RM

092HNE 032
Siwash Creek Property
ALSO NE 001, 042, 174, 178
92HE 1/2
~~82LSW080~~

MINISTRY OF ENERGY, MINES
008421 AND PETROLEUM RESOURCES

JUN 14 1991

KAMLOOPS, B.C.

EFFECTIVE DATE: APRIL 4, 1991

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 HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

NEW ISSUE **PROSPECTUS**

INTERNATIONAL TOWER HILL MINES LTD.
(formerly Tower Hill Mines Ltd.)
(formerly Ashnola Mining Co. Ltd.)
(the "Issuer")
(Incorporated under the laws of British Columbia)
#407 - 321 Water Street
Vancouver, B.C.

NATURAL RESOURCE ISSUER

The Offering Price of the securities offered herein was established by negotiation between the Issuer and the Agent. The Offering Price of $0.40 per Common Share exceeds the net tangible book value per Common Share by $0.298 after giving effect to this Offering, representing a dilution of 74%. Reference is made to "Dilution". An investment in the securities offered herein must be regarded as speculative. Reference is made to "Risk Factors".

THERE IS NO MARKET THROUGH WHICH THESE SECURITIES MAY BE SOLD.

650,000 Common Shares @ $0.40 per share (Minimum Subscription)
750,000 Common Shares @ $0.40 per share (Maximum Subscription)

	Price to Public	Commissions	Net Proceeds to be received by Issuer
Per Share	$0.40	$0.05	$0.35
Minimum Subscription	$260,000	$32,500	$227,500*
Maximum Subscription	$300,000	$37,500	$262,500*

*Before deduction of the balance of the costs of offering payable by the Issuer estimated not to exceed $10,000.

Jun 5/91

Dorthe

Actually it is just south of the ELK property - still in 92 H/16 E. Photocopied and returned - what an efficient system!

See you next week

Ron.

ADDITIONAL OFFERINGS: 239,789 COMMON SHARES AT $0.35 PER SHARE, 37,500 COMMON SHARES AT $0.40 PER SHARE AND 291,428 UNITS AT $0.35 PER UNIT, EACH UNIT CONSISTING OF ONE COMMON SHARE AND ONE NON-TRANSFERABLE SHARE PURCHASE WARRANT.

THIS PROSPECTUS ALSO QUALIFIES FOR SALE TO THE PUBLIC AT THE MARKET PRICE THROUGH THE AGENT 1) 239,789 COMMON SHARES OF THE ISSUER ISSUED AT $0.35 PER SHARE 2) 37,500 COMMON SHARES AT $0.40 PER SHARE AND 3) 291,428 UNITS AT $0.35 PER UNIT. NONE OF THE PROCEEDS FROM THE SALE OF THE 239,789 COMMON SHARES, OF THE 291,428 UNITS OR OF THE 37,500 COMMON SHARES WILL ACCRUE TO THE ISSUER. THE SAME COMMISSION ($0.05) WILL APPLY TO THE 239,789 COMMON SHARES, THE 291,428 UNITS AND THE 37,500 COMMON SHARES. THESE ADDITIONAL OFFERINGS ARE CONTINGENT UPON COMPLETION OF THE PRIMARY OFFERING. FOR FURTHER PARTICULARS SEE PAGES 1 AND 25.

DIRECTORS AND OFFICERS OF THE ISSUER ARE OR MAY BE DIRECTORS AND OFFICERS OF OTHER COMPANIES WHICH MAY OR DO CARRY ON SIMILAR TYPES OF BUSINESSES AND CONFLICTS OF INTEREST MAY RESULT. REFERENCE IS MADE TO "DIRECTORS AND OFFICERS" ON PAGES 17 AND 18 HEREIN.

UPON COMPLETION OF THIS OFFERING, THIS ISSUE WILL REPRESENT 34.89% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 43.34% THAT WILL THEN BE OWNED BY THE DIRECTORS, SENIOR OFFICERS, PROMOTERS AND CONTROLLING PERSONS ISSUED FOR CASH AND PROPERTY PRIOR TO THE DATE OF THIS PROSPECTUS. SEE PAGE 22 HEREOF.

THE REGISTRAR AND TRANSFER AGENT OF THE ISSUER IS CENTRAL GUARANTY TRUST COMPANY OF 2ND FLOOR - 800 WEST PENDER STREET, VANCOUVER, BRITISH COLUMBIA.

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.

THE VANCOUVER STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED PURSUANT TO THIS PROSPECTUS. LISTING IS SUBJECT TO THE ISSUER FULFILLING ALL THE LISTING REQUIREMENTS OF THE VANCOUVER STOCK EXCHANGE ON OR BEFORE OCTOBER 1, 1991, INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

THE OFFERING IS SUBJECT TO A MINIMUM SUBSCRIPTION BEING RECEIVED BY THE ISSUER WITHIN 180 DAYS OF THE EFFECTIVE DATE OF APRIL 4, 1991. FURTHER PARTICULARS OF THE MINIMUM SUBSCRIPTION ARE DISCLOSED ON PAGE 2 BEFORE THE CAPTION "USE OF PROCEEDS".

WE AS AGENT CONDITIONALLY OFFER TO THE PUBLIC, SUBJECT TO PRIOR SALE, THESE SECURITIES, IF, AS AND WHEN ISSUED BY THE ISSUER AND ACCEPTED BY US IN ACCORDANCE WITH THE CONDITIONS CONTAINED IN THE AGENCY AGREEMENT REFERRED TO UNDER "PLAN OF DISTRIBUTION" ON PAGES 1 AND 2 HEREIN.

NAME AND ADDRESS OF THE AGENT:

GEORGIA PACIFIC SECURITIES CORPORATION
#1600 - 555 Burrard Street
Vancouver, B.C.

Dated: March 26, 1991

PROSPECTUS SUMMARY

The information given below is intended to provide a summary only of the principal features of the Offering. Reference is made to the more detailed information appearing elsewhere in this Prospectus.

THE OFFERING

ISSUER:	International Tower Hill Mines Ltd. (formerly Tower Hill Mines Ltd.) (formerly Ashnola Mining Co. Ltd.) (the "Issuer") is in the business of mineral exploration and development.
MINIMUM NET PROCEEDS:	$227,500
MAXIMUM NET PROCEEDS:	$262,500
PRICE:	$0.40 per Common Share
ISSUE:	750,000 Common Shares, minimum subscription 650,000 Common Shares. If the Offering is fully subscribed this issue will represent 34.89% of the Common Shares outstanding after the completion of this Offering as compared to 43.34% that will then be owned by promoters, directors, officers and controlling persons issued for cash, property and services prior to the date of this Prospectus. See page 22 herein.

ADDITIONAL OFFERINGS: This Prospectus also qualifies the issuance of the following additional offerings for sale to the public at the market price contingent upon the completion of the primary offering:

1) 291,428 units at $0.35 per unit, each unit consisting of one common share and one non-transferable share purchase warrant;

2) 239,789 common shares of the Issuer issued at $0.35 per share in payment of total debts of $83,927 owed to various creditors of the Issuer; and

3) 37,500 common shares of the Issuer issued at $0.40 per share in settlement of differences between Patricia Mullin and the Issuer. See "Other Material Facts" on Pages 1 and 25 herein.

USE OF PROCEEDS: The Issuer will have funds on hand upon completion of this Offering totalling $140,500, comprised of a working capital deficiency of ($122,000) and net proceeds of $262,500 from this Offering. If only the minimum subscription is attained, the Issuer will have $105,500 on hand comprised of a working capital deficiency of ($122,000) and net proceeds of $227,500 from this Offering. The Issuer intends to expend $101,775 to explore for gold on a property located in the Similkameen Mining Division, Province of British Columbia and more fully described under "Description of Business" herein. The remaining funds will be added to working capital. See "Use of Proceeds" on pages 2 and 3 herein.

DILUTION: The offering price of $0.40 per Common Share exceeds the net tangible book value per Common Share by $0.298 after giving effect to the Offering, representing a dilution of 74%. See "Risk Factors" on pages 13 - 15 herein.

RISK FACTORS: Investment in the Common Shares of the Issuer must be considered as speculative and the following risk factors should be considered:

The Issuer is not at present a going concern.

The Issuer may in future prove unable to meet the payments required for the exercise of its option to acquire the Siwash Creek Property.

Mining exploration involves a high degree of risk which even a combination of experience, knowledge and careful evaluation may not be able to overcome.

The Issuer's mining properties are in the exploration and development stage, no land surveys have been conducted to determine the boundaries of its mineral claims, there are no existing working structures on surface or underground and there are no known bodies of commercial ore.

The discovery by the Issuer 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 Issuer may be affected by numerous factors beyond the control of the Issuer. These factors include market fluctuations, the proximity and capacity of transportation systems and refining facilities, and government regulation.

The Issuer may become subject to liability for pollution or other hazards against which it cannot insure or against which it may elect not to insure because of high premium costs or other reasons.

The only source of funds available to the Issuer is through the sale of equity shares. Due to the nature of its business, there is little probability that the Issuer will be profitable.

Some of the Directors of the Issuer are or may in future become directors of other companies. Accordingly, conflicts of interest may arise.

For further particulars of risk factors see pages 13 - 15 hereof. Also, see "Dividend Record" on page 16 herein.

KEY PERSONNEL:

Chester Shynkaryk - President of Golden Queen Mining Co. Ltd.

Norman Bonin - Self-employed businessman. Has held various positions in the waste management field

Alexander Cumming - President of Cumming Jamieson Ltd., insurance brokers.

Arnold Pollmer - Consulting Geologist with Pollmer Consulting Ltd.

TABLE OF CONTENTS

PLAN OF DISTRIBUTION

Conditional Listing

The Vancouver Stock Exchange has conditionally listed the securities being offered pursuant to this Prospectus. Listing is subject to the Issuer fulfilling all the listing requirements of the Vancouver Stock Exchange on or before October 1, 1991, including prescribed distribution and financial requirements.

Offering

The Issuer by its Agent hereby offers (the "Offering") to the public through the facilities of the Vancouver Stock Exchange (the "Exchange") Seven Hundred and Fifty Thousand (750,000) common shares (the "Shares"). The Offering will be made in accordance with the rules and policies of the Exchange and will take place on a day (the "Offering Day") as determined by the Agents and the Issuer, with the consent of the Exchange, within a period of 180 days from the date (the "Effective Date") upon which the securities of the Issuer are conditionally listed on the Exchange. The Offering price of the Shares will be $0.40 per Share.

Additional Offerings

The Issuer also offers the following additional offerings: 239,789 common shares at $0.35 per share, 37,500 common shares at $0.40 per share and 291,428 units at $0.35 per unit, each unit consisting of one common share and one non-transferable share purchase warrant. Further particulars of the additional offerings are disclosed under the heading "Other Material Facts" on pages 24 - 26 herein.

Appointment of Agent

The Issuer, by an agreement (the "Agency Agreement") dated March 15, 1991, appointed Georgia Pacific Securities Corporation as its agent (the "Agent") to use its best efforts to conduct the Offering to the public through the facilities of the Exchange.

The Agent will receive a commission of $0.05 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 licenced brokerdealers, 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 prior to the day the Issuer's shares are listed, posted and called for trading on the Exchange, at the Agent's discretion on the basis of its assessment of the state of the financial markets or upon the occurrence of certain other stated events.

The Issuer has granted the Agent a right of first refusal to provide future equity financing to the Issuer for a period of twelve (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 Issuer may purchase Shares from this Offering at the Offering Price.

Minimum Subscription

This Offering is subject to a minimum of 650,000 shares being sold on the Offering Day. All funds received from the sale of shares will be held in trust by either the Agent or by Central Guaranty Trust Company of 2nd Floor - 800 West Pender Street, Vancouver, British Columbia, until the minimum of 650,000 shares has been sold and the subscription price of $260,000 is received. If the minimum of 650,000 shares is not sold on the Offering Day, notice of the release of the funds will be given to the Superintendent of Brokers of British Columbia ("Superintendent") and all funds will be returned to the purchaser without deduction and without interest. If the minimum of 650,000 shares or more is sold on the Offering Day, notice of the release of the funds will be given to the Superintendent and the net proceeds will be paid to the Issuer.

