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SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE

PROPERTY FILE
P.W.

STATEMENT OF MATERIAL FACTS (#100/87)

EFFECTIVE DATE: JULY 22, 1987

NEXUS RESOURCE CORPORATION, 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

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: 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 Agents' Commission	Estimated Net Proceeds to Issuer
Per Unit:	\$ 4.00	\$ 0.30	\$ 3.70
Total:	\$1,200,000.00	\$ 90,000.00	\$1,110,000.00

The Agents 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
Agents from the Offering or acquired upon the exercise of the
Series "A" or Agents' Warrants, at the prevailing market price
for a period of 180 days from the Offering Day.

AGENTS:

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

CONTINENTAL CARLISLE DOUGLAS
10th Floor
1055 Dunsmuir Street
Vancouver, British Columbia
V7X 1L4

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.

Four holes drilled to test the C-Zone which is located north of and parallel to the Horseshoe A-B zone failed to intersect significant gold values. A number of satellite zones between the A-B and C zones were intersected and values ranged up to 0.14 oz/ton over a core length of 4.9 feet.

One of three holes that tested the western contact of the granodiorite intrusive on Horseshoe Island returned 0.17 oz/ton over a core length of 9.1 feet.

Geophysical surveys on the Casummit East claim block located 8 miles northeast of Horseshoe Island have outlined drill targets associated with contorted iron formation. Geological surveys over the Swain Lake deformation zone southwest of Birch Lake have identified alteration zones prospective for gold mineralization.

An exploration and development joint venture will now be formed, with St. Joe as the initial operator.

The Birch Lake Property is located 65 miles east of the famous gold mining district of Red Lake, Ontario. Access to the area is restricted to aircraft at present and consequently this area has been overlooked by explorationists until more recently. However, all-weather timber access roads are planned to contact the Birch Lake Property to population centers within two to three years.

Ore reserves on the Birch Lake Property from previous and the Phase I and II drilling has outlined approximately 850,000 tons grading 0.13 oz/t gold over a true width of 13.8 feet.

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 held an option from Westmin Resources Limited ("Westmin"), pursuant to an agreement dated for reference July 16, 1986 (the "Westmin Agreement"), to earn up to an undivided 50% interest in the claims set out above. In order to maintain and exercise its option, the Issuer was required to expend the following amounts on exploration of the Debbie Property:

- (i) \$461,000. on or before February 27, 1987;
- (ii) \$539,000. on or before February 27, 1988.

As at April 30, 1987, \$1,200,000. has been expended by the Issuer and Angle Resources Ltd. under the Westmin Agreement.

The Issuer earned an undivided 10% interest from Westmin upon the expenditure of the aforesaid \$461,000. and earned a further undivided 40% interest upon the expenditure of the aforesaid \$539,000.

Westmin carried out the Issuer's exploration program and received a management fee of 15%, as operator. The Issuer may become the operator of the Debbie Property if Westmin is diluted below an undivided 50% interest.

Pursuant to a letter agreement dated December 9, 1986, Angle Resources Ltd. ("Angle") funded the second year portion of the exploration program at a cost of \$539,000. In consideration therefor, the Issuer agreed to assign to Angle an undivided 50% interest in the Westmin Agreement.

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

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.

Five target areas, which warrant drilling, are being explored in the current program. The upper Mineral Creek zone is a strong soil geochemistry anomaly 200 x 250 m ranging from hundreds of ppb to 9,000 ppb gold. A coincident strong T.P. anomaly is associated with a pyritic quartz-carbonate alteration zone along a major fault and adjacent pyritic black chert form which a grab sample contains 1,500 ppb gold. This drill target is 150 m north of, and on strike with, the old Vancouver Island Gold Mine which recovered 0.08 oz Au/t from 483 tons.

The BIF zone located 1,300 m southwest has a 200 x 200 m strong soil anomaly ranging from hundreds of ppb to 1,010 ppb gold. A coincident I.P. anomaly is associated with outcrops of banded, jasper-magnetite bearing, cherty iron formation which assayed up to 0.076 oz Au/t in grab samples. Pyritic, ankeritic and quartz altered mafic volcanic rocks in the footwall assayed up to 0.053 oz Au/t in grab samples.

The China Creek anomaly located 1,900 m south of the upper Mineral Creek zone is an EM conductor coincident with the intersection of the Mineral Creek fault/mineralized zone, with an inferred structure along China Creek which produced placer gold in the mid-1800's. Rare outcrops indicate the presence of siliceous volcanic rock adjacent to the anomaly.

The Regina workings, 500 m south of the China Creek anomaly, comprise numerous old adits and trenches in an area of pyritization and alteration with some associated quartz veining in basalt beneath a large, dome-like body of brecciated felsic volcanic rocks. The mineralized zone has an associated strong I.P. anomaly and minor jasper beds. Grab samples from adit dumps include a sample of massive sulfide containing 0.019 oz Au/t, 1.05 oz Ag/t, 0.41% Cu, 6.13% Pb and 19.48% Zn and a sample of

quartz containing 0.008 oz Au/t, 0.75 oz Ag/t, 2.77% Cu, 0.28% Pb and 2.64% Zn. One sample of jasper contains 560 ppb Au.

The Yellow Creek zone located 1,600 m north of the upper Mineral Creek zone lies adjacent the Mineral Creek fault and includes felsic volcanic rock and a pyritic sericite-carbonate schist zone. Felsic volcanic rock containing arsenopyrite in float and bedrock samples assayed up to 0.142 oz Au/t. Geophysical and soil surveys are in progress.

