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EFFECTIVE DATE 26TH FEBRUARY 1988

THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY MAY BE LAWFULLY OFFERED FOR SALE 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 FOR SALE BY THIS PROSPECTUS AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

DATE: 19TH FEBRUARY 1988

PROSPECTUS

SCORPION RESOURCES INC.
(the "Issuer")
(Incorporated in British Columbia)
300,000 Common Shares at \$0.35 per Share

Price to Public(1)	Commission	Net Proceeds to the Issuer(2)
\$0.35	\$0.05	\$0.30
\$105,000	\$15,000	\$90,000

determined by Agreement between the Issuer and the Agents. The deduction of the costs of this issue estimated not to exceed \$30,000.

NO MARKET THROUGH WHICH THESE SECURITIES OF THE ISSUER WOULD. A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED AS SPECULATIVE. ALL THE PROPERTIES IN WHICH THE ISSUER HAS AN INTEREST ARE IN THE EXPLORATION STAGE ONLY WITHOUT A KNOWN BODY OF COMMERCIAL ORE. NO SURVEY OF ANY PROPERTY IN WHICH THE ISSUER HAS AN INTEREST HAS BEEN MADE AND THEREFORE, IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH SUCH PROPERTY IS SITUATED, ITS EXISTENCE AND AREA COULD BE IN DOUBT. REFERENCE IS MADE TO THE HEADING "RISK FACTORS".

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 ISSUER.

ONE OR MORE OF THE DIRECTORS OF THE ISSUER HAS AN INTEREST, DIRECT OR INDIRECT, IN OTHER NATURAL RESOURCE COMPANIES. REFERENCE SHOULD BE MADE TO THE HEADING "DIRECTORS AND OFFICERS" FOR A COMMENT AS TO THE RESOLUTION OF POSSIBLE CONFLICTS OF INTEREST.

UPON COMPLETION OF THIS OFFERING, THIS ISSUE WILL REPRESENT 13.7% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 53.0% THAT WILL THEN BE OWNED BY CONTROLLING PERSONS, PROMOTERS, DIRECTORS AND SENIOR OFFICERS OF THE ISSUER, THE AGENTS AND THEIR ASSOCIATES. REFERENCE IS MADE TO THE HEADING "PRINCIPAL HOLDERS OF SECURITIES" FOR DETAILS OF SHARES HELD BY DIRECTORS, PROMOTERS AND CONTROLLING SHAREHOLDERS OF THE ISSUER, THE AGENTS AND THEIR ASSOCIATES.

BASED ON THE OFFERING PRICE OF \$0.35 PER SHARE, THE NET TANGIBLE BOOK VALUE (AFTER PAYMENT OF AGENTS' COMMISSION AND THE BALANCE OF COSTS OF THIS PROSPECTUS) FOR EACH OF THE 2,182,555 THEN OUTSTANDING SHARES WOULD BE APPROXIMATELY \$0.17, RESULTING IN AN IMMEDIATE

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Three exploration holes were drilled in the northwestern part of the Cedar Gold prospect.

Engineering Report and Work Program

Particulars of the results of the prior work on the Cedar Gold Prospect are contained in the report dated 15th December 1986 by N.C. Croome, P.Eng., concerning the Cedar Gold Prospect, a copy of which is included with and forms a part of this Prospectus.

Mr. Croome concludes on page 2 that:

"Based on results of previous surveys and work done to date on the property it is concluded that the Cedar Property is an excellent exploration opportunity located in favourable geological environment and the property warrants an exploration development program consisting of more detailed geological mapping, sampling, geophysical studies and drilling."

He goes on to recommend a three-phase program of exploration be undertaken on the Cedar Gold Property. Phase I will consist of aerial photography, geological mapping, geochemical soil sampling and combined ground survey of magnetometer and VLF-electro magnetic survey at an estimated cost of \$36,858.00 U.S. (\$51,601.00 Cdn.). Phase II, contingent upon favourable results from Phase I, will consist of 1,500 feet of rotary drilling and assaying at an estimated cost of \$29,175.00 U.S. (\$40,845.00 Cdn.). Phase III, contingent upon favourable results from Phases I & II will consist of 9,600 feet of diamond drilling and assaying at an estimated cost of \$148,600 U.S. (\$208,040.00 Cdn.).

