

THE SECURITIES OFFERED FOR SALE THROUGH THIS PROSPECTUS MAY ONLY BE LAWFULLY OFFERED FOR SALE IN THOSE JURISDICTIONS IN WHICH THIS PROSPECTUS HAS BEEN ACCEPTED FOR FILING AND THEREIN ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES.

NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER, AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

PROSPECTUS

EFFECTIVE DATE: July 6, 1988

SCHELLEX GOLD CORP.

602-675 West Hastings Street
Vancouver
British Columbia
V6B 1N2

003133

PUBLIC OFFERING:
450,000 Common Shares

PROPERTY FILED P.V. (R.M.)
Red Tusk #92 GNW01
Summit Camp 92H5V023
(Venus 92H/?)

Price to Public	Commissions	Net Proceeds to the Company
\$0.60	\$0.06	\$0.54
\$270,000	\$27,000	\$243,000*

ated to be \$25,000

NO MARKET THROUGH WHICH THESE SECURITIES MAY BE SOLD. THE OFFERING IS ARBITRARILY ESTABLISHED BY THE COMPANY WHICH DOES NOT REPRESENT THAT THE MARKET VALUE OR COULD BE RESOLD AT SUCH PRICE. SEE THE HEADING "RISK FACTORS" OR THE COMPARISON OF SHARES HELD BY CONTROLLING PERSONS, PROMOTERS, DIRECTORS OR OFFICERS TO THE TOTAL ISSUED AND THE DILUTION FACTORS.

ONE OR MORE OF THE DIRECTORS OF THE COMPANY HAS AN INTEREST, DIRECT OR INDIRECT, IN OTHER NATURAL RESOURCE COMPANIES. REFERENCE IS MADE TO THE HEADING "DIRECTORS AND OFFICERS" ON PAGE 16 HEREIN.

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED AS SPECULATION. ALL OF THE PROPERTIES IN WHICH THE COMPANY HAS AN INTEREST ARE IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY AND ARE WITHOUT A KNOWN BODY OF COMMERCIAL ORE.

THIS OFFERING IS SUBJECT TO A MINIMUM SUBSCRIPTION FOR 450,000 SHARES BEING RECEIVED BY THE COMPANY WITHIN 180 DAYS OF THE EFFECTIVE DATE. REFER TO THE HEADING "MINIMUM SUBSCRIPTION" ON PAGE 2.

THE VANCOUVER STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED PURSUANT TO THIS PROSPECTUS. LISTING IS SUBJECT TO THE COMPANY FULFILLING ALL THE LISTING REQUIREMENTS OF THE VANCOUVER STOCK EXCHANGE ON OR BEFORE JANUARY 3, 1989, INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

NO PERSON IS AUTHORIZED BY THE ISSUER TO PROVIDE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE ISSUE AND SALE OF THE SECURITIES OFFERED BY THE COMPANY.

UPON COMPLETION OF THIS OFFERING THIS ISSUE WILL REPRESENT 30% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 52.5% THAT WILL THEN BE OWNED BY THE CONTROLLING PERSONS, PROMOTERS, DIRECTORS AND SENIOR OFFICERS OF THE COMPANY AND ASSOCIATES OF THE AGENT. REFER TO THE HEADING "PRINCIPAL HOLDERS OF SECURITIES", ON PAGE 19 HEREIN FOR DETAILS OF SHARES HELD BY DIRECTORS, PROMOTERS, CONTROLLING PERSONS AND ASSOCIATES OF THE AGENT.

WE, AS AGENT, OFFER THESE SECURITIES SUBJECT TO PRIOR SALE, IF, AS AND WHEN ISSUED BY THE ISSUER AND ACCEPTED IN ACCORDANCE WITH THE CONDITIONS CONTAINED IN THE AGENCY AGREEMENT REFERRED TO UNDER "PLAN OF DISTRIBUTION" ON PAGE 1 OF THIS PROSPECTUS.

WOLVERTON SECURITIES LTD.
1760-701 West Georgia Street
Vancouver, British Columbia

DATED: JUNE 20, 1988

SCHELLEX GOLD CORP.
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PROSPECTUS SUMMARY

The information in this Summary is qualified in its entirety by the more detailed information contained in this Prospectus.

THE COMPANY:

SCHELLEX GOLD CORP. is a British Columbia corporation whose principal business is the acquisition, exploration and development of natural resource properties. See "BUSINESS OF THE COMPANY".

OFFERING:

450,000 common shares at \$0.60 per share to net the Company \$243,000 (before the cost of this offering). See "PLAN OF DISTRIBUTION".

USE OF PROCEEDS:

The net proceeds will be used primarily to conduct exploration programs as recommended in the report prepared by Bel-Can Geological Services Ltd. dated December 1987, on the Company's Summit Camp Property located in the Similkameen Mining Division of British Columbia and the report prepared by BOA Services Ltd. dated February 26, 1988, on the Red Tusk Property located in the Vancouver Mining Division British Columbia. See "THE PROPERTY" and "USE OF PROCEEDS".

RISK FACTORS:

An investment in the Securities offered hereby must be considered as speculative. A prospective investor should consider carefully the following factors.

The Company's Mineral Properties are in the exploration and development stage only and are without a known body of commercial ore; no surveys have been carried out on the Properties therefore, the precise location may be in doubt.

Exploration for minerals involves a substantial risk which a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no certainty that the Company's acquisition of the interests described herein will result in the discoveries of commercial quantities of ore.

The discovery by the Company of an ore body on its property may not mean that the ore is economic to mine and sell. The mining industry is intensely competitive and the marketability of any ore discovered by the Company may be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, and government regulation. Refer to the heading "RISK FACTORS" on Page 14 herein for more detailed information.

DILUTION FACTOR:

The price of the shares offered hereby exceeds the book value of the net tangible assets per common share of the Company on a fully diluted basis as at February 29, 1988 by \$0.3695, or approximately 61.58%, per share after giving effect to this offering.

PLAN OF DISTRIBUTION

Offering

The Company by its Agent hereby offers (the "Offering") to the public through the facilities of the Vancouver Stock Exchange (the "Exchange") Four Hundred and Fifty Thousand Common (450,000) shares (the "Shares") of the Company at a price of \$0.60 per share. The Offering will be made in accordance with the rules and policies of the Exchange and on a day (the "Offering Day") determined by the Agent and the Company, with the consent of the Exchange, within a period of 180 days from the date upon which the shares of the Company are conditionally listed on the Exchange (the "Effective Date").

Appointment of Agent

The Company, by an agreement (the "Agency Agreement") dated April 8, 1988, appointed Wolverton Securities Ltd. 1760-701 West Georgia Street, Vancouver, British Columbia, as its agent ("Agent") to offer the Shares through the facilities of the Exchange.

The Vancouver Stock Exchange has conditionally listed the securities being offered pursuant to this prospectus. Listing is subject to the Company fulfilling all listing requirements of the Vancouver Stock Exchange on or before January 3, 1989, including prescribed distribution and financial requirements.

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

The Agent reserves the right to offer selling group participation, in the normal course of the brokerage business to selling groups of other licensed dealers, brokers and investment dealers, who may or may not be offered part of the commissions or bonuses derived from this Offering.

The obligations of the Agent under the Agency Agreement may be terminated before the opening of the market on the Offering Day at the Agent's discretion on the basis of its assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events.

The Company has granted the Agent a right of first refusal to provide future equity financing to the Company for a period of 12 months from the Effective Date.

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

The directors, officers and other insiders of the Company may purchase shares from this Offering.

Minimum Subscription

The Offering is subject to a minimum subscription of 450,000 shares being sold on the Offering Day.

If the minimum subscription of \$243,000 is not reached within the 180 day period following the acceptance for filing of this Prospectus by the Superintendent of Brokers all funds will be returned to the purchasers without deduction. All monies will be held in trust by the Agent or Montreal Trust Company of Canada until such time as the minimum amount of shares have been sold.

USE OF PROCEEDS

As at the dated of this Prospectus the Company has working capital of \$2,832. The net proceeds from this Offering, together with working capital will be used as follows:

	<u>Proceeds of Issue</u>
1. Costs of this issue including legal, audit and printing	\$ 25,000
2. To carry out the Company's share of the Phase I work program recommended in the Bel-Can Geological Services Ltd. report dated December, 1987 on the Summit Camp Property	35,000
3. To carry out the Company's share of the Phase II work program recommended in the Bel-Can Geological Services Ltd. report dated December, 1987 on the Summit Camp Property (contingent on successful results of Phase I	46,200
4. To carry out the Phase 1 of the work program recommended in the BOA Services Ltd. report dated February 26, 1988 on the Red Tusk property	50,000
5. Working capital and general corporate purposes	<u>89,632</u> \$245,832

The proceeds from the sale of the Shares are intended to be used for the purposes set forth above. The Company will not discontinue or depart from the recommended programs of work unless advised in writing by its consulting engineer to do so. Should the Company contemplate any such changes or depart, notice thereof will be given to all shareholders. If such a change occurs during the primary distribution of securities pursuant to this Prospectus, an

amendment hereto will be filed. No part of the proceeds will be used to invest, underwrite or trade in securities other than those that qualify as an investment in which trust funds may be invested under the laws of the jurisdiction in which the securities offered by this Prospectus may be lawfully sold.

Should the Company intend to use the proceeds to acquire other than trustee type securities after the distribution of the securities offered by this Prospectus, approval by the members of the Company must first be obtained and notice of the intention must be filed with the regulatory securities bodies having jurisdiction over the sale of the securities offered by this Prospectus.

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

The Company will not spend in excess of \$50,000.00 on the acquisition or exploration of any properties without obtaining the recommendation of a qualified engineer or geologist.

SHARE AND LOAN CAPITAL STRUCTURE

<u>Designation of Security</u>	<u>Amount Authorized</u>	<u>Amount as of Feb. 29, 1988</u>	<u>Amount Outstanding as of the date hereof</u>	<u>Amount Out- standing if all Shares are Sold</u>
Common Shares	25,000,000	1,050,001	1,050,001	1,500,001

NAME AND INCORPORATION OF COMPANY

SCHELLEX GOLD CORP. (the "Company") was incorporated on September 14, 1987 under the Company Act of the Province of British Columbia by registration of its Memorandum and Articles under the name of Saratoga Springs Resource Corp. By special resolution approved by members of the Company on October 5, 1987 the Company's name was changed to Schellex Gold Corp.

The address of the head office of the Company is 602-675 West Hastings Street, Vancouver, British Columbia, V6B 1N2.

The address of the registered and records office of the Company is 907-510 Burrard Street, Vancouver, British Columbia, V6C 3A8.

DESCRIPTION OF BUSINESS AND PROPERTY OF THE COMPANY

Business

The Company is a natural resource company engaged in the acquisition, exploration and development of mineral, petroleum and natural gas properties. The Company owns or has interests in the properties described under the heading "The Property" and intends to seek and acquire additional properties worthy of exploration and development.

The Company does not intend to use the proceeds from the sale of shares offered by this prospectus for any work programs on the properties of the Company other than the Summit Camp Property and the Red Tusk Property.

The Property

A. The Summit Camp Property
Similkameen Mining Division
Province of British Columbia

Mineral Claims

<u>Claim Name</u>	<u>Record Number</u>	<u>Expiry Date</u>
Southern No.8	461	October 12, 1989
Sky	1128	August 18, 1990
Spike	1215	October 27, 1990
Amberty	1671	July 9, 1990

Reverted Crown Granted Mineral Claims

Sutter	737	September 27, 1990
Skyline	738	September 27, 1990
Vigo	1053	June 25, 1990
Lulu	1054	June 25, 1990

(hereinafter collectively referred to as "the Summit Camp Properties")

Location and Access

The Summit Camp Properties are located immediately west of Treasure Mountain, approximately 27 kilometers east/northeast of Hope, British Columbia.

Access to the Summit Camp Properties is by 38 kilometers of well maintained logging roads departing from the Coquihalla Highway, 52 kilometers north of Hope, followed by approximately three kilometers of dirt road generally passable in two-wheel drive vehicles. Most of this last portion has been improved and maintained as a result of on-going exploration and underground mining development on the Huldra Silver property adjoining the

Company's ground to the east. Roads are usually not kept open during the winter unless logging is in progress, this may change, however, as a result of Huldra's activities.

Acquisition

Pursuant to an agreement dated the 6th day of November, 1987, made between Harrisburg-Dayton Resource Corp. of 602-675 West Hastings Street, Vancouver, B.C. and the Company, the Company assigned to Harrisburg-Dayton Resource Corp. an undivided one-half interest in the Summit Camp Properties (save and except for the Southern No. 8 mineral claim), in consideration of payment of the sum of \$7,500 and the assumption by Harrisburg-Dayton Resource Corp. of one-half the liabilities of the Company's set forth below under an agreement dated for reference the 1st day of November, 1987 between Unicorn Resources Ltd. of 1020-475 Howe Street, Vancouver, B.C. and the Company (herein the "Schellex Option Agreement"). Under the terms of the Schellex Option Agreement, the Company has an option to acquire, at its option, either an 80% interest or a 100% interest in the Summit Camp Properties (save and except for the Southern No.8 mineral claim), on the payment to Unicorn Resources Ltd. by the Company of the following sums and issuance of the following shares in the capital stock of the Company:

A. Requirement To Earn 80% Interest

- (i) payment of the sum of \$15,000 on the 5th of November, 1987;
- (ii) payment of the sum of \$20,000 on each of the first, second and third anniversaries of the date of the Schellex Option Agreement;
- (iii) the issuance of 25,000 shares on the issuance of a receipt for the prospectus the Company proposes to file in connection with the Summit Camp Property;
- (iv) the issuance of 25,000 shares on the later of the expiration of 6 months from the date of the Schellex Option Agreement and, the 7th business day following the date of the issuance of a final receipt for any prospectus filed by the Company in connection with the Summit Camp Properties;
- (v) the issuance of 25,000 shares on each of the first, second and third anniversaries of the date of the Schellex Option Agreement.

B. Requirement To Earn 100% Interest

- (i) payment of the sum of \$250,000 prior to the anniversary date of the Schellex Option Agreement; or
- (ii) payment of the sum of \$500,000 prior to the expiration of the second anniversary of the Schellex Option Agreement; or

- (iii) payment of the sum of \$750,000 prior to the expiration of the third anniversary of the date of the Schellex Option Agreement; or
- (iv) payment of the sum of \$1,000,000 at any time after receipt of an engineering report recommending the Summit Camp Property be put into commercial production but prior to the expiration of the 10th anniversary of the date of the Schellex Option Agreement.

Under the terms of the Schellex Option Agreement, the Company is required to carry out exploration and development work on the Summit Camp Properties (save and except the Southern No. 8 Claim) aggregating \$500,000 prior to the expiration of the fourth anniversary of the Schellex Option Agreement.

The interest of Harrisburg-Dayton Resource Corp. and the Company in the Summit Camp Properties (save and except the Southern No.8 mineral claim) is subject to a 2 1/2% net smelter return in favour of Tarbo Resources Ltd. under an agreement dated for reference the 22nd day of October, 1980 between Tarbo Resources Ltd. and Unicorn Resources Ltd. (formerly Texacana Resources Ltd.). The Company and Harrisburg-Dayton Resource Corp. have the option of purchasing the 2 1/2% net smelter return from Tarbo Resources Ltd. for the sum of \$250,000 up to and including the third anniversary of the date the Summit Camp Property is put into commercial production.

Pursuant to an agreement dated the 22nd of August, 1987 (herein the "Thomas Option Agreement") made between Arthur D. Thomas of Princeton, B.C. and Harrisburg-Dayton Resource Corp. (which agreement Arthur D. Thomas assigned to Colony Capital Corp. of Princeton, B.C. on the 17th of September, 1987), Harrisburg-Dayton Resource Corp. acquired an option to purchase (subject to a 2 1/2% net smelter return in favour of Colony Capital Corp.) an undivided 100% interest in the Southern No. 8 mineral claim in consideration of Harrisburg-Dayton Resource Corp. paying to Colony Capital Corp., the following sums and issuing the following shares in its capital stock:

- (a) the sum of \$12,500 on each of August 20, 1987, August 20, 1988 and August 20, 1989;
- (b) subject to regulatory approval, the issuance of the following shares in the capital stock of the Harrisburg-Dayton Resource Corp.:
 - (i) 20,000 shares on the issuance of a receipt for the prospectus that Harrisburg-Dayton Resource Corp. proposes to file in connection with the Summit Camp Property;
 - (ii) 50,000 shares on the expiration of 6 months from the date of issuance of the receipt referred to in sub-paragraph (i) above;

- (iii) 50,000 shares on the first anniversary of the date of Thomas Option Agreement;
- (iv) 80,000 shares on the second anniversary of the date of the Thomas Option Agreement.

By an agreement dated the 6th day of November, 1987 between the Company and Harrisburgh-Dayton Resource Corp. (the "Joint Venture Agreement") the Company and Harrisburgh-Dayton Resource Corp. entered into a joint venture to develop their respective interests in the Summit Camp Properties. Under the terms of the Joint Venture Agreement, the Harrisburgh-Dayton Resource Corp. acquires an undivided one-half interest in the Company's interest in the Summit Camp Properties (save and except for the Southern No.8 mineral claim) and the Company acquires an undivided one-half interest in Harrisburgh-Dayton Resource Corp.'s interest in the Southern No.8 mineral claim upon the expenditure of the sum of \$250,000 by each of Harrisburgh-Dayton Resource Corp. and the Company on the Summit Camp Properties prior to the expiration of the fourth anniversary of the Joint Venture Agreement.

History and Work Done

The Summit Camp Properties are the subject of an Engineering Report prepared by Bernard Dewonck B.Sc., F.G.A.C. of Bel-Can Geological Services Ltd. dated December 7, 1987, (the "Dewonck Report"). The disclosure below is paraphrased from the Dewonck Report, which is attached hereto and forms part of this Prospectus.

Exploration in the immediate area of the Summit Camp Property, also known as "Treasure Mountain" and the "Silver Chief - Silver Hill" property, began as early as 1894. Some trenching was done on the Southern No. 8 claim in the early 1900's, but much of the mining activity in the area took place to the west and on the occurrences immediately east on Treasure Mountain, which is currently being developed by Huldra Silver Inc. By 1929 mineral occurrences on Treasure Mountain had been developed on three levels. Between 1930 and the early 1950's there was sporadic and limited production on the property. In the early 1950's production on the property ceased and did not resume again until 1956 but subsequently ceased in 1957 for financial reasons. The records to 1952 indicated the production of 40,431 ounces of silver, 392,351 pounds of lead and 102,079 pounds of zinc from an estimated 1300 tons of concentrates. Between the 1950's and 1979 limited work was carried out on the property. In 1979 exploration was again commenced on the property by Huldra Silver Inc., which culminated in 1985 in the discovery of what is now known as the "C" vein.

To the west and southwest of Treasure Mountain are several cuts, shallow shafts and short adits on vein structures similar to the Huldra Silver occurrences, which showings are largely encompassed by the Summit Camp Property. Exploration and development on this area commenced in 1894 with the staking of the main claims presently covered by the Sky claim. Between 1899 and

1913 sporadic work was carried out on the property. Underground development in 1919 exposed a 3.5 feet wide zone of massive mineralization along 20 feet of the structure. In 1920, the Mountain View claim to the south was reported to host 1500 feet of favourable structure with assays as high as 40 ounces of silver per ton and 22% lead. Little work was done on this property until 1982 when geological, geochemical and geophysical surveys and a limited diamond drilling program were undertaken on the property.

In 1987 the Company's joint venture partner, Harrisburg-Dayton Resource Corp., established a flagged and hip chain grid on the Southern No. 8 claim and completed both VLF-EM and magnetometer surveys.

The Company's joint venture partner, Harrisburg-Dayton Resource Corp., also undertook some soil sampling on the same grid used for the geophysical survey. Intermittent vien segments exposed along a 170 meter strike trend have yielded silver values as high as 88.38 ounces per ton and 50.9 ounces per ton over 0.5 and 0.9 meters respectively. The limited sampling to date has weighted averages of 16.5 ounces silver per ton, 6.91% lead and 15.3% zinc across an average width of 0.45 meters.

The Dewonck Report recommends a two phase program, the first Phase estimated to cost \$70,000, and consisting of linecutting, VLF-EM, magnetometer, soil geochemistry and geological surveys, followed by or in conjunction with backhoe and blast trenching is recommended. This is followed by a second Phase, estimated to cost \$92,400, consisting of a diamond drilling program contingent on results of Phase I.

Geology and Mineralization

The subject property is underlain by tuffaceous and pelitic sediments of the Upper Jurassic Dewdney Creek Group. Mineralization is generally consistent in character throughout the area. It consists of silver-bearing sulphides in quartz carbonate viens localized along locally prominent, steeply dipping fault structures, subsidiary faults and tension fractures. The viens vary in width from 0.1 to 1.6 meters and consist of a central core of massive sulphides with vienlets and disseminations distributed outward.

Ore minerals include sphalerite, silver-rich galena, pyrite, arsenopyrite, tetrahedrite, stibnite, pyrrhotite, chalcopyrite, and other less common silver-bearing minerals in a quartz-carbonate gangue. Zinkenite (lead antimony sulphide) has also been identified in important amounts and bournonite (lead copper antimony sulphide) is noted as well. Most of the silver present has been determined to be argentite disseminated in the galena, with rare native silver. Zinkenite is also silver-rich.

Occurrences consist of viens localized along moderate to steeply dipping faults including the Treasure Mountain, Queen Bess, Indiana and possibly the Ridge structures, subsidiary faults and tension fractures. The viens generally less than 0.6 meter wide,

although some 3-meter widths (conjugate viens?) have been mined. They consist generally of a central core of massive sulphides with vienlets and disseminations distributed outwards. Surface exposure of the "C" Vien was of this nature, featuring a central zone of massive galena averaging 0.68 meters in width along 250 meters of strike length.

B. The Red Tusk Property Vancouver Mining Division Province of British Columbia

Mineral Claims

<u>Claim Name</u>	<u>Units</u>	<u>Record Number</u>	<u>Expiry Date</u>
Silver Tusk	12	871	April 2, 1990
Paydirt	5	1210	June 24, 1989
Mavis	20	1211	June 24, 1989
Golden Chance	2	1212	June 24, 1989
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(hereinafter referred to as the "Red Tusk Property")

Location and Access

The Red Tusk Property is located in the Tantalus Mountain Range of the Coast Mountains approximately 55 kilometers north of Vancouver, British Columbia. The closest communities are Sechelt, 45 kilometers to the southwest and Squamish, 14 kilometers to the southwest. The Red Tusk Property can be reached by water taxi from Sechelt to the Clowhom Falls logging camp and thence by logging road for 26 kilometers to the upper Red Tusk Valley or by helicopter from Squamish, Sechelt or Vancouver.

Acquisition

Pursuant to an agreement in writing dated for reference January 4, 1988 made between James W. Laird of 107-912 Berkley Road, North Vancouver, B.C. and the Company (herein the "Red Tusk Property Option Agreement"), the Company acquired, (subject to a 2 1/2% net smelter return in favour of James W. Laird) an option to purchase a 100% interest in the Red Tusk Property in consideration of the Company paying the following sums and issuing the following shares in its capital stock to James W. Laird:

- (i) the sum of \$5,000 on the 29th day of February, 1988 and the sums of \$10,000, \$15,000 and \$25,000 on each of the first, second and the third anniversary dates respectively of the Red Tusk Property Option Agreement;
- (ii) subject to regulatory approval, the issuance of 100,000 shares on the following dates:
 - (a) 20,000 shares on the issuance of a receipt for the prospectus the Company proposes to file in connection with the Red Tusk Property;

- (b) 20,000 shares on the expiration of 6 months from the date of issuance of the receipt referred to in sub-paragraph (a) immediately above and, 20,000 shares on the first, second and third anniversaries of the date of the Red Tusk Property Option Agreement;

Under the terms of the Red Tusk Property Option Agreement, the Company is required during each of the first three years of the Red Tusk Property Agreement to incur expenditures of \$50,000 per year on exploration and development work on the Red Tusk Property.

History and Work Done

The Red Tusk Property is the subject of an Engineering Report prepared by Paul P.L. Chung, B.Sc. of BOA Services Ltd. dated February 26, 1988 (the "BOA Report"). The disclosure below is paraphrased from the BOA Report, which is attached hereto and forms part of this Prospectus.

The Red Tusk Property received no known exploration until 1981 when mineralization was discovered by James W. Laird. He then staked the Silver Tusk and Silver Tusk 1 claims and optioned the ground to Newmont Mines Ltd. in 1982. From 1982 to 1984 Newmont carried out surface mapping and rock chip sampling with limited stream sediment sampling. The majority of the work program was conducted on the Silver Tusk and Mavis claims. This earlier work outlined an altered horizon of felsic volcanics within a series of sedimentary and volcanic units of a pendant of Lower Cretaceous Gambier rocks in the Coast Plutonic Complex. Samples taken from these zones returned a high of 8604 ppb gold (or 0.25 opt) and 159 ppm silver (or 4.6 opt). A third zone, the Mavis Zone, was found by following large boulders containing veins of sphalerite and chalcopyrite to the base of a steep slope. This precipitous slope limited detail work to be performed in this area and the source of the mineralized boulders has not yet been discovered. In 1985 Newmont drilled the North Zone and South Zone. This drilling program consisted of 647.7m of BQ equivalent diamond drilling in 12 holes, 6 in each of the North and South zones. Analytical results from the drilling program have returned consistently lower base and precious values than surface sampling. This may be a result of surface enrichment or an unrecognized surface chip sampling problem.

