portal of the adit to the inclined shaft. The average value for the six samples is 0.218 ounces of gold per ton and 1.01 ounces of silver per ton over an average width of 42 cm.

During November 8 to 12, 1983 the Issuer contracted N.E. Green, P.Eng. of Newgreen Mining and Development Ltd. to obtain numerous samples from the veins within the three adits of the Havilah Mine. A few samples were also taken from McQuillan Creek banks about 100 ft. (32.8 m.) above King Solomon Basin or about the 2800 ft. (854 m.) elevation. There were a total of ninety-eight samples taken and assayed for gold, silver and copper.

GEOLOGY

Regional Geology

The Mount McQuillan/China Creek area of Vancouver Island is underlain predominantly by volcanic rocks which have been mapped and grouped as part of the Sicker Series by Muller (1968 and 1980). The 1968 publication by Muller was updated in 1980 by refining the geological work and redefining some of the subdivisions of the Sicker Group. The B & M, Rita and MVM 1 claims lie within the northwest half of the Cowichan/Horne Lake Uplift which is one of three structural culminations in which the Sicker Group is exposed.

Property Geology

The B & M 1 to 8, Rita 1 and 2, and MVM 1 claims are underlain almost entirely by Nitinat Formation rocks. Outcrops seen in the Havilah Mine area are dark coloured andesitic lavas, typical of Nitinat Formation rocks seen elsewhere in the Mount McQuillan area. Similarly the veins at the Havilah Mine are fairly typical of the quite extensive gold-bearing vein structures of the area. Immediately east of the workings, Stevenson (1945) has mapped intrusive diorites which are probably similar to dioritic intrusives generally associated with the Nitinat volcanics in this area.

Three veins are presently known on the Havilah Mine property. Two of these, the "Alberni" and "McQuillan" veins, are exposed in a short adit and open cuts on the "upper workings" which are located at an elevation of about 4100 ft. (1250 m.), while the "lower workings", consisting of the three adits described in the History section of this report, are all on the "Gillespie" vein. The Gillespie vein has a general strike of N5 degrees east to N8 degrees east and dips steeply eastward at 80 degrees. The Gillespie vein occurs in fairly massive and typically dark green andesitic lavas of the Nitinat Formation. The vein itself is made up of ribbon quartz separated by thin laminae of sheared volcanics. Frequently these sheared rock inclusions are replaced by sulphides and where oxidized form fairly strong limonitic coatings and oxide zones. As seen in the "900" adit the vein is quite variable in width from a matter of a few inches just inside the portal to a maximum of about 61 cm. (2 ft.) at the widest point.

The geology of the "upper workings" as described by Stevenson (1936) appears to be more complex with the old greenstones being cut by irregular dykes of hornblende feldspar porphyry and quartz feldspar porphyry. Some of the volcanics are described as being shattered tuffs. The two

veins, McQuillan and Alberni, are exposed in a number of open cuts. Three shear zones each striking 005 degrees approximately and dipping at about 70 degrees to the east occur within a 4.9 m. (16 ft.) wide face of one of these open cuts. The shear zone may vary from less than 50 cm. (20") to 91 cm. (3 ft.) in width and each contains a sulphide quartz lens between 2.5 cm. (1") and 20 cm. (8") wide. The widest quartz lens and associated shear zone are referred to as the McQuillan vein.

The Alberni vein is described as a zone of intense shearing in greenstone having an average width of about 3 m. (10 ft.) and including from one to three lenticular veins of quartz and sulphide which include pyrite, sphalerite, galena, chalcopyrite and arsenopyrite. The lenses vary from 10 cm. (4") to 61 cm. (24") and strike from 020 degrees to 025 degrees approximately, dipping northeasternly at 65 to 70 degrees.

During the May, 1987 property visit, 3 rock samples and 1 soil sample (to obtain background values) were collected by Frank Dispirito.

The samples were analyzed for Gold and Silver by Acme Laboratories of Vancouver, B.C.

A group sample taken 30 metres in from the portal entrance on the 900 adit assayed over .509 oz/ton gold.

CONCLUSIONS AND RECOMMENDATIONS

In his engineering report dated October 7, 1987 (a copy of which accompanies this Statement of Material Facts) Frank Dispirito concludes that the B & M 1 to 8, Rita 1 and Rita 2, MVM 1, Sol A and B mineral claims are underlain by a geologic environment conducive to hosting gold and silver bearing quartz veins and that the former producing Havilah Gold Mine continues to contain precious metals mineralization. Apart from the mine area, the balance of the claims have not been covered by a comprehensive exploration program.

In order to properly evaluate the economic mineral potential of the B & M 1 to 8, Rita 1 and 2, MVM 1 and Sol A and B claims, a two phase exploration program is recommended.

The first phase should include establishing the boundary of the total claim area to define the working area for mineral development. The Havilah Mine workings should be mapped in detail as well as geological mapping of the entire claim group. A VLF-Electromagnetic survey and a geochemical soil survey should be conducted on a gride basis. Any exposures

or anomalies suggesting possible veins or shear zones should be trenched and sampled. The estimated cost of this phase is \$51,750 and the Issuer has allocated \$52,000. from the proceeds of this offering to the completion of this work.

If the first phase work program yields encouraging results and contingent upon an engineering recommendation, a second phase of exploration would involve subsurface testing by diamond drilling in order to determine the geometry and grade characteristics of economic mineralization. In order to carry out the second phase of work the Issuer will have to conduct further debt or equity financing.

There is no surface plant or equipment nor any known body of commercial ore on this Prospect and the proposed program is an exploratory search for ore.

4. Particulars of Non-Resource Assets

The Issuer does not own any non-resource assets.

5. Corporate Information

The Issuer was incorporated as Westgold Resources Ltd. on August 25, 1980 under the Issuer Act of the Province of British Columbia by the registration of its Memorandum and Articles. The Issuer changed its name to Totem Resources Ltd., effective December 19, 1980, and then to Goldwest Resources Ltd., effective February 10, 1981. Effective March 4, 1988 the Issuer's capital was consolidated on a 2.5 for 1 basis and the Issuer's name was changed to Consolidated Goldwest Resources Ltd. All references to shares of the Issuer in this Statement of Material Facts are expressed in current consolidated shares, unless expressly stated otherwise.

The authorized capital of the Issuer consists of 100,000,000 common shares without par value, of which 1,003,114 shares were issued and outstanding at April 4, 1988.

GOLDWEST RESOURCES LTD.

SCHEDULE OF DEFERRED EXPLORATION AND ADMINISTRATION COSTS

FOR YEAR ENDED FEBRUARY 28, 1987

	February 28, 1986	Expenditures During Year	February 28, 1987
EXPLORATION			
Engineering	\$ 9,524		\$ 9,524
Exploration	51,284	\$ 2,559	53,843
	<u>60,808</u>	<u>2,559</u>	<u>63,367</u>
ADMINISTRATION			
Advertising and promotion	43,313	1,057	44,370
Audit and accounting	10,352	2,200	12,552
Bank charges	236	48	284
Legal	29,315	14,149	43,464
Licences	800		800
Office services and management	47,130	14,163	61,293
Office rent	18,524	7,243	25,767
Transfer fees	7,074	2,580	9,654
Travel	12,097	634	12,731
Vancouver Stock Exchange fees	5,760	1,100	6,860
	<u>174,601</u>	<u>43,174</u>	<u>217,775</u>
Less interest income	867		867
	<u>173,734</u>	<u>43,174</u>	<u>216,908</u>
	<u>\$ 234,542</u>	<u>\$ 45,733</u>	<u>\$ 280,275</u>

(See accompanying notes)

GOLDWEST RESOURCES LTD.