During the extensively accelerated exploration that concluded on February 28, 1987, Westmin has reported that gold has been discovered in 3 zones on the property. The following is a summary of drill results received to date from the Mineral Creek Zone, the 900 Zone which is located 4,000 feet S.S.W. of the Mineral Creek Zone and the Linda Zone located approximately 800 feet east of the Mineral Creek Zone:

a) Mineral Creek Zone ✓

<u>Hole</u>	<u>Section</u>	<u>Dip(°)</u>	<u>From</u> (ft)	<u>To</u> (ft)	<u>Length</u> (ft)	<u>Au</u> (oz/t)
DM3-86	19+45N	-64 W	329.4	366.6	37.2	.124
DM5-86	19+45N	-75 W	223.5	232.5	9.0	.311
			304.0	306.5	2.5	.145
DN9-86	20+65N	-75 W	203.5	205.4	1.9	.303
			239.1	239.7	0.6	.112
			281.6	289.7	8.1	.147
			301.1	303.1	2.0	.138
			327.6	338.9	11.3	.175
			379.5	388.3	8.8	.104
			470.8	477.0	6.2	.091
DM12-86	20+65N	-50 W	172.9	181.1	8.2	.164
			223.0	235.7	12.7	.146
			255.8	262.1	6.3	.105
DM15-86	20+65N	-85 W	410.9	418.5	7.6	.556
			558.7	562.4	3.7	.102
DM19-86	22+00N	-55 W	61.0	65.3	3.5	.098
			191.7	207.3	15.6	.099
			217.1	234.9	17.8	.081
			261.4	264.4	3.0	.156
			269.6	270.6	1.0	.153
DM20-86	22+00N	-75 W	64.3	71.3	7.0	.075
			305.0	306.4	1.4	.099

DM25-87	19+45N	-60	W	288.6	297.2	8.6	.110
DM28-87	19+45N	-70	SW	475.1 547.7	496.9 551.0	21.8 3.3	.062 .105
DM29-87	20+00N	-71	W	78.7	165.6	86.9	.087
DM32	20+00N	-80	W	111.8 180.7 210.6	118.4 182.7 213.3	6.6 2.0 2.7	.166 .104 .121
DM35	20+00N	-87	W	201.4	240.4	39.0	.067
DM36	20+00N	-45	E	118.7 168.4	120.3 171.7	1.6 3.3	.845 .485
DM43	20+00N	-70	E	247.2	260.9	13.7	.246
DM51	21+50N	-60	W	396.6	398.0	1.4	.248

b) 900 Zone

DN6-86	8+63N	-55	E	207.3	210.6	3.3	.128
DN8-86	8+63N	-75	E	131.5 149.6	134.8 171.2	3.3 21.6	.101 .143
DN13-86	9+00N	-70	E	124.0	129.9	5.9	.223
DN50	8+38N 0+35W	-70	E	140.0 182.7 249.0	143.3 227.0 254.2	3.3 44.3 5.2	.164 1.137 .452
DN45	8+38N 0+35W	-48	E	79.0 98.7	85.0 108.5	5.9 9.8	.101 .051
DN52	8+38N	-62	E	122.0	148.2	26.2	.243
DN55	8+40N 0+72W	-56	E	278.4 311.3	285.0 314.6	6.6 3.3	.210 .564
DN58	8+10N 0+57W	-45	E	87.9 103.0	88.9 104.3	1.0 1.3	.135 1.924
DN59	8+10N 0+57W	-64	E	74.5 104.6 124.3	79.7 107.9 127.6	5.2 3.3 3.3	.959 .166 .101

c) Linda Zone

DM57	19+50N	-55	W	127.1 420.4	127.8 427.2	0.7 6.8	4.895 .347
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DM62	19+50N	-70 W	132.4	142.2	9.8	.578
			421.0	426.2	5.2	.312

Total expenditures on the property during this program totalled \$1.4 million. The Issuer's portion of these expenditures was \$971,000. The complete work program report has not yet been received from Westmin.

The 1987/88 budget is currently being formulated.

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 known ore reserves.

Cathedral Property *

The Issuer owns an undivided 50% interest in the following located mineral claims, covering approximately 2,025 hectares, situated approximately 11 kms northeast of Port Alberni, British Columbia (49° 17'N. latitude 124° 41'W. longitude):

<u>Claim Name</u>	<u>Mining Division</u>	<u># of Units</u>	<u>Record #</u>	<u>Expiry Date</u>
Mero 1-3	Nanaimo	36	2253-55	October/87
Horne 1-4	Nanaimo	45	2085-87	March/89

The Issuer acquired its option from Reward Resources Ltd. ("Reward") and Schreiber Resources Ltd. ("Schreiber"), pursuant to an agreement dated as of June 13, 1986 (the "Agreement"). In order to earn its interest, the Issuer was required to expend \$150,000. on exploration of the Cathedral Property (at least \$25,000. of which was required to be expended on the Horne 1-4 mineral claims) on or before December 31, 1987. As at April 30, 1987, \$337,000. has been expended by the Issuer.

The Mero 1-3 mineral claims were owned by Reward. The Horne 1-4 mineral claims were owned by Schreiber. Reward held an option to acquire an undivided 50% interest in the Horne 1-4 mineral claims, pursuant to an agreement dated as of February 6, 1986. The option was exercisable by Reward issuing 50,000 shares to Schreiber and expending \$25,000. on exploration of the Horne 1-4 mineral claims. In earning its interest, the Issuer has satisfied the \$25,000. work commitment. Reward is in the process of issuing the aforesaid 50,000 shares.