The geological setting, the mineralization and the geochemistry of the rock indicate a favourable environment for a volcanic associated massive sulphide deposit. The drilling results have shown a trend to improved base and precious metals to the north and to depth in the South Zone.

The prominent occurrence of mineralized veins and fractures suggests either an association with a nearby deep seated fault, a buried intrusion, or a network associated with a volcanogenic massive sulphide body, such as the feeder, or stringer zone.

In February, 1988 the Company re-analysed 45 of the 329 rock chip samples collected by Newmont in 1984 throughout the Red Tusk Property. Of the 45 samples selected, 22 were from the South Zone, 17 from the North Zone and 6 samples were selected from the Mavis Zone. In addition, 12 rock samples were selected from a suite of representative rocks collected by James Laird. All the samples underwent a 30 element ICP analysis and Au by A.A.

The results of the re-analysis were consistent with the result of the 1984 program undertaken by Newmont. The anomalous samples returned high values in the same magnitude as previously reported. In the Mavis Zone, the highest Cu obtained was over 40,000 ppm, while Pb and Zn reached more than 2600 and 3500 ppm respectively. The highest Ag value was 88 ppm. Typically for the Mavis Zone, Au was relatively low, reaching a high of 129 ppb. The highest values for Cu, Pb, Zn, Ag and Au were 2714 ppm, 19012 ppm, 99999 ppm, 247.0 ppm and 39900 ppb, respectively. From the ICP analysis some general mineral associations were noted. It appeared from the pulps that elevated Au values are accompanied by higher Ba values, and the Ca, Al, Na, and K values are depressed when Au values are elevated.

The BOA Report recommends a two stage program, the first stage, estimated to cost \$50,000, consisting of additional mapping, prospecting and sampling. This is to be followed by the second stage, estimated to cost \$105,000, consisting of a drilling program contingent upon the results of the first stage.

Geology and Mineralization

The Red Tusk Property lies over the southern extent of the Clowhorn Pendant which in turn lies within the Coast Mountains. The Pendant is an elongated body of Lower Cretaceous Gambier Group volcanic and sedimentary rocks and is surrounded by intrusive rocks of diorite to quartz diorite composition. The Britannia copper deposit at Britannia Beach is located in a similar pendant environment.

Surface mapping in 1983 and 1984 and, diamond drilling in 1985 by Newmont has shown that the property is underlain by a cyclically differentiated series of marine sediments and volcanics in a relatively undisturbed sequence of northerly trending and moderately to steeply west dipping units. The sedimentary units do not constitute a large portion of the package volumetrically, but are important as marker horizons. They are composed of cherts and argillites. The cherts range from light grey to blue grey and dark grey, weathering light grey to rusty brown. They are generally massive, but occasionally occur in well laminated beds about 5 cm thick. Fine disseminated pyrite is seen in a number of outcrops. Within some of the cherts there occur spheroid to irregular shaped masses of dark green fine grained andesitic rock. They can vary in size from a few centimetres in diameter to a few metres across. The volcanic inclusions may be bombs or rafted flow segments caught up in the chert horizons during a period of turbidity or gravity sliding.

The North Zone is a 350m long segment of the mineralized exhalite horizon with a width of about 40m. Mineralization can be found in the altered siliceous rhyolite and in a highly chloritized andesite. This area was tested with 6 drill holes in 1985. The first two holes encountered a 15m to 20m wide, slightly pyritic foliated rhyolite lapilli tuff in the top part returned values in 0.1 g/t to 1.8 g/t gold range, much lower than the values from the surface chip samples. The holes then cut dacite and andesite tuffs with very low background gold values. The following four holes were collared in what proved to be large slide blocks of material similar to the top of the first two holes. After going through a 3-4m wide sand seam, all these holes encountered rhyodacite, dacite and andesite tuffs with low background values in gold.

According to Laird (personal communications, 1988), barite in outcrop was discovered towards the conclusion of the 1984 exploration program. A sample of andesite with massive vein mineralization taken by the barite outcrop returned an assay of 0.6 oz/ton gold and 162 oz/ton silver. However, this area received no further investigation. This barite showing is located south of and lower in elevation than the area that was drilled.

The South Zone represents the most persistently high results in gold from surface sampling. Rock chip sampling programs in 1983 and 1984 have indicated a mineralized area of 150m long and up to 70m wide. Gold results as high as 8750 ppb gold (0.255 oz/t) over 1.5m have been obtained and values in the 1000 ppb range are common. The high gold values are also accompanied by elevated silver and lead values. Silver runs as high as 40.0 ppm (1.2 oz/t) and is commonly above 10 ppm. The highest lead value obtained was 15,700 ppm (1.5%) and numerous samples ran greater than 1000 ppm.

In 1985, six holes were drilled to test this zone. This drilling was successful in tracing favourable geology and mineralization. However, like the North Zone, the values obtained were consistently and significantly lower than those obtained by surface chip sampling. However, from the analytical results of the drill core, it appears that the values in all metals, both base and precious, are improving to the north and possibly with depth.

High values in gold, copper, lead and zinc were obtained, from surface sampling, in the NE area of the zone. This mineralization, which is low in Au values, was found to be associated with quartz veins in shears striking in a NE direction. This appears to be separate from the rest of the South Zone and little work was done to determine its exact relationship to the mineralization exhalite horizon.

The Mavis Zone is located to the east of the South Zone and is hosted in entirely different geology. It is underlain by andesitic flows and agglomerates or breccias. A train of large, angular boulders with sphalerite and chalcopyrite in veins and disseminations lead to its discovery at the peak of a talus cone spilling out from the steeply incised Mavis Creek.

Due to the precipitous slopes in the area, only limited work has been accomplished. Mineralization located in place has been sparse, but does suggest the possibility for a polymetallic massive sulphide deposit. The results of the limited rock chip sampling done in this area is consistent with this type of deposit. They have returned high copper and zinc (up to 0.38% copper and 1.0% zinc) with moderate silver (1.2 oz/t). Lead values are low to moderate and gold values are generally low. This metal association contrasts with those of the exhalite horizon and is typical of massive sulphide type deposits (Boyle 1985). However, it is only an indication of the potential of the area as only boulders have been found so far, and no showing has yet been located.

The volcanic rocks on the property are highly variable, compositionally and texturally. Included are dark basalts and white rhyolites, massive andesite porphyries and laminated tuffs, and a distinctive fragmental. Two varieties of rhyolite are seen. The first is a quartz eye porphyry rhyolite with 1-2 mm quartz eyes that weathers a bright white occurs at both the North and South zone, however sericite alteration of the rhyolite around the South zone has left the eyes and the groundmass with a greenish cast. The second variety of rhyolite occurs just north of Lydia Mountain. This is distinctive in being composed of fine convoluted lamellae of alternating silica and alkali feldspar, and of devitrified glass. This rhyolite is multi-phased as later phases cut earlier phases.

Exhalite stretches from the northern boundary of the claim group south to the Red Tusk Creek Valley. At the southern end it is associated with a quartz eye rhyolite which appears to underlie it while in the north it occurs with acid to intermediate flows and tuffs. The exhalite is a light grey to grey massive aphanitic siliceous unit (a chemical silica precipitate) with a characteristic chalky white weathering. Prominent foliation and shearing accompanied by quartz veining is present along the entire length of the unit.

Altered exhalite has been recognized in several places. This consists of bleaching and fine quartz veining along with fine rusty fracturing. The exhalite has proved to be the most important horizon for mineralization, and the altered zones are the most prospective areas within the horizon.

The dominant pendant rocks on the property are andesites. They include agglomerates composed of about 40% subangular to rounded clasts (5-40 cm diameter) of volcanic material showing narrow (5mm) alteration rims in a massive andesite matrix. Flows are the most common andesites and include massive dark green, fine to medium grained flows, feldspar porphyry andesites, and less commonly andesites with slightly porphyritic hornblende.

Andesitic tuffs have also been mapped on the property. A small area of the property is underlain by basalt. Within the Red Tusk Property the intrusive rocks of the Coast Plutonic Complex are represented by diorite.

The Red Tusk property has been explored by Newmont for precious metals associated with an altered siliceous rhyolite horizon 30-100m wide, 1500m long and having an elevation change of over 600m. This horizon occurs within a series of differentiated volcanics in both the North and South zones. Continued prospecting for extensions or repetitions of this horizon has lead to the discovery of a train of chalcopyrite/sphalerite and pyrite/pyrrhotite mineralized boulders on a talus cone emanating out of Mavis Creek. By tracing this boulder train back, similar vein mineralization was discovered at the base of the rugged south slope of Lydia Mountain. Limited prospecting in 1984 on this precipitous slope failed to locate the source of the boulders, though the rocks anomalous in base metals have been located.

For a more detailed report on the geology on the Summit Camp Properties and the Red Tusk Property reference should be made to the Dewonck and BOA Reports respectively copies of which are attached hereto.

**C. The Venus Mineral Claim
Similkameen Mining Division
Province of British Columbia**

Pursuant to an agreement dated February 29, 1988 between the Company and James W. Laird, James W. Laird granted the Company an option to purchase the Venus Mineral Claim located in the Similkameen Mining Division of British Columbia in consideration of the payment of the sum of \$5,000 and the issuance by the Company to James W. Laird of 100,000 shares in the capital stock of the Company. Of the 100,000 shares of the Company to be issued to James W. Laird, 20,000 shares are to be issued upon the issuance of a receipt for the prospectus the Company proposes to file and, the balance of 80,000 shares are to be issued upon completion of work programs satisfactory to regulatory authorities. Under the terms of this Agreement the Company is required to spend \$20,000 on exploration work on the Venus Mineral Claim before January 31, 1989 and \$30,000 before January 31, 1990.

THE COMPANY DOES NOT INTEND TO USE ANY OF THE PROCEEDS FROM THIS OFFERING ON THE VENUS MINERAL CLAIM.

THERE IS NO SURFACE PLANT OR EQUIPMENT ON THE PROPERTIES. THERE IS NO UNDERGROUND PLANT OR EQUIPMENT THE PROPERTIES AND THE PROPERTIES ARE WITHOUT A KNOWN BODY OF COMMERCIAL ORE AND THE PROPOSED PROGRAM IS AN EXPLORATORY SEARCH FOR ORE.

RISK FACTORS

The securities offered hereby are considered speculative due to the nature of the Company's business and the present stage of its development. A prospective investor should consider carefully the following factors:

1. There is no known body of ore on the Company's mineral properties. The purpose of the present offering is to raise funds to carry out further exploration with the objective of establishing ore of commercial tonnage and grade. If the Company's exploration program is successful, additional funds will be required for the development of an economic ore body and to place it in commercial production. The only source of future funds presently available to the Company is through the sale of equity capital. The failure to obtain such additional financing may result in the Company forfeiting its entire interest in its mineral properties. The only alternative for the financing of further exploration would be the offering by the Company of an interest in its property to be earned by another party or parties carrying out further exploration or development thereof, which is not presently contemplated.
2. There is no established market for the shares of the Company.
3. Exploration for minerals is a speculative venture necessarily involving some substantial risk. There is no certainty that the expenditures to be made by the Company in the acquisition of the interests described herein will result in discoveries of commercial quantities of ore.
4. The mining industry in general is intensely competitive and there is no assurance that even if commercial quantities of ore are discovered, a ready market will exist for the sale of the same. Factors beyond control of the Company may affect the marketability of any substances discovered, which factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, importing and exporting, of minerals and environmental protection. The exact effect of these factors cannot be accurately predicated, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.
5. In the event the Company's exploration programs are unsuccessful, a purchaser of the securities offered pursuant to this Prospectus may lose his entire investment.
6. The existence of title opinions should not be construed to suggest that the Company has good and marketable title to all of the properties described in this Prospectus. The Company follows usual industry practice in obtaining title opinions with respect to its properties.
7. The Company's property has not been surveyed, and therefore, the precise location of the properties may be in doubt.

8. The Company has not paid any dividends since the date of its incorporation and it is not anticipated that the Company will declare dividends in the near future.
9. The securities being offered by this Prospectus represent 30% of the shares that will be issued and outstanding after the completion of the offering compared to 52.5% of the shares that will be held by promoters, directors, officers and substantial security holder (subject to any shares that may be purchased from this offering); and
10. The offering price per share exceeds the net tangible book value per common share, assuming the issuance of 450,000 shares, by \$0.3695 determined as follows:

Net tangible book value before distribution;	\$102,751
Increase in net tangible book value attributable to the issue of common shares;	\$243,000
Net tangible book value after the distribution;	\$345,751
Net tangible book value per share after distribution;	\$0.2305
Dilution of subscribers per share;	\$0.3695
Percentage of dilution in relation to the offering price.	61.58%

PROMOTERS

Gary Schellenberg is both a director and promoter of the Company. Mr. Schellenberg beneficially owns 750,000 principal's shares of the Company purchased at a price of one cent (\$0.01) per share, and 7,500 shares purchased at \$0.30 per share. For particulars of remuneration paid to the Promoter reference should be made to the heading "Executive Compensation".

The promoter of the Company has received an incentive share purchase option to purchase up to 37,500 shares of the Company at a price of \$0.60 per share. The option expires on March 23, 1990. Reference should be made to the heading "Option to Purchase Securities" for the particulars of this option.

LEGAL PROCEEDINGS

There are no legal proceedings to which the Company or any of its property is the subject. No such proceedings are known to be contemplated.

ISSUANCE OF SHARES

The Company's authorized capital is 25,000,000 common shares without par value.

All shares of the Company, both issued and unissued, rank equally as to dividends, voting powers and participation in assets. No shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights and no provision for redemption, purchase for cancellation, surrender or sinking or purchase funds. Provisions as to the modifications, amendments or variations of such rights or such provisions are contained in the Company Act of the Province of British Columbia.

INCORPORATION WITHIN ONE YEAR PRELIMINARY EXPENSES

From the date of incorporation, September 14, 1987, to February 29, 1988 the date of the financial statements hereof, the preliminary expenses of the Company have been:

Acquisition of Resource Properties	-	\$17,500
Administration	-	\$19,567
Exploration Cost	-	\$39,394

The Company estimates that for the financial year ending September 30, 1988 expenditures will average approximately \$20,000 per month for administrative and development costs.

DIVIDEND RECORD

Since incorporation the Company has not paid any dividends. The Company has no present intention of paying dividends and the future dividend policy will be determined by the directors on the basis of earnings, financial requirements and other relevant factors.

DIRECTORS AND OFFICERS

The Directors and Officers of the Company are:

<u>Name and Address</u>	<u>Principal Occupation for the Past Five Years</u>
GARY DAVID ALBERT SCHELLENBERG* 3313 Anzio Drive Vancouver, B.C. President and Director	July 1982 to April 1988 geologist with Ministry of Transportation and Highways; Proprietor Huberg Geological 1983 to date;

DENIS CESARE BERNARDI*
1388 East 35th Avenue
Vancouver, B.C.
Director

IAN MALCOLM GARTH MACDONALD*
12606 - 251st Street
Maple Ridge, B.C.
Director

JOSEPH WILLIAM TARNOWSKI
1613 West 61st Avenue
Vancouver, B.C.
Director and Secretary

March 1981 to July 1987
purchasing agent for a major
Canadian mining company; Aug.
1987 to date purchasing
manager for a consulting
engineering and construction
company;

July 1983 to retirement Feb.
1988 Western Sales Manager
Rowntree MacIntosh Corp.;

May 1976 to date practising
Barrister and Solicitor.
Director and Secretary of
Force Resources Ltd. from
Sept. 1984 to Jly. 1985

* Members of the Company's audit committee.

Certain of the Directors and Officers of the Company are also directors, officers and shareholders of other companies engaged in mineral exploration and development, and conflicts of interest may arise between their duties as Directors of the Company and as directors of other companies. All such possible conflicts will be disclosed in accordance with the requirements of the British Columbia Company Act and the directors concerned will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed on them by law. In particular, the Directors and Officers of the Company have agreed to the following:

- (a) Participation in natural resources prospects offered to the directors and officers will be allocated between the various companies on the basis of prudent business judgement and the relative financial abilities and needs of the companies to participate; and
- (b) natural resource prospects formulated by or through the other companies in which the Directors and Officers of the Company are involved will not be offered to the Company except on the same or better terms than the basis on which they are offered to third party participants.

EXECUTIVE COMPENSATION

By a Management Agreement dated March 1, 1988, the Company engaged Gary D.A. Schellenberg, director and president of the Company to provide general administrative and management services to the Company for a fee of \$2,000 per month commencing as at the agreement date.

During the period from September 15, 1987 to February 29, 1988 the Company paid \$11,000 to Keyport Management Corp. of 2815 Highway Drive, Trail, B.C. a private B.C. Company for management services pursuant to a Management Agreement dated September 15, 1987.

A total of \$2,000 has been paid in fees to Huberg Geological in connection with geological services provided in relation to the Red Tusk Property, Summit Camp Properties and Bear Paw Claim, Nevada. The proprietor of Huberg Geological is Gary D.A. Schellenberg a director of the Company. A director of the Company also provides certain legal services to the Company and will be paid for those services. As of the date hereof he has received a total of \$1,600.

OPTIONS TO PURCHASE SECURITIES

As of the date hereof the following options are outstanding for a period of two years from March 24, 1988, exercisable at \$0.60 per share:

Holder of Options	Number of Holders	No. of Shares
directors	three	75,000
employee	two	75,000

ESCROWED SHARES

As of the date of this Prospectus, 750,000 shares are held in escrow by Montreal Trust Company of Canada, 510 Burrard Street, Vancouver, British Columbia, subject to the direction or determination of the Superintendent of Brokers and Vancouver Stock Exchange. The escrow agreement provides that the shares may not be traded in, dealt with in any manner whatsoever, or released, nor may the Company, its transfer agent or escrow holder make any transfer or record any tradings of the shares without the prior consent of the Superintendent of Brokers and Vancouver Stock Exchange.

The escrow restrictions provide that the shares held in escrow may not be traded in, dealt with in any manner whatsoever or released, nor may the Company, its transfer agent or an escrow holder make any transfer or record any trading of shares without the consent of the Superintendent of Brokers or the Vancouver Stock Exchange.

The escrow arrangements also provide, among other matters:

- (a) for a pro-rata release of shares at the discretion of the appropriate regulatory authorities based upon a formula acceptable to them;

- (b) the consent of the appropriate regulatory authority to effect a transfer of registration of such shares held within escrow to succeeding principals; and
- (c) that any escrow shares not released at the end of ten (10) years from the date of issuance by the Superintendent of a receipt for a prospectus relating to the Company's first primary distribution to the public shall be cancelled.

The complete text of the Escrow Agreement is available for inspection at the Company's registered office, 907-510 Burrard Street, Vancouver, British Columbia. The escrowed shares will be under the direction of the Vancouver Stock Exchange after the Company's shares have been listed for trading.

<u>Designation of Class</u>	<u>Number of Shares Held in Escrow</u>	<u>Percentage of Class After This Issue</u>
Common Shares	750,000	50%

PRINCIPAL HOLDERS OF SECURITIES

As of the date of this Prospectus, the following table sets forth the number of shares owned of record or beneficially, directly or indirectly, by each person who owns 10% or more of the Company's shares:

<u>Name and Address</u>	<u>Type of Ownership</u>	<u>Class of Shares</u>	<u>Number of Shares</u>	<u>Percentage of Shares Outstanding</u>
Gary D.A. Schellenberg 3313 Anzio Drive Vancouver, B.C.	beneficial /direct	common	757,501	72.14%

All Directors and Senior Officers of the Company beneficially own, directly or indirectly, 75% of the shares issued prior to this Offering.

PRIOR SALES

During the period from the incorporation of the Company, September 14, 1987, to the date of this Prospectus, the Company sold the following shares for cash:

<u>Number of Shares</u>	<u>Price Per Share</u>	<u>Commissions Paid</u>	<u>Net Cash Received</u>
1	\$ 1.00	nil	\$ 1.00
750,000	0.01	nil	7,500.00
195,000	0.30	nil	58,500.00
105,000	0.35	nil	36,750.00
<u>1,050,001</u>			<u>\$ 102,751.00</u>

Pursuant to Flow-Through Subscription Agreements (the "Flow-Through Agreements") made between the Company and 11 investors, the Company raised a total of \$36,750 to be spent on qualified exploration expenditures. Pursuant to the provisions of the Flow-Through Agreements, a total of 105,000 shares have been allotted and issued in the capital stock of the Company at a deemed price of \$0.35 per share. In accordance with the terms of the Flow-Through Agreements, and the Income Tax Act (Canada), the tax benefits related to the Canadian Exploration Expenditures shall accrue to the benefit of the investors in the 1987 taxation year.

INTEREST OF MANAGEMENT OR OTHERS IN MATERIAL TRANSACTIONS

The Directors and Senior Officers of the Company have no interest in any material transactions in which the Company has participated or intends to participate at this time, save and except as disclosed in this Prospectus, and, in particular, those matters disclosed under the heading "Description of Business and Property of the Company".

AUDITORS, TRANSFER AGENTS AND REGISTRAR

The auditor for the Company is Kemp, Harvey & Co. Certified General Accountants, 7308-3rd Street, Grand Forks, British Columbia.

The Registrar and Transfer Agent for the Company is Montreal Trust Company of Canada, 510 Burrard Street, Vancouver, British Columbia.

MATERIAL CONTRACTS

The following is a list of all material contracts entered into by the Company or its directors.

1. Management Agreement dated September 15, 1987 described under the heading "Executive Compensation".
2. Escrow Agreement dated September 15, 1987 described under the heading "Escrow Shares";
3. Option Agreement dated for reference November 1, 1987 between Unicorn Resources Ltd. and the Company described under the heading "Acquisition";
4. Agreement dated November 5, 1987 between Tarbo Resources Ltd. and the Company described under the heading "Other Material Facts";
5. Partial Assignment Agreement dated for reference November 6, 1987 between Harrisburg-Dayton Resource Corp., and the Company described under the heading "Acquisition";

6. Joint Venture Agreement dated November 6, 1987, between Harrisburg-Dayton Resource Corp. and the Company described under the heading "Acquisition";
7. Agreement dated for reference January 4, 1988 between James W. Laird and the Company described under the heading "Acquisition";
8. Option Agreement dated for reference January 4, 1988 between James W. Laird and the Company described under the heading "The Venus Mineral Claim";
9. Management Agreement dated March 1, 1988 described under the heading "Executive Compensation".
10. Directors and Employee Stock Option Agreements dated March 24, 1988 described under the heading "Options to Purchase Securities";
11. Agency Agreement dated April 8, 1988 between the Company and Wolverton Securities Ltd.

Material contracts may be inspected at the Company's registered office, 907-510 Burrard Street, Vancouver, B.C., during normal business hours, during the period of primary distribution of the securities being offered under this Prospectus.

OTHER MATERIAL FACTS

In November 1987 the Company expended the sum of \$2,478 on the Bear Paw Claim, Elko County, Nevada in anticipation of acquiring this mineral claim. The Company subsequently decided not to proceed with the acquisition of the Bear Paw Claim as result of cursory geological work carried out on the claim.

Pursuant to an Agreement dated November 5, 1987 between Tarbo Resources Ltd. and the Company relating to the Summit Camp Properties (save and except for the Southern No. 8 mineral claim), in the event that Unicorn Resources Ltd. shall be in default under option agreement dated October 22, 1980 between Tarbo Resources Ltd. and Unicorn Resources Ltd. and Tarbo Resources Ltd. shall elect to terminate the Option Agreement with Unicorn Resources Ltd. Tarbo Resources Ltd. is required to enter into an option agreement with the Company on the terms and conditions of the option agreement between Unicorn Resources Ltd. and the Company and, all monies paid by the Company to Unicorn Resources Ltd. under the Schellex Option Agreement will be credited against monies payable under the option agreement between Tarbo Resources Ltd. and the Company.

There are no other material facts relating to the offering of securities under this Prospectus other than as disclosed herein.

PURCHASER'S STATUTORY RIGHT OF WITHDRAWAL AND RECISSION

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

SCHELLEX GOLD CORP.
FINANCIAL STATEMENTS
FEBRUARY 29, 1988

SCHELLEX GOLD CORP.
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FINANCIAL STATEMENTS
FEBRUARY 29, 1988

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NOTES TO FINANCIAL STATEMENTS

SCHEDULE I - Schedule of Mineral Properties

KEMP, HARVEY & CO.

CERTIFIED GENERAL ACCOUNTANTS

7308 - 3rd STREET
GRAND FORKS, B.C. V0H 1H0
CANADAAUDITORS' REPORT

To the Directors of Schellex Gold Corp.

We have examined the balance sheet of Schellex Gold Corp. as at February 29, 1988 and the statements of income and deficit and changes in financial position for the period from the date of incorporation September 14, 1987 to February 29, 1988. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such test and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at February 29, 1988 and the results of its operations and the changes in its financial position for the period ended in accordance with generally accepted accounting principles.

Grand Forks, B.C.
April 6, 1988

Kemp, Harvey & Co
CERTIFIED GENERAL ACCOUNTANTS

SCHELLEX GOLD CORP.BALANCE SHEETFEBRUARY 29, 1988ASSETS

CURRENT ASSETS

Cash	\$ 25,190	
Prepaid expense	<u>2,600</u>	\$ 27,790

MINERAL PROPERTIES - Schedule I

Acquisition and deferred exploration costs	54,416	
Deferred administrative costs	<u>19,567</u>	<u>73,983</u>

TOTAL ASSETS

\$101,773LIABILITIES

CURRENT LIABILITIES

Accounts payable and accruals		\$ 1,500
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SHAREHOLDERS' EQUITY

SHARE CAPITAL - Note (2)	102,751	
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DEFICIT - Statement B	<u>(2,478)</u>	<u>100,273</u>
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TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>\$101,773</u>
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RELATED PARTY TRANSACTIONS - Note (7)

SUBSEQUENT EVENT - Note (10)

See accompanying notes to financial statements.