REPORT

on the

B&M 1 to 8, RITA 1 & 2, MVM 1,

SOL A & B CLAIMS

**McQuillan Creek Area
Alberni Mining Division, British Columbia**

N. Latitude: 49° 07' 00"

W. Longitude: 124° 36' 30"

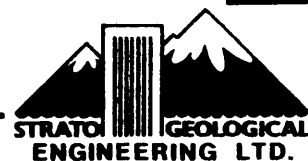
NTS 92F/2E

by

F. DiSpirito, B.A.Sc., P.Eng.

**STRATO GEOLOGICAL ENGINEERING LTD.
3566 King George Highway
Surrey, British Columbia
V4A 5B6**

October 7, 1987



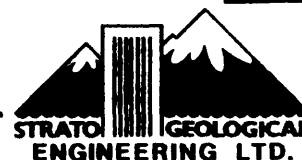
SUMMARY

An examination and evaluation of the B & M 1 to 8, Rita 1 & 2, MVM 1, and Sol A and Sol B Mineral Claims for Goldwest Resources Limited has been conducted. The claim group is part of a joint venture agreement with Labyrinth Resource Corp. This report is based upon research of the literature relevant to the property and a field examination.

The twelve contiguous claims are located in the area of King Solomon Basin at the headwaters of McQuillan Creek within the Alberni Mining Division, Vancouver Island, British Columbia. The nearest town, Port Alberni, is approximately 25km from the property.

The Havilah Gold Mine, a producing mine in the 1930's, lies within the boundaries of the claim group. The mine was based on gold and silver bearing quartz veins, similar to several other mines located within a few kilometers of the Havilah mine. The only comprehensive work done on the balance of the claims was by Cominco which worked on the area now covered by the Sol A and Sol B claims. Between 1974 and 1977, Cominco conducted extensive exploration for a porphyry copper type deposit.

Volcanic rocks which have been mapped and grouped as part of the Sicker series underlay the Mount McQuillan/China Creek area. The B & M 1 to 8, Rita 1 & 2, MVM 1, and Sol A and Sol B claims are underlain primarily by Nitinat Formation rocks, which are part of the Sicker series.



In order to properly evaluate the economic mineral potential of the claim group a two phase exploration program is recommended. The first phase recommendation is focused on delineating drill targets, while the second phase should include drill tests. A sum of \$51,750 is the estimated cost of Phase 1. Contingent upon favourable results and an engineering recommendation, a sum of \$100,000 should be allocated for Phase 2.

Respectfully submitted,
Strato Geological Engineering Ltd.



F. DiSpirito, B.A.Sc., P.Eng.

October 7, 1987



TABLE OF CONTENTS

1.	INTRODUCTION	page 1
	1.1 Claims	1
	1.2 Location	2
2.	HISTORY AND PREVIOUS WORK	4
3.	GEOLOGY	6
	3.1 Regional Geology	6
	3.2 Property Geology	7
4.	CONCLUSIONS AND RECOMMENDATIONS ...	8
5.	ESTIMATED COST OF PROPOSED EXPLORATION PROGRAM	9
6.	REFERENCES	11
7.	CERTIFICATE	13

LIST OF FIGURES

Figure 1:	Property Location Map	follows page	1
Figure 2:	Claim Map	" "	2
Figure 3:	Topographic Map	" "	3
Figure 4:	Regional Geology Map	" "	6

LIST OF APPENDICES

APPENDIX I:	Composite Map - Geology, Geochem., I.P. - Cominco (1974-1977), Butler (1987)
APPENDIX II:	Sampling Plan, 900 Adit (1981), Havilah Gold Mine
APPENDIX III:	Section through Havilah Mine (1983)
APPENDIX IV:	List of Assay Results from 1983 sampling program and May, 1987.



1. INTRODUCTION

Pursuant to a request by the Directors of Goldwest Resources Limited an examination and evaluation of the B & M 1 to 8, Rita 1 & 2, MVM 1, and the Sol A and Sol B claims was performed. The claims are part of a joint venture agreement and together form a contiguous block covering the Havilah Gold Mine and the area surrounding McQuillan Creek, in the Alberni Mining Division of British Columbia.

The major interest in the property centres around the fact that there are 7 old underground workings within about 4km of Mt. McQuillan which produced gold, silver and base metals. This report is based upon research of the literature pertaining to the property and surrounding area and a field examination carried out on May 16 and 17, 1987.

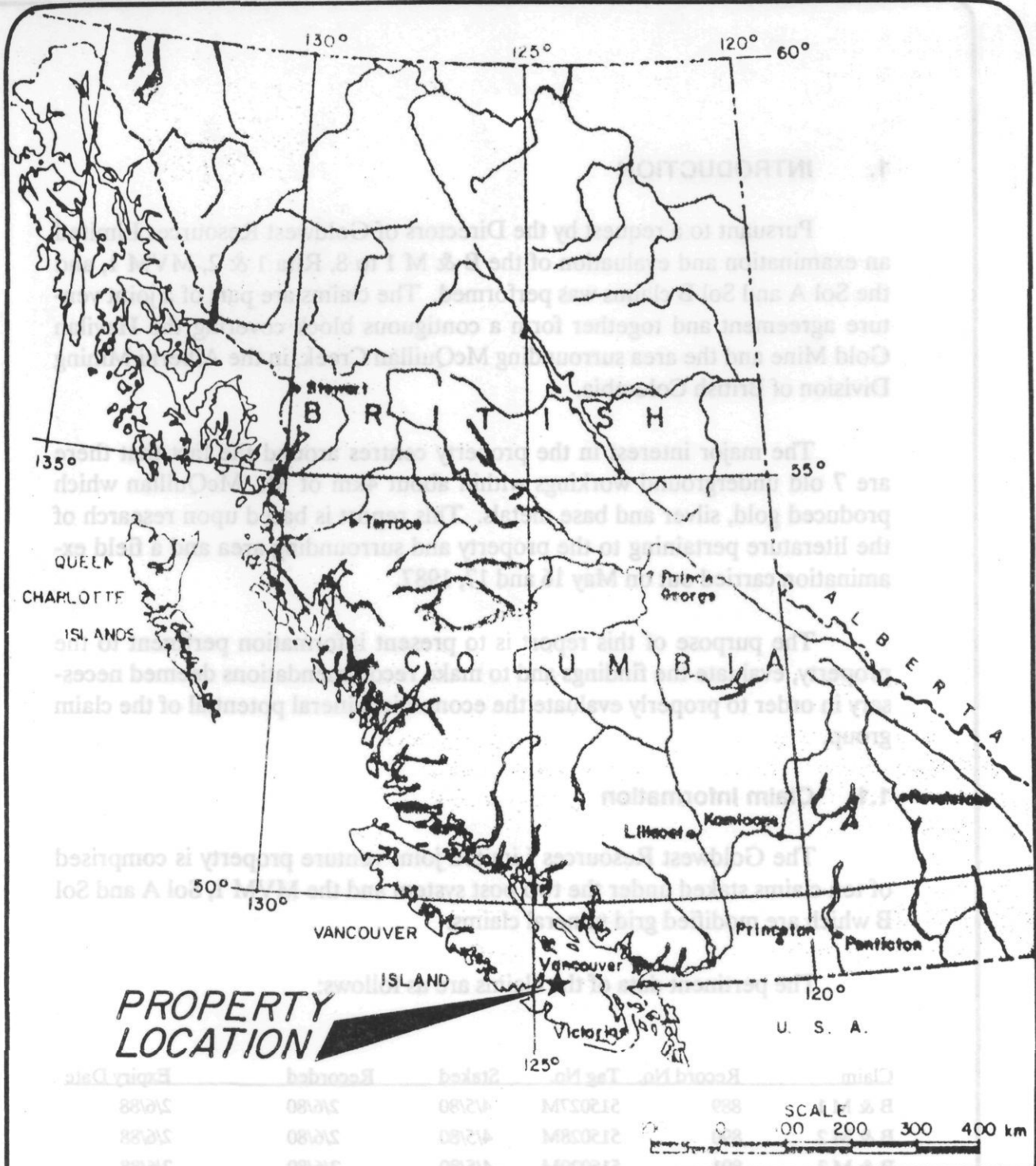
The purpose of this report is to present information pertinent to the property, evaluate the findings and to make recommendations deemed necessary in order to properly evaluate the economic mineral potential of the claim group.