USE OF PROCEEDS

The net proceeds to be derived by the Issuer if all the shares offered hereunder are sold will be $262,500. The Issuer had a working capital deficiency as at February 28, 1991 of ($122,000). This deficiency will be reduced by $51,427 to ($70,573) upon the issuance of shares to settle total indebtedness of $83,927 since $51,427 represents the current liabilities portion of the total indebtedness to be settled by the issuance of shares. This $51,427 consists of $28,927 in accounts payable and $22,500 in money owing to a related party. See "Other Material Facts - Shares for Debt". The deficiency will be further reduced to ($60,417) upon the payment of $0.017 per share for the 656,250 additional principal's shares. Out of a total of $11,156 payable for the additional principal's shares, $1,000 had been paid as at October 31, 1989, leaving $10,156 which is to be paid to the Issuer.

The net proceeds to be derived by the Issuer from the Offering in the event that only the minimum subscription of 650,000 Shares are sold will be $227,500, and in the event that all of the 750,000 Shares are sold will be $262,500 which, together with a working capital deficiency of ($60,417), as adjusted, will be used for the following purposes:

	Minimum	Maximum
(a) Cost of Offering*:	$ 10,000.00	$ 10,000.00
(b) To pay the costs of Stage II A of a work program as recommended by Edward W. Grove, Ph.D. in his engineering report dated September		

12, 1989, and revised March 19, 1990 consisting of geochemical surveys, geophysical surveys, and trenching	101,775.00	101,775.00
(c) Working Capital: (as adjusted)	55,308.00	90,308.00
TOTAL:	$ 167,083.00	$202,083.00

*The cost of offering has been estimated net of accounts payable which form part of the Issuer's working capital deficiency of ($122,000).

The proceeds from the sale of the shares are intended to be used for the purposes set forth above. The Issuer will not discontinue or depart from the recommended programs of work unless advised in writing by its consulting engineer to do so. Should the Issuer contemplate any such changes or departure, 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 shall be used to invest, underwrite or trade in securities other than those that qualify as investments in which trust funds may be invested under the laws of the jurisdiction in which the securities offered by this Prospectus may lawfully be sold except as may be permitted by the policies of the British Columbia Securities Commission and the Exchange.

No part of the proceeds shall be paid to related parties of the Issuer.

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

In the event of any such discontinuance or departure during the distribution of the shares offered by this Prospectus, which makes untrue or misleading any statement of a material fact contained herein, an amendment to this Prospectus will be filed in accordance with the requirements of the Securities Act (British Columbia). Following completion of the primary distribution of the securities offered by this Prospectus, shareholders will be notified of material changes in the affairs of the Issuer to the extent required by and in accordance with applicable legislation and the requirements of appropriate regulatory authorities.

SALES OTHERWISE THAN FOR CASH

No securities are being offered under this Prospectus otherwise than for cash except for those securities being offered to creditors in respect of monies owed to them by the Issuer. For further details see "Other Material Facts - Shares for Debt" on page 25 herein.

SHARE CAPITAL STRUCTURE

Designation of Share Security	Amount Authorized	Amount outstanding as of the date of the most recent balance sheet contained in the Prospectus	Amount outstanding as of the date of this Prospectus	Amount to be outstanding if all securities being issued are sold
Common	20,000,000	1,000,000	200,000	2,149,920*

*The Issuer is seeking regulatory acceptance of the following share issuances:

(i) A private placement of 291,428 units to be issued at $0.35 per unit, each unit consisting of one common share and one share purchase warrant exercisable for a 6 month period at a price of $0.40. The Issuer has received proceeds of $102,000 in respect of the private placement. For further details see "Other Material Facts - Private Placement".

(ii) The issuance of 239,789 common shares of the Issuer issued at $0.35 per share in payment of total debts of $83,927 owed to various creditors of the Issuer. For further details see "Other Material Facts - Shares for Debt".

(iii) The issuance of 37,500 common shares of the Issuer issued at $0.40 per share in settlement of differences with Patricia Mullin. For further details see "Other Material Facts".

(iv) Subject to regulatory approval, the cancellation of 25,047 existing escrow shares and the issuance of a total of 656,250 additional principal's shares at a price of $0.017 per share to the new management of the Issuer. For further details see "Escrowed Shares" herein.

The Issuer expects to obtain acceptance of the private placement, the shares for debt and the issuance of additional principal's shares concurrently with the receipt of this Prospectus.

The Issuer has granted to directors and employees options to acquire a total of 192,464 common shares at $0.40 per share, exercisable on or before March 31, 1993. These share options are not included in the amount of shares to be outstanding if all securities being issued are sold (i.e. 2,149,920 common shares).

The Issuer had a working capital deficit ($109,491) as of its most recently completed financial year (ended May 31, 1990) and an accumulated deficit of $1,029,892.

Working Capital Position

The working capital deficiency of the Issuer as at February 28, 1991 was ($122,000).

Upon the issuance of shares in settlement of indebtedness (for further details see "Other Material Facts - Shares for Debt"), the issuance of additional principal's shares and the completion of the minimum subscription of the Offering, the unallocated working capital of the Issuer, as adjusted, will be $55,308. In the event that the maximum subscription of the Offering is attained, the unallocated working capital of the Issuer, as adjusted, will be $90,308.

NAME AND INCORPORATION OF THE ISSUER

International Tower Hill Mines Ltd. ("the Issuer") was incorporated on the 26th day of May, 1978 under the Company Act of the Province of British Columbia, by registration of its Memorandum and Articles under the name Ashnola Mining Co. Ltd. On the 1st day of June, 1988, the Issuer changed its name to Tower Hill Mines Ltd. On the 15th day of March, 1991, the Issuer changed its name to International Tower Hill Mines Ltd. At the date hereof, the Issuer is a reporting issuer pursuant to the Securities Act of British Columbia.

A cease trade order was issued against the Issuer by the Superintendent of Brokers on April 27, 1984 for failure to file interim financial statements for the 6 month period ended November 30, 1983 and Quarterly Reports since the quarter ended June 30, 1983. On April 1, 1985 the Vancouver Stock Exchange delisted the Issuer's shares for failure to pay the 1985 annual sustaining fee.

The Superintendent of Brokers may rescind the cease trade order. The Issuer expects this rescission to occur upon the following: a final receipt for this Prospectus being issued, the minimum subscription for the offering being met along with the funds ready to be advanced, and the Vancouver Stock Exchange's listing requirements being met along with its approval being received.

On May 31, 1988, the Issuer completed a 1.7 to 1 share consolidation, and increased the authorized share capital to 20,000,000 common shares without par value. The Issuer also changed its name from Ashnola Mining Co. Ltd. to Tower Hill Mines Ltd.

On January 25, 1991, the Issuer completed a 5 to 1 share consolidation. The Issuer increased its authorized share capital following the consolidation to 20,000,000 common shares without par value. As a result of this further share consolidation, the Issuer changed its name to International Tower Hill Mines Ltd.

The head office of the Issuer is #407 - 321 Water Street, Vancouver, British Columbia, V6B 1B8 and the Registered and Records Office is #1750 -750 West Pender Street, Vancouver, British Columbia, V6C 2T8.

DESCRIPTION OF BUSINESS

The Business

The Issuer's principal business is the exploration and development of mineral properties referred to herein. The Issuer owns or has interests in the property described under "The Property" and intends to seek and acquire additional properties worthy of exploration and development.

The Issuer's past operations are outlined in the following table:

Property	Costs Incurred	Work Performed	Status	Reason
Ashnola Property Osoyoos Mining Division, B.C.	$150,000	Basic exploration-drilling, geochemical and geophysical surveying	Abandoned	Lack of necessary grade and tonnage of mineralization
JES Claims Cabin Lake, N.W.T.	$300,000	Completion of summer and winter work and exploration program	Abandoned	Assay results did not warrant cost of shipping additional material or of further mining
Wenatchee Claims Washington State, USA	$ 40,000	Staking and preliminary prospecting	Abandoned	Unable to option any of the claims

The Property

Siwash Creek Property

(i) The Mullin Agreement

By agreement dated the 27th day of October, 1987 between the Issuer and Patricia Mullin ("Mullin") of Box 334, Princeton, B.C. (the "Mullin Agreement"), Mullin granted the Issuer an option to acquire a 100% interest in and to certain mineral claims situated in the Siwash Creek area of the Similkameen Mining Division in the Province of British Columbia, more particularly described as follows:

Claim Name	Record No.	No. of Claims	Current Expiry Date
Ed	074	6	June 29, 1993
Ed #2	172	2	Nov. 23, 1993

V.M. No. 1	445	1	Oct. 5, 1992
V.M. No. 2	446	1	Oct. 5, 1992
V.M. No. 3	447	1	Oct. 5, 1992
V.M. No. 4	448	1	Oct. 5, 1992
Peterson	8888	1	Feb. 6, 1996
Fissure Maiden No. 2 FR	171	1	Nov. 22, 1995
Jean #1	671	1	July 26, 1993
Jean #2	672	1	July 26, 1993
Nanci P	690	8	Expired (Sept. 27, 1988)
Timbo Tavish	722	10	Expired (Sept. 28, 1988)

(the "Claims")

Mullin is at arm's length to the Issuer.

Two placer leases and three placer claims recorded in the names of Donald Edmund Agur (P.L. Nos. 18839 and 18844) and Christopher Cowan (Rhino 1, 2, and 3; Record Nos. 89, 90 and 91) respectively, overlie a portion of the Fissure Maiden No. 2 FR, Jean 2 and Ed 2 claims.

In consideration for the option, the Issuer agreed to pay an aggregate purchase price of $160,000 of which $40,000 has been paid and $120,000 is payable in annual instalments of $10,000 to be made on or before October 3rd of each year for a period of twelve years after October 3, 1990.

By a settlement agreement dated March 18, 1991 in consideration for a release of any and all claims by Mullin against the Issuer, the Issuer agreed to issue 37,500 common shares of the Issuer (at a deemed price of $0.40 for a total deemed value of $15,000) to Mullin and to amend the Mullin Agreement by increasing the twelve remaining property option payments by $2,500 to $12,500 to be paid on or before October 3rd of each year for twelve years after October 3, 1990, resulting in an aggregate purchase price of $190,000. Pursuant to the terms of the settlement agreement, the Issuer has agreed to pay to Mullin any difference between $15,000 and the actual cash amount realized by her on the sale of the 37,500 common shares of the Issuer. The settlement agreement provides that it is subject to all required regulatory approval.

(ii) <u>The Brenda Agreement</u>

The Issuer entered into an agreement with Brenda Mines Ltd. ("Brenda") dated November 17, 1987 regarding the Claims. Pursuant to the Brenda agreement, in consideration of the release to the Issuer of all information and drill core in Brenda's possession, the Issuer paid $1,000 to Brenda and agreed to give Brenda a right of first refusal if the Issuer decided to sell any of its interest in the Claims. The Brenda agreement further provides that should the Issuer receive a positive production recommendation regarding the Claims, Brenda will have the option to provide production financing and should the property then generate positive cash flow, Brenda would retain 80% of profits until the Issuer has repaid all development capital plus interest at prime rate plus two percent per annum after which Brenda may obtain a 51% interest in the Claims on terms to be negotiated. Brenda is at arm's length to the Issuer.

Subsequent to the Brenda agreement, the Nanci P and Timbo Tavish claims were restaked and the B & D claim was staked as follows:

Claim Name	Record No.	No. of Claims	Current Expiry Date
TNT (formerly Timbo Tavish)	399	10	Expired (Sept. 28, 1989)
Nitro 1 (formerly Nanci P)	3200	8	Expired (Sept. 27, 1989)
B & D*	3079	12	January 4, 1993

*The B & D claims were staked by Norman Bonin on January 4, 1988. He transferred them to the Issuer by Bill of Sale in consideration for $1.00. Norman Bonin is a director of the Issuer.

(iii) The Inel Agreement

Pursuant to an agreement dated as of the 31st day of March, 1989 between the Issuer and Inel Resources Ltd. ("Inel"), of #301 - 675 West Hastings Street, Vancouver, B.C. (the "Inel Agreement"), the Issuer granted to Inel an option to acquire either an undivided 60% interest or an undivided 70% interest in and to the following:

1. The Claims (including the Nitro 1 and TNT claims - formerly the Nanci P and Timbo Tavish claims);

2. The B & D claim.

In consideration for this option, Inel agreed to purchase, by way of private placement, 370,000 shares of the Issuer at a price of $0.50 per share payable as follows:

(a) $50,000 on execution of the Inel Agreement (which sum has been received by the Issuer);

(b) $135,000 on the reinstatement of the shares of the Issuer for trading on the Vancouver Stock Exchange.