APPROVED ON BEHALF OF THE BOARD:

[Signature]

KEMP, HARVEY & CO., CERTIFIED GENERAL ACCOUNTANTS

STATEMENT B

SCHELLEX GOLD CORP.STATEMENT OF INCOME AND DEFICITFOR THE SIX MONTHS ENDED FEBRUARY 29, 1988

REVENUE		\$	Nil
EXPENSES			
Field Personnel	\$	1,000	
Field travel		1,176	
Geophysical and assaying		<u>302</u>	<u>2,478</u>
NET LOSS			<u>(2,478)</u>
DEFICIT, end of year			<u><u>\$(2,478)</u></u>

STATEMENT C

SCHELLEX GOLD CORP.STATEMENT OF CHANGES IN FINANCIAL POSITIONFOR THE SIX MONTHS ENDED FEBRUARY 29, 1988

OPERATIONS			
Net loss - Statement B		\$(2,478)	
Working capital items			
Prepaid expenses		(2,600)	
Payables		<u>1,500</u>	<u>\$(3,578)</u>
INVESTMENTS			
Expenditures on mineral properties			(73,983)
FINANCING			
Issue of shares			<u>102,751</u>
CASH FUNDS, end of period			<u><u>\$ 25,190</u></u>

See accompanying notes to financial statements.

SCHELLEX GOLD CORP.NOTES TO FINANCIAL STATEMENTSFEBRUARY 29, 1988

Note (1) Significant Accounting Policy

Acquisition, exploration and administration costs related to mineral properties have been capitalized and will be amortized against future production or written off if the properties are sold or abandoned.

Note (2) Details of share capital follow:

Authorized: 25,000,000 shares without par value

	Shares	\$
Issued : For cash during the period	<u>1,050,001</u>	<u>\$102,751</u>

The company issued 105,000 flow-through shares for a total issue price of \$36,750 in accordance with the B.C. Company's Act.

Of the shares issued 750,000 are being held in escrow subject to the direction and determination of the Superintendent of Brokers of British Columbia.

The company entered into agreements on March 24, 1988 with its directors granting D. Bernardi an option to purchase 30,000 shares, G. Macdonald 30,000 shares and J. Tarnowski 15,000 shares all at \$0.60 per share. In similar agreements with employees the company has granted G. Schellenberg an option to purchase 37,500 shares and H. Schellenberg 37,500 shares both at \$0.60 per share. These options expire on March 23, 1990.

Note (3) The company has combined both the Southern No. 8 - 1978 fractional claim of Harrisburg-Dayton Resource Corp. and the Sky Group into the mineral property known as the Summit Camp Properties and entered into an agreement on November 6, 1987 with that company to develop the properties on a joint venture basis. (see Note (4)).

In this regard the company entered into an agreement on November 1, 1987 with Unicorn Resources Ltd. to acquire either an 80% or 100% interest in the Sky Group. Details of the consideration necessary to earn the respective interests in the Sky Group follow:

Consideration necessary to earn an 80% interest:

Cash	
November 5, 1987	\$ 15,000
November 1, 1988	20,000
November 1, 1989	20,000
November 1, 1990	20,000
	<u>\$ 75,000</u>

Note (3) continued

Shares in Schellex Gold. Corp.	
Issue date of receipt of prospectus	25,000
Seventh business day after receipt of prospectus	25,000
November 1, 1988	25,000
November 1, 1989	25,000
November 1, 1990	25,000
	<u>125,000</u>

On October 31, 1987 a payment of \$15,000 was made to Unicorn Resources Ltd. pursuant to the above agreement.

Consideration necessary to acquire a 100% interest involves payment of the option price as set out below on or before the date specified.

If option exercised before:	
November 1, 1988	\$ 250,000
November 1, 1989	500,000
November 1, 1990	750,000
Between receipt of engineering report recommending commencement of commercial production and November 1, 1997	1,000,000

Further the company has the option to purchase the 2 1/2% smelter return for the sum of \$250,000 within three years after the start of commercial production.

The company must expend or ensure the expenditure of \$500,000 in exploration and development on the property by November 5, 1991,

If the company terminates the contract at any time prior to fulfilling its obligations it will not have earned any interest in the property and any expenditures made will be forfeited.

Note (4) The company entered into an agreement on November 6, 1987 with Harrisburg-Dayton Resource Corp. to sell a 50% interest in the company's contract with Unicorn Resources Ltd. The agreement calls for a payment of \$7,500 and the obligation to pay one half of the consideration that is to be paid by Schellex Gold Corp. When this consideration requires payments in shares of Schellex Gold Corp. Harrisburg-Dayton Resource Corp. agrees to pay the company one half of the market value of those shares at the time.

Note (5) The company entered into an agreement on January 4, 1988 with J. W. Laird to earn an option to acquire a 100% interest in the Red Tusk Group by the payment of cash and issuance of shares on the following schedule:

Cash	
February 29, 1988	\$ 5,000
February 29, 1989	10,000
February 29, 1990	15,000
February 29, 1991	25,000
	<u>\$ 55,000</u>

Note (5) continued

Shares	
Receipt of Prospectus	
Issue date	20,000
Six months after	20,000
One year after	20,000
Two years after	20,000
Three years after	20,000
	<u>100,000</u>

On February 29, 1988 a payment of \$5,000 was made to J. W. Laird pursuant to the above agreement.

The company must expend \$50,000 annually on the property as long as the cash committment specified above remains unfulfilled. If the company terminates the agreement at any time prior to fulfilling its obligations it will not have earned any interest in the property and any work performed or expenditures made will be forfeited.

The agreement is subject to a 2 1/2% smelter return interest in all substances mined and removed from the claim.

Note (6) The company entered into an agreement on January 4, 1988 with J.W. Laird to earn an option to acquire a 100% interest in the Venus claim by the payment of \$5,000 and by the issuance of shares and work committment on the following schedule:

Shares	
Receipt of Prospectus	
Issue date	20,000
Six months after	20,000
One year after	20,000
Eighteen months after	20,000
Two years after	20,000
	<u>100,000</u>
Work committment	
January 31, 1989	\$ 20,000
January 31, 1990	10,000
	<u>\$ 30,000</u>

The company will forfeit all moneys paid should it fail or be refused a listing to sell its shares on the Vancouver Stock Exchange.

The issue of shares is subject to the completion of work programs approved by the regulatory agency.

If the company terminates the agreement at any time prior to fulfilling its obligations it will not have earned any interest in the property and any work performed or expenditures made will be forfeited.

- Note (7) Related party transactions consist of a fee of \$2,000 for geological work to a company owned by a director and legal fees of \$1,600 paid to another director.
- Note (8) The company has expended a total of \$73,983 in Canadian Exploration Expenses of which \$37,233 represents a potential tax benefit to the company. The remaining \$36,750 is not available to the company for tax purposes and has flowed through to the shareholders' benefit.
- Note (9) The company was incorporated on September 14, 1987 under the B.C. Company's Act and began operation on that date.
- Note (10) The company intends to offer the public 450,000 common shares at a price of \$0.60 per share in accordance with the terms of a Prospectus to be filed with the Superintendent of Brokers for British Columbia.

SCHELLEX GOLD CORP.

SCHEDULE OF MINERAL PROPERTIES

FOR THE SIX MONTHS ENDED FEBRUARY 29, 1988

	Summit Camp Properties (Notes 3 & 4)	Red Tusk Group (Note 5)	Venus Claim (Note 6)	Balance February 1988
ACQUISITION COSTS	\$ 7,500	\$ 5,000	\$ 5,000	\$ 17,500
EXPLORATION COSTS				
Engineering and consulting	8,402	6,500	-	14,902
Field personnel	1,950	1,100	-	3,050
Field travel	1,375	1,097	-	2,472
Geophysical and assaying	6,853	2,192	-	9,045
Mapping and drafting	2,183	3,277	-	5,460
Camp and supplies	1,987	-	-	1,987
	<u>22,750</u>	<u>14,166</u>	<u>-</u>	<u>36,916</u>
TOTAL ACQUISITION AND DEFERRED EXPLORATION COSTS	<u>\$ 30,250</u>	<u>\$ 19,166</u>	<u>\$ 5,000</u>	<u>\$ 54,416</u>
ADMINISTRATIVE COSTS				
Bank charges				\$ 121
Licences and dues				175
Management fee				11,000
Office				1,754
Professional fees				4,888
Rent				1,600
Travel				29
TOTAL DEFERRED ADMINISTRATIVE COSTS				<u>\$ 19,567</u>

See accompanying notes to financial statements.

REPORT ON THE
SUMMIT CAMP PROPERTY
Similkameen Mining Division
British Columbia

- Prepared for -

HARRISBURG-DAYTON RESOURCE CORP.
Suite 602, 675 West Hastings Street,
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V6B 1N2

- Prepared by -

BEL-CAN GEOLOGICAL SERVICES LTD.
8480 Littlemore Place,
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Bernard Dewonck, B.Sc., F.G.A.C.

December 1987

REPORT ON THE SUMMIT CAMP PROPERTY
Similkameen Mining Division, British Columbia

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1.0 INTRODUCTION

This report was prepared at the request of the directors of Harrisburg-Dayton Resource Corp. It reviews the history, geology and exploration potential of the subject property. Geochemical, assay and geophysical data were collected by Harrisburg-Dayton and personnel contracted by them and supplied to Bel-Can Geological Services for compilation and evaluation. The report is based on this material, available published government reports, private company reports, and several visits to the property between September 12 and October 31, 1987. Maps showing property location, claim holdings, regional and local geology are included in the text. Geochemical survey, geophysical survey and trenching plans appear in the map pockets at the back of the report.

2.0 SUMMARY AND CONCLUSIONS

1. The Summit Camp Property consists of an irregularly shaped fractional claim, four reverted crown grants, and three overlapping located claims, totalling 29 units, and is located some 27 kilometers east/northeast of Hope, British Columbia, near Treasure Mountain in the Similkameen Mining Division. It is readily accessible by well maintained logging roads, departing from the Coquihalla Highway 52 kilometers north of Hope. These roads are kept open during winter months if logging is in progress.
2. The subject property is underlain by tuffaceous and pelitic sediments of the Upper Jurassic Dewdney Creek Group. Mineralization is generally consistent in character throughout the area. It consists of silver-bearing sulphides in quartz carbonate veins localized along locally prominent, steeply dipping fault structures, subsidiary faults and tension fractures. The veins vary in width from 0.1 to 1.6 meters and consist of a central core of massive sulphides with veinlets and disseminations distributed outward.
3. Some trenching was done on the Southern No.8, presumably in the early 1900s, but much of the mining activity in the area took place to the west and on the occurrences immediately east on Treasure Mountain currently being

developed by Huldra Silver Inc. Exploration first started in 1894 and has been intermittent until 1979. Mineral occurrences on Treasure Mountain had been developed on three levels by the mid 1920s, limited production took place in the early 1930s, and another production attempt in 1956/57 was short-lived. Records to 1952 indicate that production to date had been 40,431 ounces of silver, 392,351 pounds of lead, and 102,079 pounds of zinc from an estimated 1300 tons of concentrates.

Surface exploration resumed in 1979, Huldra Silver Inc. was founded in 1980, and various geochemical, geophysical and small drilling programs in the following years culminated in the discovery in 1985 by trenching of what is now known as the "C" vein. Huldra Silver is currently drifting and raising on this vein, having open pitted the surface trench earlier in the year to recover high grade material.

Part of the ground optioned by Harrisburg-Dayton was covered in 1983 by geological, geochemical and geophysical surveys conducted on behalf of Unicorn Resources Ltd. by MPH Consultants Ltd. A limited diamond drilling program was also completed. Their work indicated that certain geochemical and geophysical anomalies as well as two mineralized structures warrant further investigation before any more drilling is contemplated. Their drilling program does not appear to be conclusive in light of the exploration history on Treasure Mountain.

4. Harrisburg-Dayton established a grid over the Southern No.8 claim in late August 1987, and conducted VLF-EM, magnetometer and soil geochemical surveys. The geochemical surveys in particular indicate good potential for discovering mineralization as the anomalies are, in some locations, much stronger than those recorded over the "C" vein. Trenching was carried out in late October on showings historically located on the Southern No.8 claim, but whose actual location should be determined by legal survey. Intermittent vein segments exposed along a 170-meter strike trend have yielded silver values of 88.38 ounces per ton and 50.9 ounces per ton over 0.5 and 0.9 meters respectively. The limited sampling to date has a weighted average of 16.5 ounces silver per ton, 6.91% lead, and 15.3% zinc across an average width of 0.45 meters.

3.

5. A phased exploration program is recommended to expand on the work done to date on the Southern No.8 claim, to investigate anomalous areas identified by MPH Consultants in 1983, as well as re-evaluate prominent, mineralized structures. The first phase would include linecutting, VLF-EM, magnetometer, soil geochemistry and geological surveys followed by or in conjunction with backhoe and blast trenching. A second phase may consist of diamond drilling, but should allow for diversion of allotted funds to continued trenching in the event that this proves necessary at the end of Phase I.

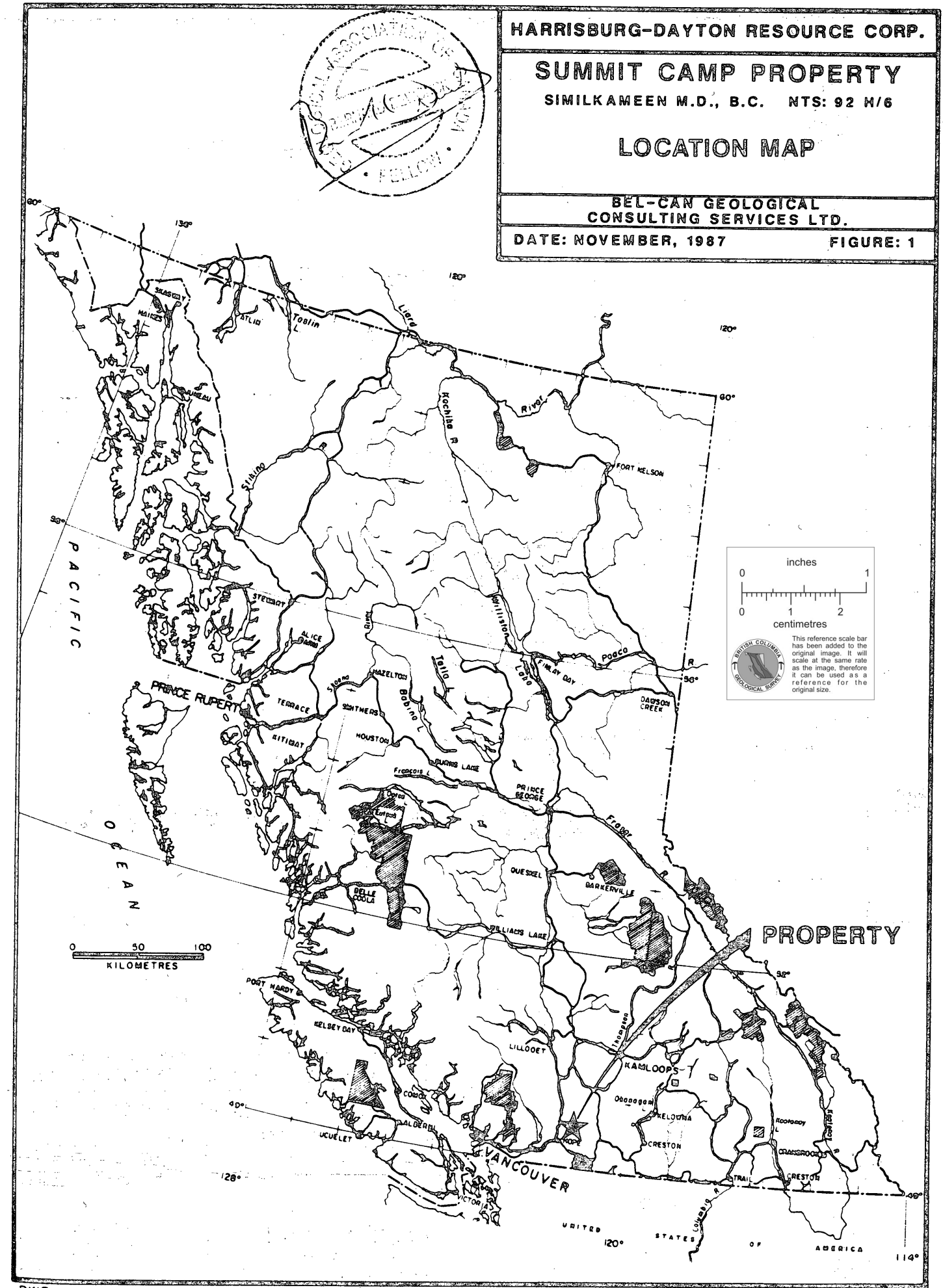
3.0 LOCATION AND ACCESS

The property area lies immediately to the west of Treasure Mountain, some 27 kilometers east/northeast of Hope, British Columbia. The NTS map reference is 92H/6E, at latitude 49°25' north and longitude 121°45' west (Figure 1).

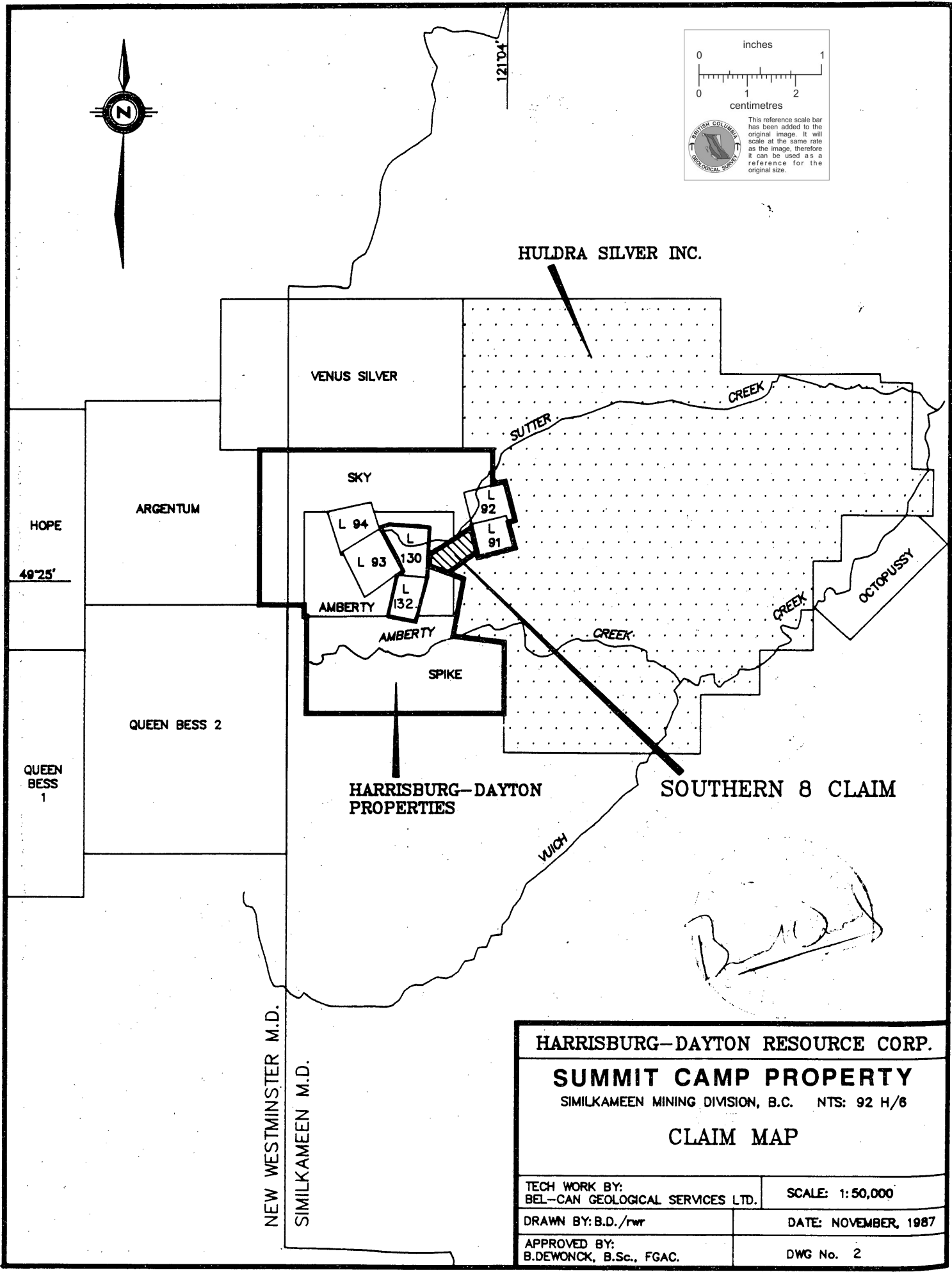
Access to the property is by 38 kilometers of well maintained logging roads departing from the Coquihalla Highway, 1.5 kilometers north of the toll booth (52 kilometers north of Hope), followed by approximately three kilometers of dirt road generally passable in two-wheel drive vehicles. Most of this last portion has been improved and maintained as a result of on-going exploration and underground mining development on the Huldra Silver property adjoining Harrisburg-Dayton's ground to the east. Roads are usually not kept open during the winter unless logging is in progress; this may change, however, as a result of Huldra's activities.

4.0 THE PROPERTY

The Summit Camp Property consists of an irregularly shaped fractional claim (Southern No.8) whose boundaries are defined by survey only, demarcation on the ground being a tagged post at the southeast corner of the claim defining its configuration, four reverted crown grants (Sutter, Skyline, Vigo and Lulu), and three overlapping located claims totalling 29 units (Sky, Spike and Amberty). The contiguous claims are situated within the Similkameen Mining Division, and pertinent claim information is as follows:



RWR



<u>Claim Name</u>	<u>Record Number</u>	<u>Tag Number</u>	<u>Expiry Date</u>
Southern No.8	461	14561	12 Oct '89
Sutter	737	(93)	27 Sep '90
Skyline	738	(94)	27 Sep '90
Vigo	1053	(91)	25 Jun '90
Lulu	1054	(92)	25 Jun '90
Sky	1128	60026	18 Aug '90
Spike	1215	67322	27 Oct '90
Amberty	1671	53735	09 Jul '90

All of the above claims appear on Figure 2, reproduced from published government claim maps. They are held under option by Harrisburg-Dayton Resource Corp.

5.0 PHYSIOGRAPHY AND VEGETATION

The Southern No.8 claim covers the lower point on an east/west-trending ridge, between Sutter and Amberty Creeks, on which Treasure Mountain is the highest point. Both creeks are part of the drainage into the Tulameen River to the east. The claim and eastern half of the optioned ground is generally moderately forested with fir, spruce and some cedar, with elevations ranging from 1402 meters above sea level to 1524 meters. The western portion of the optioned ground straddles a prominent north/south ridge linking Mount Sutter and Tulameen Mountain, with elevations to 1860 meters. Forest cover diminishes rapidly as treeline is approached at about 1830 meters. The western boundary of the property lies at the headwaters of Dewdney Creek which flows northwesterly for 13 kilometers to the Coquihalla River.

The area experiences moderate to heavy snowfall precluding surface exploration activity until May or June in the lower areas, July in the higher portions. There is sufficient water supply to meet exploration requirements.

6.0 HISTORY

The immediate area, known as the "Treasure Mountain", "Summit Camp" or "Silver Chief-Silver Hill" property, has seen sporadic but at times intensive activity as early as 1894.

Immediately east of the claims controlled by Harrisburg-Dayton lies a large block of ground controlled by Huldra Silver Inc. of Vancouver, British Columbia. The first claim (Eureka) was staked in 1894 'on gossan' and silver-bearing, fault-controlled, sulphide-rich, quartz-carbonate veins were discovered in 1895. The first development work was done in 1910 when a number of short adits were established. By 1922 the uppermost adit (#1) had advanced 152 feet and the #2 adit, driven at a lower elevation, extended 930 feet. On this lower level, the work included two drifts and a raise on the so-called 'footwall' vein. The Eureka was active in 1924 where surface cuts produced values up to 126 ounces of silver per ton and 72% lead. Road access from Tulameen, 34 kilometers to the northeast, was established in 1925, and the introduction of compressed air equipment accelerated development.

By 1929, the 'footwall vein' had been drifted on in the #2 level for about 800 feet with ore reported to be 'practically continuous', albeit pinching and swelling, for 300 to 370 feet. Raising had extended 150 feet and indicated continuity to the #1 level 400 feet above. The #3 level, 400 feet below #2, had been established, consisting of 900 to 1000 feet of crosscutting and 150 feet of drifting on a zinc-rich vein. Used milling machinery was set up; three carloads of ore was shipped to smelter in 1929 and 79 tons of lead concentrate was shipped in 1930. From 1930 to 1932, production was intermittent due to financial troubles and eventually ceased until the 1950s. Recorded mill production is approximately 4000 tons yielding 39,558 ounces of silver, 379,532 pounds of lead, and 88,455 pounds of zinc; some of this material, however, may have come from other small workings nearby.

Work resumed in the early 1950s and a summary of metals shipped to the end of 1952 indicates that the Eureka and Silver Chief deposits produced 40,431 ounces of silver, 392,357 pounds of lead and 102,079 pounds of zinc from an estimated 1300 tons of concentrates.