The Issuer has now earned its interest in the Cathedral Property, with Reward owning an undivided 50% interest in the Mero 1-3 mineral claims and each of Reward and Schreiber owning an undivided 25% interest in the Horne 1-4 mineral claims. The

Agreement provides for the formation of an exploration joint venture, with the Issuer as the initial operator. The Issuer currently has \$187,000. in expenditures to be applied to the joint venture.

The Issuer conducted its exploration program on the property for a total cost of \$337,000. This included a drill program which did not return any significant intersections. The work program report has not yet been received from MPH Consulting Limited.

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

The property has no known 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 Vancouver Island, British Columbia (49° 02.7'N. latitude 124° 32.0'W. longitude):

<u>Claim Name</u>	<u>Mining Division</u>	<u># of Units</u>	<u>Record #</u>	<u>Expiry Date</u>
Kitkat 1	Victoria	18	1389	Jan. 3/90
Kitkat 2	Victoria	18	1390	Jan. 3/90
Kitkat 3	Victoria	20	1391	Jan. 3/90
Kitkat 4	Victoria	20	1392	Jan. 3/90
Kitkat 5	Victoria	16	1393	Jan. 3/90
Kitkat 6	Victoria	20	1394	Jan. 3/90
Kitkat 7	Victoria	20	1395	Jan. 3/90

Pursuant to an agreement dated October 17, 1985, the Issuer earned an undivided 50% interest in the Kitkat Property from J.B.L. Resources Ltd. (now Angle Resources Ltd.) ("Angle"), by expending a total of \$139,000. on exploration of the Kitkat Property on or before December 31, 1986. The Kitkat Property is subject to a 2% interest in net smelter returns, in favour of Scott Angus.

James W. MacNeil, Leon E. Nowek, Thomas S. Hughes and T.E. Gregory Hawkins are common insiders of Angle and the Issuer.

Pursuant to an agreement dated March 1, 1987 (the "Agreement"), the Issuer and Angle granted an option to Snow Chief Resources Inc. ("Snow Chief"), of Vancouver, British Columbia, which allows Snow Chief to acquire an undivided 50% interest in the Kitkat Property. In order to maintain and exercise the option, Snow Chief must expend \$100,000. on exploration of the Kitkat Property by February 28, 1989 and must issue 200,000 shares in its capital

stock to the Issuer, on or before February 28, 1989, as follows:

- (a) 50,000 shares after securities regulatory approval of the Agreement, but no later than June 30, 1987;
- (b) 50,000 shares upon completion of each of three phases of a work program on the Kitkat Property, subject to securities regulatory approval.

Snow Chief is a private company which intends to file a prospectus for the purpose of carrying out a public equity offering. The principal of Snow Chief is Jack M. Ross, of Vancouver, British Columbia.

Preliminary work and diamond drilling have been conducted on the property. Geological rock assaying found anomalous values of platinum, palladium, nickel and cobalt. Diamond drilling has since confirmed the presence of a mafic complex with high Cu, Co, Cr, Ni, Pt and Pd values.

Access to the Kitkat Property is via Crown Forest Industries Ltd.'s paved Nitinat main road, which may be reached from either Port Alberni or Youbou, and numerous logging roads. Kitkat 7 claim is also accessible from Nanaimo via a road past Nanaimo Lakes; and Kitkat 5 is also accessible from Port Alberni via MacMillan Bloedel's Museum Creek Road. Steep, roadless parts of the Kitkat Property may be reached by helicopter or by foot.

The property has no known ore reserves.

Silver Pond Property

The Silver Pond Property consists of the following located mineral claims, covering approximately 3,200 hectares, situated approximately 270 kilometres north of Smithers, British Columbia:

<u>Claim Name</u>	<u>Mining Division</u>	<u>No. of Units</u>	<u>Record Number</u>	<u>Expiry Date</u>
Silver Creek	Omenica	20	1772	May 17, 1990
Silver Sun	"	8	2288	Nov. 13, 1990
Silver Grizzly FR.	"	1	2879	July 9, 1990
Silver Bullet Fr.	"	1	2880	July 9, 1990
Silver Peak Fr.	"	1	2881	July 9, 1990
ASAP	"	12	4732	Aug. 23, 1990
Silver Cloud 1	"	20	6656	Sept. 18, 1990
Silver Cloud 2	"	20	6657	Sept. 18, 1990
Silver Marten	"	4	6734	Oct. 12, 1990

(Ungrouped)

Silver Pond	"	20	1771	May 17, 1990
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Silver Pond Fr.	"	1	7145	July 18, 1991
Silver Cloud 3	"	20	6848	Feb. 11, 1988

The Issuer holds an option (the "Option") from St. Joe Canada Inc. ("St. Joe") and Imperial Metals Corporation ("Imperial") pursuant to an agreement dated May 6, 1987, to earn up to an undivided 36.25% interest in the Silver Pond Property. In order to exercise the Option, the Issuer must expend the following amounts on exploration and/or development of the Silver Pond Property:

- (i) \$2,000,000.00 on or before February 28, 1988; and
- (ii) an aggregate of \$3,000,000.00 on or before February 28, 1989.