The Inel Agreement states that if the shares of the Issuer are not reinstated for trading on the Exchange by August 30, 1989, then, unless Inel extends the time that the shares are to be reinstated:

(a) Inel shall have no obligation to complete payment for the private placement and the private placement shall be deemed void; and

(b) the $50,000 paid upon the execution of the Inel Agreement shall be credited against Inel's work commitment.

Inel notified the Issuer on July 24, 1989 that it had decided not to proceed with the second phase exploration and development of the property optioned to Inel. Inel had spent approximately $200,000 on the first phase of

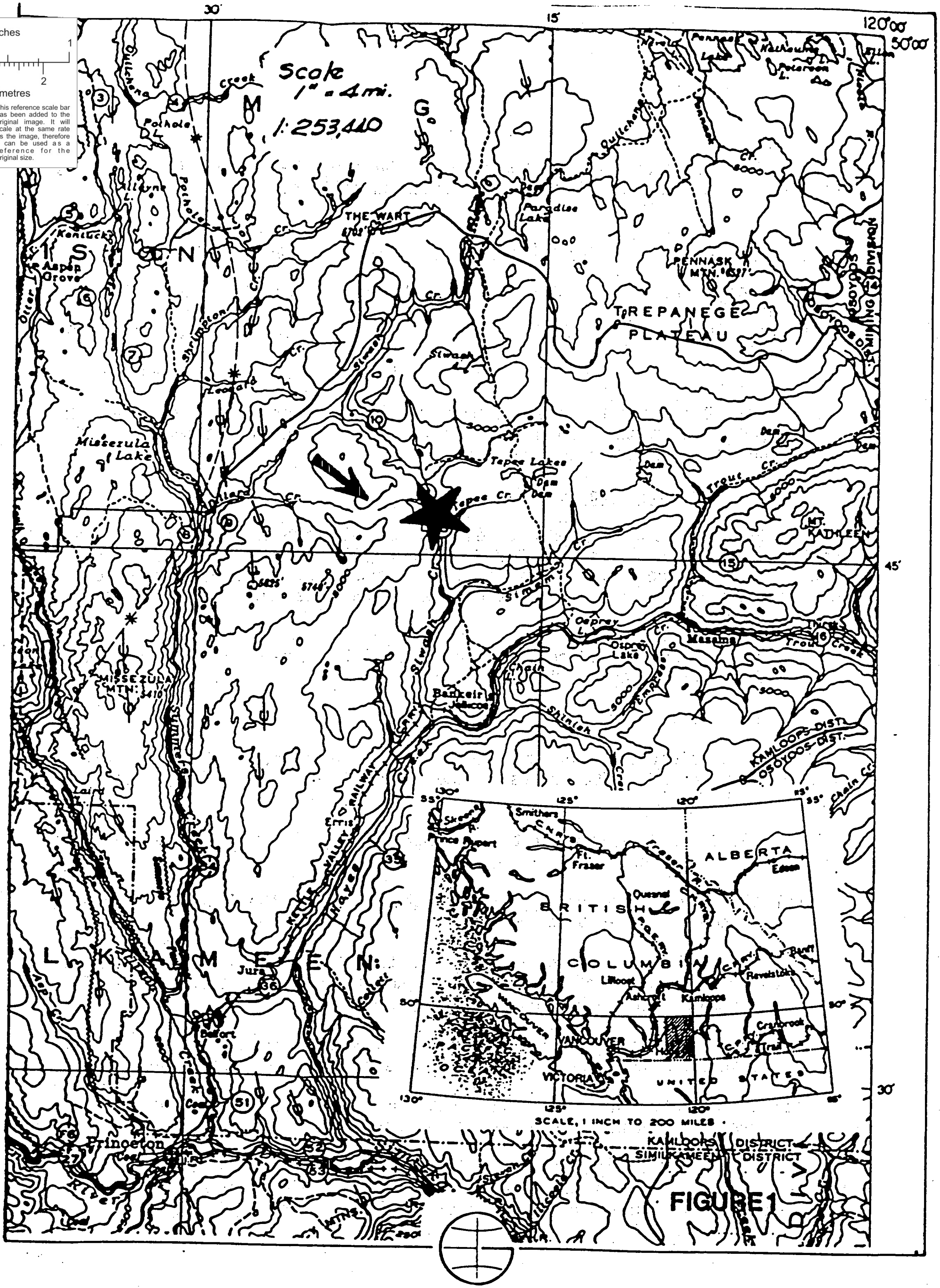
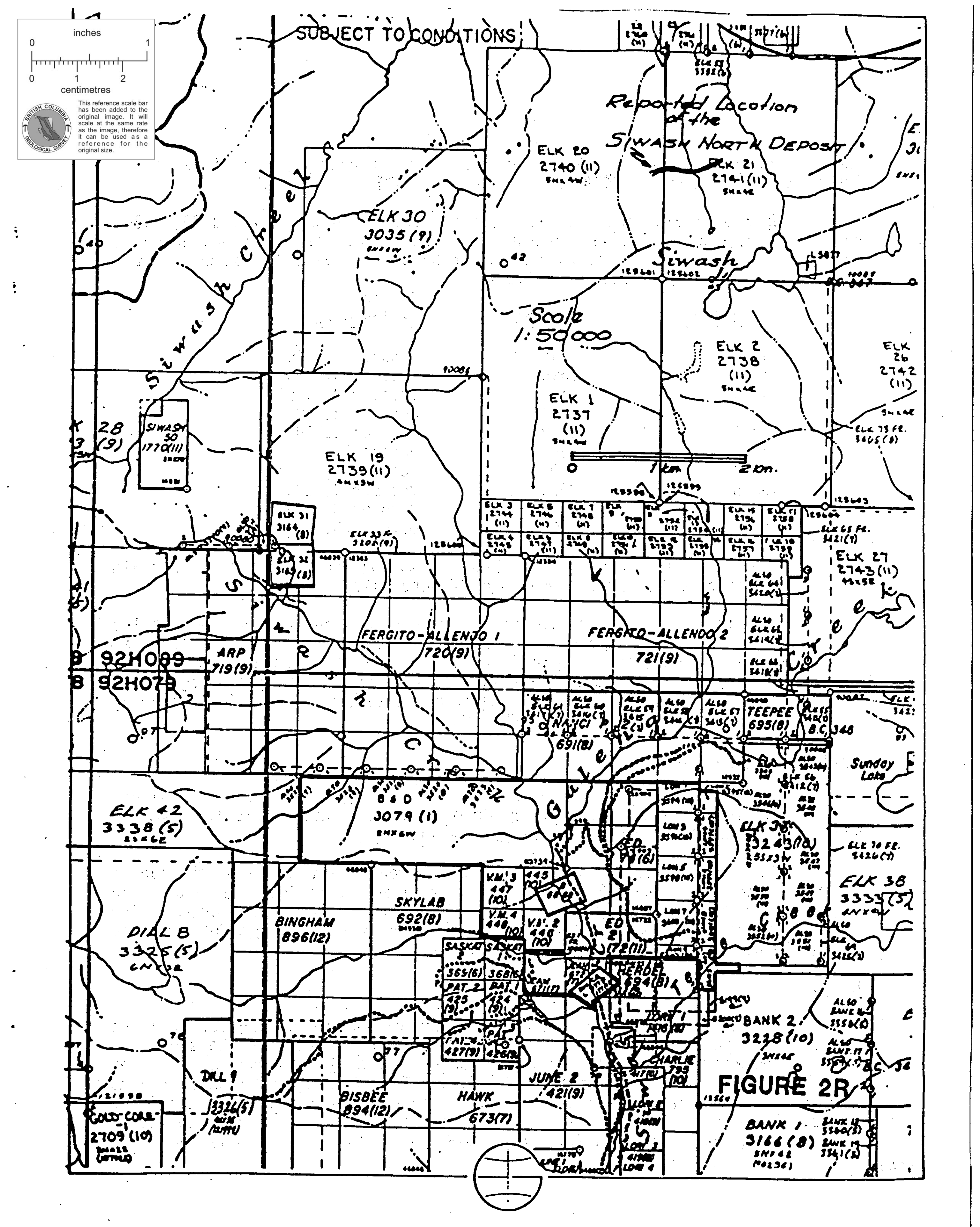

Scale
1" = 4 mi.
1:253,440
120°00'
50°00'
45'
30'
THE WART
Pothole
Aspen Grove
Kentucky
Missezula Lake
MISSEZULA MTN.
Tepee Lakes
Tepee Cr.
Siwash
PENNASK MTN.
TREPANEGE PLATEAU
Paradise Lake
MT. KATHLEEN
Trout Creek
Osprey Lake
Chain
Shinish
Bankeir
Jura
Princeton
KAMLOOPS DIST.
OSOYOOS DIST.
KAMLOOPS DISTRICT
SIMILKAMEEN DISTRICT
ALBERTA
BRITISH COLUMBIA
Prince Rupert
Smithers
Ft. Fraser
Quesnel
Lillooet
Ashcroft
Kamloops
Revelstoke
Banff
Edson
VANCOUVER
VICTORIA
Cranbrook
Trail
UNITED STATES
SCALE, 1 INCH TO 200 MILES

FIGURE 1



inches
centimetres
This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.
BRITISH COLUMBIA GEOLOGICAL SURVEY
SUBJECT TO CONDITIONS
Reported Location of the Siwash North Deposit
ELK 20 2740 (11)
ELK 21 2741 (11)
ELK 30 3035 (9)
Siwash Creek
Siwash
Scale 1:50 000
ELK 2 2738 (11)
ELK 26 2742 (11)
ELK 1 2737 (11)
1 km 2 km
SIWASH 50 1770 (11)
ELK 19 2739 (11)
ELK 31 3164 (8)
ELK 32 3165 (8)
ELK 27 2743 (11)
FERGITO-ALLENDO 1 720 (9)
FERGITO-ALLENDO 2 721 (9)
ARP 719 (9)
92H089
92H079
TEEPEE 695 (8)
NANCI 691 (8)
Sunday Lake
B & D 3079 (1)
ELK 42 3338 (5)
ELK 38 3333 (5)
DIAL B 3325 (5)
BINGHAM 896 (12)
SKYLAB 692 (8)
BANK 2 3228 (10)
BANK 1 3166 (8)
DILL 9
GOLD CORE 2709 (10)
BISBEE 894 (12)
HAWK 673 (7)
JUNE 2 421 (9)
CHARLIE 795 (10)
FIGURE 2R

the work program. Inel earned no interest in the Property. Inel is at arm's length to the Issuer.

Upon expiry of the Nitro 1 and TNT claims (September 27 and 28, 1989, respectively), the claims were restaked as the LON 1-10 claims by Walter Bonin who transferred these claims to the Issuer by Bill of Sale for $1.00 and the costs of restaking ($150.00) as follows:

Claim Name	Claim Number	Current Expiry Date
Lon 1	3594	October 3, 1991
Lon 2	3595	October 3, 1991
Lon 3	3596	October 3, 1991
Lon 4	3597	October 3, 1991
Lon 5	3598	October 3, 1991
Lon 6	3599	October 3, 1991
Lon 7	3600	October 3, 1991
Lon 8	3601	October 3, 1991
Lon 9	3602	October 3, 1991
Lon 10	3603	October 3, 1991

The Claims including the LON 1-10 claims together with the B & D claim are herein referred to as the "Property" (Figure 2R).

The Issuer has commissioned an engineering report on the results received from Inel and is in receipt of a report dated September 12, 1989, as revised March 19, 1990, (the "Report") written by Edward W. Grove, Ph.D., P.Eng. of E.W. Grove Consultants Ltd., which is available for review at the registered and records office of the Issuer during normal business hours. The following information is paraphrased from the Report.

Location and Access

The Property is located across the junction of Galena Creek with Siwash Creek just west of Teepee Lakes in the Thompson Plateau approximately 31 km (19 miles) north-northeast of Princeton (Figure 1).

The Property is accessible from three good logging roads which lead in to the Property from paved highways. The most direct route from the west is via Highway 5, then east on the Dillard Creek logging road to Siwash Creek. The alternate routes are from the Summerland-Princeton road at Osprey Lake, and from Peachland by the Peachland Main Logging road.

History

The earliest work on the Property was placer mining conducted in the early 1900's in an area about 32 km long by 3.2 km wide between the source of Hayes Creek and the headwaters of Siwash Creek. Lode mining dates to 1917 when the first claims were recorded on the Siwash Creek. Mining on these claims consisted of drifting, open cuts, trenches and shallow shafts on quartz-sulfide veins. In 1927 one of the first claims produced 27 tons of ore which contained 3 oz. gold, 3,379 oz. silver and 1,578 lbs. lead. Only one assay on argentiferous galena from one of the first claims has been reported. Other nearby properties on which work was conducted included the Blue Stone and Argentite claims and the Lucky Strike and El Paso claim groups.

