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FORM 24

SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE

STATEMENT OF MATERIAL FACTS

EFFECTIVE DATE: MAY 29, 1987

#78/87

Laramide Resources Ltd., 904 - 675 West Hastings Street,
Vancouver, British Columbia, V6B 1N2, 688-3584

NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

3000 - 1055 West Georgia Street, Vancouver, British Columbia, V6E 3R3

ADDRESS OF REGISTERED AND RECORDS OFFICES OF THE ISSUER

The Canada Trust Company, 1055 Dunsmuir Street,
Vancouver, British Columbia, V7X 1P3

NAME AND ADDRESS OF REGISTRAR & TRANSFER AGENT FOR ISSUER'S SECURITIES IN
BRITISH COLUMBIA

OFFERING: Fixed Price Agency Offering - 300,000 Common Shares

	Estimated Price to Public(1)	Estimated Agent's Commission	Estimated Proceeds to be Received by Company
Per Share.....	\$1.79	\$0.1335	\$1.6565
Total.....	\$537,000	\$40,050	\$496,950

(1) The Agent has agreed with the Issuer that the price will be established on the Effective Date in accordance with the rules of the Vancouver Stock Exchange.

Agent
Canarim Investment Corporation Ltd.
2200 - 609 Granville Street
Vancouver, B.C.
V7Y 1H2

The securities offered hereunder are speculative in nature. Information concerning the risks involved may be obtained by reference to this document; further clarification, if required, may be sought from a broker.

Additional Offering

The Agent will receive share purchase warrants entitling it to purchase up to 100,000 Common shares of the Issuer in return for guaranteeing the sale of the Shares offered hereby. These shares are qualified for sale through the facilities of the Vancouver Stock Exchange pursuant to this Statement of Material Facts, as described in Item 1 under the heading "Additional Offering".

Neither the Superintendent of Brokers nor the Vancouver Stock Exchange has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

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ITEM 1 PLAN OF DISTRIBUTION

Offering

Laramide Resources Ltd. (the "Issuer") by its Agent hereby offers (the "Offering") to the public through the facilities of the Vancouver Stock Exchange (the "Exchange") 300,000 Common shares (the "Shares") of its capital stock. The Offering will take place on a day (the "Offering Day") within the period of 30 business days following the effective date of this Statement of Material Facts (the "Effective Date"), being the date of acceptance of this Statement of Material Facts by the Exchange and the Superintendent of Brokers as noted on the cover page at a fixed price.

The Shares will be sold at a fixed price to be agreed upon by the Issuer and the Agent, provided that such offering price shall not be fixed at a discount of more than 10% below the average market price determined by the Exchange in accordance with its rules.

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

Appointment of Agent

The Issuer, by an agreement (the "Agency Agreement") dated April 16, 1987, appointed Canarim Investment Corporation Ltd. as its agent to offer the Shares to the public. The Issuer shall pay the Agent a commission of 7.5% of the selling price of the Shares.

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

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

The directors, officers and other insiders of the Issuer may purchase Shares from this Offering.

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 this Offering.

Persons Holding, Directly or Indirectly,
Shares in the Capital Stock or Partnership
of the Agent in Excess of 5% Thereof

The persons or companies owning more than 5% of the issued capital of the Agent are Michael W. Murphy and Intercan Holdings Ltd. The persons beneficially owning a 5% or greater interest in Intercan Holdings Ltd. are Alfred E. Turton, Peter M. Brown, Brian D. Harwood and C. Channing Buckland.

As at the date hereof, the Agent does not beneficially own, directly or indirectly, any shares of the Issuer.

Agent's Warrants

The Agent has agreed to purchase any Shares not sold at the conclusion of the Offering. In consideration therefor, the Issuer has agreed to issue to the Agent immediately following the conclusion of the Offering, non-transferable share purchase warrants (the "Agent's Warrants") entitling it to purchase up to 100,000 Common shares of the Issuer at a price which is determined in accordance with the rules and policies of the Exchange, at any time up to the close of business 180 days from the Offering Day.

The Agent's Warrants will contain, among other things, anti-dilution provisions and provisions for appropriate adjustment of the class, number and price of shares issuable pursuant to any exercise thereof upon the occurrence of certain events including any subdivision, consolidation or reclassification of the Shares or the payment of stock dividends.

Additional Offering

This Statement of Material Facts also qualifies for sale to the public through the facilities of the Exchange at the market price prevailing for the shares at the time of sale for a period of 180 days from the Offering Day, any Shares purchased by the Agent and any shares acquired by it upon the exercise of the Agent's Warrants. The Issuer will not receive any proceeds from the sale of such shares by the Agent, all of which proceeds will, in such event, accrue to the Agent.