1.1 Claim Information

The Goldwest Resources Limited joint venture property is comprised of ten claims staked under the two post system and the MVM 1, Sol A and Sol B which are modified grid mineral claims.

The pertinent data of the claims are as follows:

Claim	Record No.	Tag No.	Staked	Recorded	Expiry Date
B & M 1	889	515027M	4/5/80	2/6/80	2/6/88
B & M 2	890	515028M	4/5/80	2/6/80	2/6/88
B & M 3	891	515029M	4/5/80	2/6/80	2/6/88
B & M 4	892	515030M	4/5/80	2/6/80	2/6/88
B & M 5	893	515031M	4/5/80	2/6/80	2/6/88
B & M 6	893	515032M	4/5/80	2/6/80	2/6/88
B & M 7	895	515033M	4/5/80	2/6/80	2/6/88



**PROPERTY
LOCATION**



FIGURE 1
GOLDWEST RESOURCES LTD.
HAVILAH PROPERTY
MCQUILLAN CREEK AREA — ALBERNI MD., BC

LOCATION MAP

Sept. 1987



B & M 8	896	515034M	4/5/80	2/6/80	2/6/88
MVM 1	1558	13142	31/2/82	19/11/82	7/11/88
Rita 1	1131	521342M	6/1/81	6/1/81	6/1/88
Rita 2	1132	521343M	6/1/81	6/1/81	6/1/88
Sol A	3140			(20 units)	2/3/88
Sol B	3141			(16 units)	2/3/88

All of the above claims are shown on the Ministry of Energy, Mines and Petroleum Resources claim map M92F/2E. The B & M claims were staked by R. Bakke and sold to Pacific Properties Ltd. The Rita 1 and Rita 2 claims were staked for Pacific Properties Ltd. by C.A. Ashworth. Pacific Properties assigned its interest in the B & M claims to Westgold Resources Ltd. under the terms of an agreement dated November 8, 1980. Westgold Resources Ltd. purchased the Rita 1 and Rita 2 claims from Pacific Properties on December 19, 1980. Westgold Resources Ltd. changed its name to Totem Resources Ltd., and on February 10, 1981, Totem Resources Ltd. changed its name to Goldwest Resources Ltd. During September, 1987 Goldwest entered into a joint venture agreement with Labyrinth Resource Corp. to incorporate the adjoining Sol A and Sol B claims into one continuous claim group. (With the B & M and Rita Claims).

1.2 Physiography, Location and Access

The claims lie within the western coastal forest region characterized by fairly abundant rainfall and heavy growth of large timber including fir and pine. Elevations in the property area range from about 670m (2200 ft) in the valley of McQuillan Creek to a high of over 1400m (4600 ft) at the southern part of the property on the slope of Mount McQuillan. Topography is generally quite steep with local relief being in places precipitous. Streams are confined in fairly narrow steep sided valleys. Mean annual precipitation is in the 150-250cm range.

The claims are located in and around the King Solomon Basin at the headwaters of McQuillan Creek which flows northward from the northwestern slopes of Mount McQuillan into China Creek. The coordinates of a point approximately at the centre of the B & M claim group are 49 degrees 07' North and 124 degrees 37' West. The center of the Sol A/B claims is approximately at 124 degrees 31' West and 49 degrees 08' North.

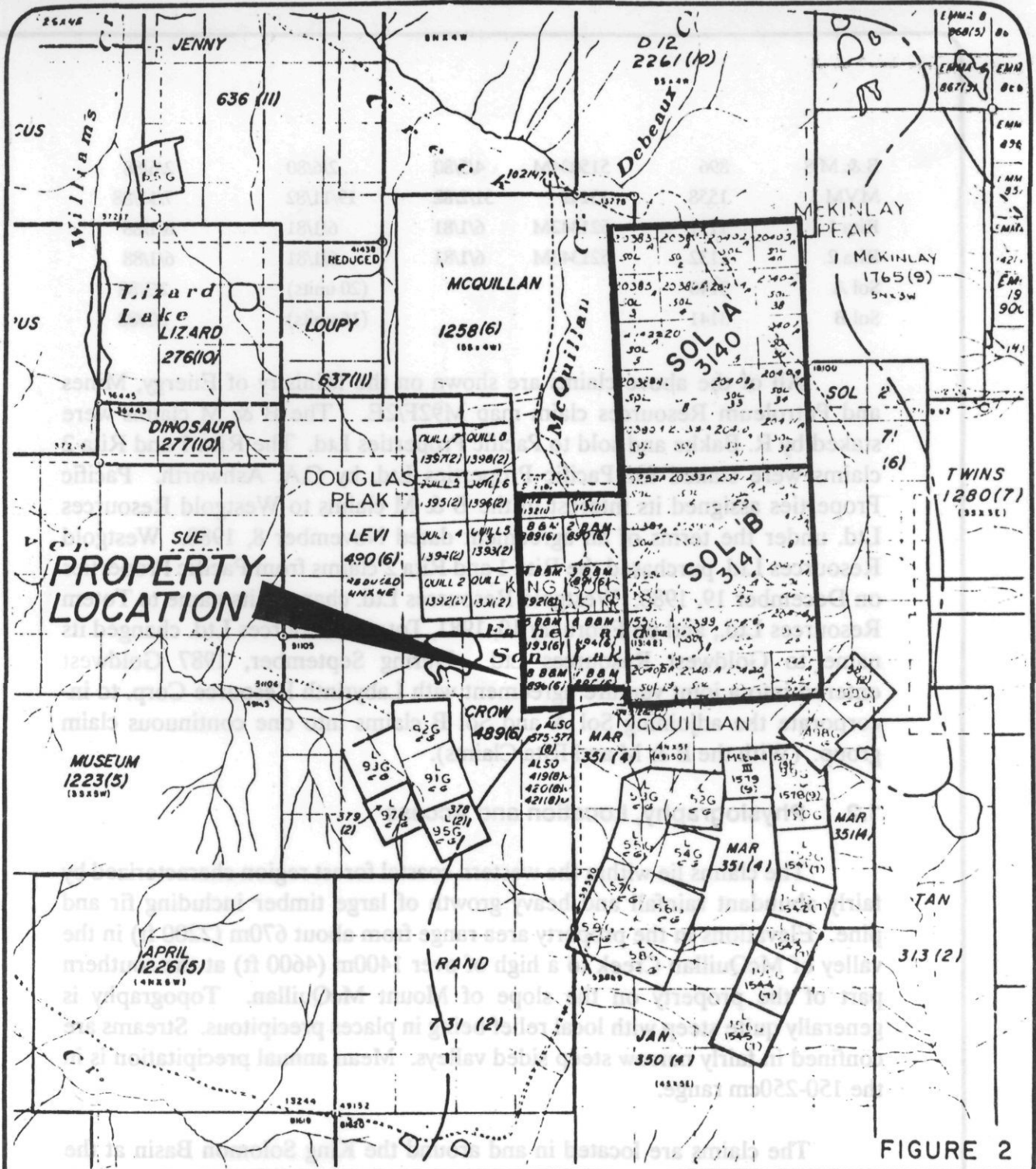
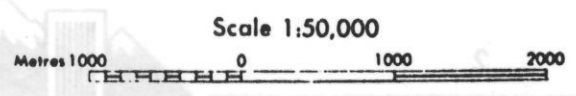


FIGURE 2

After:
 DEPARTMENT OF MINES AND PETROLEUM RESOURCES
 VICTORIA B.C.
 MINERAL CLAIM MAP 92F/2E (14)

GOLDWEST RESOURCES LTD.
 HAVILAH PROPERTY
 MCQUILLAN CREEK AREA — ALBERNI M.D., B.C.

CLAIM MAP



Sept. 1987



Access to the area is via logging roads south of Port Alberni from the Bamfield Road. Travel is along the China Creek Road and/or up McQuillan Creek Road to King Solomon Basin. The distance from Port Alberni to King Solomon Basin is approximately 25km. A 4-wheel drive vehicle is recommended. The area in which the claims are located is within the boundaries of topographic map sheet 92F, Alberni, in the 1:250,000 series and map sheet 92F/2, Alberni Inlet in the 1:50,000 series.