In 1951 and 1952 limited underground work was continued on the Lucky Strike claim group and one new adit was driven 30 feet on a "nine foot wide" sphalerite vein.

The general area was examined more recently by various major companies as follows: Phelps Dodge, 1972, Great Plains Development Company of Canada Ltd., 1973, Pan Arctic Explorations Ltd., 1973 (one drill hole), Utah Mines Ltd., 1974 and Brenda Mines Ltd., 1980 and 1981. These companies were exploring for porphyry-type copper-molybdenum deposits utilizing mainly grass-roots geochemical and geophysical methods. The Brenda Mines Ltd. work included geological and geochemical surveys followed by scattered core drilling.

In 1988 the Issuer performed limited rock sampling and a soil geochemistry survey of the Property, investigating for the first time in recent years the gold and silver potential of the claims.

In 1989 Inel undertook a detailed geological study of the Property with the prime objective of outlining the local geology and geological controls for the mineralization, and secondly to provide a base for future exploration and development. At the termination of the Stage I program, Inel indicated that it would not undertake any further work commitment and the Property reverted to the Issuer.

Geology

The Property and its surrounding area is underlain by a variety of extensive plutonic masses which have intruded Triassic and older volcanic and sedimentary rocks. The Property lies entirely within the intrusive unit labelled the Otter intrusion which represents an ovoid stock-like mass about 5 km long centred on the Galena Creek, Siwash Creek junction.

This area has now been made very accessible because of the extensive network of logging roads which grid the general area.

The Report writer's review of the drill core recovered from Brenda Mines Ltd. 1981 program suggests that the main units comprise of medium to coarse grained porphyritic hornblende granite, granite breccia, and lesser syenodiorite and diorite. Rock structure involving faults, shears and intense fracturing and alteration comprising mainly chlorite, biotite, epidote, kaolin, ankerite and sericite were significant in much of the core.

Inel's work on the Property suggests that it is mainly the central portion of the claim group, lying roughly along Siwash Creek, that is underlain by quartz eye porphyry, probably forming part of the so-called Otter intrusion.

The Report writer's review of the program results has shown overall structural trends and rock alteration, but lack of outcrop still prohibits simple map style projections.

Property Mineralization

Most of the known lode mineralization on the Property lies along Siwash Creek where the veins are exposed and have been partly developed by adits, cuts, and trenches. This mineralization is localized in three areas on the VM2, Ed #2, and on the Fissure Maiden No. 2 FR Claims (Figure 5) and consists of fissure-type quartz veins in the Osprey phase pluton. The sulfide minerals include pyrite, galena, sphalerite, with tetrahedrite, argentite, and rarely chalcopyrite and arsenopyrite. Fluorite is also a significant vein mineral on the Ed #2 claim where a 400 to 500-foot adit was driven along an east-west trending shear carrying high grade argentiferous galena. Work on this zone, currently known as the Monty showing, reportedly assayed up to 0.624 opt Au over 2.4 metres and up to 1.5% Zn over a length of 18.28 meters. Assay results of material from the Fissure Maiden No. 2 FR veins have been reported as up to 25.5% Pb across narrow veins with silver values of up to 24 opt. Reported gold values from the Monty West Showing could not be verified.

Resampling of the Brenda drill core and additional rock chip sampling were completed by Pamicon Developments Ltd. during 1989.

It was not possible to check and recheck drill core samples where the core had been used completely for assay and where core was missing because of loss and grinding.

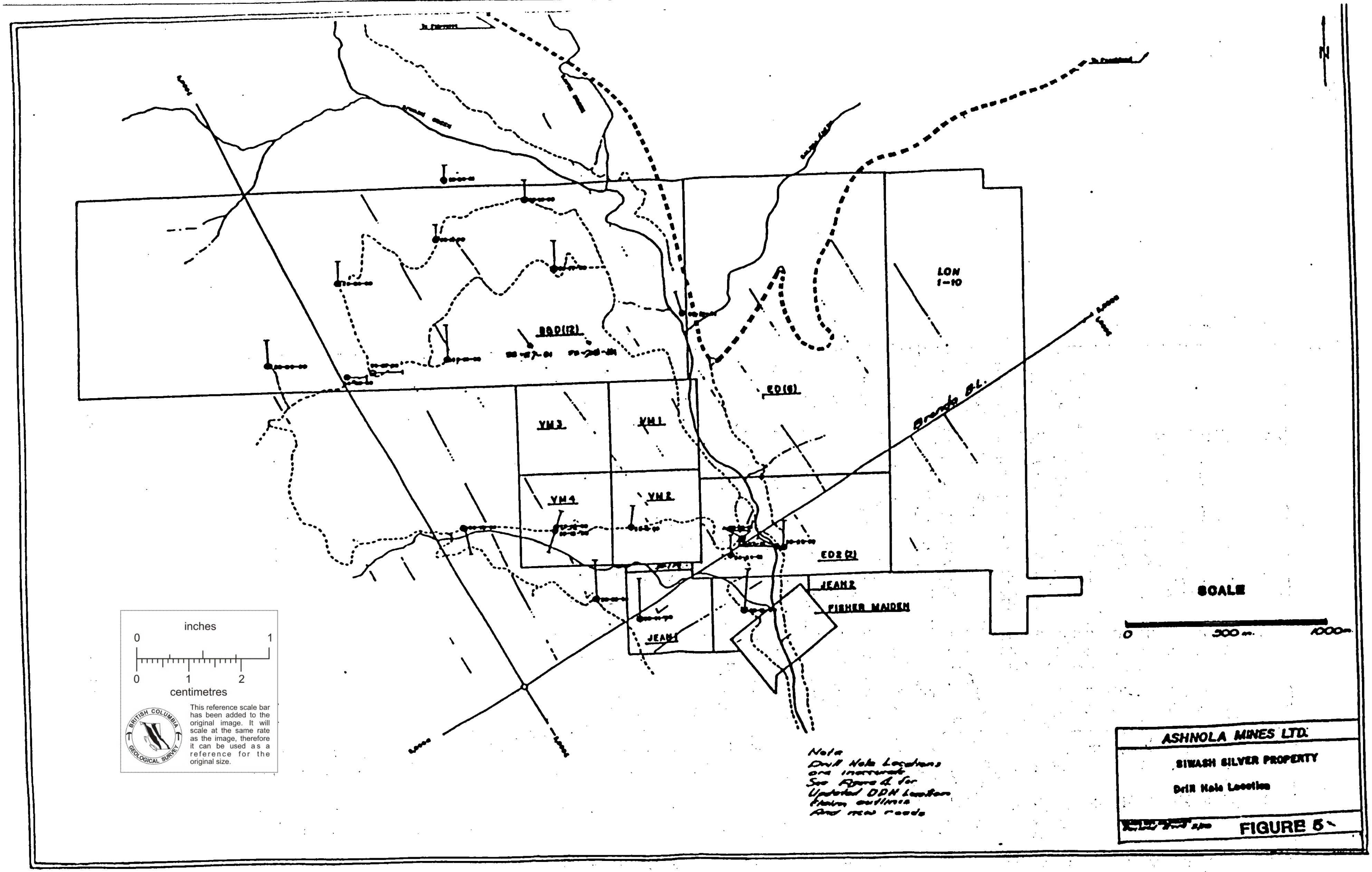
Geochemical Surveys

In 1989 the Inel work program included nine orientation pits in various parts of the claim area in order to determine the best soil horizon to sample. The test pits showed that soils are poorly developed generally and suggest that the "B" horizon was adequate for local use. Overburden in the area is highly variable in thickness ranging from thin to over 50 meters comprising largely glacio-fluvial sediments and till. Glacial features such as moraines and eskers cover the area which has a strong north-northwest to south-southwest striation and sense of movement. Most of the spot gold anomalies lie near Siwash Creek within quartz eye porphyry areas. Several strong spot anomalies also lie west and south of Siwash Creek in batholithic granite terrain.

Geophysical Surveys

Brenda conducted I.P. Resistivity surveys over the Property which produced a large number of moderate to strong anomalies. The strongest anomalies were drilled showing the presence of significant amounts of pyrite, sphalerite and some galena but little copper/molybdenum mineralization.

Correlation of the Brenda geophysical and geochemical results shows a relatively good coincidence of I.P. and Pb, Zn, Cu soil anomalies with the quartz eye porphyry. These coincident anomalies also show a strong correlation with the contact zone along Saskat Creek of Units 6 and 7 with Unit 4 the main


BGD(12)
VM 3
VM 1
VM 4
VM 2
ED(6)
ED 2 (2)
LON
1-10
JEAN 2
FISHER MAIDEN
JEAN 1
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SCALE
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This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.
BRITISH COLUMBIA
GEOLOGICAL SURVEY
Note
Drill Hole Locations
are incorrect
See Figure 4 for
Updated DDH Location
Claim outlines
And new roads
ASHNOLA MINES LTD.
SIWASH SILVER PROPERTY
Drill Hole Location
FIGURE 5

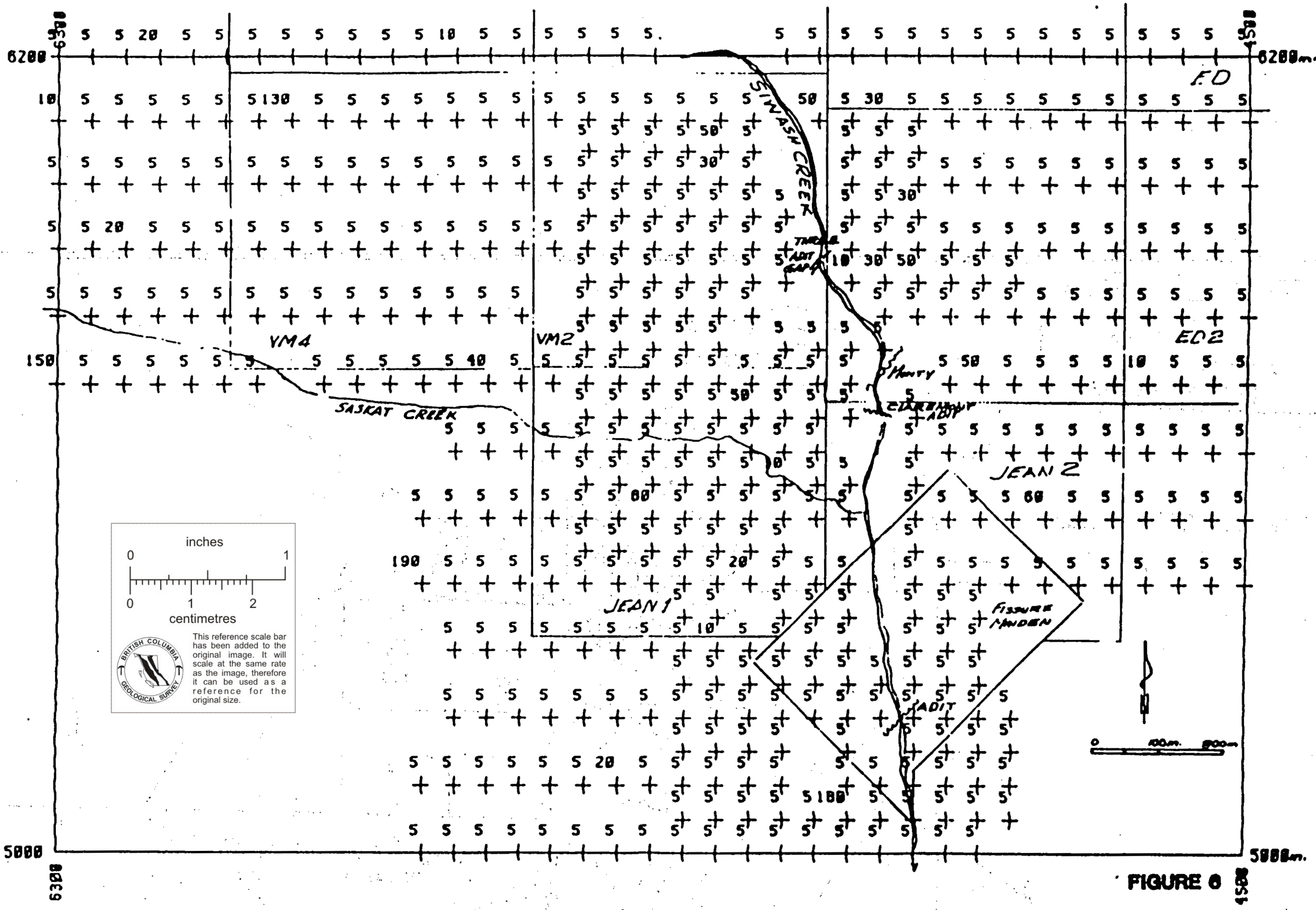

6200m.
5000m.
ED
ED 2
VM4
VM2
JEAN 1
JEAN 2
SIWASH CREEK
SASKAT CREEK
MONTY
ADIT
FISSURE MAIDEN
inches
centimetres
This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.
BRITISH COLUMBIA GEOLOGICAL SURVEY