B. GOLD MOUNT CLAIMS

By an agreement dated 25th March 1986 with Monica Resources Ltd. ("Monica") of 8665 Barnard Street, Vancouver, B.C., V6P 5G6 (the "Agreement") the Issuer acquired from Monica the option to earn a 25% interest in the following contiguous mineral claims situate in the Similkameen Mining Division, British Columbia:

<u>Claim Name</u>	<u>Record Number</u>	<u>Expiry Date</u>
Gold Mount	340 (5)	May 8, 1997
Gail Gold	341 (5)	May 8, 1997
Weldonna	344 (5)	May 8, 1997
Bonanza Gold	533 (5)	May 11, 1997
Bonanza - Queen and Nevada	511 (2)	Feb. 12, 1997
Ace	1381 (3)	Mar. 16, 1997
Gold Creek	1382 (3)	Mar. 16, 1997
Grasshopper 1	1803 (1)	Jan. 10, 1990
Grasshopper 2	1804 (1)	Jan. 10, 1990
Au Fraction	1947 (6)	June 15, 1997

(hereinafter referred to as the "Claims").

The Agreement provides that the Issuer may earn its 25% interest in the Claims by paying one-third of all payments due pursuant to the underlying option agreement (the "Option Payments"), and one-third of an aggregate expenditure of \$400,000.00 (namely \$133,333.33) proposed for the exploration and development of the Claims (which exploration costs have been paid).

The Option Payments aggregate \$110,000.00 of which \$5,000.00 was paid on 15th December 1986, \$5,000.00 was paid on 15th December 1987 and \$100,000.00 is payable on or before 15th December 1988. The Issuer is therefore obliged to pay \$36,666.67 in the aggregate in respect of the Option Payments.

Upon the Issuer earning its 25% interest as aforesaid, the Issuer will enter into a joint venture agreement with Monica whereby it will be responsible for its share of all further exploration and development costs in proportion to its interest in the Claims, namely 25% ("E & D Costs"). The Agreement provides that Twin Eagle will be the operator of the Joint Venture.

The Agreement further provides that in the event either party fails to pay its share of E & D Costs, such party's interest will be subject to dilution in accordance with the following formula. The participating interest of each party in the Claims shall be calculated from time to time and shall equal the decimal equivalent (expressed as a percentage) of a fraction, the numerator of which shall be all monies expended on exploration and development operations by the party whose percentage participating interest is being calculated, and the denominator of which shall be the total sum of all monies expended by both parties toward exploration and development operations on the Claims. In the event that Monica's interest in the Claims is reduced to 10%, Monica's interest shall automatically convert to a 5% carried interest.

The Issuer is informed that Mt. Grant Mines Ltd. ("Mt. Grant") of 8665 Barnard Street, Vancouver, British Columbia and Twin Eagle Resources Inc. ("Twin Eagle") of 8665 Barnard Street, Vancouver, British Columbia have entered into similar agreements with Monica each dated 25th March 1986 in which each has an option to earn a 25% interest in the Claims. To date the Issuer has spent \$183,794 on the claims and the Issuer is informed that Mt. Grant and Twin Eagle have each spent the same sum and therefore, the sum of \$552,217 in the aggregate has been spent on the claims pursuant to the Monica Agreement. All three agreements provide that Twin Eagle shall be the operator of the joint venture.

Monica holds an option to purchase 100% of the Gold Mount, Gail Gold, Weldonna, Bonanza Gold and Bonanza-Queen and Nevada mining claims which form part of the Claims. The Issuer understands that Monica acquired this option from the following companies for the following considerations: Farwest Energy Inc. ("Farwest") of #1700, 750 West Pender Street, Vancouver, B.C. for \$100,000.00, Manbel Holdings Ltd. ("Manbel") of 8665 Barnard Street, Vancouver, B.C. for \$21,400.00, and Rynco Resources Ltd. ("Rynco")

of #320, 9th Avenue S.W., Calgary, Alberta for \$20,000.00. Under the terms of this option Monica is obligated to pay an additional \$5,000.00 to David Javorsky ("Javorsky") of 1614, 675 West Hastings Street, Vancouver, B.C. on or before October 31st of each year up to and including 1997.

Monica owns the Ace, Gold Creek and Au Fraction mining claims which it acquired at an aggregate cost of \$16,550.00 from Farwest, Javorsky and John E. Cleveland of 928, 6th Avenue S.W., Calgary, Alberta.