The Issuer will earn an undivided 24% interest in the Silver Pond Property upon the expenditure of the aforesaid \$2,000,000.00 and a further undivided 12.25% interest on the expenditure of the aforesaid \$3,000,000.00.

The Silver Pond Property is owned by Charles F. Kowall ("Kowall"). Kowall granted an option to Great Western Petroleum Corporation ("Great Western"), pursuant to an agreement dated February 11, 1981 and amended by an agreement dated February 10, 1986, to acquire a 100% interest in the Silver Pond Property subject to a royalty equal to 1% of net smelter returns in the event that any part of the Silver Pond Property is brought into commercial production. In order to exercise this option, Great Western must pay to Kowall the sum of \$1,007,500.00 payable as follows:

- (i) \$10,000.00 on the delivery to Great Western of a duly executed and recordable bill of sale transferring the mineral claims to Great Western (the "Delivery Date");
- (ii) \$10,000.00 on or before one year from the Delivery Date;
- (iii) \$10,000.00 on or before two years from the Delivery Date;
- (iv) \$17,500.00 on or before three years from the Delivery Date;
- (v) \$30,000.00 on or before four years from the Delivery Date;
- (vi) \$35,000.00 on or before five years from the Delivery Date;
- (vii) \$5,000.00 on or before December 31, 1986;

- (viii) \$40,000.00 on or before February 11, 1987;
- (ix) \$50,000.00 on or before February 11 in each year commencing in 1988 and ending in 2004.

Payments have been made in respect of (i) through (viii) above.

St. Joe holds an option from Great Western (the "St. Joe Option"), pursuant to an agreement dated September 20, 1983 and amended by an agreement dated February 10, 1986 (the "St. Joe Option Agreement"), to acquire a 100% interest in the Silver Pond Property subject to a royalty payable to Great Western equal to 12% of the net profits from the Silver Pond Property. In order to maintain and exercise its option, St. Joe must pay the following amounts:

- (i) \$17,500.00 to Kowall on or before the 1984 Delivery Date (which has been paid);
- (ii) \$10,000.00 to Great Western on or before November 30, 1984 (which has been paid);
- (iii) \$30,000.00 to Kowall on or before the 1985 Delivery Date (which has been paid);
- (iv) \$15,000.00 to Great Western on or before November 30, 1985 (which has been paid);
- (v) From February 1, 1986, St. Joe has paid or caused to be paid, and must continue to pay or cause to be paid, to Kowall the amounts required to be paid by Great Western pursuant to the Agreement between Kowall and Great Western.

St. Joe granted to Imperial, pursuant to an agreement dated December 8, 1983, an undivided 20% interest in and to the St. Joe Option Agreement on the payment of \$5,000.00 to St. Joe and subject to the assumption by Imperial of 20% of all the payments and liabilities due under the St. Joe Option Agreement.

The Issuer is currently negotiating with Imperial in order to acquire Imperial's residual interest in the Silver Pond Property. Assuming that the Issuer expends \$3,000,000.00 on exploration, pursuant to the Option, Imperial would be left with an undivided 12.75% interest in the Silver Pond Property. In the event that the Issuer also acquires this 12.75% interest, then the Issuer will own an undivided 49% interest in the Silver Pond Property.

Upon the acquisition of an interest pursuant to the Option, the Issuer will be party to the Joint Venture Agreement between St. Joe and Imperial which appoints St. Joe as the manager of the Silver Pond Property.

Extensive exploration of the Silver Pond Property, including diamond drilling, has been carried out by St. Joe and others. The Silver Pond Property is transacted by a northwest-striking fault zone in the eastern property area, along which three zones of gold-silver mineralization have been identified. Seven other potential gold-silver bearing zones, principally in the southern property area, have been partially investigated by soil geochemistry, geophysical surveys and limited trenching.

The Issuer intends to apply at least \$2 million of the proposed \$5 million funding by First Exploration Fund 1987 and Company, Limited Partnership to exploration of the Silver Pond Property. For further particulars, see item 9D of this Statement of Material Facts.

The Silver Pond Property has no known ore reserves.

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

* Scotch Creek Property

The Scotch Creek Property consists of the following located mineral claims and placer leases, covering approximately 1,300 hectares, situated approximately 112 kilometres east of Kamloops, British Columbia (50° 58'N. latitude 119° 25'W. longitude):

<u>Claim Name</u>	<u>Mining Division</u>	<u># of Units</u>	<u>Record #</u>	<u>Expiry Date</u>
Scotch 1	Kamloops	20	4880	Oct. 27/87
Scotch 2	Kamloops	20	4881	Oct. 27/87
Dana IV	Kamloops	1	2874	Aug. 13/87
Dana VI	Kamloops	1	2876	Aug. 13/87
Dana VIII	Kamloops	1	2878	Aug. 13/87
Sow 3	Kamloops	1	2126	Sept. 28/87
Sow 5	Kamloops	1	2128	Sept. 28/87
Sow 6	Kamloops	1	2129	Sept. 28/87
Sow 7	Kamloops	1	2130	Sept. 28/87

Sow	8	Kamloops	1	2131	Sept. 28/87
TAR	1	Kamloops	1	2149	Oct. 4/87
TAR	2	Kamloops	1	2150	Oct. 4/87
TAR	3	Kamloops	1	2151	Oct. 4/87
TAR	4	Kamloops	1	2152	Oct. 4/87
Placer Lease		Kamloops		547	Feb. 28/90
Placer Lease		Kamloops		2330	Dec. 28/89

The Issuer owns a 100% interest in Scotch 1 and 2 and Dana IV, VI and VIII (the "Armor Property"). The remainder of the Scotch Creek Property is owned by Wayne Tyner ("Tyner") (the "Tyner Property").