A 50-ton concentrator constructed in 1954 produced concentrate by the end of 1956 but activity ceased in 1957, reportedly for financial reasons. It was during this period of activity that the local area was first mapped in any detail, by J. M. Black of the BC Department of Mines in 1952.

Prior to 1979, several groups examined the property including the Copper Range Exploration Company Inc., who in 1970 did geochemical surveys and re-opened the #1, #2 and #3 levels. They apparently did no subsequent work.

In 1979 Magnus Bratlien optioned the main property and carried out a soil survey along the projected eastern extension of the main vein system. He founded Huldra Silver Inc. in 1980, contracted a VLF-EM survey near the southeast end of the property and completed 1700 feet of diamond drilling in this area in 1981, with poor results. Also in 1981, VLF and magnetic surveys were conducted on the eastern extension of the vein system. Drilling in this area took place in 1983. Several narrow veins were intersected which appeared to have different geological and structural controls from, but were similar to the veins explored in the past, which occurred along the footwall and hangingwalls of a feldspar porphyry dyke. The highest grade intersected was 126 ounces silver per ton over 18 centimeters and the widest intersection assayed 6.99 ounces per ton over 1.5 meters. Trenching in 1985 and 1986, along a depression above the 1983 drilling, resulted in exposure of a previously unknown structure, now referred to as the "C" vein, and a second, narrow silver-rich vein paralleling it to the immediate south. Fill-in diamond drilling at shallower depths provided little additional data due to poor recovery and complexity of vein structures. The "C" vein was thoroughly channel sampled along 250 meters which averaged 64.0 ounces silver per ton, 11.1% lead, and 2% zinc across an average width of 0.68 meters. The caved portal of the #1 adit was re-opened and a 50-meter section localized along the hangingwall of the dyke was sampled over a length of 43 meters, averaging 21.2 ounces silver per ton, 6.4% lead, and 11% zinc across an average width of 0.48 meters. The unsampled seven-meter interval is a centrally located stope from which 30 tons averaging 96 ounces silver per ton were reportedly extracted.

With public financing on the Vancouver Stock Exchange in 1987, Huldra Silver Inc. mined the "C" vein on surface and selectively stockpiled both very high-grade material and lower grade, unsorted ore, for later shipment to the smelter and custom milling facilities respectively. An October 2, 1987 news release states that approximately 2400 tons of ore was produced, of which about 600 tons is estimated to run an average of \$1500 per ton (silver/lead values only). The estimate is based on an 18-ton test shipment to the Asarco smelter in Helena, Montana. The company also stated that surface mining of the center half of the zone exposed greater widths of

high-grade ore than had previously been encountered and considerable stockwork veining as well. The #1 adit was rehabilitated and drifting along the down-dip extension is currently in progress. A November 10, 1987 article (George Cross Newsletter, 1987) states that so far, a 46-meter length of high grade silver/lead mineralization has been exposed with an average width of 1.8 meters. This level, 46 meters below the surface cut, together with two planned raises to the surface, is expected to prove up between 50,000 and 100,000 tons of ore, according to the article. Detailed channel sampling results are not yet available.

The #2 adit collar, 116 meters below the #1, has been prepared for drift rehabilitation and advancement to expand potential reserves.

To the west and southwest of Treasure Mountain are several cuts, shallow shafts and short adits on vein structures similar to the Huldra Silver occurrences. The Summit Camp Property encompasses most of these showings. (Refer to Figure 4 for location of Huldra workings described above and other workings described below.)

Exploration and development in this area commenced in 1894 with the staking of the main claims presently covered by the Sky claim. In 1899, the Indiana Company was formed to include the Sutter, Skyline, Lulu and Vigo claims with assays up to 200 ounces silver per ton reported. Sporadic work continued to 1913 when G. D. Galloway of the BC Department of Mines summarized the properties. The Indiana property is described as three parallel structures, one to six inches wide with some adit development and assays to 0.08 ounces gold and 23.8 ounces silver per ton and 3.6% lead reported. Showings on the Stevenson Group (also known as the Summit Showings) considered to be continuations of the Indiana structure, indicate a six- to eight-foot wide structure with narrow ore zones within. Samples assayed 0.03 ounces gold and 14.8 ounces silver per ton and 5.8% lead over 10 inches, and 0.02 ounces gold and 5.2 ounces silver per ton over five feet.

Underground development in 1919 by the Indiana Company exposed a 3.5-foot wide zone of massive mineralization along 20 feet of the structure. An open cut and shaft on the Summit exposed three feet of structure within which 10 inches of massive galena occurred. In 1920, the Mountain View claim to the south was reported to host

1500 feet of favourable structure (designated the 'Queen Bess Fault' on Figure 4) with assays as high as 40 ounces silver per ton and 22% lead. More work was done in 1921 and 1922, but lack of developed tonnage dulled interest.

Development of the Bluebell continued in 1924, 1926 and 1927, including establishment of a lower adit. These workings are on ground not currently controlled by Harrisburg-Dayton.

As noted previously, subsequent work has focussed largely on the ground now held by Huldra Silver Inc. In 1982, however, Unicorn Resources Ltd. conducted a regional soil geochemistry program and detailed underground sampling and mapping on portions of the ground presently controlled by Harrisburg-Dayton. The underground work indicated that the Indiana vein system had sporadic, higher grade mineralization ranging from 5.8 ounces silver per ton across 18 centimeters to 24 ounces per ton over 10 centimeters in the easternmost and lowest adit (Bluebell), 2.23 ounces per ton over 75 centimeters to 14.23 ounces per ton over 22 centimeters in the central area, and values of 10.45 ounces per ton, 16.45 ounces per ton and 9.0 ounces per ton over 75, 60 and 150 centimeters respectively in the uppermost adit (Indiana). An old trench 450 meters west of the last adit assayed 16.5 ounces silver per ton over 65 centimeters (Summit area.)

In 1983, MPH Consultants, on behalf of Unicorn Resources Ltd., carried out a geological, geophysical, geochemical and diamond drilling program (Hawkins & Lebel, 1983). They concluded that VLF-EM and silver/lead soil geochemistry were appropriate exploration tools for identifying high-grade silver targets. Their work effectively delineated the Indiana Fault (Figure 4) although they suggest that it is not a continuous structure through to the Summit area. The Summit trend is indicated to pass north of the Indiana adit, while the Bluebell workings form another separate trend to the south. A new showing west/northwest of the Indiana adit was noted.

The Queen Bess Fault, on which is located the Mountain View adit, is also delineated but to a lesser degree and the grid did not extend far enough southwest to encompass the Queen Bess workings. A geochemically anomalous zone 200 to 300 meters southeast of the Mountain View adit, in an area of heavy overburden, has not been evaluated and may be related to the Treasure Mountain Fault.

Drilling in eight holes was concentrated on down-dip areas below the upper Bluebell, Indiana and Mountain View adits, resulting in sub-economic intersections. The best assay, from beneath the Indiana adit, was 21.2 ounces silver per ton, 4.4% lead, and 10.7% zinc over 30 centimeters.

The initial program was expanded upon in the same year to extend the grid north and east of the Indiana adit, resulting in definition of one new VLF-EM conductor. A stream runs nearby and may be causing it but the stream itself may be following a fault structure. Reference is made to the existence of mineralized dumps beyond the grid area in line with the conductor, presumably on or near the Southern No.8 claim. Geochemistry indicates that the Summit trend north of the Indiana adit does not continue eastward. A fault offset of approximately 130 meters to the north, where very high lead, zinc and silver are recorded, is postulated. It is also suggested that thick overburden in the area may be affecting geochemical patterns.

Trenching in the area of the new showing produced encouraging assays, including 16.0 ounces silver per ton, 1.7% lead and 10.6% zinc, chip sampled over 1.22 meters, and a grab sample running 18.6 ounces silver per ton, 13.8% lead and 14.8% zinc. The fault zone was found to narrow drastically in a short distance and it was concluded that further surface work was required to delineate the zone.

A 'new' adit was discovered, designated Adit "E" (Figure 4), on a 15-centimeter mineralized fault zone which produced low assays. No work was done to investigate the extent of this zone.

In 1986, some stripping and diamond drilling was done by a private company on the ground immediately west and south of the Southern No.8 claim, but no details or records of this work are available. A narrow zinc-rich vein trending eastward beside a creek was exposed near the west claim boundary of the Southern No.8 claim.

7.0 REGIONAL GEOLOGY

The most recent published regional mapping appears as Map No. 12-1969 which accompanies J. W.H. Monger's GSC Paper 69-47 on the Hope Mapsheet (west half).

Submarine volcanic and marine clastic rocks of the Devonian Hozameen Group, comprising a north/northwest-trending, easterly-dipping sequence, are bounded by the Fraser River fault system on the west and Hozameen fault to the east. Pelite, chert, limestone and mafic volcanic rocks are mapped.

The north/northwest-trending Hozameen fault hosts numerous serpentinite, peridotite, pyroxenite bodies. Numerous gold occurrences (including the Carolin Mine) occur within the fault zone and the ultramafic rocks.

The Lower and Middle Jurassic Ladner Group pelites and volcanoclastic sandstones define a broad north/northwesterly trending syncline.

Tuffaceous and pelitic sediments of the Upper Jurassic Dewdney Creek Group overlie the Ladner Group to the southeast and are in fault contact (Chuwanten Fault) with the Lower Cretaceous Pasayten sandstone, conglomerate and pelitic sediments in the east. The mineral deposits of the Treasure Mountain area are hosted by the Dewdney Creek (Harrisburg-Dayton) and Pasayten Group (Huldra Silver) rocks. Deposits are localized along faults apparently related to the Chuwanten fault system.

Numerous stocks and plugs of Late Cretaceous to Miocene granodiorite and quartz diorite intrude most of the rock units in the area, including a small plug with a distinct iron-oxide halo immediately north of the Sky claim.

8.0 LOCAL GEOLOGY

Property scale mapping has been done on parts of the various mineral claims and showings in the area (Huldra Silver at Treasure Mountain and MPH Consultants on their grid to the west, southwest and south of the Southern No.8) but the only map encompassing the whole 'camp' is still the 1952 map by J. M. Black in the BC Minister of Mines Annual Report for that year. Because of this, a simplified version of it was used as a basis for the purpose of this discussion (Figure 4).

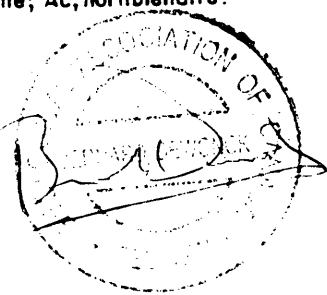
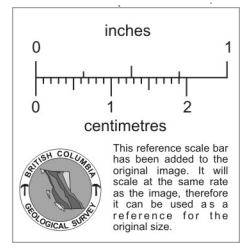
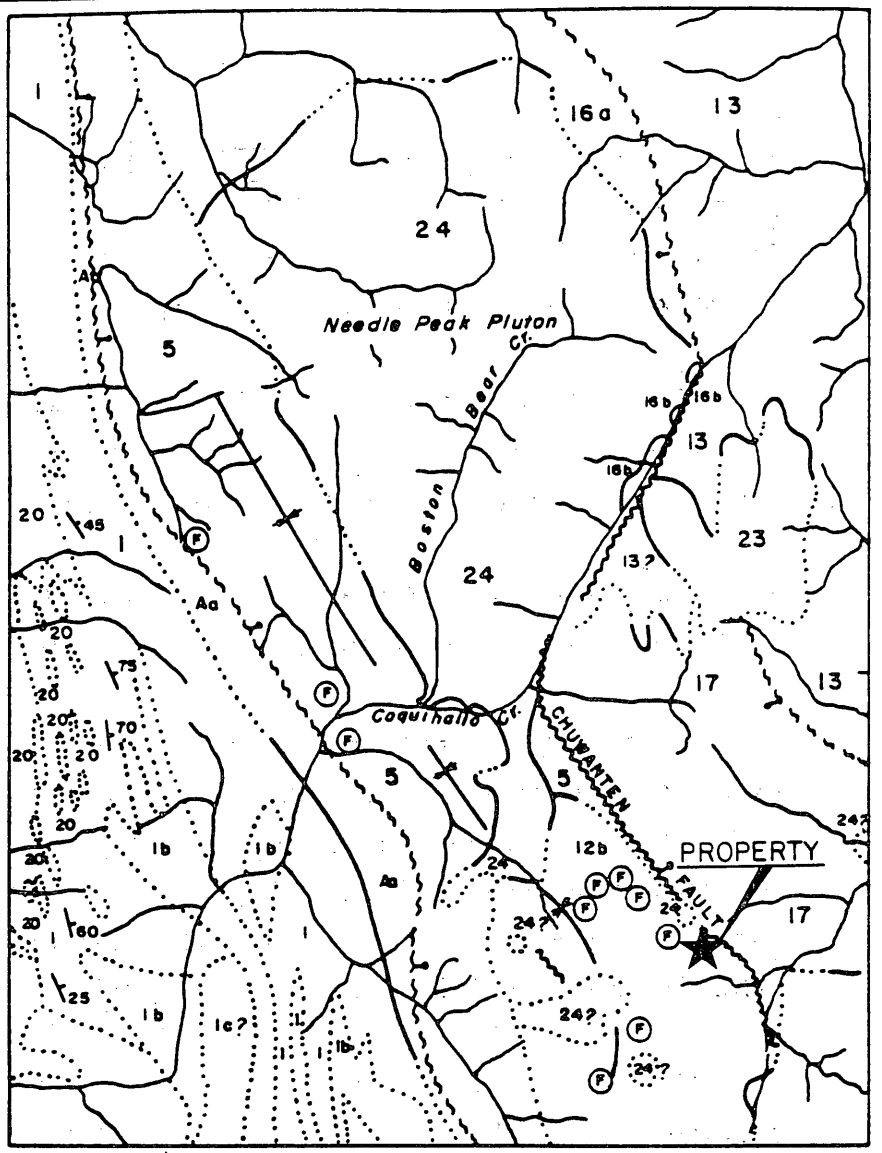
The principal formations exposed in the immediate area are the Upper Jurassic Dewdney Creek Group and the Lower Cretaceous Pasayten Group, both northwest-trending and moderate to steep southwesterly-dipping units. The Dewdney Creek

- TERTIARY**
MIOCENE AND EARLIER
 24 Granodiorite, quartz diorite
- EARLY TERTIARY AND/OR LATE CRETACEOUS**
 20 Foliated granodiorite, quartz diorite
- CRETACEOUS**
UPPER CRETACEOUS OR(?) OLDER
 19 Quartz diorite
- LOWER CRETACEOUS**
KINGVALE GROUP
 18 Basalt, andesite, agglomerate, tuff
- PASAYTEN GROUP**
 17 Sandstone, conglomerate, pelite
- JACKASS MOUNTAIN GROUP**
 16a, sandstone, pelite and conglomerate, 16b, sandstone, minor conglomerate.
- JURASSIC AND/OR LOWER CRETACEOUS**
 13 Foliated granodiorite
- JURASSIC**
UPPER JURASSIC
DEWDNEY CREEK GROUP
 12 12a, sandstone, pelite; 12b, tuff, pelite

- LOWER AND MIDDLE JURASSIC**
LADNER GROUP
 5 Pelite, volcanic sandstone

- DEVONIAN(?), CARBONIFEROUS(?) AND PERMIAN(?)**
HOZAMEEN GROUP
 1 1, pelite, chert, basic volcanic rock, minor limestone; 1a, chert, basic volcanic rock, 1b, basic volcanic rock; 1c, chert, pelite; 1d, basic volcanic rock, chert, pelite; 1e, limestone.

- ULTRAMAFIC ROCK**
 Aa, serpentinite, serpentinized peridotite, includes some Upper Paleozoic volcanic rocks in broad belt northeast of Hope; Ab, pyroxenite; Ac, hornblende.

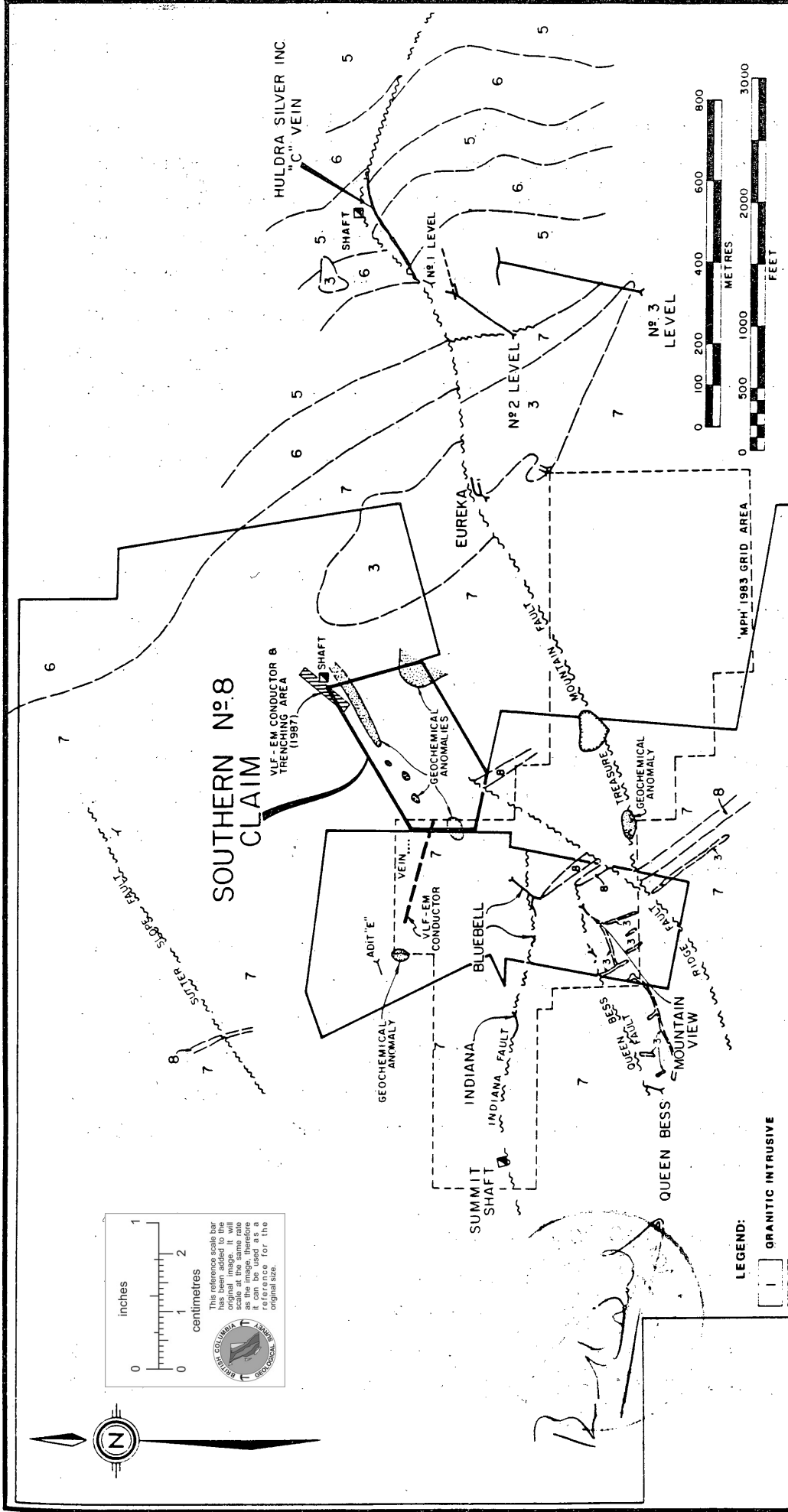


HARRISBURG-DAYTON RESOURCE CORP.
SUMMIT CAMP PROPERTY
 SIMILKAMEEN MINING DIVISION, B.C. NTS: 92 H/6

GENERAL GEOLOGY MAP
 (AFTER G.S.C. MAP 12 - 1969)

TECH WORK BY: BEL-CAN GEOLOGICAL SERVICES LTD.	SCALE: 1:250 000
DRAWN BY: B.D./rwr	DATE: NOVEMBER, 1987
APPROVED BY: B.DEWONCK, B.Sc., FGAC.	DWG No. 3

Prepared By RWR MINERAL GRAPHICS LTD.



- LEGEND:**
- 1 GRANITIC INTRUSIVE
 - 2 FELDSPAR PORPHYRY DYKE
 - 3 INTRUSIVES RANGING FROM DIORITIC TO GABBROIC IN COMPOSITION, SOME LAMPROPHYRES
 - 4 PASAYTEN FORMATION
 - 5 CONGLOMERATE, MINOR ARKOSE
 - 6 ARKOSE, MINOR CONGLOMERATE AND ARGILLITE
 - 7 PREDOMINANTLY ARGILLITE
 - 8 DEWDNEY CREEK FORMATION
 - 9 AGGLOMERATE, VOLCANIC BRECCIA, TUFF, CONGLOMERATE, ARGILLITE
 - 10 PREDOMINANTLY ARGILLITE, MINOR TUFF
- DEFINED FAULT
 ASSUMED FAULT
 ADIT
 CONTACT (APPROXIMATE)

- LEGEND:**
- 1 GRANITIC INTRUSIVE
 - 2 FELDSPAR PORPHYRY DYKE
 - 3 INTRUSIVES RANGING FROM DIORITIC TO GABBROIC IN COMPOSITION, SOME LAMPROPHYRES
 - 4 PASAYTEN FORMATION
 - 5 CONGLOMERATE, MINOR ARKOSE
 - 6 ARKOSE, MINOR CONGLOMERATE AND ARGILLITE
 - 7 PREDOMINANTLY ARGILLITE
 - 8 DEWDNEY CREEK FORMATION
 - 9 AGGLOMERATE, VOLCANIC BRECCIA, TUFF, CONGLOMERATE, ARGILLITE
 - 10 PREDOMINANTLY ARGILLITE, MINOR TUFF
- DEFINED FAULT
 ASSUMED FAULT
 ADIT
 CONTACT (APPROXIMATE)

NOTE: PROPERTY AND GRID LOCATION BOUNDARIES APPROXIMATE ONLY.

HARRISBURG-DAYTON RESOURCE CORP.
SUMMIT CAMP PROPERTY
 SIMILKAMEEN MINING DIVISION, B.C. NTS: 92 H/6

LOCAL GEOLOGY
 (AFTER J.M. BLACK, B.C.M.M. ANN. RPT. 1952)

TECH WORK BY:
BEL-CAN GEOLOGICAL SERVICES LTD. SCALE: AS SHOWN

DRAWN BY: B.D./rwr DATE: NOVEMBER, 1987

APPROVED BY:
B.DEWONCK, B.Sc., FGAC. DWG No. 4

Prepared By RWR MINERAL GRAPHICS LTD.

Group, according to Black, contains a considerable variety of volcanic rocks including tuff, breccia and agglomerate, and a minor amount of sediments - thin-bedded, dark argillite and conglomerate, conglomerate being common only in the eastern part. Exposure on the Southern No.8 claim is limited but the observed exposures are dominantly interbedded argillite and conglomerates. Mapping by Hawkins (Hawkins & Lebel, 1983) also indicates the rocks to be sedimentary, comprised of sandstones and conglomerate derived from volcanic rocks, and argillites. The unit is intruded by Late Cretaceous to Early Tertiary diorite-basalt-dacite dykes and diorite intrusives. Monger's regional map (Figure 3) describes the unit as tuff and pelite which is more in accordance with MPH's work and the author's observations. All properties controlled by Harrisburg-Dayton are underlain by the Dewdney Creek Group.

The younger Pasayten Group is the host of all mineral occurrences at Huldra Silver, with the exception of the Eureka. Black describes the Pasayten as including arkose, argillite and conglomerate with arkose predominating. Argillites are distinguished from their Dewdney Creek counterparts by their dark rather than light grey weathering characteristics. The conglomerate cobbles (with a minor proportion of pebbles) consist mostly of medium- and coarse-grained granitic rocks. The Eureka occurrence (Figure 4) appears to be the only one hosted entirely in intrusive rocks. Disposition of rock types according to Black, in the vicinity of the "C" Vein, appears to have been adopted by Huldra workers (McDougall, 1987).

The structural relationship between the two groups has been interpreted in two fashions. Regional mapping (Monger, 1969) suggests that the older Dewdney Creek Group has been thrust over the Pasayten as was first indicated by Cairnes in 1922 (Cairnes, 1922). Hawkins (Hawkins & Lebel, 1983) noted soft sediment features suggesting that the top of the Dewdney sequence is indeed to the west. Black, however, cites lack of evidence for faulting (except locally) and postulated that the units are on the limb of a major anticline overturned to the northeast.

Other prominent structural features are evident on Figure 4, most notably the Treasure Mountain Fault along which the important mineral occurrences on Treasure Mountain are located. A feldspar porphyry dyke is localized by it in the area of previous mining development, which followed leads on both the hangingwall and footwall of the dyke. The "C" Vein diverges from this dyke at its western end and

rejoins it at the eastern end, however, it is still considered to be within the principal fault zone. The Eureka occurrence, mentioned above, is also situated along this fault, which is indicated to extend west/southwest through the southern portion of the Harrisburg-Dayton property. Other major structural elements include the Ridge Fault, whose northeast trend may coincide with mineralized showings trended by Harrisburg-Dayton at the northeast corner of the Southern No.8 claim (Figure 4). Its existence is inferred from offsets noted in Dewdney Creek Group members. The Queen Bess and Indiana Faults have numerous mineral occurrences associated with them, as described previously.