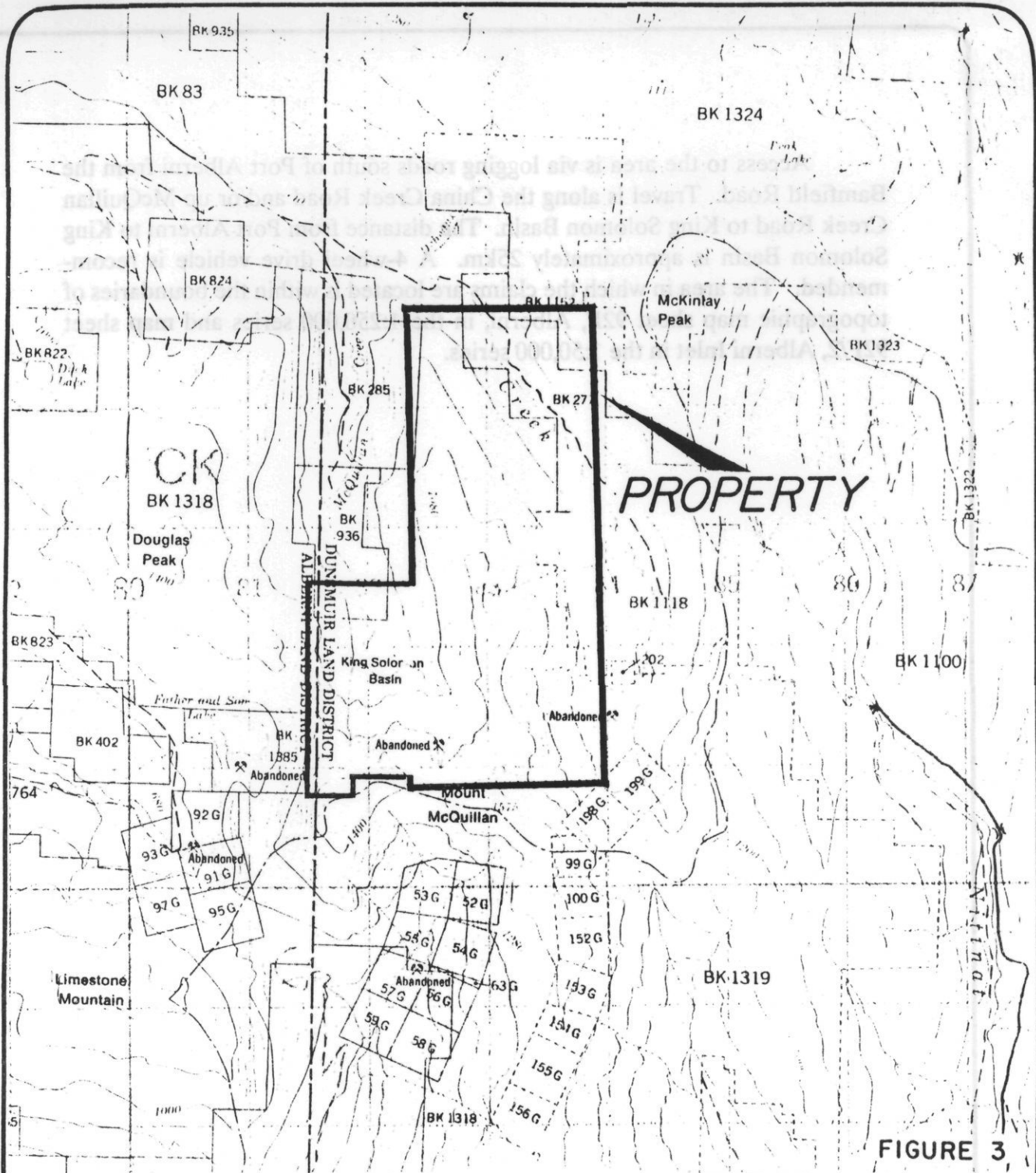


FIGURE 3

After :
ALBERNI INLET
 92 F/2

Scale 1:50 000



GOLDWEST RESOURCES LTD.
HAVILAH PROPERTY
 MCQUILLAN CREEK AREA — ALBERNI M.D., BC

TOPOGRAPHIC MAP

Sept. 1987



2. HISTORY AND PREVIOUS WORK

China Creek which is fed in part by McQuillan Creek was the site of small-scale placer mining principally between 1860 and 1900.

Extensive prospecting in the McQuillan Creek area during the 1890's led to the discovery of five known precious metal and base metal deposits, all but one of which occurred south of China Creek.

Renewed activity in the area between 1933 and 1942 resulted in three additional lode discoveries, also south of China Creek. One of the deposits found was the Havilah mine. Within 2.5km of the Havilah mine existed the Golden Eagle, Black Panther, Black Lion and Thistle mineral deposits. The Thistle Mine produced 6,867 tons averaging 0.39 oz gold per ton, 0.24 oz silver per ton and 4.56% copper according to the B.C. Ministry of Mines report.

Production from the Havilah Mine has been reported (Stevenson, 1945) as 7 tons in 1936 containing 7 ounces of gold and 6 ounces of silver; and 1,039 tons in 1939 containing 244 ounces of gold and 1328 ounces of silver.

Subsequent to the closure of the Havilah Mine, about 1940 or 1941, little or no work appears to have been done until the 1960's at which time the property fell within that part of the E & N Land Grant within which Gunnex Limited had acquired prospecting rights. In 1963 and 1964 work completed by Gunnex Limited included silt sampling on McQuillan Creek and its tributaries, prospecting and sampling of mineralized areas. Between 1962 and present, a number of regional exploration programs were conducted in the area by companies including Cominco/Coast Copper, Jan Resources and Westmin Resources.

In 1973, Cominco Limited examined the area drained by the anomalous Gunnex silt samples, and, in 1974 on behalf of Coast Copper Company Limited, staked 40 SOL claims. Between 1974 and 1977, Cominco conducted extensive geological, geochemical and geophysical surveys to define a porphyry copper system. An additional 12 units were staked in 1976 - the Sol

2 claim. In June and July, 1977, the exploration program culminated with the drilling of 3 BQ surface diamond drill holes aggregating 453m: the best intersections reportedly were 15m averaging 0.13% Cu and 16m averaging 10% Cu.

During November 8 to 12, 1983 Goldwest Resources Ltd. (formerly Westgold Resources) contracted N.E. Green, P.Eng. of Newgreen Mining and Development Ltd. to obtain numerous samples from the veins within the three adits of the Havilah Mine. A few samples were also taken from McQuillan Creek banks about 100 ft (32.8m) above King Solomon Basin or about the 2800 ft (854m) elevation. During August, 1987, Labyrinth Resource Corp. contracted Strato Geological Engineering Ltd. to perform limited reconnaissance exploration, primarily to determine the most effective and efficient methods for future programs. Rock and soil geochemistry revealed isolated anomalous values in base metals and gold.

A comprehensive exploration program has not been performed on the balance of the B & M 1 to 8, Rita 1 and 2, claims. Exploration on the Sol A and Sol B claims has been previously focussed on base metals.

3. GEOLOGY

3.1 Regional Geology

The Mount McQuillan/China Creek area of Vancouver Island is underlain predominantly by volcanic rocks which have been mapped and grouped as part of the Sicker Series by Muller (1968 and 1980). The 1968 publication by Muller was updated in 1980 by refining the geological work and redefining some of the sub-divisions of the Sicker Group. The B & M, Rita and Sol claims lie within the northwest half of the Cowichan/Horne Lake Uplift which is one of three structural culminations in which the Sicker Group is exposed.

The Sicker Group rocks are of Paleozoic age and as redefined the Group has been sub-divided into four units as follows:

Buttle Lake Formation:

Limestone, calcarenitic, crinoidal, commonly recrystallized; interbedded with subordinate or equal thicknesses of calcareous siltstone and chert; some diabase sills.