FIGURE 6

SIWASH 1988 SOILS - GOLD - ALL SAMPLES - C.I. = 5 PPB

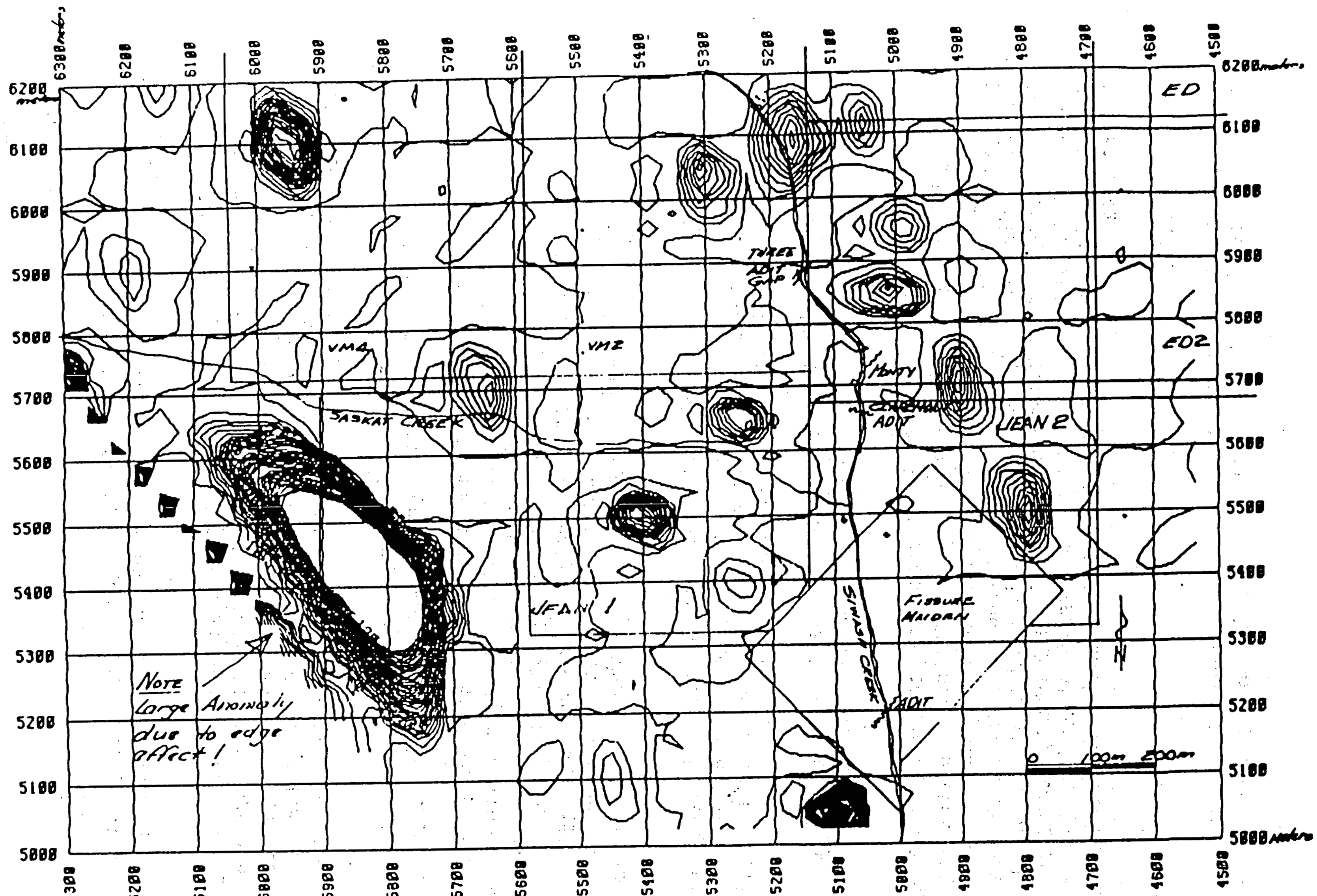
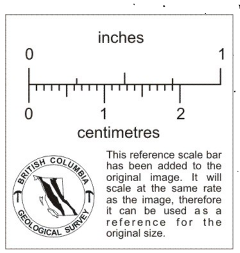


FIGURE 7



batholithic member. In addition, the spot gold in soil anomalies (50 ppb, 80 ppb) on the Jean 2 claim (Figure 6 and 7) fall in the same coincident anomalous area.

Conclusions

Review of the Brenda core, core logs, and detailed ground mapping suggests that few, if any, of the Brenda drill holes intersected the shear zone targets.

The 1989 geological mapping also defined the presence of a second body of quartz eye porphyry along Siwash Creek at the northern limits of the Property. Although no major mineralized structures have yet been found in this unit, it is outlined by a Pb in soil anomaly and by an I.P. anomaly. The area is covered by thick overburden comprising eskers, wide terrace moraines, swamp and heavy forest cover.

As a result of the 1989 program three target areas have been outlined on the Property. In order of significance and priority these are as follows:

1. The mineralized veins and shear zones which occur within the southerly quartz eye porphyry body. These structures which have been mainly assumed to comprise silver-lead-zinc mineralization have now been shown to host gold in from low to relatively high values. Exploration of these zones has been severely limited to short adits, a few surface pits, and only two or three drill holes of dubious value. These zones still represent targets for further detailed exploration and development.

2. Further it has been shown that the contact zones between units 4, 6, and 7 (the southerly quartz eye porphyry) have an exploration potential which should be tested by detailed geochemical soil sampling, trenching, and if indicated, by follow-up core drilling.

3. The second quartz eye porphyry zone (the north body) also presents a select target area for detailed geochemical soil sampling and follow-up investigations.

Exploration by Fairfield Minerals Ltd. to the north of the Property, in a similar granitic terrain, has shown the existence of potentially economic gold mineralization in an area where porphyry copper-molybdenum mineralization has been the focus in previous years. This new mineralization was unknown until Fairfield Minerals Ltd. completed a detailed study on its Elk claims. Although this discovery lies 7 kilometres north of the Property, the structural controls appear to be similar to those of the known mineralization on the Issuer's claims. This discovery provides further incentive for continuing work on the Issuer's target zones.

Recommendations

The Report writer recommends that Stage IIA and Stage IIB of a work program be carried out, consisting of detailed soil sampling, ground geophysics with trenching and follow-up core drilling at a total cost to the Issuer of $188,025.

Stage IIB (at a cost of $86,250) is contingent upon the results of Stage IIA (at a cost of $101,775) and the identification of suitable drill targets.

The following information is drawn from reports made by Inel to the Issuer.

Recent Exploration

Inel's work in the Spring and Summer seasons of 1989 consisted of relogging and sampling existing drill core, geochemical profile sampling, prospecting, geological mapping and rock sampling.

Inel's expenditures to July 26, 1989 on its Phase I exploration of the Property amount to approximately $204,135.50.

The Issuer has made the following expenditures with regard to the Property as of the May 31, 1990 financial statements:

Acquisition costs:	$30,000
Exploration costs:	29,418
Total	$59,418

On October 3, 1990, the Issuer made a further property payment of $10,000 pursuant to the Mullin Agreement. This property payment brings the Issuer's total expenditures on the Property to $69,418.

The Property is without a known body of commercial ore and the proposed program is an exploratory search for ore.

There is no surface or underground plant and equipment on the Property.

Neither the Directors, any other insiders, nor any company that they are associated with own any contiguous claims.

RISK FACTORS

Investment in the securities offered under this Prospectus must be considered as speculative. The following factors should be carefully considered by prospective investors:

Exploration Risks

Mining exploration involves a high degree of risk which even a combination of experience, knowledge and careful evaluation may not be able to overcome.

The Issuer's mining properties are in the exploration and development stage, there are no existing working structures either on surface or underground and there are no known bodies of commercial ore.

If the Issuer's exploration programs are successful, additional funds will be required for the development of an economic ore body and to place it in commercial production. The only sources of future funds presently available to the Issuer are the sale of equity capital, or the offering by the Issuer of an interest in its property to be earned by another party or parties carrying out further exploration or development thereof.

No land surveys of the Issuer's located mineral claims have been conducted and until such surveys are completed, the boundaries of these claims and, consequently, the Issuer's right to any ore located within them, could be in doubt.

While the Issuer has obtained the usual industry standard title report with respect to its property, this should not be construed as a guarantee of title. The property may be subject to prior unregistered agreements or transfers or native land claims, and title may be affected by undetected defects.

The Issuer may become subject to liability for pollution or other hazards against which it cannot insure or against which it may elect not to insure because of high premium costs or other reasons.

Market Risks

The discovery by the Issuer 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 Issuer may be affected by numerous factors beyond the control of the Issuer. These factors include market fluctuations, the proximity and capacity of transportation systems and refining facilities, and government regulation, including regulations relating to taxes, land tenure, importing and exporting and environmental protection.

No Market for Shares

There is no established market for the shares of the Issuer and no assurance that one will develop.

Funding

The Issuer is not at present a going concern.

The only source of funds available to the Issuer is through the sale of equity shares. Due to the nature of its business, there is little probability that the Issuer will be profitable.

Dilution

The offering price of $0.40 per Common Share exceeds the net tangible book value per Common Share by $0.298 after giving effect to the Offering, representing a dilution of 74%.

Shares Held by the Principals of the Issuer

This issue will represent 34.89% of the Common Shares outstanding after completion of this Offering as compared to 43.34% that will then be owned by promoters, directors, officers and controlling persons issued for cash, property and services prior to the date of this Prospectus.

Conflicts of Interest

Some of the Directors of the Issuer are or may in future become directors of other companies. Accordingly, conflicts of interest may arise. These Directors are aware of their fiduciary duties and will deal with any conflicts of interest in accordance with the provisions of the Company Act of British Columbia. In addition, the Directors will attempt to avoid dealings with other companies where conflicts might arise and will use their best efforts to act in the best interests of the Issuer at all times.

ACQUISITIONS

For details of acquisition of interest in the Property see "Description of Business".

VARIATIONS IN OPERATING RESULTS

There have been no substantial variations in the operating results of the Issuer during the past five years. The Issuer was cease traded by the Superintendent of Brokers on April 27, 1984. For further details see "Name and Incorporation of the Issuer" on page 5 herein.

PROMOTERS

Under the definition of "Promoter" contained in Section 1 of the Securities Act, the undernoted may be considered the promoters of the Issuer by taking the initiative in organizing the business of the Issuer. The Promoters have engaged in the following transactions involving the Issuer:

(a) Chester Shynkaryk has agreed to purchase 100,000 escrowed shares* and has been granted an Incentive Stock Option allowing the purchase of up to 48,116 shares of the Issuer at $0.40 per share until March 31, 1993. Durango Research & Development Inc. ("Durango") received a management and rental fee of $2,500 per month from June 1, 1988 until February 1, 1990. Durango is a company wholly owned by Chester Shynkaryk and his wife Barbara Shynkaryk. Effective February 1, 1989, Durango agreed to waive all fees payable by the Issuer until the Issuer completed its reactivation.

(b) Norman Bonin has agreed to purchase 356,250 escrowed shares* and has been granted an Incentive Stock Option allowing the purchase of up to 48,116 shares of the Issuer at $0.40 per share until March 31, 1993.

*The issuance of these additional escrow shares is contingent upon the cancellation of previously issued escrow shares. The Issuer has applied to the Superintendent of Brokers for cancellation of the previously issued escrow shares. See "Escrowed Shares" herein.

LEGAL PROCEEDINGS

There are no pending legal proceedings to which the Issuer is a party.