9.0 MINERALIZATION

Ore minerals include sphalerite, silver-rich galena, pyrite, arsenopyrite, tetrahedrite, stibnite, pyrrhotite, chalcopyrite, and other less common silver-bearing minerals in a quartz-carbonate gangue. Zinkenite (lead antimony sulphide) has also been identified in important amounts and bournonite (lead copper antimony sulphide) is noted as well (McDougall, 1987). Most of the silver present has been determined to be argentite disseminated in the galena, with rare native silver. Zinkenite is also silver-rich.

Occurrences consist of veins localized along moderate to steeply dipping faults including the Treasure Mountain, Queen Bess, Indiana and possibly the Ridge structures, subsidiary faults and tension fractures. The veins are generally less than 0.6 meter wide, although some 3-meter widths (conjugate veins?) have been mined. They consist generally of a central core of massive sulphides with veinlets and disseminations distributed outwards. Surface exposure of the "C" Vein was of this nature, featuring a central zone of massive galena averaging 0.68 meters in width along 250 meters of strike length.

The earliest mention of mineralization on the Southern No.8 claim appears in the BC Minister of Mines Annual Report of 1930 where it is referred to as "Sunbeam". Stripping of a quartz vein "chiefly along the creek bottom" for several hundred feet is noted and a sample taken across eight inches assayed 38 ounces silver per ton, 27% lead, 14.8% zinc. It is next mentioned in 1952, by which time trenches and cuts had all filled in, leaving only a four- to six-inch wide vein exposed at a small water fall 75

feet southwest of a shallow shaft. A sample of the vein across five inches assayed 99.4 ounces silver per ton, 50.3% lead, 5.0% zinc. Location of the shaft, according to old survey plans of the area, suggests that the showing is in fact outside the Southern No.8 claim. It is recommended that a legal survey be carried out to properly define the claim's boundaries.

Recent backhoe trenching by Harrisburg-Dayton under the supervision of James W. Laird, independent prospector, expanded this showing intermittently both southwest along the creek for 120 meters, and northeast for 50 meters from the vertical shaft. Sampling produced values as high as 88.38 ounces and 50.9 ounces silver per ton across 0.5 and 0.9 meter respectively. Laird is very familiar with the nature of occurrences in this area, having spent considerable time prospecting for himself and for Huldra Silver. He also carried out the detailed channel sampling of the "C" vein on surface and of the mineralization exposed in the #1 adit in 1986 for Huldra Silver, the results of which formed the basis of Huldra's development and high-grading program (McDougall, 1987).

Several vein segments are identified in the trenches (Figure 5). The shaft may be used as a point of reference in locating the trenched area with respect to grid surveys completed earlier (Figures 6 to 10). It seems likely that they occupy the same structure or at least closely related parallel to sub-parallel elements of the same feature. The basic mineralogy of the veins is consistent, occurring in varying proportions - galena, sphalerite, chalcopyrite, pyrite, pyrrhotite, arsenopyrite with minor tetrahedrite, marcasite, antimony sulphosalts, and other minerals. The gangue includes quartz, calcite, siderite and silicified and chloritized wallrock fragments. One sample in the Middle Creek Vein was noted to carry needle-like crystals in vugs and surface coatings of jamiesonite or boulangerite. It produced an assay of 0.122 ounces gold per ton, in marked contrast to all other samples. The author visited the property three times during the course of the trenching program and determined that the work was done in a competent, proficient manner.

Results of the channel sampling are summarized in Table 1. The present showings and indicated grades have the potential for significant extension along strike and at depth. Because of the historically poddy or 'pinch and swell' nature of mineral lodes along major structures, thorough and meticulous exploration is essential

in identifying such targets. The existing showings are an encouraging start to this work.

The trenching also exposed two mineralized argillite bands (Figure 5) which contain disseminations and bands of black sphalerite, pyrite, chalcopyrite, marcasite, pyrrhotite and minor secondary minerals. The argillites are not sufficiently exposed to determine the extent of this mineralization away from the crosscutting veins. It is suspected that it demonstrates selective deposition in more receptive beds (compared to the adjacent, more competent conglomerates) rather than a stratabound deposit; however, the possibility should be borne in mind in future exploration.

A filled-in trench is perched on the hillside about 30 meters south of the southernmost vein exposure (Upper Creek Vein) and identified as the "Antimony Cut" on Figure 5. A high-grade dump grab sample (#6754) consisting of a very bright, silver-grey metallic mineral assayed 47.9% antimony with very minor base and precious metal values (Laird, 1987). There is no evidence of this mineralization in place, although a narrow quartz vein in argillite is evident in one wall of the cut. This trench should be excavated to investigate the source and extent of this mineralization. A few soil samples just below the trench and scattered uphill from it are anomalous in antimony, including one running 2443 ppm; however, no pattern is evident.

The author, guided by James W. Laird, briefly examined and sampled several old showings and workings covered by MPH's work in 1983. Results of this sampling are summarized in Table 2. They confirm the existence of high grade silver occurrences along prominent fault structures (the Summit area in particular) but also emphasize the intermittent nature of the silver-rich zones and the need for thorough examination of each structure. The one high gold assay is noted, but in general gold values are very low both historically and in recent work such as the trenching and Huldra Silver's development.

TABLE 1

SUMMIT CAMP PROPERTY

SUMMARY OF 1987 TRENCHING PROGRAM
CHANNEL SAMPLING

Vein	Sampled Length (m)	No. of Samples	Sampled Width			Assays (weighted average)						
			Min (m)	Max (m)	Av (m)	Cu (%)	Pb (%)	Zn (%)	Ag (oz/ton)	Au (oz/ton)	As (%)	Sb (%)
Vigo	26	18	0.30	1.60	0.64	0.90	5.31	13.55	22.01	0.032	0.29	0.16
Falls	17	18	0.10	0.70	0.24	0.57	11.57	10.75	20.00	0.028	0.24	0.13
Lower Creek	8	5	0.30	0.50	0.40	2.02	2.57	18.75	10.96	0.023	0.28	0.05
Middle Creek	13	6	0.50	0.50	0.50	2.76	2.17	23.93	14.10	0.046	1.32	0.30
Upper Creek	15	6	0.30	1.25	0.49	0.65	4.59	10.79	14.57	0.009	0.09	0.64
All Veins	79	53	0.10	1.60	0.45	1.42	6.91	15.30	16.50	0.028	0.47	0.39

TABLE 2

SUMMIT CAMP PROPERTY

CHARACTER SAMPLES OF OLD WORKINGS

Sample No.	Location	Description	Assays						
			Cu (%)	Pb (%)	Zn (%)	Ag (oz/ton)	Au (oz/ton)	As (%)	Sb (%)
18751	Indiana Adit Dump	Select grab: sphalerite, galena arsenopyrite, pyrite, pyrrhotite	0.28	11.51	4.79	13.31	0.052	7.48	0.09
18752	Indiana Adit Dump	Select grab: mostly galena, minor pyrrhotite, chalcopyrite, quartz	0.23	64.28	2.45	84.83	0.011	0.62	0.30
18753	Adit "E"	Select grab: massive galena, pyrrhotite, arsenopyrite(?) (float in creekbed)	0.20	7.66	1.72	9.91	0.003	0.06	0.04
18754	Adit "E" Dump	Select grab: sphalerite, pyrrhotite chalcopyrite, galena, arsenopyrite(?)	0.30	6.11	12.34	6.81	0.001	0.02	0.02
18755	Mountain View Lower Adit Dump	Select grab: siliceous fragmental with 50% sulphides	0.01	0.05	0.10	0.06	0.001	0.01	0.01
18756	Mountain View Open Cut above Lower Adit	Select grab: as above, less sulphides (20%) but has fine-grained galena	0.02	4.02	3.94	3.77	0.001	0.01	0.01
18757	Lower Summit Open Cut	Select grab: quartz vein with galena sphalerite, arsenopyrite, pyrite (30 to 40%)	0.15	41.10	6.09	72.64	0.029	4.19	0.48
18758	Summit Shaft Dump	Select grab: massive galena	0.16	84.40	1.26	138.63	0.014	0.02	0.50
18759	Summit Shaft	Grab of vein material: vuggy crystalline quartz with arsenopyrite, sphalerite, pyrrhotite(?), minor galena	0.02	0.78	0.63	1.49	0.129	7.87	0.05
18760	Summit Shaft	Select grab: massive sphalerite pyrrhotite, galena, chalcopyrite	0.29	9.16	7.14	36.70	0.017	0.24	0.16

10.0 GEOPHYSICS

Harrisburg-Dayton established a flagged and hip-chained grid on the Southern No.8 claim in late August 1987, and completed both VLF-EM and magnetometer surveys. Stations are 25 meter apart on north/south lines 50 meters apart. Results of these surveys appear on Figures 6 and 7 respectively.

The VLF-EM survey produced very broad and weak crossovers. Fraser-filtered data displays very ill-defined trends and in fact was contoured at 5% intervals rather than the normal 10% interval in an attempt to identify weak trends. The most apparent linear conductor trends northeasterly at the northeast corner of the grid, unfortunately incompletely defined. It does coincide, however, with the mineralized vein exposed by the trenching discussed previously and warrants expansion of the survey. Other trends, such as the weakly expressed arcuate form sweeping across the southern portion of the grid, are tenuous at best and of little use as an exploration guide. Future surveys expanding on the existing grid should be done by taking readings using several signal stations thus allowing for the possibility of conductors trending at varied orientations.

The magnetomer survey reveals no trends of apparent significance. The two highest anomalies are both developing at the edge of the grid so their extent and magnitude are incompletely defined. A review of the magnetometer survey done by MPH (Hawkins & Lebel, 1983) shows that both the Queen Bess and Indiana structures have some magnetic expression, intermittently quite intense, but that in general the correlation of magnetic anomalies with VLF conductors is not sustained along the length of individual conductors. Variable anomaly amplitudes are attributed to variable magnetic mineral content. The Harrisburg-Dayton survey was done at 25-meter intervals, whereas the MPH survey was done at 10- and sometimes 5-meter intervals. The existing grid on the Southern No.8 should be re-done and expanded at 10-meter intervals in an effort to define potential trends more specifically.

11.0 GEOCHEMISTRY

Soil sampling was done on the same grid used for the geophysical surveys; however, a compassing error resulted in a series of lines at 45° to the intended

direction. As sampling was also done along the north/south lines as originally intended, the resulting anomaly patterns are probably distorted to some extent. Values for silver, lead and zinc are plotted on Figures 8 to 10.

Essentially coincident anomalies are developed in two areas. One parallels the area of trenching but lies uphill from it in the northeast corner of the grid. A southwestward extension is only tentatively identified by single station highs, a phenomenon possibly due in part to the occurrence of small swampy patches and/or locally deep overburden. The southeast corner of the grid is also geochemically anomalous, particularly in lead and zinc. Single station highs in all three elements appear across the southern part of the grid but they are not coincident except for one location along the west claim boundary. It is interesting to note that Huldra Silver considered values exceeding 2 parts per million silver, 22 parts per million lead and 130 parts per million zinc as anomalous (McDougall, 1987). Anomaly categories for the Harrisburg-Dayton samples were determined statistically using the mean (x) and standard deviations (s) as follows:

negative	=	0 to (x)
possibly anomalous	=	(x) to (x) + 1(s)
probably anomalous	=	(x) + 1(s) to (x) + 2(s)
definitely anomalous	=	greater than (x) + 2(s)

This resulted in definitely anomalous values for silver, lead and zinc as those exceeding 4.5 ppm, 198 ppm and 757 ppm respectively. Values exceeding 500 ppm lead and 1500 ppm zinc were not used in the calculations. It appears that geochemical expression in the area of the Southern No.8 claim is very strong in comparison to the Huldra Silver surveys. Comparable silver, lead and zinc anomalous values used by MPH (Hawkins & Lebel, 1983) were 1.6 ppm, 110 ppm and 220 ppm respectively. It is very likely that as sampling coverage is expanded by Harrisburg-Dayton, anomaly categories will be lowered and more definitive trends will be outlined. The work done to date certainly indicates good potential for the discovery of more mineralized structures.

12.0 RECOMMENDATIONS

The recent and on-going success of Huldra Silver Inc. in developing a high grade silver deposit provides an excellent example and incentive to pursue similar targets on the claims controlled by Harrisburg-Dayton Resource Corp. Several mineralized structures of similar character are known to exist on the property and limited grid controlled exploration on the Southern No.8 claim has indicated strong geochemical anomalies worthy of trenching and whose extents are not fully defined. Previous work by MPH Consultants Ltd. indicates the presence of an unexplained geochemical anomaly possibly related to the Treasure Mountain Fault. They also suggest that the mineralized structure in the Summit area warrants further surface exploration. Their grid did not extend far enough to completely cover the Queen Bess Fault, which warrants further investigation. Should a small milling facility be installed in the near future by Huldra Silver, on the basis of their deposit(s) alone, the viability of similar or even lower grade deposits nearby is a reasonable possibility.

A Phase I program including linecutting, VLF-EM, magnetometer, soil geochemistry and geological surveys, followed by or in conjunction with backhoe and blast trenching is recommended. Part of the Phase I program should include a legal survey carried in from known survey points at Huldra Silver to properly locate the Southern No.8 claim and tie in the grid.

This is to be followed by a Phase II diamond drilling program contingent on results of Phase I. Allowances should be made for diversion of Phase II budget monies to continued trenching and grid expansion should Phase I results so indicate. Diamond drilling by Huldra Silver was only partially successful in advancing development, particularly since they had the advantage of underground development in place. It served to indicate a mineralized structure was present other than those developed in the past but did not contribute to information regarding grade or tonnage. It can therefore be argued that the drilling carried out by MPH in 1983 is inconclusive regarding grade and tonnage potential of the structures they tested.

It is also recommended that the company acquire Mineral Lease M94 (lots 130 and 132) to permit evaluation of geochemical and geophysical anomalies identified by MPH in the northern portion of lot 130 as well as the mineralized structure on which is

located the so-called Adit "E". Acquisition of reports pertaining to the regional exploration and underground mapping carried out in 1982 would complete the data base for the properties concerned.

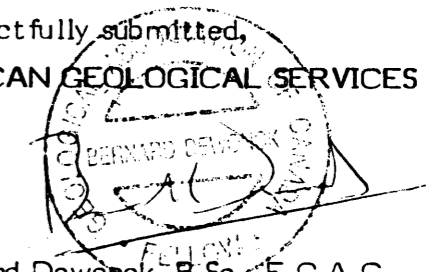
PHASE I

Linecutting	\$ 4,000	
Geophysical Surveys		
VLF-EM	1,400	
Magnetometer	1,400	
Equipment Rental	400	
Soil Geochemistry Survey	2,000	
Trenching		
Backhoe (including mob & demob)	10,000	
Blasting	4,000	
Equipment Rental & Explosives	1,000	
Assays		
Soil Samples	14,000	
Rock Samples	4,600	
Geologist	6,000	
Camp Costs	5,640	
Truck Rental	1,500	
Supplies	1,000	
Communications, Frieght Costs	500	
Report Preparation	4,000	
Surveying	2,000	
	<u>63,440</u>	
Contingency	6,344	
	\$ 69,784	
	Say	\$ 70,000
TOTAL, PHASE I		

PHASE II

Diamond Drilling (all inclusive)		
700 meters @ \$120/meter	\$ 84,000	
Contingency	<u>8,400</u>	
		92,400
TOTAL, PHASE II		
TOTAL, PHASES I AND II		
		<u>\$ 162,400</u>

Respectfully submitted,
BEL-CAN GEOLOGICAL SERVICES LTD.



Vancouver, British Columbia
December 7, 1987

Bernard Dewonck, B.Sc., F.G.A.C.

(Ms#5)

APPENDIX "A"

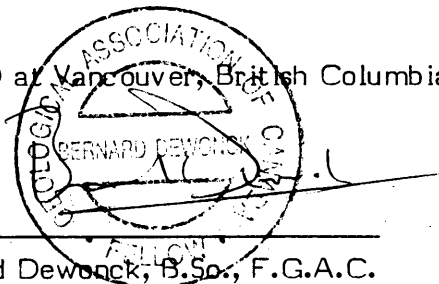
WRITER'S CERTIFICATE

WRITER'S CERTIFICATE

I, BERNARD DEWONCK, of 8480 Littlemore Place, Richmond, British Columbia DO HEREBY CERTIFY THAT:

1. I am a geologist employed by Bel-Can Geological Services Ltd. of 8480 Littlemore Place, Richmond, British Columbia.
2. I am a graduate of the University of British Columbia, B.Sc. in Geology (1974), a Fellow of the Geological Association of Canada, and a Member of the Canadian Institute of Mining and Metallurgy. I have practised my profession on a seasonal basis for three years, and full-time for ten years.
3. I am the author of this report, which is based on data supplied to me by Harrisburg-Dayton Resource Corp., available government and private reports, and several visits to the subject property and surrounding area in September and October 1987.
4. I have no interest, direct or indirect, in the property discussed in this report or in the securities of Harrisburg-Dayton Resource Corp., nor do I expect to receive any.
5. I consent to the use by Harrisburg-Dayton Resource Corp. of this document in a Statement of Material Facts or prospectus as required by the Vancouver Stock Exchange, the British Columbia Superintendent of Brokers, or any other regulatory authority.

DATED at Vancouver, British Columbia this 7th day of December, 1987.



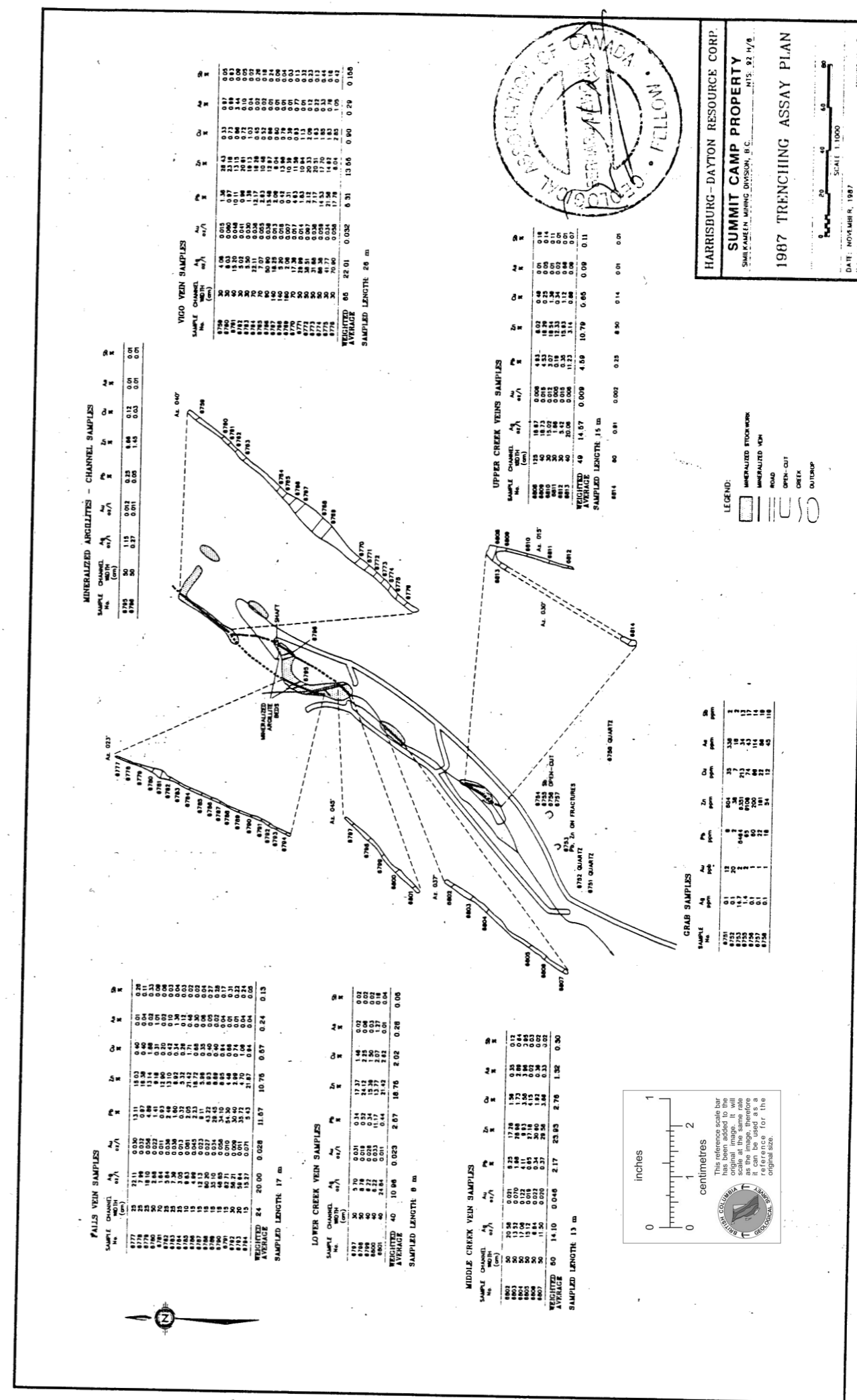
Bernard Dewonck, B.Sc., F.G.A.C.
Geologist

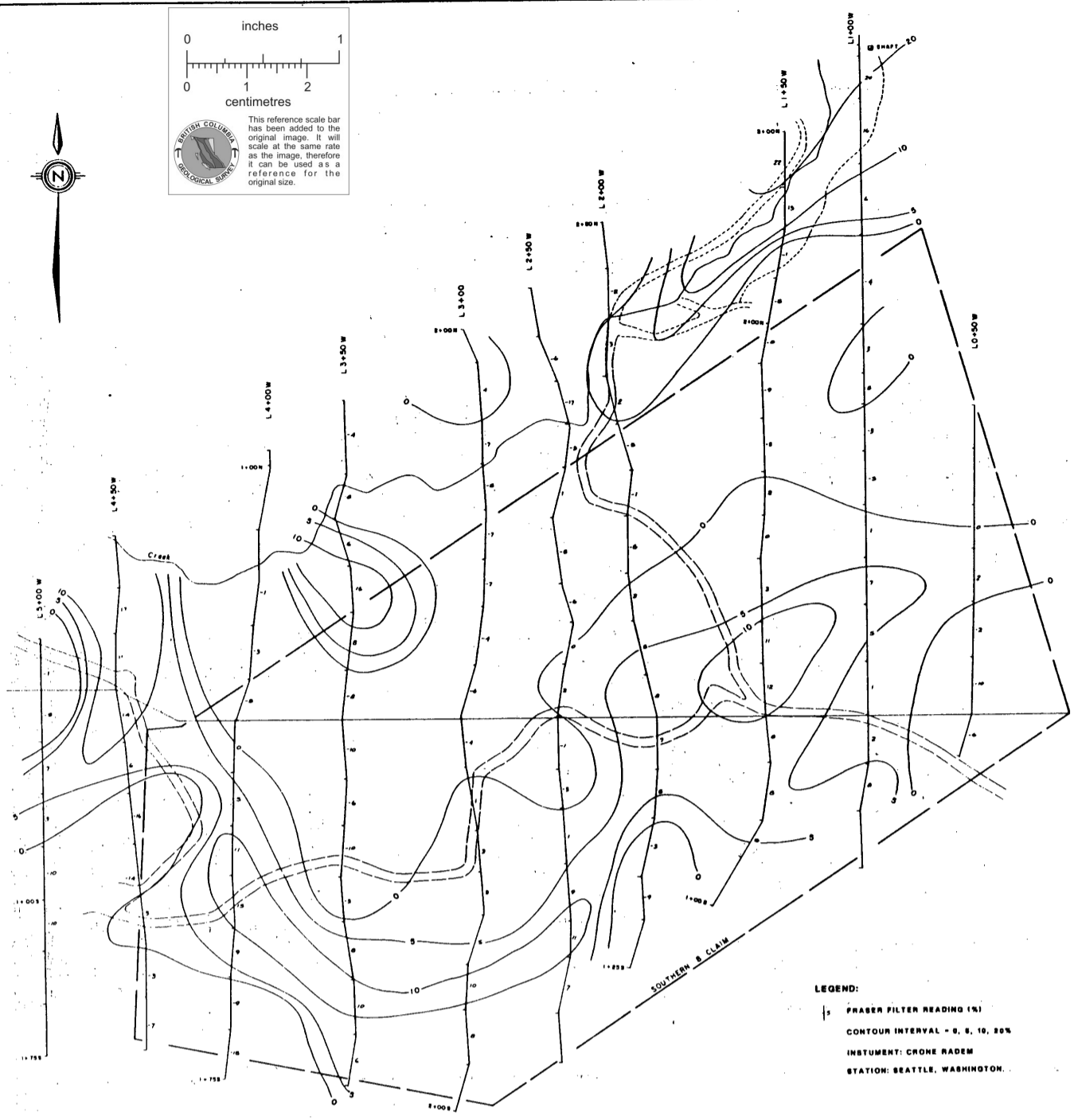
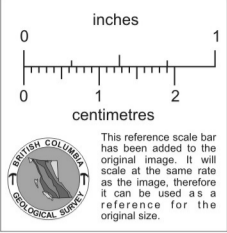
APPENDIX "B"

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BIBLIOGRAPHY

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LEGEND:
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 STATION: SEATTLE, WASHINGTON

BASELINE 0+00

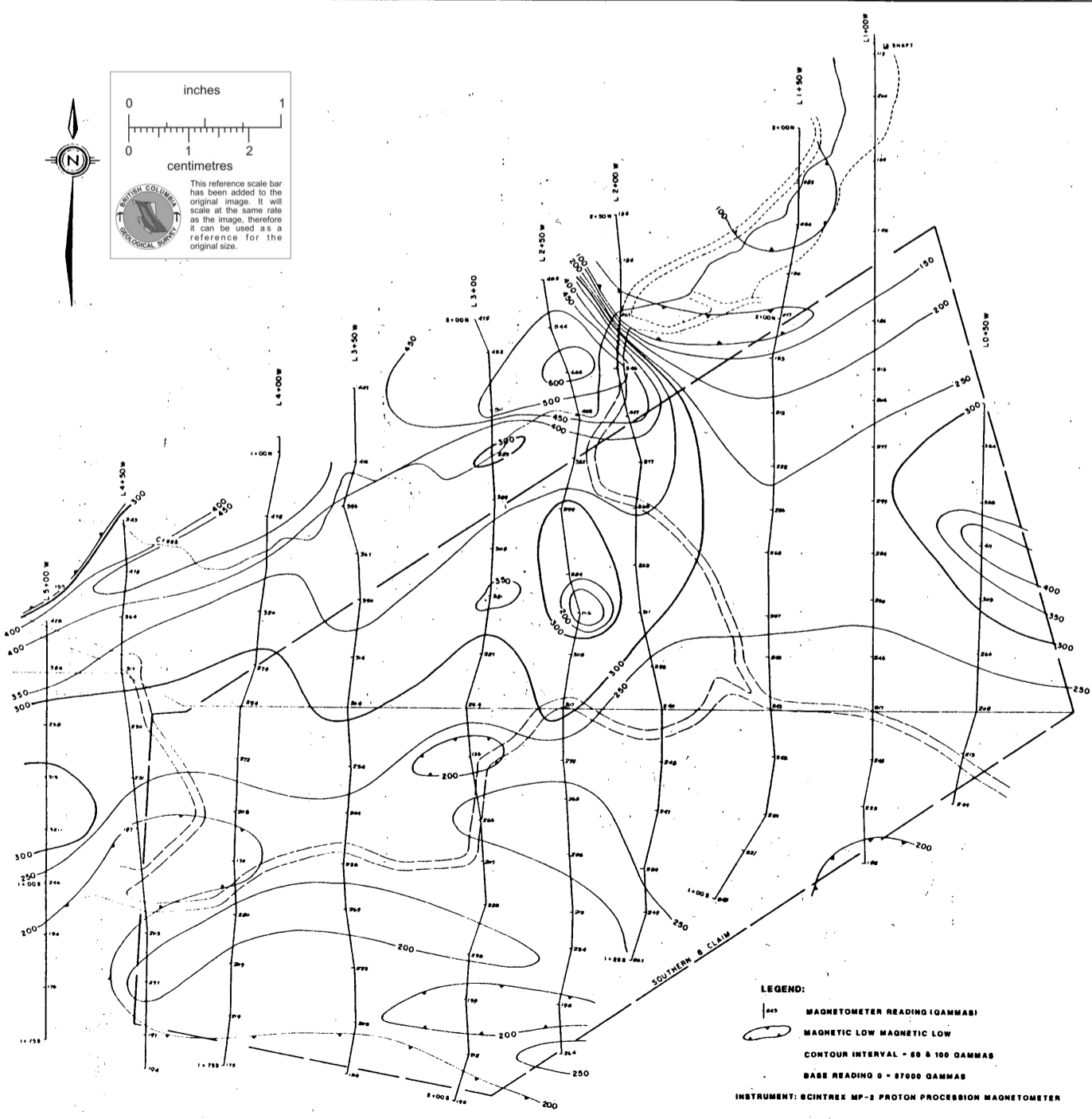
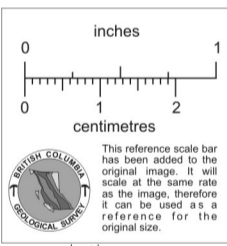
B. J. J.