Sediment-Sill Unit (not a formational name):

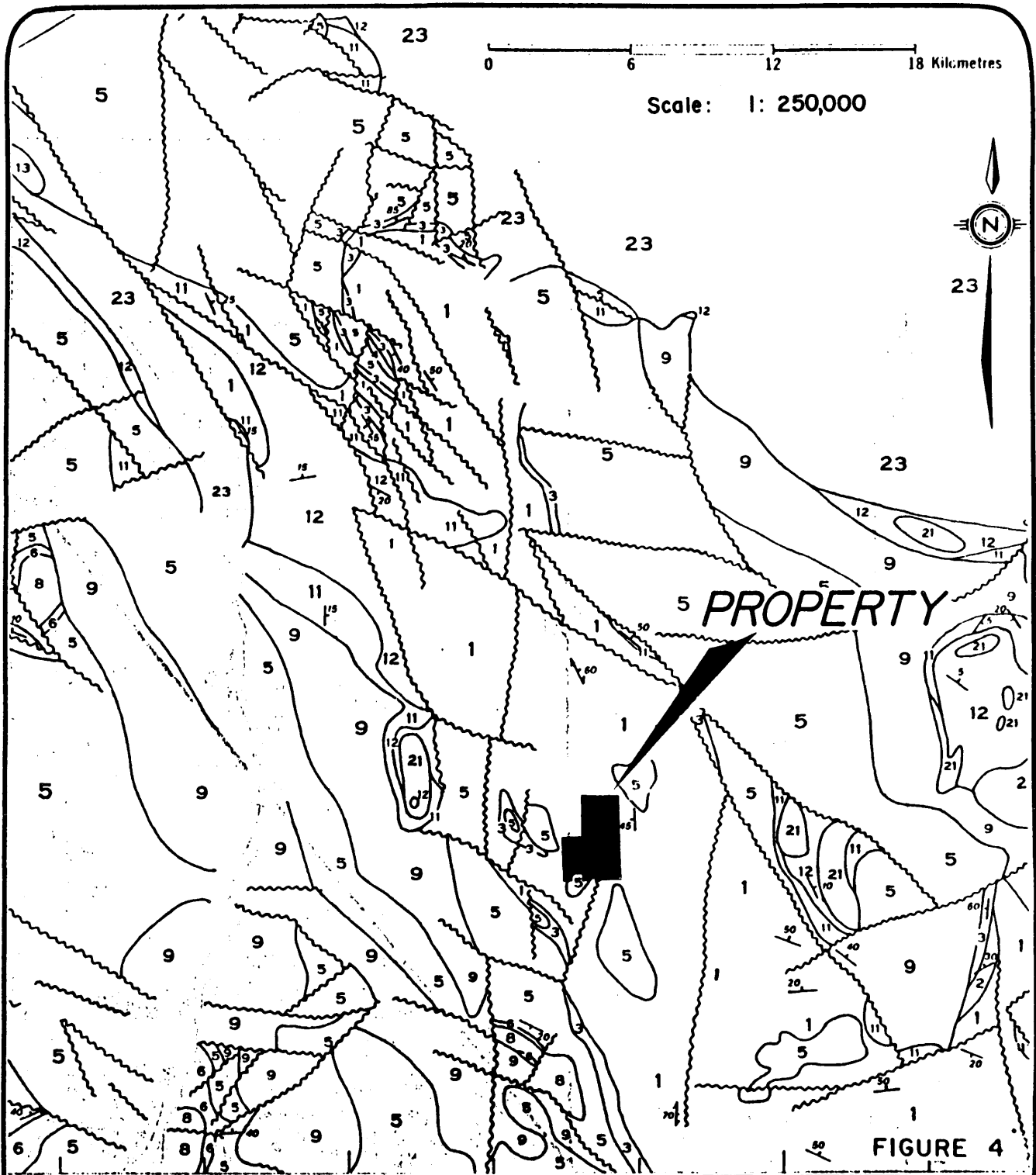
thinly bedded to massive argillite, siltstone and chert with interlayered sills of diabase.

Myra Formation:

basic to rhyodacitic banded tuff, breccia and (?) lava; thinly bedded to massive argillite, siltstone, chert.

Nitinat Formation:

metabasaltic lavas, pillowed or agglomeritic, commonly with large conspicuous uralitized pyroxene phenocrysts and amygdules of quartz and dark green minerals; minor massive to banded tuff.



TERTIARY

21 Hornfelsite quartz diorite, leuc quartz monzonite, porphyritic dacite, breccia

UPPER CRETACEOUS

12 HASLAM FORMATION: shale, siltstone, fine sandstone

11 COMOX FORMATION: sandstone, conglomerate, shale, coal; 11a is HENSON MEMBER: mainly coarse conglomerate

JURASSIC

9 ISLAND INTRUSIONS: biotite-hornfelsite granodiorite, quartz diorite

UPPER TRIASSIC AND OLDER

5 KARNUTSEN FORMATION: pillow-basalt and pillow-breccia, massive basalt flows; minor tuff volcanic breccia, Jasperoid tuff, breccia and conglomerate at base

PENNSYLVANIAN

3 BUTTLE LAKE FORMATION: limestone, chert

1 Volcanic breccia, tuff, argillite; greenstone, greenchist; dikes and sills of andesite-porphry

GOLDWEST RESOURCES LTD.

HAVILAH PROPERTY
MCQUILLAN CREEK AREA — ALBERNI MD., B.C.

REGIONAL GEOLOGY MAP

Sept. 1987



The lowest of these four units is composed almost entirely of intermediate to basic volcanics and Muller has proposed the name Nitinat Formation, formerly used in a different context. Overlying the Nitinat volcanics is a thick succession of bedded volcanic and sedimentary rocks which include rhyolitic to dacitic breccia, tuffs and flows as well as argillite, siltstone, greywacke and minor conglomerate. The name Myra Formation has been proposed by Muller for this succession which probably is unconformable on the Nitinat Formation.

Folding, normal and transcurrent faulting, and emplacement of the Island Intrusions in multiple episodes, complicate the geology of the area. Sills and dykes of early Tertiary hornblende plagioclase porphyry also occur in the area.

3.2 Property Geology

The B & M 1 to 8, Rita 1 and 2, MVM 1, and Sol A and Sol B claims are underlain almost entirely by Nitinat Formation rocks. Outcrops seen in the area are dark colored andesitic lavas. Along the easterly hillside above King Solomon Basin and extending up along McQuillan Creek is exposed a hybrid (migmatite) unit consisting of diorite and andesite. A diorite unit underlies Mt. McQuillan and may correlate with the Jurassic age island intrusions. It is relatively unaltered, blocky, light grey in color and medium to coarse grained.

There are two types of mineralization in the area of the property. The Havilah mine, within the joint venture property, has a gold bearing quartz vein, the Gillespie vein, that strikes 008 degrees (Stevenson, 1945) and dips to the east. This vein has been mined on three separate levels. Just east of the Sol group the Golden Eagle property has several veins and has been explored with 5 adits and several trenches. Both of these properties have returned assays containing significant gold grades (1.0 oz per ton Au or more).

Also Cominco in their survey (1976), looking for porphyry copper mineralization, discovered several zones of disseminated pyrite and pyrrhotite with minor chalcopyrite, sphalerite and molybdenite and galena, within the perimeter of the current Sol B claim.

4. CONCLUSIONS AND RECOMMENDATIONS

The B & M 1 to 8, Rita 1 and Rita 2, MVM 1, and Sol A and Sol B mineral claims are underlain by a geologic environment conducive to hosting gold and silver bearing quartz veins. The former producing Havilah Gold Mine, contains remnant precious metals mineralization. Apart from the mine area, the balance of the claims have not been covered by a comprehensive exploration program for precious metals.

In order to properly evaluate the economic mineral potential of the property a two phase exploration program is recommended.

The first phase should include establishing grid lines to define control for mineral development. The Havilah Mine workings should be mapped in detail as well as geologic mapping of the entire claim group. A geochemical soil survey should be conducted on a grid basis. Any exposures or anomalies suggesting possible veins or shear zones should be trenched and sampled.