MANAGEMENT DISCUSSION

Except for the expenditure of approximately $7,500 in assisting Inel Resources Ltd. with Phase I exploration of the Property and the commission of the Report on the Property, the Issuer has not been active in its area of operations since May 31, 1990, the date of its most recent financial statements. For information on the Issuer's activity in its most recent full financial year see "Recent Exploration" on page 13 herein.

ISSUANCE OF SHARES

The authorized capital of the Issuer consists of 20,000,000 shares without par value of which all issued shares are fully paid and non-assessable. All shares of the Issuer, both issued and unissued, are common shares of the same class and 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, save that the Issuer has issued escrowed shares which are subject to cancellation under certain conditions (see section "Escrowed Shares"). Provisions as to the modifications, amendments or variation of such rights or such provisions are contained in the Company Act of the Province of British Columbia.

DIVIDEND RECORD

The Issuer has paid no dividends on its shares. It is intended that the Issuer will not pay dividends on its shares and that future earnings will be retained to finance future exploration and development. Any decision to pay dividends on the Issuer's shares in the future will be made by the Board of Directors on the basis of the Issuer's earnings, financial requirements and other conditions existing at such time.

DIRECTORS AND OFFICERS

The names and addresses of each of the Directors and Senior Officers of the Issuer, and the principal business or occupations in which each has been engaged during the immediately preceding five years are as follows:

Name and Address	Occupation
Chester Shynkaryk* 9391 Lasko Street Richmond, B.C. V7E 5W6 President/Director and Promoter	From 1985 to present, President of Golden Queen Mining Co. Ltd.; also President of Yuma Gold Mines Ltd. from 1985 to 1988 and again from 1989 to 1990 and of Security Environmental Systems Inc. (formerly Jetta Resources Ltd.), a hazardous waste company from 1985 to 1988. From 1986 to 1989, director of Flavex Industries Ltd., a supplier of base products to the pharmaceutical industry. From 1984 to 1988 and again in 1990, director of Britt Resources Ltd. From 1988 to present President of Riteway Recycling Inc. (formerly City Waste Systems (1988) Inc.)
Norman Julius Bonin* #5-1923 Purcell Way North Vancouver, B.C. Director/Promoter	From 1984 to present, held various positions in waste management field: driver for Red Giant Disposal of Vancouver (February 1985 to March 1987) and a Director of Riteway Recycling Inc. (formerly City Waste Systems (1988) Inc.) from July 1988 to present. President of Buyrite Holdings Ltd., personal holding company, from 1978 to present.
Alexander Archibald Cumming 414 Ellis Street Penticton, B.C. Director/Secretary	From 1984 to present, President of Cumming Jamieson Ltd., an insurance agency doing business in Penticton, B.C.
Arnold Rutger Pollmer* RR #2, Site 40 Gabriola Island, B.C. VOR 1XO Director	From 1986 to present, Consulting Geologist with Pollmer Consulting Ltd.; from 1984 to 1985, Senior Mine Geologist for Quintette Coal Mines Ltd.; From 1987 to 1988, director of Teeshin Resources Ltd., a Vancouver Stock Exchange listed company.

*Member of Audit Committee.

Directors, Officers, Promoters and Control Persons of the Issuer have been directors, officers or promoters of other reporting issuers as disclosed below:

Name	Issuer	Position	Period Position Held
Chester Shynkaryk	Golden Queen Mining Co.	President	From 1985 to present
	Yuma Gold Mines Ltd.	President	From 1985 to 1988 and again from 1989 to 1990
	Security Environmental Systems Inc.	President	From 1985 to 1988
	Britt Resources Ltd.	Director	From 1984 to 1988 and again in 1990
	Flavex Industries Ltd.	Director	From 1986 to 1989
Norman Bonin	None		
Alexander Cumming	None		
Arnold Pollmer	Teeshin Resources Ltd.	Director	From 1987 to 1988

None of the directors, officers or promoters were directors, officers or promoters of any company within the last five years which during that period had a Cease Trade Order issued against it except that Flavex Industries Ltd. was cease traded on August 15, 1988 while Chester Shynkaryk was a director. None of the current directors of the Issuer was a director when the Cease Trade Order was issued against the Issuer on April 27, 1984. For further details see "Name and Incorporation of the Issuer".

None of the Directors or Officers of the Issuer have, within the last 10 years, been the subject of any penalties or sanctions by a court or securities regulatory authority relating to trading in securities, the promotion, formation or management of a publicly traded company or involving theft or fraud.

Some of the Directors of the Issuer are or may be directors and officers of other companies engaged in similar business as the Issuer. These Directors are aware of their fiduciary duties and will deal with any conflicts of interest in accordance with the provisions of the Company Act of British Columbia. In order to avoid the possible conflict of interest which may arise between the directors' duties to the Issuer and their duties to other companies on whose Boards they serve, the Directors shall allocate business prospects between the various companies on the basis of prudent business judgment and the relative financial abilities and needs of such companies.

EXECUTIVE COMPENSATION

Executive Officers

The Issuer has one Executive Officer. The Issuer has entered into a management agreement with Durango Research & Development Inc. ("Durango"), a company wholly owned by Chester Shynkaryk, the President and a Director of the Issuer and his wife Barbara Shynkaryk, dated as of April 1, 1988 whereby the Issuer pays the aggregate sum of $2,500 per month to Durango Research & Development Inc. commencing June 1, 1988. The management agreement provides that of the aggregate sum of $2,500 per month, $1,000 is payable in respect of fees for services rendered and $1,500 is payable in respect of the provision of the office space. Durango has received $15,000 pursuant to the management agreement. In respect of the $22,500 owing to Durango as at February 1, 1990, Durango has agreed to have this debt satisfied by the Issuer's proposed issuance of shares upon relisting of the Issuer's shares on the Vancouver Stock Exchange. (See "Other Material Facts - Shares for Debt"). By letter dated February 1, 1990 Durango did waive its entitlement and forgive any payments in respect of rent or management fees from February 1, 1990 until the Issuer was fully reactivated and listed for trading on the Vancouver Stock Exchange.

The duties to be performed by Durango pursuant to the management agreement are as follows:

(a) administration of the day to day affairs of the Issuer and any subsidiary;

(b) providing liaison with the Issuer's auditors, accountants and lawyers;

(c) developing financial plans for actual or proposed exploration and development of resource properties of the Issuer, and any subsidiary.

(d) aiding in the negotiating and concluding of acquisitions of resource properties worthy of exploration;

(e) negotiating and concluding future financings of the Issuer as required from time to time to carry out those matters referred to in clauses (c) and (d), all such services for which Durango shall be responsible to the Issuer's Board of Directors; and

(f) co-ordinating the dissemination of news of the Issuer to the public and to shareholders of the Issuer.

The office space provided by Durango to the Issuer is made up of approximately 1000 sq. ft. divided into two offices, a board room and a reception area equipped with two incoming telephone lines, a computer and a fax machine. Quarterly reporting is handled in-house. The offices also have on-duty answering service from 8:00 a.m. through 6:00 p.m. Durango provides similar services for Golden Queen Mining Co. Ltd., a company listed on both the Toronto and the Vancouver Stock Exchanges, and for Riteway Recycling Inc. (formerly City Waste Systems (1988) Inc.) a private waste management company.

The Executive Officer of the Issuer has been granted stock options by a directors' resolution dated April 1, 1988 and amended October 12, 1989 to purchase a total of 48,116 common shares of the Issuer at a price of $0.40 per common share exercisable until March 31, 1993. The amount of stock options available for grant by the Issuer is limited to 10% of the issued and outstanding share capital of the Issuer upon the completion of this Offering. Directors and Senior Officers may be eligible for employee options or Director options but not both.

Directors

The Directors of the Issuer, other than the Executive Officer of the Issuer, have not received cash compensation for the fiscal period ending May 31, 1990. Directors other than the Executive Officer have been granted stock options to purchase a total of 144,348 common shares of the Issuer pursuant to a directors' resolution dated April 1, 1988 and amended October 12, 1989 at a price of $0.40 per share exercisable until March 31, 1993. During the five month period ended October 31, 1989, the Issuer paid $3,000 to Norman Bonin, a director of the Issuer, for expenses and start-up costs in relation to Inel's work program on the Issuer's Siwash Creek property.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

No Director, Senior Officer, proposed nominee for election as a director of the Issuer or associate or affiliate of any such Director, Senior Officer or proposed nominee is or has been indebted to the Issuer since the beginning of the last completed financial year of the Issuer.

OPTIONS TO PURCHASE SECURITIES

Pursuant to stock option agreements dated October 12, 1989, the Issuer has granted options to the following persons to purchase up to an aggregate of 192,464 shares of the Issuer at $0.40 per share exercisable until March 31, 1993:

Group	No. of Members of Group	Type of Option	# of Option Shares	Purchase Price	Expiration Date
Executive Officer	1	Incentive Stock Option	48,116	$0.40	March 31, 1993
Directors (other than Executive Officers)	3	Incentive Stock Option	144,348	$0.40	March 31, 1993
Employees (other than Executive Officers)	none	Incentive Stock Option			

Shareholder ratification of the stock option agreements or of any subsequent amendments is required.

The market value of the securities under option on the date of grant and as of the date of this Prospectus is not reasonably ascertainable.

The options are subject to adjustment in the event of capital alteration, other than an increase in issued or authorized capital, and upon listing, the options are subject to adjustment in accordance with the present requirements of the Vancouver Stock Exchange.

ESCROWED SHARES

Set forth hereunder are particulars of the escrowed shares of the Issuer as of the date of this Prospectus:

Designation of Class	Number of Shares Held in Escrow	Percentage of Class
Common	25,047	12.52%

125,235 shares of the Issuer are currently held in escrow. After the consolidation on a 5 for 1 basis effective January 25, 1991, the total number of shares held in escrow is 25,047. Originally 522,000 escrow shares were issued in respect of property acquired by the Issuer pursuant to an Escrow Agreement dated November 30, 1978. Subsequently, 396,765 shares have been released from escrow.

The owners of the 125,235 shares held in escrow (25,047 shares after the January, 1991 consolidation) are:

Name	Number of Escrow Shares	Number After Consolidation
Dennis Atkinson	25,047	5,009
Norman Bonin	25,047	5,009
Walter Bonin	25,047	5,009
Donald Buchanan	25,047	5,009
Tage Peterson	25,047	5,009

The Issuer has applied to Superintendent of Brokers to have the above-noted escrow shares cancelled.

Additional Performance Shares

Upon cancellation of the above-noted escrow shares and the revocation of the cease trade order, the Issuer intends to issue 656,250 additional performance shares (the "Performance Shares") as follows:

Name	Number of Shares	Price
Norman Bonin	356,250	$0.017
Chester Shynkaryk	100,000	$0.017
Alexander Cumming	100,000	$0.017
Arnold Pollmer	100,000	$0.017

The following is the percentage of the Performance Shares upon issuance:

Designation of Class	Number of Shares Held in Escrow	Percentage of Class
Common	656,250	30.52%

General Provisions

The Escrow Agreement dated March 15, 1991 with Central Guaranty Trust Company, provides that any of the above escrow shares not released at a date ten years from the receipt of this Prospectus shall be subject to cancellation forthwith. The escrow shares will be held subject to the direction or determination of the Superintendent of Brokers, or of the Vancouver Stock Exchange if the Issuer is listed. The escrow restrictions provide that the Performance Shares may not be traded in, dealt with in any manner whatsoever, or released, nor may the Issuer, its transfer agent or escrow holder make any transfer or record any trading of the escrowed shares without the consent of the Superintendent of Brokers or of the Vancouver Stock Exchange if the Issuer is listed. Until released from escrow the Performance Shares may not be transferred except upon the death or bankruptcy of the shareholder.

The Escrow Agreement provides that the Performance Shares may be voted on all matters except on any resolution to cancel any of the Performance Shares. The Escrow Agreement further provides that the holders of the Performance Shares waive any right to receive dividends and to participate in the assets and property of the Issuer in the event of winding up or dissolution.

The complete text of the escrow agreements is available for inspection at the Issuer's Registered and Records Office.

POOLED SHARES

There are no shares held in pool.

PRINCIPAL HOLDERS OF SECURITIES

a) At the date hereof, there are no persons or companies holding, as of record or known to the Issuer to hold beneficially, directly or indirectly, more than 10% of the issued shares of the Issuer.

b) The percentage of the securities of the Issuer beneficially owned, directly or indirectly, by all directors and senior officers of the Issuer, as a group is as follows:

Designation of Class	Percentage of Class
9,334 Common Shares	4.7%

c) The percentage of the securities of the Issuer beneficially owned, directly or indirectly, by all directors and senior officers of the Issuer if all transactions under the Prospectus are completed, as a group is as follows:

Designation of Class	Percentage of Class
931,689 Common Shares	43.34%

INTERCORPORATE RELATIONSHIPS

The Issuer has no subsidiaries.