HARRISBURG-DAYTON RESOURCE CORP.
SUMMIT CAMP PROPERTY
 SHELKAMITH MINE DIVISION 415 87th St
 BRITISH COLUMBIA

VLF-EM SURVEY
 (FRASER FILTERED DATA)

TECHNICAL DRAWN BY: HARRISBURG-DAYTON RESOURCE CORP.
 DRAWN BY: B.D./J.W.
 APPROVED BY: B. DEWHAUGH, B.Sc., F.G.A.C.

SCALE: 1:1,000
 DATE: OCTOBER, 1987
 DRAWING NUMBER: 7



LEGEND:
 ▬ MAGNETOMETER READING (GAMMAS)
 ○ MAGNETIC LOW
 --- CONTOUR INTERVAL - 50 & 100 GAMMAS
 BASE READING 0 = 87000 GAMMAS
 INSTRUMENT: SCINTREX MP-2 PROTON PRECESSION MAGNETOMETER

BASELINE 0+00

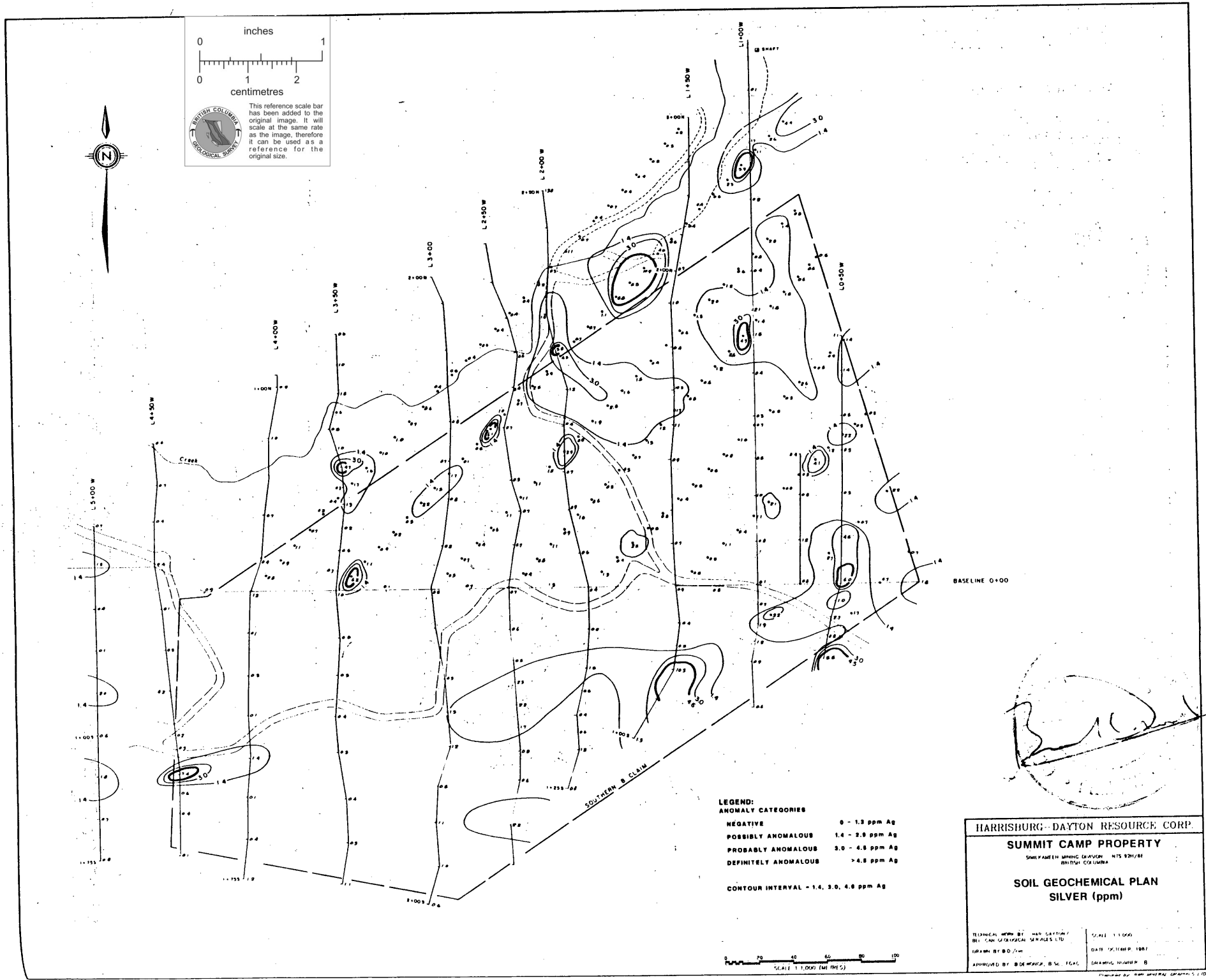
BRITISH COLUMBIA
GEOLOGICAL SURVEY
 MEMBER

HARRISBURG-DAYTON RESOURCE CORP.
SUMMIT CAMP PROPERTY
 SHELKAMITH MINE DIVISION 415 87th St
 BRITISH COLUMBIA

MAGNETOMETER SURVEY

TECHNICAL DRAWN BY: HARRISBURG-DAYTON RESOURCE CORP.
 DRAWN BY: B.D./J.W.
 APPROVED BY: B. DEWHAUGH, B.Sc., F.G.A.C.

SCALE: 1:1,000
 DATE: OCTOBER, 1987
 DRAWING NUMBER: 7



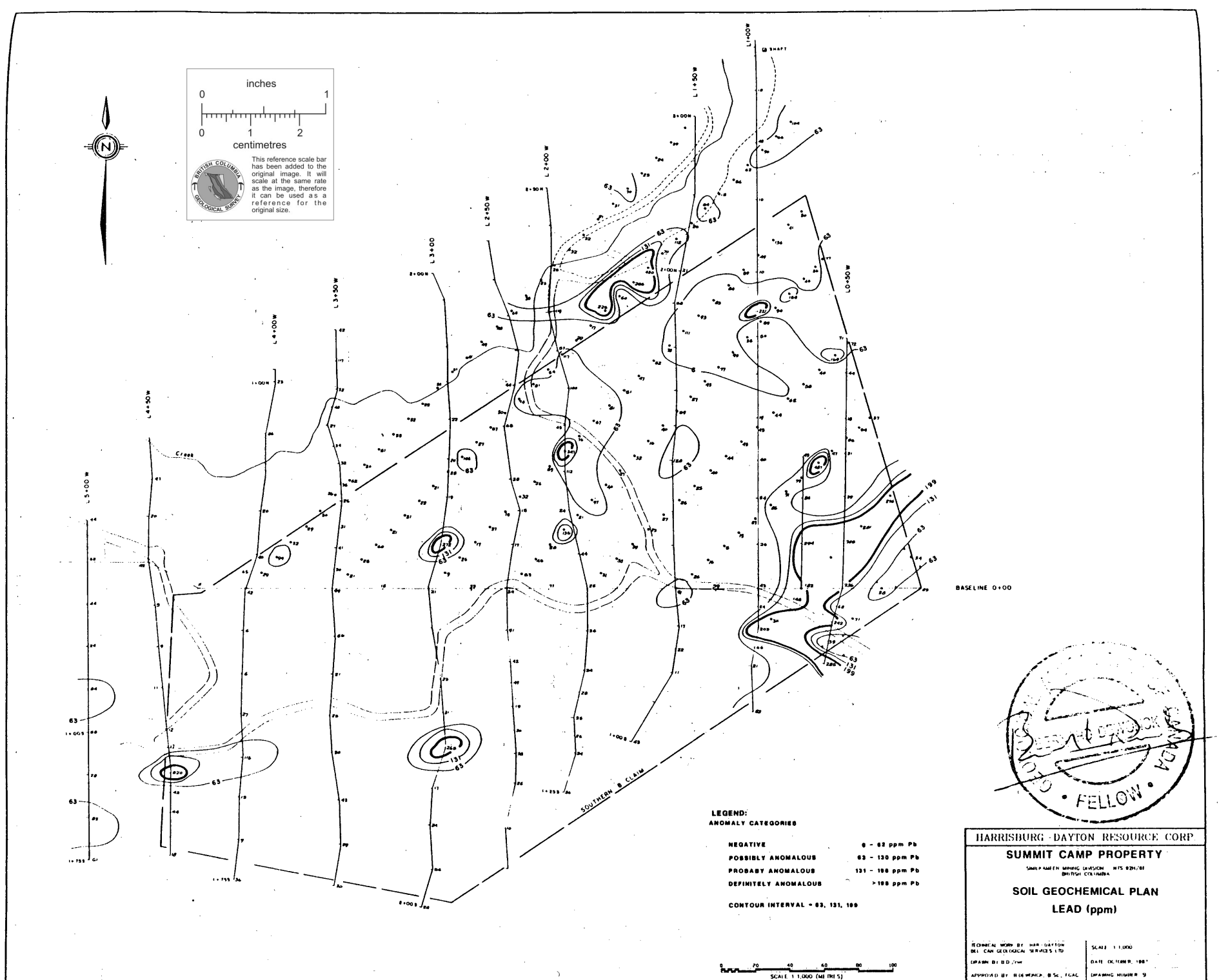
LEGEND:
ANOMALY CATEGORIES
 NEGATIVE 0 - 1.3 ppm Ag
 POSSIBLY ANOMALOUS 1.4 - 2.9 ppm Ag
 PROBABLY ANOMALOUS 3.0 - 4.8 ppm Ag
 DEFINITELY ANOMALOUS >4.8 ppm Ag

CONTOUR INTERVAL - 1.4, 3.0, 4.8 ppm Ag

HARRISBURG-DAYTON RESOURCE CORP.
SUMMIT CAMP PROPERTY
 SUMMIT CAMP MINING DIVISION, NTS 82H/82
 BRITISH COLUMBIA

SOIL GEOCHEMICAL PLAN
SILVER (ppm)

TECHNICAL WORK BY: IAN DAYTON
 B.C. CAN. GEOLOGICAL SERVICES LTD.
 DRAWN BY: B.D. 7/88
 APPROVED BY: B.D. WATSON, B.Sc., F.C.A.C.
 SCALE: 1:1,000
 DATE: OCTOBER 1987
 DRAWING NUMBER: 8



LEGEND:
ANOMALY CATEGORIES
 NEGATIVE 0 - 82 ppm Pb
 POSSIBLY ANOMALOUS 83 - 120 ppm Pb
 PROBABLY ANOMALOUS 121 - 188 ppm Pb
 DEFINITELY ANOMALOUS >188 ppm Pb

CONTOUR INTERVAL - 82, 121, 188

HARRISBURG-DAYTON RESOURCE CORP.
SUMMIT CAMP PROPERTY
 SUMMIT CAMP MINING DIVISION, NTS 82H/82
 BRITISH COLUMBIA

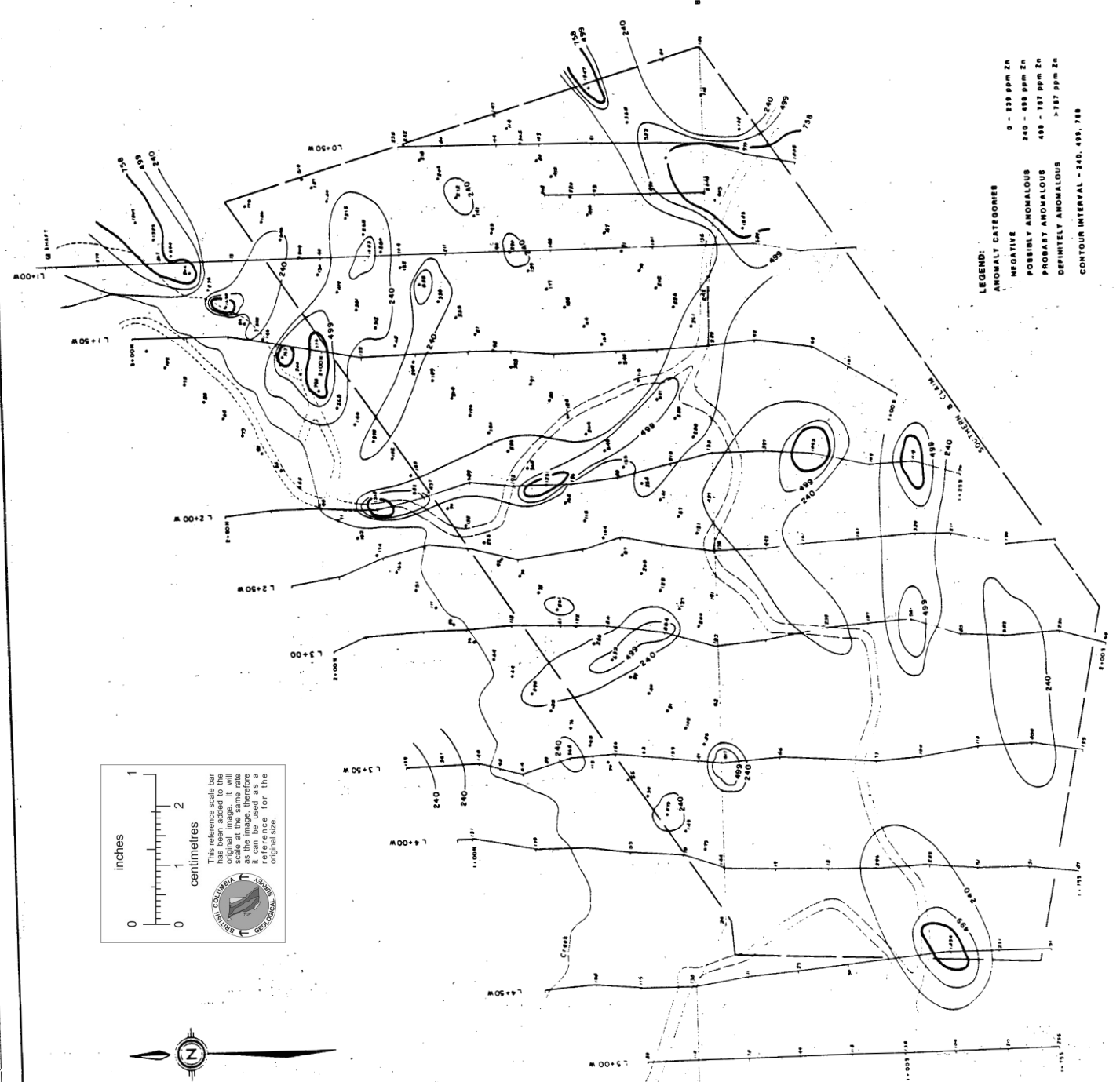
SOIL GEOCHEMICAL PLAN
LEAD (ppm)

TECHNICAL WORK BY: IAN DAYTON
 B.C. CAN. GEOLOGICAL SERVICES LTD.
 DRAWN BY: B.D. 7/88
 APPROVED BY: B.D. WATSON, B.Sc., F.C.A.C.
 SCALE: 1:1,000
 DATE: OCTOBER 1987
 DRAWING NUMBER: 9

HARRISBURG - DAYTON RESOURCE CORP.
SUMMIT CAMP PROPERTY
 SOIL GEOCHEMICAL PLAN
 ZINC (ppm)

LEGEND:
 ANOMALY CATEGORIES
 NEGATIVE 0 - 225 ppm Zn
 POSSIBLY ANOMALOUS 240 - 450 ppm Zn
 PROBABLY ANOMALOUS 450 - 750 ppm Zn
 DEFINITELY ANOMALOUS > 750 ppm Zn
 CONTOUR INTERVAL - 240, 450, 750

Scale: 1:1000
 Date: 12/1987
 Prepared by: BOA SERVICES LTD.
 Approved by: [Signature]



The reference scale bar is shown at the original image. It will scale at the same ratio as the original image. It can be used as a reference for the original size.

REPORT

on the

RED TUSK PROPERTY

Vancouver Mining Division
 British Columbia

North Lat. 49°46' West Long. 123°19'

N.T.S. 92G/14W

for

SCHELLEX GOLD CORP.
 602 - 675 West Hastings Street
 Vancouver, B.C.
 V6Z 2J1

by

BOA SERVICES LTD.
 P.O. BOX 11569
 2640 - 650 West Georgia Street
 Vancouver, B.C.

February 26, 1988

Paul P.L. Chung
 Consulting Geologist

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INTRODUCTION

The Red Tusk property is a precious metals prospect associated with an altered mineralized horizon of a volcanic - sedimentary sequence within a pendant in the Coast Plutonic Complex. The property is owned by J.W. Laird and was optioned by Schelllex Gold Corp. in 1988. This report on the Red Tusk property, prepared at the request of the Directors of the company, summarizes the previous work on the claims and discusses the exploration potential of the property.

SUMMARY

The Red Tusk property is comprised of 5 claims totalling 45 units and is situated in the Vancouver Mining Division. The claims are located in the Tantalus Mountain Range of the Coast Mountains approximately 55 km north of Vancouver. Their geographic coordinates are 49°46' N latitude, by 123°19' W longitude.

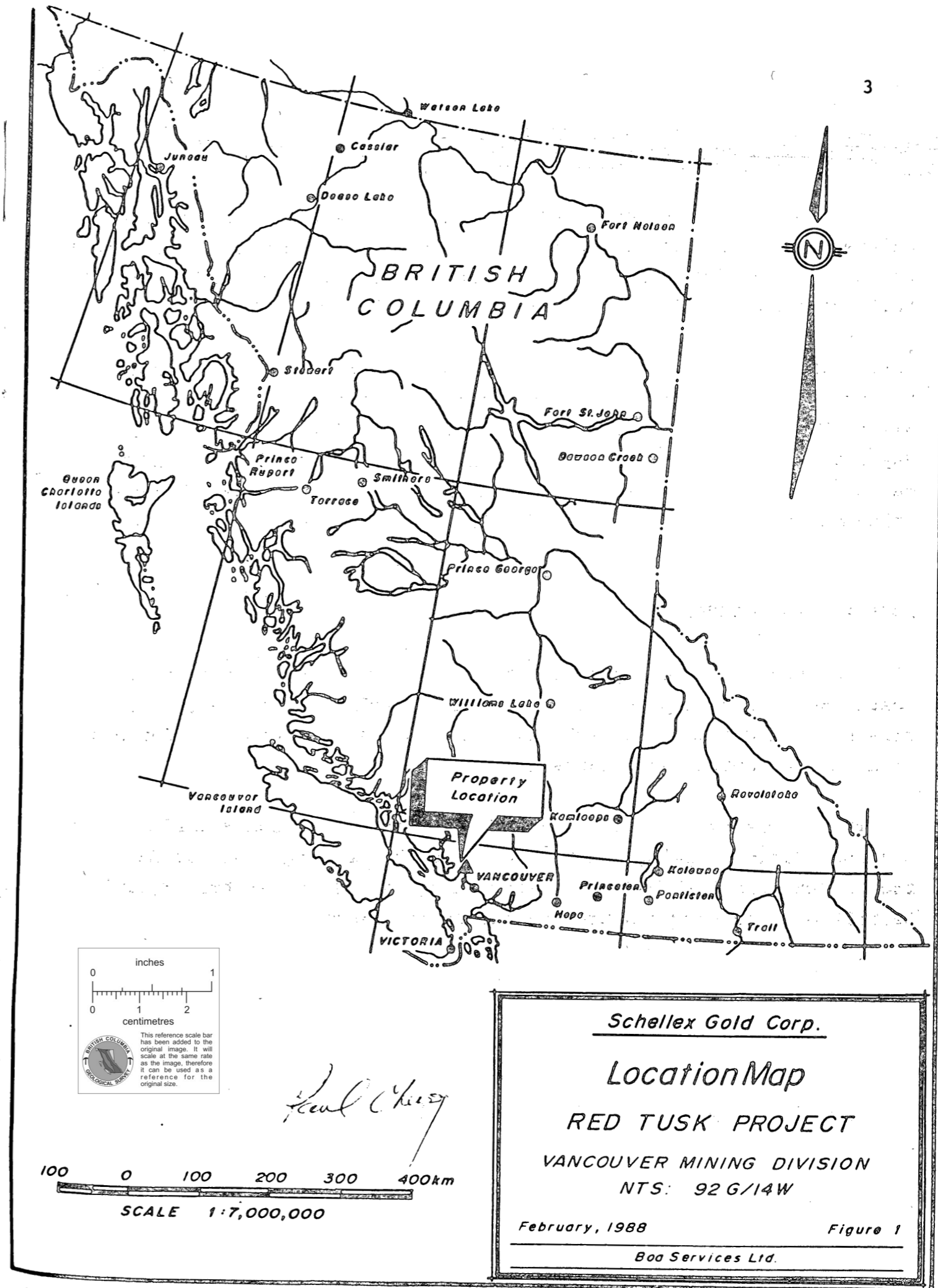
Access to the property is possible by water taxi from Sechelt to the Clowhom Falls logging camp and thence by logging road for 26 km to the southwestern portion of the claims in the upper Red Tusk valley. Alternately, helicopter access is available from the town of Squamish.

Newmount Exploration of Canada Limited optioned the property from James W. Laird in 1982, and then conducted mapping and surface chip sampling programs between 1982 and 1984. These programs identified an altered and mineralized rhyolite which was subsequently tested

with 12 diamond drill holes in 1985, 6 in each of the North and South Zones. This drilling program, which totalled 647.7m, produced mixed results. Four of the six drill holes in the North zone were collared in what proved to be large slide blocks and the analytical results from the drilling program were consistently lower than surface sampling results, suggesting either a surface enrichment or an undetermined surface sampling problem. However, drilling in the South Zone produce a trend of improving grades to depth and to the north.

The geologic setting, rock geochemistry and mineralization is favourable for a volcanogenic massive sulphide deposit, and the copper-zinc-silver mineralization in andesite flows in the Mavis Zone supports this possibility. Assays up to 1 or 2% in zinc and copper have been obtained from the area, and large boulders with sphalerite and chalcopyrite lie on the talus slope below steep cliffs. However, no significant showing has been located partly due to the precipitous terrain.