If the first phase work program yields encouraging results and contingent upon an engineering recommendation, a second phase of exploration should include subsurface testing by diamond drilling in order to determine the geometry and grade characteristics of economic mineralization.

5. ESTIMATED COST OF PROPOSED EXPLORATION PROGRAM

PHASE 1

Line cutting and grid emplacement, allow	6,100.00
Geological Mapping and support, allow	7,000.00
Geochemical soil survey & analyses, estimate 420 samples @ \$15/sample	6,300.00
Trenching and blasting, allow	10,000.00
Rock Sampling and assaying, allow	3,600.00
Transportation, accomodations, supplies, etc., allow	5,000.00
Engineering, supervision and reports, allow	7,000.00
Contingencies @ 15%	<u>6,750.00</u>
Estimated Cost of Phase 1	\$51,750.00

Contingent upon obtaining encouraging results and an engineering evaluation of Phase I, a second phase of exploration including diamond drill tests will be necessary in order to define the strike length, depth extent and grades of mineralization. A sum of \$100,000 should be allocated in order to complete Phase 2 which would involve up to 900m of diamond drilling.

Respectfully submitted,
Strato Geological Engineering Ltd.



F. DiSpirito, B.A.Sc., P.Eng.

October 7, 1987

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7. CERTIFICATE

I, FRANK DISPIRITO, of 1319 Shorepine Walk, of the City of Vancouver, Province of British Columbia, do hereby certify that:

1. I graduated in 1974 from the University of British Columbia, with a Bachelor of Applied Science in Geological engineering.
2. Since graduation I have been engaged in mineral and hydrocarbon exploration throughout Canada and in the United States.
3. I am a registered member, in good standing, of the Association of Professional Engineers of British Columbia.
4. This report is based on a personal field examination made of the mineral property on May 16 and 17, 1987 and on evaluation of privately and publically held data pertaining to the said property.
5. I have not received, nor do I expect to receive, any interest, direct, indirect, or contingent, in the securities or properties of Goldwest Resources Inc., and that I am not an insider of any company having an interest in the B & M 1 to 8, Rita 1 & 2, MVM 1, and Sol A and Sol B mineral claims or any other properties in the area.
6. Permission is herewith granted to use this report for the purpose of a Prospectus or Statement of Material Facts.

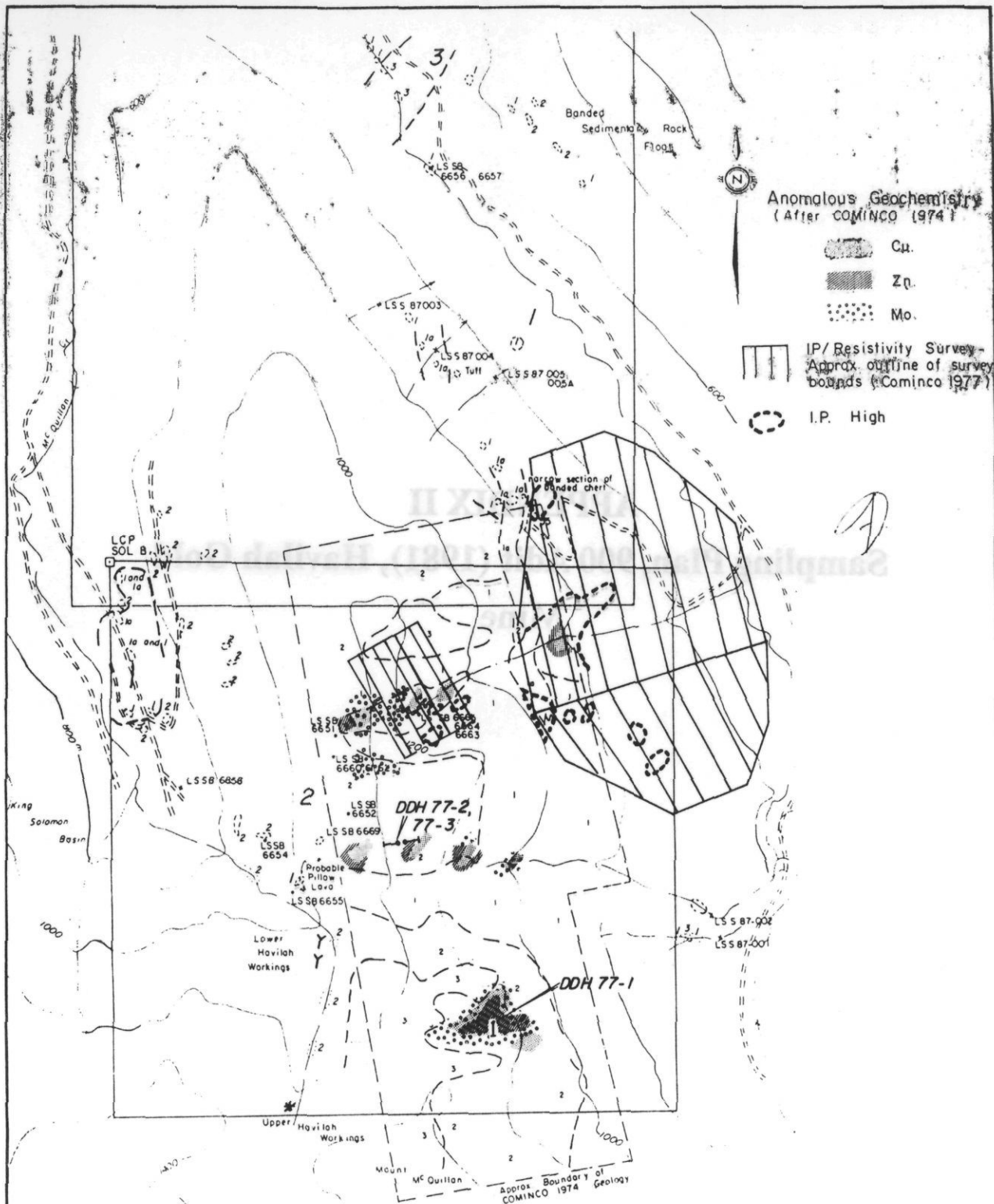
Dated at Vancouver, Province of British Columbia, this 7th day of October, 1987.



F. DiSpirito, B.A.Sc., P. Eng.

APPENDIX I

Composite Map - Geology, Geochem., I.P.



NOTE: Geology within block after DL Cooke, 1975 (Cominco)



- Legend**
- LS SB 6659 SAMPLE LOCATION (1987)
 - == LOGGING ROADS
 - OVERGROWN ROADS
 - QUICROPS
 - OUTLINE OF MAJOR UNITS (COMINCO 1974)
 - GEOLOGICAL CONTACTS (ARMS)

- 1 Paleozoic - Sicker Volcanics (Nimat) Andesite to Purple Volcanics
- 2 Paleozoic - Sicker Volcanics Hybrid Andesite / Diorite
- 3 Jurassic - Island Intrusions - Diorite
- 4 Tertiary - Intrusives Quartz Epidior Porphyry Dykes