PRIOR SALES

During the twelve calendar months prior to the date of this Prospectus, the Issuer has not sold shares for cash or any other form of consideration.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except for Chester Shynkaryk, who is a Director, Promoter and President of the Issuer and who, together with his wife Barbara Shynkaryk, wholly owns Durango Research & Development Inc. which has entered into a management agreement as described under the heading "Executive Compensation" herein, no Directors, Senior Officers, Principal Holders of Securities as shown in "Principal Shareholders" or associates or affiliates of any of the foregoing persons have any material interest, direct or indirect in any transaction within the three years prior to the date of this Prospectus or in any proposed transaction which has materially affected or will materially affect the Issuer or any of its subsidiaries.

SOLICITORS

The name and address of the solicitors of the Issuer are Morton & Company, Barristers & Solicitors of #1750 -750 West Pender Street, Vancouver, British Columbia, V6C 2T8. Morton & Company also acts as the Registered and Records Office for the Issuer.

AUDITOR

The name and address of the auditor of the Issuer is MacKay & Partners, Chartered Accountants, of #1000 - 1190 Hornby Street, Vancouver, British Columbia V6Z 2H6.

REGISTRAR AND TRANSFER AGENT

The Registrar and Transfer Agent of the Issuer is Central Guaranty Trust Company of 2nd Floor - 800 West Pender Street, Vancouver, British Columbia.

MATERIAL CONTRACTS

The only material contracts entered into by the Issuer since April 27, 1984, the date of the cease trade order are:

1. Agreement with Patricia Mullin referred to under "Description of Business".

2. Agreement with Brenda Mines Ltd. referred to under "Description of Business".

3. Agreement with Inel Resources Ltd. referred to under "Description of Business".

4. Bill of Sale from Walter Bonin referred to under "Description of Business".

5. Bill of Sale from Norman Bonin referred to under "Description of Business".

6. Management Agreement with Durango Research & Development Inc. referred to under "Executive Compensation".

7. Stock Options with Senior Officers and Directors of the Issuer referred to under "Executive Compensation" and "Options to Purchase Securities".

8. Escrow Agreement with Central Guaranty Trust Company and Norman Bonin, Chester Shynkaryk, Alexander Cumming and Arnold Pollmer referred to under "Escrowed Shares".

9. Waiver of Rent and Management Fees by Durango referred to under "Executive Compensation".

10. Shares for Debt Agreements referred to under "Other Material Facts - Shares for Debt".

11. Private Placement Subscription Agreements referred to under "Other Material Facts - Private Placement".

12. Settlement Agreement with Patricia Mullin referred to under "Description of Business".

All material contracts herein described may be inspected at the registered and records office of the Issuer during normal business hours.

OTHER MATERIAL FACTS

City Waste Systems Ltd.

On May 24, 1988 the Issuer entered an agreement with City Waste Systems Ltd. whereby the Issuer would acquire control of City Waste Systems Ltd. As the

Issuer was unable to complete the acquisition due to lack of funding, development funds advanced to City Waste Systems Ltd. became a loan repayable on October 25, 1989.

As at October 31, 1989, City Waste Systems Ltd. owed the Issuer $10,492. City Waste Systems Ltd. is at arms length to the Issuer. Chester Shynkaryk and Norman Bonin, directors of the Issuer, are directors of Riteway Recycling Inc. (formerly City Waste Systems (1988) Inc.). Riteway Recycling Inc. (formerly City Waste Systems (1988) Inc.) was incorporated for the purpose of acquiring control of City Waste Systems Ltd. This acquisition did not materialize and there is currently no relationship between the two companies. As the recoverability of this outstanding amount is doubtful, it has been written down to $1.00 as of the Issuer's audited financial statements dated May 31, 1990.

Additional Offerings

The following additional offerings are contingent upon completion of the primary offering:

(i) Shares for Debt

This Prospectus also qualifies the issuance of 239,789 common shares of the Issuer issued at $0.35 per share in payment of total debts of $83,927 owed to various creditors of the Issuer as follows:

Creditor	Amount of Debt	No. of Shares
Grant Hallgren	$ 2,250	6,428
W. Bonin	$ 7,750	22,143
Norman Bonin**	$ 2,500	7,143
D. Betts	$ 3,000	8,571
Alex Cumming**	$ 8,600	24,571
D. Atkinson	$ 700	2,000
R. Abbey	$ 3,350	9,571
T. Peterson	$ 3,650	10,428
C. Raitt	$ 350	1,000
D. Buchanan	$ 350	1,000
A. Pollmer**	$19,537	55,820
Russell & DuMoulin	$ 9,390	26,828
Durango Research & Development Inc.* **	$22,500	64,286
Total	$83,927	239,789

*A company wholly owned by Chester Shynkaryk and his wife, Barbara Shynkaryk.
**Denotes insider of the Issuer. The Insiders of the Issuer will receive 151,820 shares or 63.31% of the total issuance of 239,789 shares for debt.

(ii) Private Placement

This Prospectus also qualifies for sale to the public 291,428 units, each unit consisting of one common share (the "Private Placement Shares") and one share purchase warrant by way of private placement and referred to under "Additional Offerings" on page 1. The Private Placement Shares will be issued at the agreed price of $0.35 per share and the share purchase warrants will be exercisable at a price of $0.40 per share for a period of six (6) months from the date of issuance. The Issuer has received subscription proceeds totalling $102,000 from a total of seventeen placees. These subscription proceeds were advanced to the Issuer between May 28, 1986 and April 27, 1987. Directors of the Issuer or companies wholly owned by Directors of the Issuer will not acquire any of the Private Placement Shares, except as follows: Buyrite Holdings Ltd., beneficially owned by Norman Bonin, a Director of the Issuer, will acquire 114,285 units in consideration of subscription funds of $40,000.

(iii) Mullin Settlement

This Prospectus also qualifies for sale to the public 37,500 common shares of the Issuer issued at $0.40 per share as partial consideration pursuant to a Settlement Agreement dated March 18, 1991 with Patricia Mullin. For further particulars see "Description of Business" on pages 6 and 7 herein.

The Issuer has not made nor does it intend to make any arrangements, written or oral, for promotional or public relations services.

There are no other material facts relating to the Issuer and not disclosed pursuant to the foregoing terms.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

The Securities Act provides 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.

INTERNATIONAL TOWER HILL MINES LTD.
(formerly Tower Hill Mines Ltd.)

FINANCIAL STATEMENTS

May 31, 1990, 1989, 1988, 1987, 1986 and 1985

MacKay & Partners

AUDITORS' REPORT

To the Directors of
INTERNATIONAL TOWER HILL MINES.
(formerly Tower Hill Mines Ltd.)

We have examined the balance sheet of International Tower Hill Mines Ltd. (formerly Tower Hill Mines Ltd.) as at May 31, 1990, 1989, 1988, 1987, 1986 and 1985 and the statements of loss and deficit and changes in financial position for each of the years in the six-year period ended May 31, 1990. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests 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 May 31, 1990, 1989, 1988, 1987, 1986 and 1985 and the results of its operations and the changes in its financial position for the each of the years in the six-year period ended May 31, 1990 in accordance with generally accepted accounting principles applied on a consistent basis.

MacKay & Partners

CHARTERED ACCOUNTANTS

Vancouver, Canada
August 24, 1990
Except for Note 11
which is as of
March 18, 1991

INTERNATIONAL TOWER HILL MINES LTD.
(formerly Tower Hill Mines Ltd.)

STATEMENT OF LOSS AND DEFICIT

FOR THE YEARS ENDED MAY 31, 1990, 1989, 1988, 1987, 1986 AND 1985

	1990	1989	1988	1987	1986	1985
INCOME						
Interest	$ 1,105	$ 1,944	$ 2,951	$ 1,791	$ ---	$ ---
EXPENSES						
Bad debt	11,066	---	---	---	---	---
Bank charges and interest	1,078	150	74	117	26	31
Consulting	6,712	---	---	---	---	---
Management fees (Note 9)	3,000	12,000	---	---	---	---
Office and miscellaneous	852	643	6,417	1,553	---	618
Printing	116	---	1,169	---	---	---
Professional fees	42,088	21,116	15,037	11,715	890	835
Rent (Note 9)	4,500	19,000	---	---	---	---
Stock exchange and filing fees	11,550	3,217	3,500	---	---	---
Transfer agent fees	3,340	915	700	---	---	---
Travel	130	2,500	2,000	---	---	5,120
	84,432	59,541	28,897	13,385	916	6,604
OPERATING LOSS	(83,327)	(57,597)	(25,946)	(11,594)	(916)	(6,604)
OTHER EXPENSES						
Exploration expenses	---	---	---	(13,364)	---	---
Write-off of incorporation costs	---	---	(993)	---	---	---
LOSS	(83,327)	(57,597)	(26,939)	(24,958)	(916)	(6,604)
DEFICIT, OPENING	(946,565)	(888,968)	(862,029)	(837,071)	(836,155)	(829,551)
DEFICIT, CLOSING	$(1,029,892)	$(946,565)	$(888,968)	$(862,029)	$(837,071)	$(836,155)
LOSS PER SHARE (Note 1)	$ (0.083)	$ (0.058)	$ (0.026)	$ (0.025)	$ (0.001)	$ (0.006)

INTERNATIONAL TOWER HILL MINES LTD.
(formerly Tower Hill Mines Ltd.)

BALANCE SHEET

AS AT MAY 31, 1990, 1989, 1988, 1987, 1986 and 1985

	1990	1989	1988	1987	1986	1985
ASSETS						
CURRENT						
Cash and term deposits	$ 134	$ 17,255	$ 16,383	$ 57,690	$ 71	$ 187
Loan receivable (Note 8)	1	32,583	3,650	---	---	---
	135	49,838	20,033	57,690	71	187
LOAN RECEIVABLE (Note 8)	---	---	15,000	---	---	---
MINERAL PROPERTY (Notes 1, 2, 3, 7 and 11)	7,528	47,528	16,800	---	---	---
INCORPORTION COSTS	---	---	---	993	993	993
	$ 7,663	$ 97,366	$ 51,833	$ 58,683	$ 1,064	$ 1,180
LIABILITIES						
CURRENT						
Accounts payable and accrued liabilities (Notes 4 and 11)	$ 87,126	$ 49,430	$ 19,800	$ 22,461	$ 18,384	$ 17,584
Due to related party (Notes 4, 9 and 11)	22,500	22,500	---	---	---	---
	109,626	71,930	19,800	22,461	18,384	17,584
SHARE ISSUE COMMITMENT (Notes 4 and 11)	103,000	153,000	102,000	78,500	---	---
SHAREHOLDERS' LOANS (Notes 4, 5 and 11)	38,428	32,500	32,500	33,250	33,250	33,250
	251,054	257,430	154,300	134,211	51,364	50,834
SHARE CAPITAL AND DEFICIT						
SHARE CAPITAL (Notes 4, 5, 6, 7, 8, 9 and 11)	786,501	786,501	786,501	786,501	786,501	786,501
DEFICIT	(1,029,892)	(946,565)	(888,968)	(862,029)	837,071)	(836,155)
	(243,391)	(160,064)	(102,467)	(75,528)	(50,570)	(49,654)
	$ 7,663	$ 97,366	$ 51,833	$ 58,683	$ 1,064	$ 1,180

APPROVED BY THE DIRECTORS:

_______________ Director
Norman Bonin

_______________ Director
Chester Shynkaryk

INTERNATIONAL TOWER HILL MINES LTD.
(formerly Tower Hill Mines Ltd.)