A program of detail mapping and chip sampling in the North, South, and Mavis Zones is recommended. Pending the results of this program, a diamond drill program may be warranted to further test the potential of this property.



PROPERTY AND OWNERSHIP

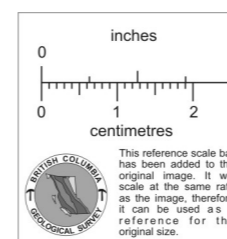
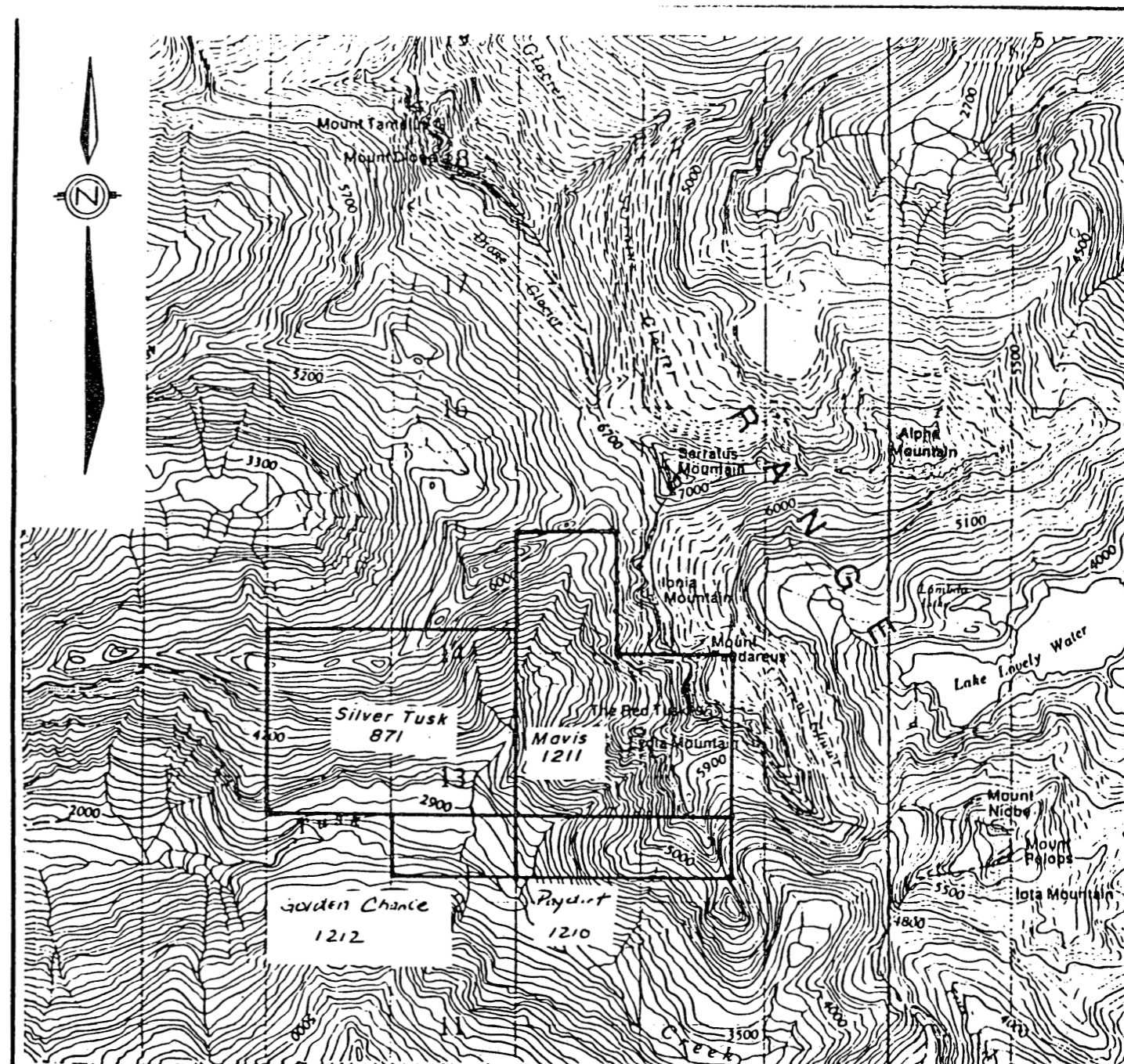
The property is comprised of 4 claims which together total 39 units and cover approximately 975 hectares. The claims are situated in the Vancouver Mining Division and are owned by James W. Laird of North Vancouver, B.C. The claims are described as follows:

Claim Name	Units	Record No.	Record Date	Expiry
Silver Tusk	12	871	April 2/88	1990
Paydirt	5	1210	June 24/82	1989
Mavis	20	1211	June 24/82	1989
Golden Chance	2	1212	June 24/82	1989

LOCATION AND ACCESS

The property is located in the Tantalus Mountain Range of the Coast Mountains approximately 55 km north of Vancouver, B.C. The closest communities are Sechelt, 45 km to the southwest and Squamish, 14 km to the southwest (Figure 1).

The property can be reached by water taxi from Sechelt to the Clowhom Falls logging camp and thence by logging road for 26 km to the upper Red Tusk Valley. Alternately, a helicopter from Squamish, Sechelt or Vancouver can provide access to the area.



1.0 0.5 0 1.0 2.0 km
SCALE 1:50,000

Schellex Gold Corp.

Claim Map

RED TUSK PROJECT

VANCOUVER MINING DIVISION

NTS: 92 G/14W

February, 1988

Figure 2

Boa Services Ltd.

PHYSIOGRAPHY

The claims overlie a portion of the rugged Tantalus Range mountains with local elevations varying from 600m to 2200m. Peaks are rugged, with small remnant glaciers above 1500m. Slopes are very steep and exposed to moderately steep and well timbered with large cedar, fir, hemlock and spruce. Red Tusk Creek, cutting through the property, has a broad U-shaped valley but tributary creeks are generally deeply incised with canyon like walls. Underbrush in timber is thin, but on open moderate slopes grow to a thick tangle of alder, ferns, some salal and devils club and young trees. A portion of the lower slopes and valley bottom has been recently logged.

The climate is relatively mild west coast. Temperatures range from -20 degrees to +30 degrees centigrade with about 300 cm of precipitation per year. The upper elevations (over 1100m) have snow cover from December to April and snow lasts in patches and protected draws into late summer.

HISTORY

The property received no known exploration until 1981 when mineralization was discovered by James W. Laird. He then staked the Silver Tusk and Silver Tusk 1 claims and optioned the ground to Newmont Mines Ltd. in 1982. From 1982 to 1984 Newmont carried out surface mapping and rock chip sampling with limited stream sediment sampling. The majority of the work program was conducted on the Silver Tusk and Mavis claims.

This earlier work outlined an altered horizon of felsic volcanics within a series of sedimentary and volcanic units of a pendant of Lower Cretaceous Gambier rocks in the Coast Plutonic Complex. Anomalous values of Au, Ag, Cu, Pb and Zn are associated with this horizon in two zones separated by about 1100m. These two zones,

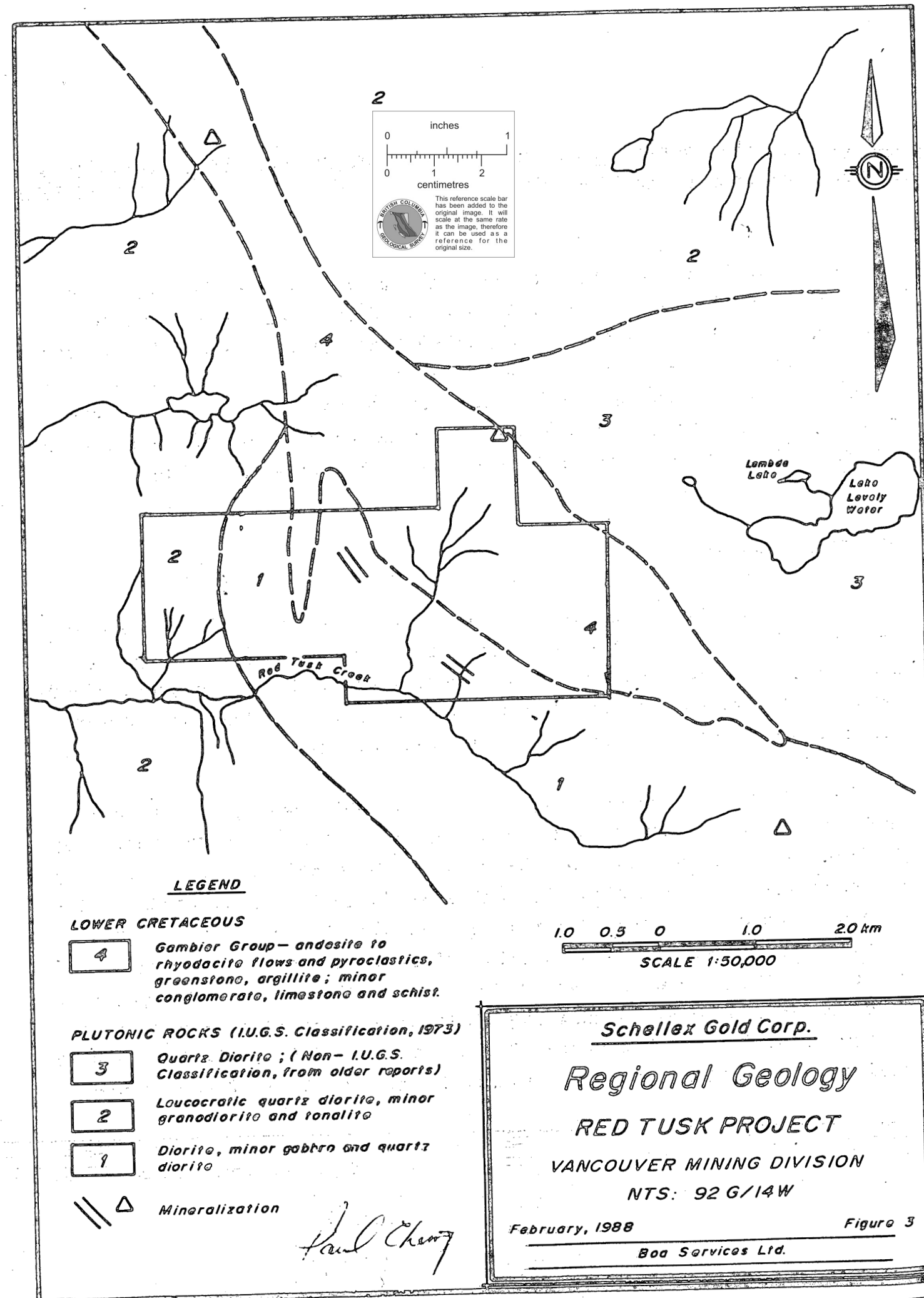
known as the North and South zones were the targets of a drilling program by Newmont in 1985.

This drilling program consisted of 647.7m of BQ equivalent diamond drilling in 12 holes, 6 in each of the North and South zones. The results of the drilling indicated that the mineralization in the North Zone to be limited in size and lower in grade than surface mapping and sampling had indicated. The south zone however, returned more positive results as the drilling intersected vein mineralization which produced weak to moderate precious and base metal values.

REGIONAL GEOLOGY

The Coast Mountains of B.C. are composed of a complex assemblage of granitic, metamorphic, and stratified volcanic-sedimentary rocks. The whole complex of granitic rocks, roof pendants, inclusions and dykes is known as the Coast Crystalline Complex and extends northwesterly from Vancouver, B.C. up into Alaska.

The Clowhow Pendant (Fig.3) is an elongate pendant of Cretaceous Gambier Group volcanic and sedimentary rocks which was mapped by Roddick and Woodsworth and which is known to extend from a point 11 km northwest of Squamish for at least 40 km to the northeast. The Gambier Group consists primarily of andesite to rhyodacite flows and pyroclastic, greenstone, argillite, minor conglomerate, limestone and schist. The pendant is surrounded by intrusive rocks and appears to have undergone local hornfelsing, folding and faulting. The Britannia copper deposit at Britannia Beach is located in a similar pendant environment. Its production totalled 55 million tons of copper ore.



LOCAL GEOLOGY

Surface mapping in 1983, 1984 and diamond drilling in 1985 by Newmont has show that the property is underlain by a cyclically differentiated series of marine sediments and volcanics in a relatively undisturbed sequence of northerly trending and moderately to steeply west dipping units. The sedimentary units do not constitute a large portion of the package volumetrically, but are important as marker horizons. They are composed of cherts and argillites. The cherts range from light grey to blue grey and dark grey, weathering light grey to rusty brown. They are generally massive, but occasionally occur in well laminated beds about 5 cm thick. Fine disseminated pyrite is seen in a number of outcrops. Within some of the cherts there occur spheroid to irregular shaped masses of dark green fine grained andesitic rock. They can vary in size from a few centimetres in diameter to a few metres across. The volcanic inclusions may be bombs or rafted flow segments caught up in the chert horizons during a period of turbidity or gravity sliding.

The argillites are uniformly fine grained black pyritic rocks that weather a distinctive rusty brown. They occasionally contain narrow (10 cm and less) beds of semi-massive pyrite/pyrrhotite and rarely sphalerite. The argillites are frequently hornfelsed.

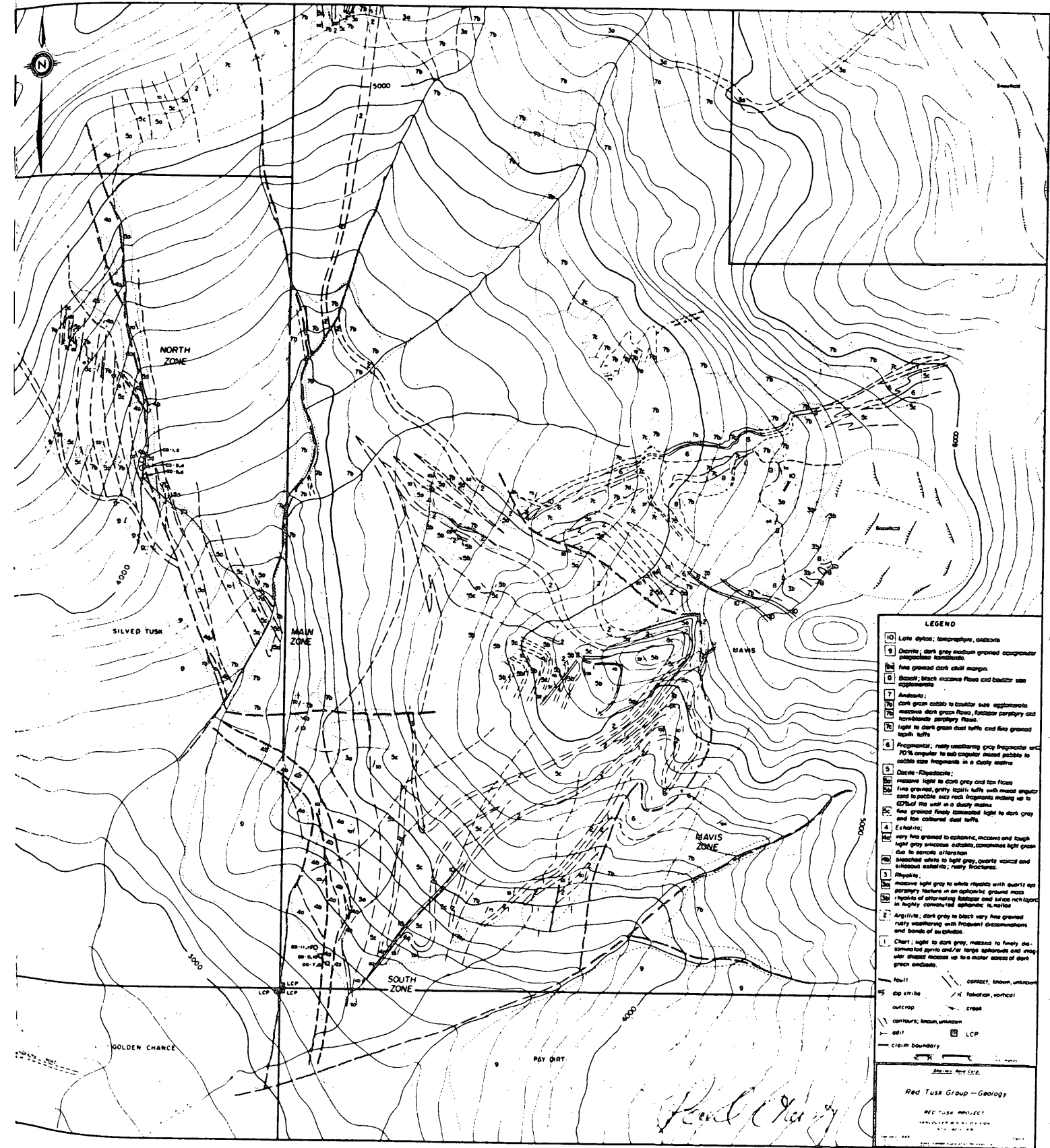
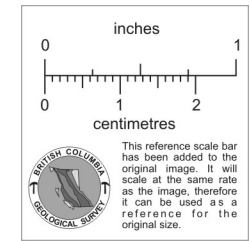
The volcanic rocks on the property are highly variable, compositionally and texturally. Included are dark basalts and white rhyolites, massive andesite porphyries and laminated tuffs, and a distinctive fragmental. Two varieties of rhyolite are seen. The frist is a quartz eye porphyry rhyolite with 1-2 mm quartz eyes that weathers a bright white occurs at both the North and South zone, however sericite alteration of the rhyolite around the South zone has left the eyes and the groundmass with a greenish cast. The second variety of rhyolite occurs just north of Lydia Mtn. This is distinctive in being composed of fine convoluted lamellae of alternating silica and alkali feldspar, and of devitrified glass. This rhyolite is multi-phased as later phases cut earlier phases.

Exhalite stretches from the northern boundary of the claim group south to the Red Tusk Creek Valley. At the southern end it is associated with a quartz eye rhyolite which appears to underlie it while in the north it occurs with acid to intermediate flows and tuffs. The exhalite is a light grey to grey massive aphanitic siliceous unit (a chemical silica precipitate) with a characteristic chalky white weathering. Prominent foliation and shearing accompanied by quartz veining is present along the entire length of the unit.

Altered exhalite has been recognized in several places. This consists of bleaching and fine quartz veining along with fine rusty fracturing. The exhalite has proved to be the most important horizon for mineralization, and the altered zones are the most prospective areas within the horizon.

Intermediate to acid volcanics occupy the central portion of the map area, just west of Lydia Mtn. and on the northwestern portion of the map area. These rocks are dacite to rhyodacite in composition and include flows, gritty lapilli tuffs and finely laminated ash tuffs. The flows are light to dark grey and tan coloured massive and siliceous with fine disseminated pyrite. The gritty lapilli tuffs are grey to tan coloured and light grey weathering. They have a fine grained gritty texture with mixed angular sand to pebble size fragments making up to 60% of the rock in a dusty matrix. These lapilli tuffs are extensively exposed in the ridge just on the west side of the pendant by North Creek. The ash tuffs are light to dark grey and tan coloured, grey weathering and finely laminated.

A fragmental volcanic rock occurs in the eastern portion of the map area. It is composed of crowded angular to sub-angular mixed pebble to cobble size clasts of tuffs, flows, chert and argillite in a fine grained dusty matrix. The fragmental generally overlies two thin units of andesitic agglomerate and tuff which in turn overlies andesite flows. Outcrops of fragmental volcanics also ring the laminated rhyolite just north of Lydia Mtn.



The dominant pendant rocks on the property are andesites. They include agglomerates composed of about 40% subangular to rounded clasts (5-40 cm diameter) of volcanic material showing narrow (5mm) alteration rims in a massive andesite matrix. Flows are the most common andesites and include massive dark green, fine to medium grained flows, feldspar porphyry andesites, and less commonly andesites with slightly porphyritic hornblende. Some of the larger areas mapped as flows include other andesitic rock types as well.

Andesitic tuffs have also been mapped on the property. These are light to dark green ash tuffs and fine grained gritty lapilli tuffs. They occur with andesitic flows and with the intermediate ash tuffs.

A small area of the property is underlain by basalt. It is black to dark grey, very fine grained and massive, of agglomeratic nature. The basalt agglomerate is composed of 60% or more rounded basaltic clasts in a basalt matrix.

Within the Red Tusk claim group the intrusive rocks of the Coast Plutonic Complex are represented by diorite. This is a dark grey equigranular medium grained diorite/quartzdiorite rock with minor undifferentiated zones of granodiorite and gabbro. The diorite has a narrow fine grained dark chill margin where unfaulted contacts with the pendant have been mapped.

Late dykes cut a variety of the rocks over a wide area of the property. They are fine grained dark lamprophyre or andesite and usually strike northeast and dip vertically.

STRUCTURE

The structure on the Red Tusk property is only partly understood. The layered rocks strike northwesterly to north and dip to the west. The tops of the beds face west so that up, structurally, is also up

stratigraphically. Folding has been recognized in one area; east of the South Zone, however its significance with respect to the rest of the lithologies is not known. Faults appear randomly distributed and are easily traced by the deep creek canyons and draws which mark them. Little movement has occurred across many of them and they are marked by zones of brittle failure. In some areas these fault zones define portions of the pendant contact and in other areas prisms within the pendant appear to be fault bounded.

An exception to this is a shear associated with the altered siliceous horizon which apparently caused repetition of a mineralized horizon from 30m in the North Zone to over 70m in the South Zone.

The geology to date suggests that the structure on the property is fairly simple. Unsolved problems remain, yet the relatively uncomplicated nature of the structure is uncharacteristic, especially for a narrow pendant situated in a large plutonic complex.

MINERALIZATION

The Red Tusk property has been explored by Newmont for precious metals associated with an altered siliceous rhyolite horizon 30-100m wide, 1500m long and having an elevation change of over 600m. This horizon occurs within a series of differentiated volcanics in both the North and South Zones. Continued prospecting for extensions or repetitions of this horizon has led to the discovery of a train of chalcopyrite/sphalerite and pyrite/pyrrhotite mineralized boulders on a talus cone emanating out of Mavis Creek. By tracing this boulder train back, similar vein mineralization was discovered at the base of the rugged south slope of Lydia Mountain. Limited prospecting in 1984 on this precipitous slope failed to locate the source of the boulders, though rocks anomalous in base metals have been located.

North Zone

The North Zone is a 350m long segment of the mineralized exhalite horizon with a width of about 40m. Mineralization can be found in the altered siliceous rhyolite and in a highly chloritized andesite. Over 190 samples were taken over the 350m length during the 1984 exploration program. The most encouraging results were centered on a portion 90m long by 20m wide towards the north end of the zone and at elevation of between 1275m to 1350m.

This area was tested with 6 drill holes in 1985. The first two holes encountered a 15m to 20m wide, slightly pyritic foliated rhyolite lapilli tuff in the top part which returned values in 0.1 g/t to 1.8 g/t Au range, much lower than the values from the surface chip samples. The holes then cut dacite and andesite tuffs with very low background gold values. The following four holes were collared in what proved to be large slide blocks of material similar to the top of the first two holes. After going through a 3-4 m wide sand seam, all these holes encountered rhyodacite, dacite and andesite tuffs with low background values in gold.

According to Laird (personal communications, 1988.), barite in outcrop was discovered towards the conclusion of the 1984 exploration program. A sample of andesite with massive vein mineralization taken by the barite outcrop returned an assay of 0.6 oz/ton Au and 162 oz/ton Ag. However, this area received no further investigation. This barite showing is located south of and lower in elevation than the area that was drilled.

South Zone

Mapping in the South Zone has outlined several sub-parallel northerly trending faults which have apparently offset and repeated the mineralized exhalite horizon. Altered, bleached white rock

with micro quartz veining in glassy green-grey siliceous flows have been faulted and shuffled so that a sequence of north-south slivers of altered and unaltered rock are stacked in a east-west direction. This setting, resulting from the splaying of the shear, increases the width of the mineralization and also accounts for the somewhat erratic nature of the gold mineralization.

The South Zone represents the most persistently high results in gold from surface sampling. Rock chip sampling programs in 1983 and 1984 have indicated a mineralized area of 150m long and up to 70m wide. Gold results as high as 8750 ppb Au (0.255 oz/t) over 1.5m have been obtained and values in the 1000 ppb range are common. The high gold values are also accompanied by elevated silver and lead values. Silver runs as high as 40.0 ppm (1.2 oz/t) and is commonly above 10 ppm. The highest lead value obtained was 15,700 ppm (1.5%) and numerous samples ran greater than 1000 ppm.

In 1985, six holes were drilled to test this zone. This drilling was successful in tracing favourable geology and mineralization. However, like the North Zone, the values obtained were consistently and significantly lower than those obtained by surface chip sampling. However, from the analytical results of the drill core, it appears that the values in all metals, both base and precious, are improving to the north and possibly with depth.

High values in Ag, Cu, Pb, Zn were obtained, from surface sampling, in the NE area of the zone. This mineralization, which is low in Au values, was found to be associated with quartz veins in shears striking in a NE direction. This appears to be separate from the rest of the South Zone and little work was done to determine its exact relationship to the mineralization exhalite horizon.

Mavis Zone

This zone is located to the east of the South Zone and is hosted in entirely different geology. It is underlain by andesitic flows and agglomerates or breccias. A train of large, angular boulders with sphalerite and chalcopyrite in veins and disseminations lead to its discovery at the peak of a talus cone spilling out from the steeply incised Mavis Creek.