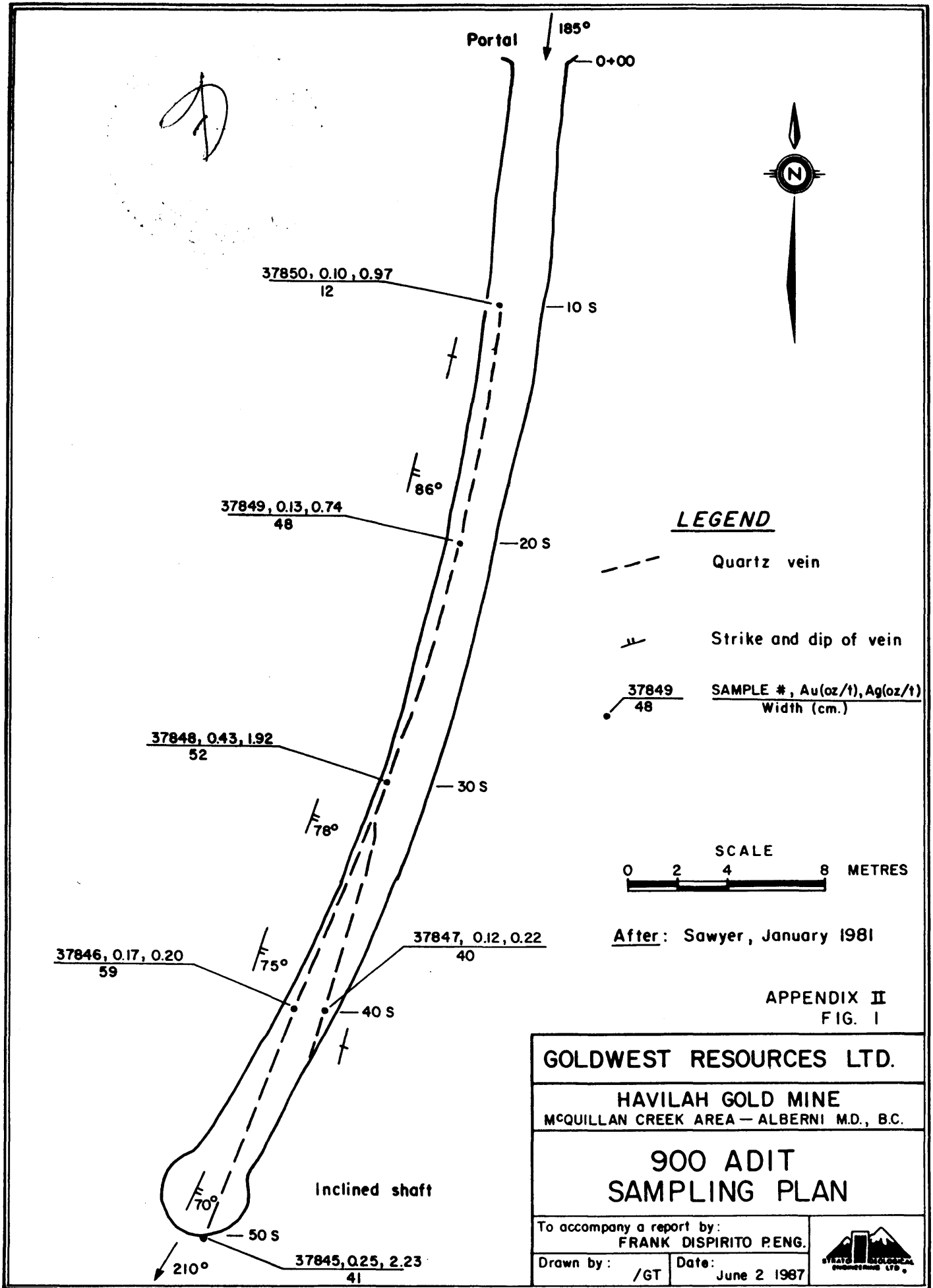
APPENDIX I

AFTER: COMINCO (1974, 1977) & S. Butler. (1987)

FIGURE 4

GOLDWEST RESOURCES INC.	
SOL A & SOL B CLAIMS ALBERNI MD — NTS 92572	
COMPOSITE MAP GEOLOGY, GEOCHEM, IP	
Prepared by F. Di Spirito, B.A. Sc., Eng.	Drawn by AEH/ST
Date Sept 1987	

APPENDIX II
Sampling Plan, 900 Adit (1981), Havilah Gold
Mine



37850, 0.10, 0.97
12

37849, 0.13, 0.74
48

37848, 0.43, 1.92
52

37846, 0.17, 0.20
59

37847, 0.12, 0.22
40

37845, 0.25, 2.23
41

LEGEND

- Quartz vein
- Strike and dip of vein
- 37849** / **48** SAMPLE #, Au(oz/t), Ag(oz/t) / Width (cm.)



After: Sawyer, January 1981

APPENDIX II
FIG. I

GOLDWEST RESOURCES LTD.

HAVILAH GOLD MINE
MCQUILLAN CREEK AREA - ALBERNI M.D., B.C.

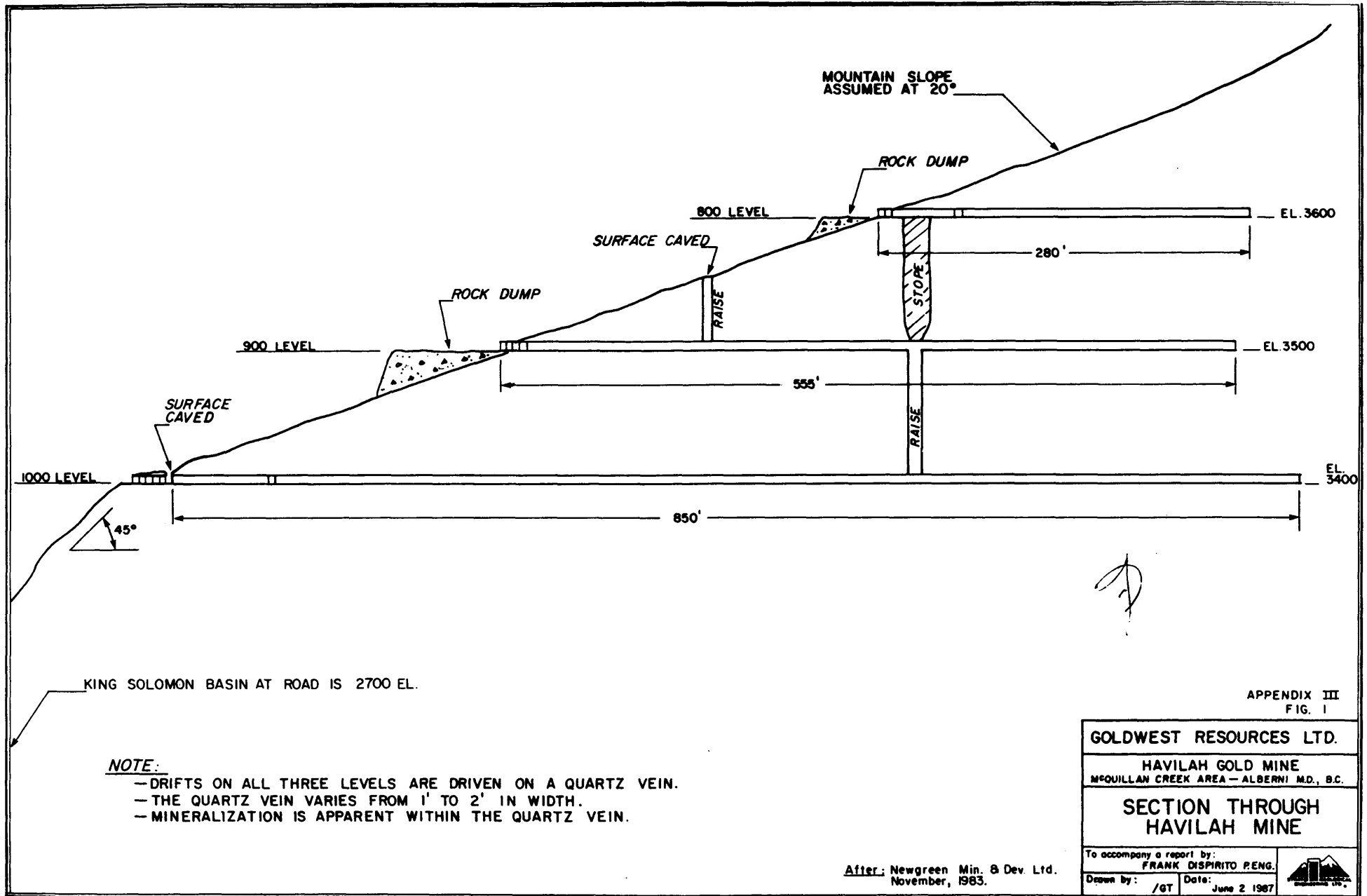
**900 ADIT
SAMPLING PLAN**

To accompany a report by:
FRANK DISPIRITO PENG.