By an agreement dated 13th January 1984, Monica acquired from L.O. Allen and R. Bilquist, both of Gabriola Island, B.C. (the "Sellers") and Javorsky an option to purchase 100% of the Grasshopper No. 1 and Grasshopper No. 2 mining claims in consideration of Monica paying the Sellers \$112,500.00 (of which \$90,000.00 is payable during 1988) and paying Javorsky \$12,500.00 (of which \$10,000.00 is payable in 1988). Of the amounts payable to the Sellers and Javorsky, the Issuer is informed that Monica has paid the sum of \$15,000.00. The Issuer understands that the Sellers and Javorsky acquired these two mining claims by staking.

As at 30th November 1987, the Issuer is informed that Monica had expended \$232,636.00 in respect of exploration on the Claims, specifically, on the Gold Mount, Gold Creek, Gail Gold, Grasshopper 1 and 2, Bonanza Gold and Bonanza Queen and Nevada Claims.

None of the directors, officers or principal shareholders of the Issuer serve as directors, officers or have any shareholdings in Farwest or Rynco. Manbel is a company controlled by Sydney Belzberg.

Neither an insider nor a promoter of the Issuer has held any interest in the Claims during the past three years other than as follows:

Sydney A. Belzberg, who hold in excess of 10% of the issued and outstanding shares of the Issuer, is a Director of Monica.

Estella Lo and Irwin Riback (who are directors of the Issuer) are Directors of Mt. Grant, and Sydney Belzberg owns beneficially, directly or indirectly, more than 10% of the Shares of Mt. Grant.

Irwin Riback is a Director, Estella Lo is the Secretary of Twin Eagle and Sydney A. Belzberg owns beneficially, directly or indirectly, more than 10% of the Shares of Twin Eagle.

Newmont Agreement

By an agreement dated 16th July 1986 (the "Newmont Agreement") between Newmont Mines Limited ("Newmont") of #900, 808 West Hastings Street, Vancouver, B.C., the Issuer, Monica, Mt. Grant and Twin Eagle, Monica granted Newmont the right to earn an interest in the western most 12 units of the Grasshopper 1 and Grasshopper 2 mineral claims (the "Newmont Property").

Newmont has the right to earn a 40% interest in the Newmont Property (Stage 1) by making the following payments to Monica:

- \$ 5,000.00 - paid on execution of the Newmont Agreement
- \$ 5,000.00 - by December 15, 1986 (which sum has been paid)*
- \$ 5,000.00 - by December 15, 1987 (which sum has been paid)*
- \$100,000.00 - by December 15, 1988 *

* (which sums represent the Option Payments as hereinbefore defined).

and carrying out the following schedule of exploration work on the Newmont Property:

<u>Cumulative Work Commitment</u>	<u>By this Date</u>
\$ 30,000.00	March 31st 1987
\$ 120,000.00	March 31st 1988
\$ 250,000.00	March 31st 1989

Newmont has completed its exploration requirements to 31st March 1987, by having spent a total of \$51,717.00 in exploration work on the Newmont Property.

Upon completion of Stage 1, Newmont can increase its interest to 55% (Stage 2) by carrying out further work to a cumulative total of \$450,000.00. Upon completion of Stage 2, Newmont can increase its interest to 60% by carrying out further work to a cumulative total of \$1,000,000.00.

Upon Newmont earning its 60% interest in the Newmont Property, the Issuer, Monica, Mt. Grant and Twin Eagle may elect jointly to participate in respect of their aggregate 40% interest in all future expenditures and the parties shall enter into a joint venture agreement with Newmont as operator. If such an election is not made, Newmont may continue to work on the Newmont Property and shall increase its interest to 75% upon completion of a feasibility study and upon deciding to place the Newmont Property into production.

Upon Newmont earning its 75% interest in the Newmont Property, the Issuer, Monica, Mt. Grant and Twin Eagle may elect jointly to participate in respect of their aggregate 25% interest in all future expenditures and the parties shall enter into a joint venture agreement with Newmont as operator. If such an election is not made or if it is made and the Issuer, Monica, Mt. Grant and Twin Eagle fail to pay jointly their aggregate 25% share of all expenditures when due, their individual interests shall each convert to a 2 1/2% net proceeds interest and Newmont shall have the entire working interest in the Newmont Property.

By an agreement dated 16th July 1986 between Monica, the Issuer, Mt. Grant and Twin Eagle (the "Inter-Party Agreement"), the Issuer was released from its obligation to make the Option Payments and E & D costs but only to the extent that such Option

Payments and E & D costs are made by Newmont. Upon Newmont earning a 60% interest in the Newmont Property, the Issuer shall be fully released from such obligation.