Due to the precipitous slopes in the area, only limited work has been accomplished. Mineralization located in place has been sparse, but does suggest the possibility for a polymetallic massive sulphide deposit. The results of the limited rock chip sampling done in this area is consistent with this type of deposit. They have returned high copper and zinc (up to 0.38% Cu and 1.0% Zn) with moderate silver (1.2 oz/t). Lead values are low to moderate and gold values are generally low. This metal association contrasts with those of the exhalite horizon and is typical of massive sulphide type deposits (Boyle 1985). However, it is only an indication of the potential of the area as only boulders have been found so far, and no showing has yet been located.

ROCK GEOCHEMISTRY

During 1984, Newmont collected a total of 329 rock chip samples throughout the property. All the samples were sent to Chemex Labs Limited in North Vancouver. Assay preparation for precious metals was used on all samples with geochemical analysis for Au, Ag, Cu, Pb and Zn by Atomic Absorption (A.A.). In February of 1988, the writer re-analysed some of the pulps from the 1984 sampling program. 45 samples were selected, 22 from the South Zone, 17 North Zone and 6 from the Mavis Zone. In addition 12 rock samples (6 each from the North and Mavis Zones) were selected from a suite of representative rocks collected by James Laird. All the samples were sent to Acme

Analytical Laboratories Ltd. for a 30 element ICP analysis and Au by A.A.

The results of the re-analysis were very consistent with the results from the 1984 program. The anomalous samples returned high values in the same magnitude as previously reported. The analysis of the rock samples returned some very good results. In the Mavis Zone, the highest Cu obtained was over 40,000 ppm, while Pb and Zn reached more than 2600 and 3500 ppm respectively. The highest Ag value was 88 ppm. Typically for the Mavis Zone, Au was relatively low, reaching a high of 129 ppb. The samples from the North Zone returned some very high values. The highest values for Cu, Pb, Zn, Ag and Au were 2714 ppm, 19012 ppm, 99999 ppm, 247.0 ppm and 39900 ppb respectively. From the ICP analysis, some general mineral associations can be noted. It appears from the pulps that elevated Au values are accompanied by higher Ba values, and the Ca, Al, Na, and K values are depressed when Au values are elevated.

A rock geochemistry study on the Red Tusk property was done in 1986 by Michael Reed as part of his Bachelor's thesis. Three samples from the North Zone and six from the South Zone were chosen for analysis by XRF.

The results of this study indicated that the rocks on the property belong in the calcalkaline suite. Also, the analyses showed varying degrees of alteration, dominantly sericitization, to be present indicating a potassium enrichment of the rocks, which were mostly rhyolitic in composition. Reed (Reed 1986) concluded that this whole rock chemistry is similar to that found in the Bathurst District of New Brunswick in which volcanogenic Zn-Pb-Cu deposits can be found.

DISCUSSION

The geological results from all the work performed so far are encouraging from an exploration standpoint. The property is underlain by a marine series of sediments and mostly tuffaceous and/or brecciated felsic volcanics. A rhyolite dome can be seen near the top of Lydia Mountain (Boyle 1985). Whole rock analyses indicate these calcalkaline volcanics are potassium-rich and dominantly rhyolitic in composition. This geologic setting is favourable for a volcanic-associated massive sulphide deposit.

Mineralization is associated with the altered siliceous rhyolite horizon in the North and South Zones and with units of more intermediate composition in the Mavis Zone. All three zones have a similar sulphide assemblage of pyrite, chalcopyrite, sphalerite and galena. This base metal mineralization is commonly linked to the presence of pyrite and is generally confined to fractures and vein like structures similar to stringer zone mineralization. In the Mavis Zone, the copper and zinc values are high with moderate silver and lead values, and low gold values. This metal association is typical of massive sulphide type deposits. These characteristics and the presence of barite in the North Zone are consistent with volcanogenic deposits.

CONCLUSIONS

The geological setting, the mineralization, and the geochemistry of the rocks indicate a favourable environment for a volcanic associated massive sulphide deposit.

The drilling results have shown a trend to improved base and precious metals to the north and to depth in the South Zone.

Analytical results from the drilling program have returned consistently lower base and precious values than surface sampling. This may be a result of surface enrichment or an unrecognized surface chip sampling problem.

The prominent occurrence of mineralized veins and fractures suggests either an association with a nearby deep seated fault, a buried intrusion, or a network associated with a volcanogenic massive sulphide body, such as the feeder, or stringer zone.

RECOMMENDATIONS

After evaluation of the data compiled to date. A two stage program is recommended:

Stage I

- 1) Additional mapping and prospecting in the North Zone, especially in the vicinity of the sample that returned .6 oz/t Au and 162 oz/t silver.
- 2) The southern slope of Lydia Mountain should be mapped and prospected in more detail in an attempt to locate the source of the mineralized boulders.
- 3) Additional mapping and sampling should be carried out in detail in the general vicinity of the South Zone.

Stage II

Pending the results of the stage I program, diamond drilling might be warranted to further test the property.

COST ESTIMATES

Stage I Geological Mapping and Sampling

Mountaineer-Geologist	\$4900
Mountaineer-Assistant	3500
Geological Assistants	4700
Engineering and Supervision	3500
Moblization/Demobilization	2000
Assaying services	4000
Transportation	
(Helicopter, vehicles)	12,000
Room and Board	2400
Report Preparation	4000
Management	4000

	\$45,000
Contingency(10%)	5,000

Total of Stage I	\$50,000

Stage II Diamond Drilling

Diamond Drilling	\$58,500
650m at \$60/m	15,000
Road Preparation	5,000
Assaying	
Engineering and Supervision	
(Geologist and assistant/core splitter)	8,500
Camp	
(Groceries and supplies)	5,000
Report Preparation	4,000
Management	9,000

Total, Stage II	\$105,000

Paul C. King

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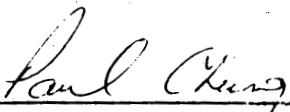
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STATEMENT OF QUALIFICATIONS

I, Paul P.L. Chung, of the City of Richmond, Province of British Columbia, DO HEREBY CERTIFY THAT :

- (1) I am a consulting geologist with business address office at Suite 2640 - 650 W. Georgia Street, Vancouver, British Columbia, V6B 4N8; and President of Boa Services Ltd.
- (2) I am a graduate with a Bachelor of Science degree in Geology from the University of British Columbia in 1981.
- (3) I am a Fellow of the Geological Association of Canada.
- (4) I have practised my profession continuously since graduation.
- (5) I have conducted various mineral exploration programmes in B.C., Yukon, Manitoba, Ontario, Quebec, Nova Scotia, and Nevada.
- (6) This report is based on selected publications and reports.
- (7) I visited the property on February 25, 1988.
- (8) I own no direct, indirect, or contingent interest in the property, nor shares in or securities of SCHELLEX GOLD CORP INC. nor do I expect to receive any.
- (9) I consent to the use by Schellex Gold Corp. of this report in a Prospectus or Statement of Material Facts or any other such document as may be required by the Vancouver Stock Exchange or the Office of the Superintendent of Brokers for British Columbia.


 Paul P.L. Chung F.G.A.C.

Dated at Vancouver, British Columbia, this 26th day of February, 1988.

APPENDIX I
 ROCK SAMPLE DESCRIPTIONS

SAMPLE NO.	LOCATION	ROCK DESCRIPTION
1361	South Zone	Aphanitic siliceous rhyolite - py,sp
1438	North Zone	Siliceous shattered dk grey dacite flow
1442	North Zone	Dark f.g. siliceous volcanic
1443	North Zone	Dark f.g. siliceous volcanic
5682	North Zone	Dark f.g. siliceous volcanic
5685	North Zone	White to light grey siliceous volcanic
5686	North Zone	White to light grey siliceous volcanic
5687	North Zone	White to light grey siliceous volcanic
5689	North Zone	Light brown to white siliceous rhyolite
5695	North Zone	Siliceous rhyolite
5714	South Zone	Qz sercite altered acid volcanic,+py
5747	South Zone	Bleached siliceous shear zone, +py
5781	North Zone	Qz altered f.g. tuff
5782	North Zone	Qz altered f.g. tuff
5783	North Zone	Qz sercite altered acid volcanic
5784	North Zone	siliceous acid volcanic,+py
5785	North Zone	Chalky acid volcanic
5786	North Zone	Chalky acid volcanic
5795	South Zone	Rusty bleached cherty volcanic,+py
5797	South Zone	Qz sercite altered acid volcanic
5798	South Zone	Rusty bleached cherty volcanic
6314	Mavis Zone	Rusty dacite, 5% py in fine lamella
6320	Mavis Zone	Gy-br hornfelsed sed + white rhyolite,+py
6330	South Zone	Rusty bleached white rhyolite
6331	South Zone	Rusty bleached white rhyolite, qz vein
6332	South Zone	Rhyolite altered, with qz sercite py vein
6333	South Zone	Rhyolite altered, with qz sercite py vein
6335	South Zone	White sugary siliceous rhyolite,py
6339	South Zone	White to grey rhyolite,stockwork of py
6360	South Zone	White rhyolite
6364	South Zone	White rhyolite
6367	South Zone	Rusty white rhyolite
7042	South Zone	Siliceous andesite tuff, minor py

SAMPLE NO.	LOCATION	DESCRIPTION
7050	North Zone	Qz sercite altered acid volcanic,qz veinlet
7083	North Zone	Qz sercite altered schistose shear, ga+py
7090	South Zone	Cherty f.g. acid volcanic
7092	South Zone	Cherty f.g. acid volcanic
7094	South Zone	Weathered cherty acid volcanic, diss. py
7095	South Zone	Weathered cherty acid volcanic, diss. py
7097	South Zone	Cherty acid volcanic, diss. py
7099	South Zone	Cherty acid volcanic, diss. py
7177	Mavis Zone	Rusty,red, yellow siliceous altered tuff,py
7178	Mavis Zone	Rusty,red, yellow siliceous altered tuff,py
7179	Mavis Zone	Siliceous andesite tuff, diss. py
7180	Mavis Zone	Massive brown chert, +py
E 21401	Mavis Zone	Siliceous volcanic,cp, sp, ga
E 21402	Mavis Zone	Altered volcanic with qz vein, py,+cp
E 21403	Mavis Zone	Very siliceous rock, py, sp
E 21404	Mavis Zone	Siliceous volcanic, +py
E 21405	Mavis Zone	Vein material, py, cp
E 21406	North Zone	Siliceous rhyolite with carbonate & barite
E 21407	Mavis Zone	Altered volcanic, py, cp, sp
E 21408	North Zone	Vein material with sp, ga, cp
E 21409	North Zone	Siliceous volcanic
E 21410	North Zone	Siliceous volcanic with sp, ga, cp
E 21411	North Zone	Siliceous volcanic with sp, ga, cp
E 21412	North Zone	Altered volcanic with 20% sp, ga,+/- cp,py

GEOCHEMICAL ANALYSIS CERTIFICATE

ICP - .500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER. THIS LEACH IS PARTIAL FOR MN FE CA P LA CR HG BA TI B W AND LIMITED FOR NA K AND AL. AU DETECTION LIMIT BY ICP IS 3 PPM. - SAMPLE TYPE: ROCK AU ANALYSIS BY AA FROM 10 GRAM SAMPLE.

DATE RECEIVED: FEB 23 1988

DATE REPORT MAILED: *Mar 2/88*

ASSAYER: *C. Leong*D. TOYE OR C. LEONG, CERTIFIED B.C. ASSAYERS

SCHELLEX GOLD File # 88-0527 Page 1

SAMPLE#	MO	CU	PB	ZN	AG	NI	CO	MN	FE	AS	U	AU	TH	SR	CD	SB	BI	V	CA	P	LA	CR	HG	BA	TI	B	AL	NA	K	W	AU
	PPH	PPH	PPH	PPH	PPH	PPH	PPH	PPH	I	PPH	PPH	PPH	PPH	PPH	PPH	PPH	PPH	PPH	I	I	PPH	PPH	I	PPH	I	PPH	I	I	I	PPH	PPH
E 21401	74	23410	2599	2903	50.3	11	24	267	9.21	33	5	ND	1	3	23	2	41	8	.09	.021	2	2	.15	9	.02	5	.38	.02	.11	1	129
E 21402	4	23868	19	1919	48.4	10	46	1570	12.02	19	5	ND	1	18	12	2	2	87	.30	.022	2	6	2.39	5	.17	2	3.05	.10	1.34	1	1
E 21403	1	302	53	106	1.3	14	18	505	4.59	5	5	ND	1	278	1	2	2	44	3.31	.099	2	4	.59	54	.07	2	6.26	.92	.52	1	1
E 21404	1	220	16	50	.9	3	6	898	2.83	10	5	ND	1	70	1	2	2	34	4.35	.039	3	5	1.02	41	.08	5	7.13	.19	.69	3	1
E 21405	7	40547	35	3576	88.4	5	103	724	25.44	18	5	ND	1	13	24	2	2	38	.10	.001	3	1	.72	4	.03	2	.93	.03	.21	1	69
E 21406	3	18	51	66	.7	2	1	244	1.02	15	5	ND	1	429	1	2	7	16	.05	.007	2	7	1.09	116	.03	3	.71	.01	.15	1	84
E 21407	72	760	41	2200	2.2	10	31	211	9.36	37	5	ND	1	3	14	2	2	6	.15	.049	2	3	.14	4	.02	2	.37	.01	.15	1	7
E 21408	56	491	15305	27069	245.1	5	2	225	1.05	130	5	5	1	22	103	207	2	5	.07	.003	2	3	.10	23	.01	2	.33	.03	.09	1	5920
E 21409	41	68	744	425	46.7	4	2	33	1.04	164	5	ND	1	3	1	14	2	1	.01	.004	2	2	.01	126	.02	4	.12	.01	.11	4	131
E 21410	214	2714	3349	18394	153.6	2	1	131	1.26	129	5	9	1	13	56	60	2	3	.13	.003	2	3	.02	37	.01	6	.27	.01	.04	1	2990
E 21411	64	153	19012	76321	247.0	2	2	365	1.64	168	5	44	1	14	229	185	3	5	.04	.002	2	3	.06	31	.01	8	.30	.01	.05	1	39900
E 21412	93	1409	502	99999	54.4	20	68	1105	15.43	84	5	2	1	3	1005	2	14	7	.03	.014	2	2	.05	2	.03	2	.27	.01	.15	1	405
STD C/AU-R	19	58	43	132	7.6	67	30	1137	4.11	42	17	8	37	48	18	20	21	57	.46	.083	39	59	.97	178	.07	33	1.98	.08	.14	11	520

- ASSAY REQUIRED FOR CORRECT RESULT for Cu Pb > 10,000 ppm
Zn > 20,000 ppm
Ag > 35 ppm

APPENDIX II
CERTIFICATE OF ANALYSIS - ROCKS

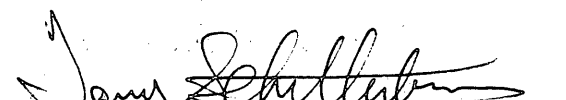
SAMPLE#	MO	CU	PB	ZN	AG	NI	CO	MN	FE	AS	U	AU	TH	SR	CD	SB	BI	V	CA	P	LA	CR	MG	BA	TI	B	AL	NA	K	M	AU#
	PPH	PPH	PPH	PPH	PPH	PPH	PPH	PPH	I	PPH	PPH	PPH	PPH	PPH	PPH	PPH	PPH	PPH	I	I	PPH	PPH	I	PPH	I	PPH	I	I	I	PPH	PPH
7092	4	108	6601	76	8.7	11	1	35	.92	36	5	ND	1	12	1	3	2	1	.02	.008	3	110	.08	725	.02	3	.24	.01	.13	1	320
7094	7	435	5892	186	9.0	3	1	28	3.05	90	5	ND	1	10	1	5	2	2	.05	.011	3	129	.06	162	.02	3	.23	.01	.18	1	850
7095	7	447	9795	142	13.7	3	1	28	3.03	123	5	ND	1	9	1	11	3	1	.03	.008	2	108	.05	106	.01	4	.23	.01	.18	1	660
7097	7	385	6197	88	15.4	3	1	24	1.34	41	5	ND	1	8	1	8	2	1	.06	.008	2	157	.03	538	.01	11	.30	.01	.13	1	705
7099	6	249	3038	92	5.1	3	1	32	1.53	31	5	ND	1	7	1	2	2	1	.02	.008	3	109	.05	625	.02	3	.17	.01	.10	1	2220
7177	4	8582	557	1863	22.4	5	12	225	7.19	15	5	ND	1	26	14	2	14	35	.18	.015	2	8	.20	12	.05	5	.46	.04	.22	1	114
7178	8	1421	124	221	10.4	4	5	98	6.48	23	5	ND	1	16	1	2	2	25	.02	.014	2	7	.05	23	.04	3	.11	.02	.16	1	510
7179	2	742	252	1346	4.9	7	6	686	4.45	6	5	ND	1	9	8	2	2	30	.07	.039	3	7	.74	136	.09	2	.95	.02	.62	1	24
7180	2	37	19	72	.4	5	2	500	1.90	2	5	ND	3	17	1	2	2	4	.48	.029	5	7	.40	36	.08	12	1.31	.08	.41	1	1
STD C/AU-R	19	61	40	133	7.6	72	30	1118	4.06	43	21	8	39	49	19	19	22	59	.49	.083	40	59	.96	180	.07	31	1.80	.08	.13	10	520

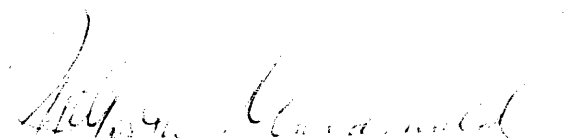
SAMPLE#	MO	CU	PB	ZN	AG	NI	CO	MN	FE	AS	U	AU	TH	SR	CD	SB	BI	V	CA	P	LA	CR	MG	BA	TI	B	AL	NA	K	M	AU#
	PPH	PPH	PPH	PPH	PPH	PPH	PPH	PPH	I	PPH	PPH	PPH	PPH	PPH	PPH	PPH	PPH	PPH	I	I	PPH	PPH	I	PPH	I	PPH	I	I	I	PPH	PPH
1361	10	888	840	4741	6.0	10	5	165	5.46	85	5	ND	1	14	26	16	2	1	.18	.004	2	7	.11	34	.01	2	.44	.01	.08	2	1640
1438	1	469	614	203	130.0	3	5	640	1.34	17	6	ND	1	76	1	9	266	3	.60	.014	4	4	1.16	264	.06	3	2.01	.06	.62	1	255
1442	7	38	133	24	55.5	2	1	63	.78	34	5	ND	1	12	1	52	2	1	.01	.007	6	4	.19	1222	.01	3	.34	.01	.14	1	1390
1443	5	25	69	42	8.8	3	1	86	.57	8	5	ND	1	10	1	4	3	1	.03	.004	2	4	.19	189	.01	2	.33	.01	.12	1	1290
5682	7	55	186	50	24.9	5	1	82	.87	12	5	4	1	24	1	9	2	1	.07	.005	3	5	.13	351	.01	4	.40	.02	.11	1	3375
5685	7	35	74	63	3.2	4	1	97	.86	11	5	2	1	26	1	2	2	1	.11	.005	5	5	.27	372	.01	3	.63	.03	.19	1	2325
5686	8	108	243	50	20.7	6	1	72	.74	14	5	7	1	19	1	11	2	2	.13	.005	2	5	.08	418	.01	3	.40	.02	.07	1	6640
5687	8	25	124	92	6.4	5	2	71	.69	14	6	ND	1	24	1	11	2	1	.18	.005	2	5	.09	628	.01	3	.47	.02	.08	1	945
5689	14	53	478	63	33.1	4	1	64	.62	24	5	2	1	19	1	36	2	1	.13	.005	3	5	.12	869	.01	2	.48	.02	.09	1	1295
5695	26	29	166	24	29.2	5	2	122	1.05	32	5	3	1	10	1	61	2	1	.06	.004	2	7	.10	657	.01	3	.28	.01	.09	1	2325
5714	6	372	6689	144	11.5	2	1	60	2.20	39	5	2	1	10	1	12	2	1	.01	.009	2	73	.08	423	.01	2	.25	.01	.19	1	6980
5747	3	68	45	90	.9	8	9	554	5.21	5	7	ND	2	38	1	2	2	35	.50	.056	3	10	.85	79	.12	2	2.42	.17	.75	1	325
5781	7	11	34	21	3.5	2	2	103	2.69	31	5	ND	2	5	1	5	2	11	.01	.011	9	41	.52	395	.02	3	.86	.02	.47	1	18
5782	13	76	353	666	163.9	5	2	118	1.04	65	5	ND	2	10	1	85	2	3	.15	.004	6	162	.15	196	.01	3	.77	.04	.26	3	260
5783	6	35	376	81	103.0	5	2	70	1.20	59	5	ND	1	12	1	23	2	2	.05	.009	4	205	.08	543	.02	6	.67	.01	.22	1	290
5784	36	36	431	229	164.5	5	1	73	.82	44	5	ND	2	55	1	22	2	4	.25	.006	7	130	.15	915	.02	5	1.07	.05	.25	1	785
5785	10	12	104	302	90.8	2	1	96	1.48	26	5	ND	3	87	1	46	2	1	.01	.008	8	53	.45	160	.02	5	1.11	.02	.52	1	103
5786	11	10	169	485	71.9	4	1	144	1.99	42	5	ND	1	101	1	51	2	1	.03	.010	6	40	.77	86	.02	3	1.26	.04	.64	1	55
5795	4	205	434	49	3.8	3	1	61	2.41	50	5	ND	1	8	1	2	2	1	.03	.014	2	138	.08	153	.01	3	.33	.01	.18	1	985
5797	5	132	813	47	6.4	3	2	36	1.48	46	5	3	1	6	1	10	2	1	.01	.006	2	161	.05	1016	.01	7	.35	.01	.17	1	3210
5798	22	153	1837	91	15.6	5	2	48	1.92	19	5	ND	1	7	1	12	2	1	.01	.010	2	164	.09	997	.01	4	.51	.01	.22	1	385
6314	1	59	657	530	2.6	6	17	610	5.13	7	5	ND	1	206	4	2	2	67	4.42	.045	2	19	.47	18	.14	2	7.13	.72	.30	1	3
6320	4	32	5	16	.1	2	2	129	.83	2	5	ND	3	46	1	2	3	2	.67	.016	7	30	.38	59	.02	3	1.74	.11	.35	1	1
6330	19	42	631	67	2.8	2	2	22	1.52	23	5	4	1	12	1	3	2	1	.01	.007	2	66	.02	1429	.01	3	.19	.01	.11	1	4210
6331	19	304	1202	105	20.9	3	2	53	3.61	35	5	ND	1	5	1	7	2	1	.01	.013	3	68	.08	566	.01	2	.29	.01	.16	1	6110
6332	5	172	805	91	10.9	1	2	33	2.50	34	5	2	1	3	1	18	2	1	.01	.008	2	50	.02	871	.01	2	.21	.01	.10	1	1945
6333	6	208	671	137	41.3	2	2	45	2.58	32	5	2	1	6	1	33	2	1	.01	.008	2	58	.06	512	.01	2	.35	.01	.13	1	965
6335	3	9	187	150	.6	4	2	1267	1.43	9	5	ND	1	20	1	2	2	5	.10	.017	5	34	2.13	246	.08	4	2.20	.04	1.26	1	31
6339	5	181	2327	145	9.3	2	1	68	.45	82	5	2	1	11	1	12	7	1	.15	.007	2	57	.11	190	.02	2	.44	.01	.08	1	1350
6360	6	10	12	46	1.2	8	3	188	1.92	9	5	ND	2	66	1	2	2	1	.48	.012	5	7	.71	24	.01	2	1.93	.03	.07	1	8
6364	3	15	851	54	.9	6	1	80	.55	5	5	ND	1	6	1	2	2	1	.04	.007	2	7	.14	555	.01	4	.33	.01	.11	2	91
6367	28	13	145	51	.5	6	4	245	6.47	36	5	ND	2	4	1	2	3	1	.01	.022	9	6	.50	114	.01	2	.77	.01	.24	1	29
7042	4	128	182	73	.7	2	2	75	1.04	7	5	ND	1	7	1	2	2	2	.09	.029	5										

CERTIFICATES


DATED: JUNE 20, 1988.

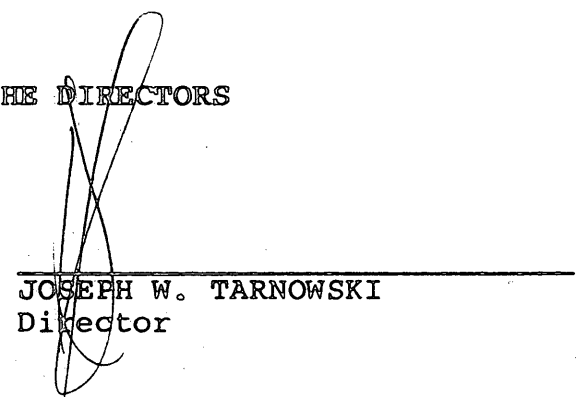
The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the Securities Act and its regulations.


GARY D. A. SCHELLENBERG
Chief Executive Officer
and Promoter


IAN M. G. MACDONALD
Chief Financial Officer

ON BEHALF OF THE DIRECTORS


DENIS C. BERNARDI
Director


JOSEPH W. TARNOWSKI
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 Prospectus as required by the Securities Act and its regulations.

DATED: JUNE 20, 1988.

WOLVERTON SECURITIES LTD.

per: 