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEARS ENDED MAY 31, 1990, 1989, 1988, 1987, 1986 AND 1985

	1990	1989	1988	1987	1986	1985
OPERATING ACTIVITIES						
Loss	$ (83,327)	$ (57,597)	$ (26,939)	$ (24,958)	$ (916)	$ (6,604)
Items not requiring cash:						
Write-off of incorporation costs	---	---	993	---	---	---
	(83,327)	(57,597)	(25,946)	(24,958)	(916)	(6,604)
Cash provided by (used for) non-cash working capital						
Loan receivable	32,582	(28,933)	(3,650)	---	---	---
Accounts payable and accrued liabilities	37,696	29,630	(2,661)	4,077	800	750
Due to related party	---	22,500	---	---	---	---
Cash used in operations	(13,049)	(34,400)	(32,257)	(20,881)	(116)	(5,854)
FINANCING ACTIVITIES						
Loan receivable	---	15,000	(15,000)	---	---	---
Share issue commitment	(50,000)	51,000	23,500	78,500	---	---
Increase (decrease) in shareholders' loans	5,928	---	(750)	---	---	5,000
	(44,072)	66,000	7,750	78,500	---	5,000
INVESTING ACTIVITIES						
Mineral property acquisition costs	(10,000)	(10,000)	(10,000)	---	---	---
Mineral property exploration costs	---	(20,728)	(6,800)	---	---	---
Option receipt on mineral property	50,000	---	---	---	---	---
	40,000	(30,728)	(16,800)	---	---	---
INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(17,121)	872	(41,307)	57,619	(116)	(854)
CASH AND EQUIVALENTS, OPENING	17,255	16,383	57,690	71	187	1,041
CASH AND EQUIVALENTS, CLOSING	$ 134	$ 17,255	$ 16,383	$ 57,690	$ 71	$ 187

INTERNATIONAL TOWER HILL MINES LTD.
(formerly Tower Hill Mines Ltd.)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED

MAY 31, 1990, 1989, 1988, 1987, 1986 and 1985

1. INCORPORATION AND NATURE OF BUSINESS

The Company was incorporated on May 26, 1978 under the Company Act of the Province of British Columbia as Ashnola Mining Co. Ltd.

By a special directors' resolution passed May 27, 1988 the name of the company was changed from Ashnola Mining Ltd. to Tower Hill Mines Ltd. (see also Note 11 e).

The Company is in the initial stages of its development and as such its future is dependent upon the successful acquisition and development of mineral properties and its ability to raise capital.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Loss Per Share

Loss per share figures have been calculated using the weighted average number of post-reduction shares (Note 6) outstanding during the period.

b) Mineral Properties

The company capitalizes all acquisition, exploration and development costs related to exploration and development of mineral properties.

Exploration costs not resulting in the acquisition of a specific property or project are written off to expense in the year incurred. When a specific exploration program is in progress as at the year-end, the costs incurred to the year-end are deferred to the next fiscal period at which time they are capitalized or written off as described above.

The costs of abandoned properties are charged to expense in the year of abandonment. The costs of producing properties will be depleted by the unit of production method based upon estimated proven reserves.

Option payments received for exploration rights on the company's mineral properties are treated as cost recoveries and are credited firstly to cost of mineral claims, secondly to deferred exploration and development costs, and any excess is credited to income.

3. MINERAL PROPERTY

Accumulated costs in respect of mineral claims owned, leased or under option, consisted of the following:

	1990	1989	1988
Similkameen Mining Division			
British Columbia			
- Siwash Silver Leases			
Acquisition costs	$ 30,000	$ 20,000	$ 10,000
Exploration costs	27,528	27,528	6,800
	57,528	47,528	16,800
Less: Inel option receipt	(50,000)	---	---
	$ 7,528	$ 47,528	$ 16,800

4. SHARE ISSUE COMMITMENTS

The $103,000 figure disclosed on the balance sheet as a share issue commitment is made up of the following:

a) The company has received subscriptions in the amount of $102,000 to issue 408,000 units, each unit consisting of one post-reduction common share (Note 6) and one share purchase warrant exercisable for a six month period at $0.40 per share. The issuance of these units is subject to regulatory approval.

b) During the year-ended May 31, 1989, the company received partial consideration of $1,000 to issue 100,000 post-reduction common escrow shares (Note 6) at $0.017 per share to a director and senior officer of the company, subject to shareholder and regulatory approval.

In addition, the company has made the following commitments for the issuance of shares:

4. SHARE ISSUE COMMITMENTS - continued

c) The company has entered into various agreements to settle the following debts for post-reduction common shares at $0.25 per share:

Accounts payable and accrued liabilities	$ 28,927
Due to related party	22,500
Shareholders' loans	32,500
	$ 83,927

These agreements are subject to regulatory approval and the resumption of trading of the company's shares on the Vancouver Stock Exchange.

5. SHAREHOLDERS' LOANS

The amounts due to shareholders' are non-interest bearing with no fixed terms of repayment.

During the year ended May 31, 1989, the company entered into agreements with certain shareholders to convert some of these loans into post-reduction common shares as described in Note 4.

6. SHARE CAPITAL

During the year ended May 31, 1989, the number of outstanding shares of the company was reduced on the basis of one new (post-reduction) share for every 1.7 old (pre-reduction) shares and its authorized share capital was increased to 20,000,000 common shares without par value.

Authorized:
20,000,000 common shares without par value

	Number of Post-Reduction Shares	Amount
Issued and fully paid:		
Balance, May 31, 1990, 1989, 1988, 1987, 1986 and 1985	1,000,000	$ 786,501

6. SHARE CAPITAL - continued

The company has granted directors and employees options to purchase 192,464 post-reduction shares at $0.40 per share, exercisable on or before March 31, 1993. These options are subject to regulatory and shareholder approval.

On March 21, 1988, the directors resolved to cancel 280,000 pre-reduction escrowed shares, subject to regulatory approval. In addition, the company has agreed to issue 656,250 post-reduction escrowed shares at $0.017 per share to four directors of the company. This share issue is subject to regulatory and shareholders approval. As at May 31, 1990, there were 125,235 post-reduction shares under escrow.

7. CONTINGENCIES AND COMMITMENTS

a) Siwash Silver Leases
Similkameen Mining Division, British Columbia

On October 27, 1987, the company was granted an option to acquire a 100% interest in certain mineral claims situated in the Similkameen Mining Division of British Columbia.

The agreement requires total consideration of $160,000 to be paid as follows:

i) $ 6,000 upon closing (paid);
ii) $ 4,000 on or before April 3, 1988 (paid);
iii) $10,000 on or before October 3, 1988 (paid);
iv) $10,000 on or before October 3, 1989 (paid); and
v) $10,000 on or before October 3 of each subsequent year thereafter until October 3, 2002.

On November 17, 1987, the company entered into an agreement with Brenda Mines Ltd. ("Brenda") regarding the claims. The company paid $1,000 to Brenda in order to obtain certain information and drill cores and gave Brenda a right of first refusal if the company should decide to sell any of its interest in the claims. The Brenda agreement further provides that should the company receive a positive production recommendation regarding the claims, Brenda will have the option of providing production financing. In the event that the property then generates positive cash flow, Brenda would retain 80% of profits until

7. CONTINGENCIES AND COMMITMENTS - continued

a) Siwash Silver Leases - continued

all development capital plus interest has been repaid, after which Brenda may obtain a 51% interest in the claims on terms to be negotiated.

On March 31, 1989, the company entered into an agreement with Inel Resources Ltd. ("Inel") which gave Inel an option to acquire up to a 70% undivided interest in the company's mineral claims in the Similkameen Mining Division of British Columbia. In order to earn the first 60% undivided interest, Inel was to expend $1,000,000 on exploration and development of the claims and to purchase 370,000 post-reduction common shares of the company at $0.50 per share payable as follows:

i) $50,000 upon execution of this agreement (received); and
ii) $135,000 upon reinstatement of the company's shares for trading on the Vancouver Stock Exchange.

The agreement provided that if the shares of the company were not reinstated for trading by August 30, 1989, Inel would not be obligated to complete the private placement and the initial payment of $50,000 in (i) above would reduce Inel's work committment.

In the event that Inel has fulfilled the terms of the agreement to earn a 60% interest in the property, the agreement provided that Inel may earn an additional 10% interest by expending an additional $1,000,000 before April 30, 1994.

During the year ended May 31, 1990, Inel exercised its right to cancel the private placement referred to above and also decided not to proceed with further exploration of the claims.

b) Administrative Fees and Rent Commitment

On June 1, 1988, the company entered into a management agreement with a related party to accrue expenses of $2,500 per month for administrative services and office space. This agreement will automatically renew for successive one year terms until one party gives notice to terminate the agreement.

7. CONTINGENCIES AND COMMITMENTS - continued

b) Administrative Fees and Rent Commitment

Effective February 1, 1990 the company entered into an agreement with the related party referred to above, wherein the related party agreed to waive and forgive its entitlement to rent or management fees, except for any amounts paid or agreed to be settled by way of shares to January 31, 1990, and agreed that no such remuneration shall accrue to the related party until such time as the company has been re-activated.

8. LOAN RECEIVABLE

On May 24, 1988, the company signed a letter of intent agreeing to acquire 51% of the shares of City Waste Systems Ltd. ("City Waste") and an option to purchase the remaining 49% of the shares in City Waste. In consideration, the company was to issue 300,000 pre-reduction common shares at a deemed price of $0.50 per share and grant City Waste an option to purchase 100,000 additional shares at the following exercise prices:

i) $1.25 per share between May 26, 1989 and May 25, 1990; and
ii) $1.50 per share between May 26, 1990 and May 26, 1991.

The company also agreed to provide $160,000 in development funds to City Waste as follows:

i) $15,000 within 2 weeks of the agreement (paid); and
ii) $145,000 within 60 days of the agreement if financing could be obtained by the company.

As the company was unable to obtain $145,000 in financing within the time limit set out in the letter of intent, the payment of $15,000 made to City Waste and other advances totalling $17,887 became a loan which was repayable on October 25, 1989 with interest at 10% per annum.

During the year ended May 31, 1990, the company received net repayments of $22,500. As at May 31, 1990, the amount receivable from City Waste has been written down to a nominal amount of $1. The write off of $11,066 was charged to bad debts.

9. RELATED PARTY TRANSACTIONS

During the year ended May 31, 1990, office rent of $4,500 (1989 - $18,000, 1988 - $nil) and management fees of $3,000 (1989 - $12,000, 1988 - $nil) were paid or became payable to a company controlled by a director and senior officer of the company.

During the year ended May 31, 1989, the company entered into an agreement to convert amounts due to the related party referred to above into post-reduction common shares as described in Note 4.

10. LOSSES CARRIED FORWARD

The company has losses of approximately $289,700 available to offset future taxable income expiring as follows:

1991	$ 103,300
1992	6,600
1993	1,000
1994	25,000
1995	26,100
1996	57,000
1997	70,700
	$ 289,700

11. SUBSEQUENT EVENTS

a) Public Offering

Subsequent to May 31, 1990, the company intends to offer for sale to the public a minimum of 650,000 common shares and up to a maximum of 750,000 common shares at a price of $0.40 per share. The proceeds of the issue net of commissions will be a minimum of $227,500 and up to a maximum of $262,500.

Under the terms of an agency agreement, the agents have a right of first refusal to provide further equity financing to the company for a period ending 12 months after the effective date of the company's prospectus.

11. SUBSEQUENT EVENTS - continued

b) Option Payment

On October 3, 1990, the $10,000 option payment referred to in Note 7(a) was made.

c) Change in Share Issue Price

Pursuant to various amended subscription and debt settlement agreements dated from January 15, 1991 to January 20, 1991, the share issue commitments described in parts (a) and (c) of Note 4 are to be effected at a price of $0.35 per share.

d) Share Reduction

Effective January 25, 1991, the number of issued and outstanding shares of the company is to be further reduced from 1,000,000 common shares to 200,000 common shares and the company's authorized capital is to be increased to 20,000,000 common shares without par value.

e) On March 15, 1991, the company changed its name from Tower Hill Mines Ltd. to International Tower Hill Mines Ltd.

f) By a settlement agreement dated March 18, 1991, between the company and the optionor of the Siwash Silver Leases (the "Optionor"), the company agreed to issue to the Optionor 37,500 post-reduction common shares at $0.40 per share and to amend the Siwash Silver Leases option agreement by increasing the twelve remaining option payments to $12,500 each. Consideration for the above was the release of any and all claims by the Optionor against the company. The agreement provides that the company will pay to the Optionor any difference between $15,000 and the actual cash amount realized by the optionor on sale of the 37,500 shares. The settlement agreement is subject to regulatory approval.

CERTIFICATE

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 at Vancouver, British Columbia this 26th day of March, 1991.

CHESTER SHYNKARYK
Chief Executive Officer

ALEXANDER CUMMING
Chief Financial Officer

ALEXANDER CUMMING
Director

ARNOLD POLLMER
Director

PROMOTERS

CHESTER SHYNKARYK

NORMAN BONIN

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 at Vancouver, British Columbia, this 26th day of March, 1991.

GEORGIA PACIFIC SECURITIES CORPORATION

Per: ______________________

R. BRIAN ASHTON