None of the directors, officers or principal shareholders of the Issuer serve as directors, officers or have any shareholdings in Newmont.

Location and Access

The Claims are located in the Similkameen Mining Division 25 kilometers northwest of Princeton, British Columbia. Access to the property is by four wheel drive vehicle from Tulameen, British Columbia by the Lawless Creek Road or the Bear Creek Road, a distance of approximately 26 and 11 kilometers, respectively. A rough road suitable for four wheel drive vehicles, also provides access to the central areas of the property.

History

Mining development in the property area dates back to 1887 when gold was discovered on the Bonanza Queen and Nevada crown grant mineral claims, now reverted. The Rabbitt Mine, located on the Gail Gold Claim was located in 1938 by the Rabbitt brothers. About 1,000 ounces of gold were recovered between 1938 and 1940. The Grasshopper No. 1 and Grasshopper No. 2 claims were recorded in 1978.

Previous Exploration

During October and November, 1983 Monica completed a program of surface prospecting, geochemical soil sampling, geophysical surveying and 146 metres of diamond drilling in three of the holes in the immediate area of the Rabbitt Mine. In 1984 Monica extended prospecting, mapping and soil sampling as well as blasting and trenching to extend the Rabbitt Mine vein to the southwest. A reconnaissance program of geological mapping, geophysics and geochemical soil and rock sampling over Grasshopper No. 1 and Grasshopper No. 2 claims was conducted by Monica during October and November of 1985.

During January, 1986 a horizontal loop electro-magnetic survey was performed over the Gail Gold claim. In addition, between January and March, 1986 Monica completed approximately 1,500 metres of diamond drilling in the immediate area of the former Rabbitt Mine in order to define a mineralized vein which cuts across the Rabbitt Mine on the Gail Gold Claim. The cost of the exploration and development program conducted between 1st January 1986 and 31st March 1986 on the Claims was \$348,582.00 which was funded equally by the Issuer, under the Agreement, and by Mt. Grant and Twin Eagle.

Since September 1986, a \$200,000.00 work program was done on the Claims consisting of a detailed geological, geochemical and geo-

physical survey over areas where little or no previous work has been done, a program of diamond drilling to further define the vein cutting across the Gail Gold Claim referred to above, and the opening up of the Rabbitt Mine workings in order to gain access to valuable underground information. The results show the veins to be very limited in size. The bulk sample, collected from the southeast vein to avoid the erratic nature of gold values from smaller samples, assayed 0.085 troy ounces per ton. Drilling to the north and southeast in the Rabbitt adit vein failed to locate significant veining in these areas. The Report of Leif Christenson, M.Sc., dated 25th February 1987 states that further direct exploration of the Rabbitt vein system is not recommended at this time. Although the report does recommend work be done in other parts of the Gold Mount Claims, the Issuer does not plan to do any further work on the Gold Mount Claims within the next year.

The Issuer is advised that the work program conducted by Newmont on the Newmont Property included a lithochemical survey which defined two types of chromite occurrences on the Property: (1) platinum-enhanced chromite segregations, and (2) platinum deficient chromite segregations. An anomalous area measuring 800m by 300m has been outlined, which included a 250 by 150m zone containing several platinum-bearing chromite occurrences containing up to 16000 ppb Pt (0.47 oz/ton) over 1.0m. Three of these occurrences have been extensively chip sampled, with platinum content averaging 1350 to 2915 ppb (0.04 to 0.09 oz/ton) over 6 X 6m areas. The platinum to palladium ratio averages 250 to 1. The irregularly shaped pods and lenses of chromite, up to a metre long, show no preferred attitudes and no systematic distribution in the dunite mass. Newmont has advised the Issuer that it intends to carry out the work program recommended on the western 12 claim units of the Grasshopper 1 and 2 claims in the report of Dennis M. Bohme, P.Eng., dated 8th January 1987, including beneficiation tests, a petrographic study, detailed mapping and sampling and trenching.

To the knowledge of the Issuer, the Claims are without a known body of commercial ore and any program conducted thereon would be an exploratory search for ore.

RISK FACTORS

The purchase of the securities offered by this Prospectus must be considered a speculation. The Issuer is in the start-up phase of its business operations and has no history of earnings.

The risks inherent in the investment include the following:

1. Exploration for minerals is a speculative venture involving risk. Expenditures made on mineral properties may not result in the discovery of commercial quantities of ore.