Pursuant to an agreement dated October 4, 1983 and amended March 8, 1984 (the "Tyner Agreement"), Armor Development Corporation ("Armor") was granted an option from Tyner to acquire a 100% interest in the Tyner Property. In order to maintain and exercise its option, Armor must, on or before October 5, 1988:

- (i) issue 50,000 shares to Tyner after completion of the Phase II recommendations of MPH Consulting Limited in their report dated October 15, 1983 and the receipt of a recommendation to proceed with a further phase of exploration;
- (ii) issue 50,000 shares to Tyner upon the commencement of commercial production from the Tyner Property.

Pursuant to an agreement dated for reference April 6, 1984 and amended by agreements dated for reference August 22, 1984 and July 29, 1986 (the "Armor Agreement"), the Issuer was granted an option to acquire up to an undivided 90% interest in the Armor Property and the Tyner Agreement. To date, the Issuer has acquired an undivided 50% interest in the Armor Property and the Tyner Agreement, as evidenced by an assignment agreement dated for reference November, 1984, and is entitled to the additional undivided 40% interest. In order to acquire the additional undivided 40% interest, the Issuer was required to expend \$200,000. on exploration and development of the Scotch Creek Property, on or before July 31, 1987. Once this additional interest was acquired, Armor's remaining undivided 10% interest was automatically converted into a 10% net profits interest.

The Issuer has an option to purchase Armor's 10% net profits interest for \$1,000,000. The Issuer also has a right of first refusal.

During the past year, the Issuer conducted an exploration program on the property at a total cost of \$324,000. The program consisted largely of drilling which demonstrated gold values in the targeted altered iron formation. No ore grade intersections

were encountered over mineable widths. The work program report has not yet been received from MPH Consulting Limited.

The property has no known ore reserves.

Goldmist Property ✎

The Issuer owns an undivided 25% interest in the following located mineral claims, covering approximately 2,000 hectares, situated approximately 50 km north of Kamloops, British Columbia (51° 6.30'N. latitude 120° 15.0'W. longitude):

<u>Claim Name</u>	<u>Mining Division</u>	<u># of Units</u>	<u>Record #</u>	<u>Expiry Date</u>
Goldmist 1	Kamloops	20	5552	Mar. 9/91
Goldmist 2	Kamloops	20	5553	Mar. 9/91
Goldfish	Kamloops	20	5554	Mar. 9/91
Mystery Gold	Kamloops	20	5555	Mar. 9/91

Pursuant to an agreement dated December 1, 1986 the Issuer and its joint venture partners optioned the Goldmist Property to Spearhead Resources Ltd. Spearhead can earn a 50% interest in the Goldmist Property in consideration of incurring exploration expenditures totalling not less than \$200,000. on or before September 1, 1991, as follows:

- (a) not less than \$32,000. on or before September 1, 1987
- (b) not less than \$64,000. on or before September 1, 1988
- (c) not less than \$100,000. on or before September 1, 1989
- (d) not less than \$136,000. on or before September 1, 1990
- (e) not less than \$200,000. on or before September 1, 1991

The agreement provides, upon Spearhead exercising its option, for Spearhead to join the joint venture as Operator.

Exploration on the property by the Issuer and it's joint venture partners has included an airbourne survey, linecutting, soil sampling, ground magnetometer, VLF electromagnetometer surveying, pulse electromagnetometer surveying, reconnaissance geological mapping and limited diamond drilling. No ore grade intersections were encountered over mineable widths.

The property has no known ore reserves.

Thistle Property ✎

The Thistle Property consists of the following located mineral claims and Crown granted mineral claims, covering approximately 2,175 hectares, situated approximately 20 kilometres southeast of Port Alberni, in central Vancouver Island, British Columbia (49° 06'N. latitude 124° 39'W. longitude):

<u>Claim Name</u>	<u>Mining Division</u>	<u># of Units</u>	<u>Record #</u>	<u>Expiry Date</u>
Quill 1	Alberni	1	1391	Feb. 11/95
Quill 2	Alberni	1	1392	Feb. 11/95
Quill 3	Alberni	1	1393	Feb. 11/95
Quill 4	Alberni	1	1394	Feb. 11/95
Quill 5	Alberni	1	1395	Feb. 11/95
Quill 6	Alberni	1	1396	Feb. 11/95
Quill 7	Alberni	1	1397	Feb. 11/95
Quill 8	Alberni	1	1398	Feb. 11/95
Sue	Alberni	20	488	June 28/94
Crow	Alberni	20	489	June 28/95
Levi	Alberni	20	490	June 28/94
Museum	Alberni	15	1223	May 6/94
Rand	Alberni & Victoria	16	731	Feb. 28/94
Rose	Alberni	1	378	Feb. 20/96
Jumbo	Alberni	1	379	Feb. 20/96
Lore 1	Victoria	1	575	Aug. 17/94
Lore 2	Victoria	1	576	Aug. 17/94
Lore 3	Victoria	1	577	Aug. 17/94

Crown Grants

Thistle	Alberni	1	Lot 242	-
Pansy	Alberni	1	Lot 240	-
Primrose	Alberni	1	Lot 241	-

The Issuer owns a 100% interest in the Thistle Property, except as follows:

- (a) the Rose and Jumbo mineral claims are held by option from Dave Murphy, subject to the final option payment of \$7,000. being paid to Dave Murphy on October 15, 1987;
- (b) the Rose and Jumbo mineral claims are subject to a 2% net smelter return interest in favour of Dave Murphy, subject to a buy-back for \$100,000.;
- (c) the Sue, Crow and Levi mineral claims are subject to a 10% net profits interest in favour of Kargen Development Corporation (owned by Glen E. White), subject to a buy-back for \$500,000.