Drawn by: /GT Date: June 2 1987



APPENDIX III
Section through Havilah Gold Mine (1983)



APPENDIX IV
List of Assay Results, 1983 Sampling Program

APPENDIX IV: Geochemical Samples (after N.E. Green, P.Eng., 1983)

The 800 level was marked at 10 ft intervals along the tunnel length and chip samples taken of the rock across the quartz vein. Both the 900 level and the 1000 level tunnels were marked at 25 ft intervals along the complete length of the tunnels. Chip samples were taken at 25' intervals on each of the 900 and 1000 levels across the quartz vein. The quartz vein varied in width from 1 1/2' to 2' throughout the length of all three tunnels.

In addition to the above, there were six (6) chip samples taken of the rock along McQuillan Creek in King Solomon Basin.

Following is a record of the samples taken, along with the assay results:

Date	Sample No.	Sample Location	Assay		
			Au oz/t	Ag oz/t	Cu %
8/11/83	17001	McQuillan Creek @ King Solomon Basin	.01	.02	.01
"	17002	" " "	.01	.01	.01
"	17003	" " "	.01	.01	.01
"	17004	" " "	.01	.02	.01
"	17005	" " "	.01	.01	.01
"	17006	" " "	.01	.01	.01
9/11/83	17007	800 Level Collar	.115	.78	.12
"	17008	Collar + 10'	.027	.34	.12
"	17009	" + 20'	.064	1.38	.11
"	17010	" + 30'	.106	.93	.07
"	17011	" + 40'	.018	.34	.07
"	17012	" + 50'	.054	.57	.08
"	17013	" + 60'	.238	.88	.08
"	17014	" + 70'	.472	2.35	.09
"	17015	" + 80'	.358	6.21	.04
"	17016	" + 90'	.015	.12	.02
"	17017	" +100'	.121	.37	.03
"	17018	" +110'	.094	.22	.03
"	17019	" +120'	.163	.36	.13
"	17020	" +130'	.038	.08	.01
"	17021	" +140'	.042	.21	.02

Date	Sample No.	Sample Location	Assay		
			Au oz/t	Ag oz/t	Cu %
9/11/83	17022	800 Level Collar +150'	.039	.71	.04
"	17023	Collar +160'	.152	.34	.03
"	17024	" +170'	.194	.84	.04
"	17025	" +180'	.061	.25	.04
"	17026	" +190'	.049	.37	.07
"	17027	" +200'	.228	.72	.11
"	17028	" +210'	.003	.03	.01
"	17029	" +220'	.001	.04	.01
"	17030	" +230'	.001	.05	.01
"	17031	" +240'	.001	.05	.01
"	17032	" +250'	.001	.02	.01
"	17033	" +260'	.001	.02	.01
"	17034	" +270'	.001	.01	.01
"	17035	" +280'	.001	.02	.01
"	17036	In X-Cut@70+ 10'	.001	.01	.01
"	17037	" " 70+ 18'	.004	.02	.01
"	17038	900 Level Collar	.004	.05	.01
"	17039	Collar + 25'	.039	1.41	.15
"	17040	" + 50'	.037	.10	.03
"	17041	" + 75'	.031	.19	.03
"	17042	" +100'	.256	.78	.12
"	17043	" +125'	.018	.16	.01
"	17044	" +150'	.381	1.18	.29
"	17045	" +175'	.003	.08	.02
"	17046	" +200'	.003	.13	.03
"	17051	" +225'	.004	.108	.02
"	17048	" +250'	.003	.06	.01
"	17052	" +275'	.115	3.02	.23
"	17050	" +300'	.781	.86	.06
"	17053	" +325'	.034	.44	.06
"	17054	" +350'	.001	.05	.01
"	17055	" +375'	.006	.27	.08
"	17056	" +400'	.001	.03	.01
"	17057	" +425'	.027	.24	.05

Date	Sample No.	Sample Location	Assay		
			Au oz/t	Ag oz/t	Cu %
9/11/83	17058	900 Level Collar +450'	.021	.34	.04
"	17059	Collar +475'	.562	.62	.07
"	17060	" +500'	.002	.04	.02
"	17064	" +525'	.001	.01	.01
"	17061	" +550'	.001	.07	.02
"	17062	" +555'	.001	.03	.02
"	17063	Muck pile at face	.002	.02	.01
11/11/83	17065	1000 Level Collar	.012	.16	.06
"	17066	Collar + 25'	.001	.03	.01
"	17067	" + 50'	.001	.01	.01
"	17068	" + 75'	.053	.05	.01
"	17069	" +100'	.001	.20	.01
"	17070	" +125'	.011	.18	.01
"	17071	" +150'	.025	.05	.03
"	17072	" +175'	.001	.03	.01
"	17073	" +200'	.050	.11	.04
"	17074	" +225'	.003	.17	.01
"	17075	" +250'	.002	.37	.04
"	17076	" +275'	.001	.05	.03
"	17077	" +300'	.001	.04	.01
"	17078	" +325'	.003	.06	.01
"	17079	" +350'	.051	.33	.01
"	17080	" +375'	.069	.11	.01
"	17081	" +400'	.082	.16	.01
"	17082	" +425'	.025	1.02	.13
"	17083	" +450'	.065	.39	.05
"	17084	" +475'	1.478	1.88	.07
"	17085	" +500'	.067	.51	.05
"	17086	" +525'	.001	.03	.01
"	17087	" +550'	.072	1.79	.19
"	17088	" +575'	.056	.82	.11
"	17089	" +600'	.006	.18	.02
"	17090	" +625'	.051	.14	.02

Date	Sample No.	Sample Location	Assay		
			Au oz/t	Ag oz/t	Cu %
11/11/83	17091	1000 Level Collar +650'	.022	.13	.02
"	17992	Collar +675'	.003	.24	.03
"	17093	" +700'	.002	.03	.01
"	17094	" +725'	.013	.10	.03
"	17095	" +750'	.001	.03	.01
"	17096	" +775'	.001	.09	.02
"	17097	" +800'	.004	.03	.01
"	17098	" +825'	.001	.01	.01
"	17099	" +850'	.001	.01	.03
"	170100	Muck Pile at Face	.001	.01	.01

ACME ANALYTICAL LABORATORIES LTD.
852 E. HASTINGS, VANCOUVER B.C.
PH: (604) 253-3158 COMPUTER LINE: 251-1011

DATE RECEIVED MAY 19 1987
DATE REPORTS MAILED May 22/87

ASSAY CERTIFICATE

SAMPLE TYPE : ROCK - CRUSHED AND PULVERIZED TO -100 MESH.

ASSAYER Deane Toye DEAN TOYE, CERTIFIED B.C. ASSAYER

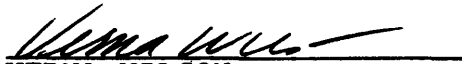
STRATO GEOLOGICAL PROJECT GOLDWEST FILE# 87-1314A PAGE# 1


SAMPLE	Ag oz/t	Au oz/t
GWR-1	.03	.001
GWR-2	.01	.001
GWR-3	2.04	.509

CERTIFICATE OF THE DIRECTORS AND PROMOTERS OF THE ISSUER

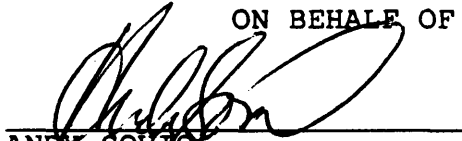
The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts as required by the Securities Act and its regulations.


DATED: April 11, 1988


VERNA WILSON
Chief Executive Officer,
President, Director
and Promoter


MORRIS ELDEN SCHORN
Chief Financial Officer,
Vice-President, Secretary
Director and Promoter

ON BEHALF OF THE BOARD OF DIRECTORS:


ANDY SOVIO
Director


TRACY CLARK
Director

CERTIFICATE OF THE AGENT

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

DATED: April 11, 1988

MCDERMID ST. LAWRENCE LIMITED

Per: 