Pursuant to several agreements, Angle Resources Ltd. has earned an undivided 35% interest in the Thistle Property. Westmin Resources Limited and Angle Resources Ltd. have expended in excess of \$1.1 million since 1983 in exploring four widely separated areas spanning the length of the property. Drill programs to date have not defined any ore zones but did encounter geochemically anomalous gold in a majority of the holes.

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

The property has no known ore reserves.

King Solomon Property ↙

The King Solomon Property consists of the following located mineral claims, covering approximately 1,100 hectares, situated approximately 10 kilometres south of Duncan, British Columbia (48° 41.5'N. latitude 123° 41.8'W. longitude):

<u>Claim Name</u>	<u>Mining Division</u>	<u># of Units</u>	<u>Record #</u>	<u>Expiry Date</u>
Pacific Star	Victoria	12	701	Oct. 20/90
Western	Victoria	12	711	Nov. 15/90
Independence	Victoria	8	712	Nov. 15/90
Koksilah	Victoria	12	713	Nov. 10/90

The Issuer held an option from Reward Resources Ltd ("Reward"), pursuant to an agreement dated October 10, 1985 and amended as of July 14, 1986, to earn up to an undivided 50% interest in the King Solomon Property by expending \$140,000. on exploration of the King Solomon Property on or before December 31, 1986. The agreement provides for the formation of an exploration joint venture, with the Issuer as the initial operator. The Issuer has earned it's 50% interest and has \$324,000. in expenditures to be applied to the joint venture.

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

The Issuer conducted drill programs in 1985 and 1986. Encouraging drill results from 1985 and early 1986 prompted a second drill program where the strike extension of the strategically favourable horizon was not found to be as well mineralized as was the core in early 1986 drilling.

The property has no known ore reserves.

Melgund Lake Property *

The Issuer owns an undivided 49% interest in the following 43 unpatented mining claims, covering approximately 696 hectares, situated approximately 100 kms west of White River and 40 kms east of Marathon, Ontario (48° 41' latitude 86° 10' longitude):

<u>Claim Numbers</u>	<u>Mining Division</u>	<u>Expiry Date</u>
TB652946&7	Thunder Bay	Aug. 23/88
TB652949, 50 & 53	Thunder Bay	Aug. 23/87
TB652958-63	Thunder Bay	Aug. 23/88
TB652972-79	Thunder Bay	Aug. 23/88
TB652988-91	Thunder Bay	Aug. 23/88
TB784552-71	Thunder Bay	June 20/88

The other 51% interest is owned by Contact Ventures Ltd. ("Contact").

In 1983 the Issuer spent approximately \$46,000. on geological mapping, airborne geophysical surveys and included polarization and closed loop EM surveys. According to MPH Consulting Limited, two potential drill targets have been identified using an induced polarization geophysical survey in conjunction with geological mapping.

On March 2, 1984, the Issuer and Contact optioned their interest in the Melgund Lake Property to Noranda Exploration Issuer Ltd. ("Norex"), whereby Norex could up to an undivided 60% interest by spending \$1,000,000. on exploration of the Melgund Lake Property.

Norex completed its first year commitments by drilling 5 holes on the Melgund Lake Property at a cost in excess of \$200,000. Although the drill results did not reveal ore grades over mining widths, gold values were obtained from each drill hole. Norex has now dropped its option.

By an agreement dated for reference February 13, 1986 (the "Agreement"), the Issuer and Contact optioned the Melgund Lake Property to Gold Fields Canadian Mining Limited ("Gold Fields"). The Agreement provides that Gold Fields will have the exclusive option to acquire 100% ownership of the Melgund Lake Property by fulfilling a six year work commitment on the Melgund Lake Property in the following amounts, totalling \$1,000,000.:

- (i) \$ 100,000. on or before February 13, 1987;
- (ii) \$ 100,000. on or before February 13, 1988;
- (iii) \$ 100,000. on or before February 13, 1989;
- (iv) \$ 150,000. on or before February 13, 1990;
- (v) \$ 200,000. on or before February 13, 1991;
- (vi) \$ 350,000. on or before February 13, 1992.

The Issuer and Contact will be entitled to a royalty equal to 20% of the net profits derived by Gold Fields from the Melgund Lake Property, less the full 2% net smelter return royalty interest which was retained by the original property owners, Kirk Cameron and Daryl Bremner. On the sixth anniversary of the Agreement and each anniversary thereafter, Gold Fields shall pay to the Issuer and Contact an advance royalty payment of \$25,000., which shall

be creditable against any royalty payments that accrue.

Gold Field's have completed five diamond drill holes for a core length of 9,206 feet on the Melgund Lake Property since inception of the drill program in fiscal 1986. Analytical results for the holes did not return economic intersections. Most samples have returned 5 ppb gold or less with no samples returning any values greater than 50 ppb gold from holes N87-2 and N87-4. Only four isolated samples from hole N87-3 have returned values greater than 50 ppb gold with the highest value being 110 ppb gold.

The Melgund Lake Property straddles the Trans Canada Highway approximately 100 kms west of White River and 40 kms east of Marathon. This highway provides the main direct access to the Melgund Lake Property and several smaller trails (including the transmission line access road) traverse the southern part of the claim block. Access to the north of the Black River has been gained through helicopter from White River (30 minute round trip) or by canoe across the river.

The property has no proven ore reserves.

Geowest Property *

The Issuer owns the following located mineral claims, covering approximately 2,000 hectares, situated approximately 70 kms northwest of Clinton and 135 kms north-northeast of Pemberton, British Columbia (51° 27'N. latitude 122° 27'W. longitude):

<u>Claim Name</u>	<u>Mining Division</u>	<u># of Units</u>	<u>Record #</u>	<u>Expiry Date</u>
Geowest 1	Clinton	20	1819	Sept.17/87
Geowest 2	Clinton	20	1820	Sept.17/87
Geowest 3	Clinton	20	1821	Sept.17/87
Geowest 4	Clinton	20	1822	Sept.17/87

In 1985 the Issuer conducted a 199 line kilometre program of airborne magnetometer and VLF-electromagnetometer survey on this property. The survey outlined four blocks within the property where a concentrated program of mapping and sampling has been recommended.

The property has no known ore reserves.

April Mineral Claim

The Issuer owns the following located mineral claim, covering approximately 500 hectares, situated approximately 19 km southeast of Port Alberni, British Columbia (49° 05'N. latitude 124° 39.5'W longitude):

<u>Claim Name</u>	<u>Mining Division</u>	<u># of Units</u>	<u>Record #</u>	<u>Expiry Date</u>
April	Alberni	20	1226	May 6/88

Pursuant to an agreement dated for reference February 6, 1985, the Issuer granted an option to Everest Resources Ltd. ("Everest") to acquire up to an undivided 50% interest in the April claim in consideration of \$6,000. and by carrying out a program of exploration on the claim on or before May 1, 1988 of at least \$100,000. Everest can earn an undivided 25% interest by spending \$50,000. during this same period.

James W. MacNeil is a common insider of Everest and the Issuer.

Everest has conducted limited sampling programs on the property, primarily to cover the necessary assessment work required.

The property has no known ore reserves.

Canon and Olsen Mineral Claims *

The Issuer owns the following located mineral claims, covering approximately 650 hectares, situated approximately 23 kms. south-southeast of Port Alberni, British Columbia (49° 03'N. latitude 124° 38'W. longitude):

<u>Claim Name</u>	<u>Mining Division</u>	<u># of Units</u>	<u>Record #</u>	<u>Expiry Date</u>
Canon	Alberni	20	1225	May 6/93
Olsen	Alberni	6	1224	May 6/93

Pursuant to an agreement dated for reference May 16, 1985 and amended on November 30, 1985, the Issuer granted an option to Goldenrod Resources & Technology Inc. ("Goldenrod") to acquire up to an undivided 50% interest in the Canon and Olsen claims in consideration of Goldenrod completing a three phase exploration program. Goldenrod can earn an undivided 25% interest by completing the first two phases of a work program, at a minimum cost of \$65,000., and a further undivided 25% interest on completion of the third phase, at a minimum cost of \$130,000.

Goldenrod has expended approximately \$80,000 to date on the Canon and Olsen Mineral Claims. Goldenrod has conducted two phases of exploration on the property which included soil sampling, prospecting, geological, geophysical and geochemical exploration that were designed to provide targets for trenching and diamond drilling.

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

The property has no known ore reserves.

Tan Mineral Claim ✱

The Issuer owns the following located mineral claim, covering approximately 400 hectares, situated approximately 24 kms southeast of Port Alberni, British Columbia (49° 05.7'N. latitude 124° 34.5'W. longitude):

<u>Claim Name</u>	<u>Mining Division</u>	<u># of Units</u>	<u>Record #</u>	<u>Expiry Date</u>
Tan	Victoria	16	311	Feb.25/88

Lode Resource Corporation, which previously held this property under option, has conducted limited sampling programs on the property, primarily to cover the necessary assessment work required.

The property has no known ore reserves.

McQuillan Mineral Claim ✱

The Issuer owns the following located mineral claim, covering approximately 500 hectares, situated approximately 17 kms southeast of Port Alberni, British Columbia (49° 08'N. latitude 124° 37'W. longitude):

<u>Claim Name</u>	<u>Mining Division</u>	<u># of Units</u>	<u>Record #</u>	<u>Expiry Date</u>
McQuillan	Alberni	20	1258	June 23/93

Pursuant to an agreement dated for reference July 8, 1985, the Issuer granted an option to Hollycroat Resource Corporation ("Hollycroat") to acquire up to an undivided 50% interest in the McQuillan claim in consideration of a payment of \$9,292. and Hollycroat completing a three phase exploration program. Hollycroat can earn an undivided 25% interest by completing the first two phases of the recommended work program, at a minimum cost of \$76,000., and a further undivided 25% interest on completion of the third phase, at a minimum cost of \$72,000. Hollycroat has until July 8, 1988 to carry out the exploration program. Hollycroat has completed the first phase at a cost of approximately \$26,000.

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

Hollycroat has completed the first phase of exploration on this property which included detailed geological mapping and sampling with soil sampling on a flagged grid.

The property has no known ore reserves.

Cow Property ✕

The Issuer owns an undivided 25% interest in the following located mineral claims, covering approximately 1,425 hectares, situated approximately 25 kms southwest of Duncan, British Columbia (48° 53.8'N. latitude 124° 00.5 W. longitude):

<u>Claim Name</u>	<u>Mining Division</u>	<u># of Units</u>	<u>Record #</u>	<u>Expiry Date</u>
Cow 12-16	Victoria	57	1444-7 & 1483	March 6/91

Angle Resources Ltd. ("Angle") also owns an undivided 25% interest in the Cow Property.

Pursuant to an agreement dated for reference February 25, 1986 and amended on May 12, 1986 and July 4, 1986, Angle and the Issuer granted an option to International Cherokee Developments Ltd. (Cherokee") to acquire an undivided 50% interest in the Cow Property. Angle and the Issuer each received 12,500 shares of Cherokee and Cherokee was required to expend at least \$65,000. on exploration of the Cow Property by June 30, 1987. Cherokee has completed its exploration program, which included a limited amount of drilling, and has therefore acquired its undivided 50% interest. No results have been received to date. The agreement now provides for a joint venture agreement to be entered into, with Cherokee as the initial operator.

James W. MacNeil, Leon E. Nowek, Thomas S. Hughes and T.E. Gregory Hawkins are common insiders of Angle and the Issuer.

The property has no known ore reserves.

Holt Mineral Claims ✕

The Issuer owns an undivided 50% interest in the following located mineral claims, covering approximately 5,475 hectares, situated approximately 10 kms southwest of Duncan, British Columbia (48° 43'N. latitude 123° 51'W. longitude):

<u>Claim Name</u>	<u>Mining Division</u>	<u># of Units</u>	<u>Record #</u>	<u>Expiry Date</u>
Holt 1-13	Victoria	219	1626-1638	Feb. 20/88
Holt 14	"	20	1832	Feb. 4/88
Holt 15	"	15	1833	Feb. 12/88

Goldenrod Resources & Technology Inc. ("Goldenrod") also owns an undivided 50% interest in the Holt Property.

The Issuer has completed a preliminary exploration program on the property at a cost of approximately \$133,000. Goldenrod carried out a further program and expended \$350,000. on the property.

The work program report has not yet been received from MPH Consulting Limited.

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

GROUP III - OTHER PRESENTLY HELD PROPERTIES UPON WHICH THE ISSUER'S ACQUISITION AND EXPLORATION COSTS TO DATE EXCEED \$100,000.

Camp McKinney Property *

The Camp McKinney Property consists of the following located mineral claims, covering approximately 675 hectares, situated approximately 6 miles north of Bridesville, British Columbia (49° 06'N. latitude 119° 11'W. longitude):

<u>Claim Name</u>	<u>Mining Division</u>	<u># of Units</u>	<u>Record #</u>	<u>Expiry Date</u>
Rover Fr.	Greenwood	1	1662	July 3/88
Cariboo Fr.	Greenwood	1	1663	July 3/88
Kamloops	Greenwood	1	1664	July 3/88
Sailor	Greenwood	1	1621	June 27/88
Diamond	Greenwood	1	1622	June 27/88
Toledo	Greenwood	1	1623	June 27/88
Snowshoe	Greenwood	1	1624	June 27/88
Jolly 3	Greenwood	20	3836	Aug. 10/88

All of the above claims, except for Jolly 3, are owned by the Issuer. Pursuant to an agreement dated for reference March 16, 1984, the Issuer holds an option to acquire a 100% interest in the Jolly 3 claim, in consideration of \$7,500. cash, which has been paid, and 200,000 shares of the Issuer. 50,000 shares were issued on execution of the agreement and a further 150,000 are to be issued in three equal installments upon completion of a three stage exploration program.

The Issuer has carried out a soil geochemical and geophysical survey on the property. The Issuer also conducted a 67 line km program of airbourne magnetometer and VLF electromagnetometer survey on the Jolly 3 Claim.

The property has no known ore reserves.

Summary of Material Oil and Gas 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 or which have undiscounted reserves in excess of \$50,000. or current revenue in excess of \$1,000. a month.
- 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>Undiscounted Value of Existing Reserves, Net to the Issuer's Interest</u>	<u>Present Value of Existing Reserves (15% Discount Rate) Net to the Issuer's Interest</u>	<u>Issuer's Acquisition and Exploration Costs to Date (U.S. Dollars)</u>	<u>Shares Issued to Date</u>	<u>Issuer's Revenue to Date (U.S. Dollars)</u>	<u>Planned Expenditure from Funds Available upon Completion of the Offering</u>
III	Ute-Tribal	Unknown	Unknown	\$172,500.00	Nil	\$71,000.	Nil
III	Frankie	"	"	\$120,000.00	Nil	\$18,500.	Nil
III	Utex	"	"	\$165,000.00	Nil	\$ 3,900.	Nil
III	Tom Cat	"	"	\$150,000.00	Nil	Nil	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 OR WHICH HAVE UNDISCOUNTED RESERVES IN EXCESS OF \$50,000. OR CURRENT REVENUE IN EXCESS OF \$1,000. A MONTH.

None

GROUP III - OTHER PRESENTLY HELD PROPERTIES UPON WHICH THE ISSUER'S ACQUISITION AND EXPLORATION COSTS TO DATE EXCEED \$100,000.

The Ute-Tribal 1-21C5 Prospect

The Issuer holds a 6.7% working interest (equivalent to a 5.425% net revenue interest) in certain oil and gas leases covering 640