Market Maker

The Agent may be considered the Market Maker of the Issuer of the Shares during the period of primary distribution of this Offering and for 30 days thereafter. As of the date hereof, the Agent does not control any shares of the Issuer, directly or indirectly. Subject to the by-laws of the Exchange, the Agent may make purchases and sales of the Shares of the Issuer for the purpose of maintaining an orderly market for the Shares and assisting in the distribution of the offered Shares.

ITEM 2 HOW THE NET PROCEEDS OF THE ISSUE ARE TO BE SPENT

Although it is not possible to determine the actual net proceeds which the Issuer will receive from this Offering, assuming all of the Shares are sold at a price of \$1.79 per share, the net proceeds to be received by the Issuer will be \$496,950 and will be applied as follows:

1. To pay the costs of the Issue (estimated)	\$ 20,000
2. To working capital	<u>\$476,950</u>
	<u>\$496,950</u>

The Issuer intends to continue its search for and acquisition of resource properties of merit and the exploration and development of properties which the Issuer owns or has interests in, either alone or through participation with others. After adding the working capital raised pursuant to this offering to the working capital of \$824,000 on hand as at April 30, 1987, the Issuer will have total working capital of approximately \$1,300,950.

Working capital as supplemented from time to time by flow through financing for Canadian Exploration Expenditures, will be used towards these objectives in compliance with the policies of the Vancouver Stock Exchange. The Issuer is subject to the general filing exemption of the Vancouver Stock Exchange Listing Policy No. 9/83, as amended. As a "Non-Development" company, if the Issuer enters into a transaction or series of transactions involving an acquisition or disposition of assets which is at arms' length to insiders of the Issuer,

prior acceptance by the Vancouver Stock Exchange is not required when:

- (i) the total cost or proceeds of the acquisition or disposition involving the issuance or acquisition of shares does not exceed \$150,000 and does not involve the issuance of more than 100,000 shares of the Issuer; or
- (ii) the cost or proceeds of the acquisition or disposition does not exceed \$500,000, and that the funds used are from unallocated working capital.

In addition, working capital will be used to defray normal administration costs and for general corporate purposes. The Issuer estimates that the administrative expenses for the next 12 months will be approximately \$150,000.

There are no provisions or any arrangement for holding any part of the net proceeds in trust or subject to the fulfillment of any conditions whatsoever.

ITEM 3 MATERIAL NATURAL RESOURCE PROPERTIES

A. Summary of Material Mining Properties

GROUP I Properties for which regulatory approval has been obtained under this Statement of Material Facts.

GROUP II Presently held properties which are currently producing or being explored, or upon which exploration is planned within the next year.

GROUP III Other presently held properties upon which the Issuer's acquisition and exploration costs to date exceed \$100,000.

Group	Property Name	Issuer's Acquisition and Exploration Costs to February 28, 1987	Shares Issued to Date	Planned Expenditure from Funds Available Upon Completion of the Offering
I	None			
II	Kitimat	\$ 61,000	nil	nil ⁽¹⁾

	Lara	\$613,020	nil	nil ⁽²⁾
	Sadim	\$153,857	nil	nil ⁽²⁾
	Allies	\$ 94,980	nil	nil
	Crow Lake	\$ 89,025	nil	nil ⁽²⁾
III	Snowflake	\$250,000	nil	nil

NOTES

1. 1987 exploration work on the Kitimat Property will be financed by BP Resources Canada Limited - Selco Division. (See narrative below).
2. The participation by the Issuer in 1987 exploration work on the Lara and Sadim Properties will be financed by the issuance of flow through shares. (See narrative below).

B. Narrative Information - Material Mining Properties

GROUP I - Not applicable.

GROUP II

KITIMAT PROPERTY

The Issuer has optioned its gold-base metals prospect near the Town of Kitimat, B.C. to BP Resources Canada Limited-Selco Division ("BP-Selco"), who has made a \$50,000 payment to the Issuer and holds the right to earn a 50% interest in the property by spending \$1 million on exploration before December 31, 1990. When BP-Selco has earned a 50% interest, the Issuer has the right to participate as to 25% when a production decision has been made or receive a net smelter return royalty that escalates to 3% over five years.

Work done by the Issuer at a cost of approximately \$33,000 has traced a mineralized area along strike for at least four kilometres. It is composed of steeply dipping pyrite and barite bearing rhyolite beds within a sequence of volcanic fragmental rocks. Geochemical rock sampling has identified anomalous concentrations of copper, lead, zinc, gold and silver. Gold values up to .15 oz. per ton have been reported. This area is road accessible so that exploration work can proceed quickly and effectively in the spring. BP-Selco

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intends to carry out an exploration program in 1987 to include mapping, sampling, geophysics and drilling at a cost estimated to be \$150,000.

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LARA PROPERTY

The Issuer holds a 35% participating interest in the Lara Property, a polymetallic mineral prospect situate in the Victoria Mining Division, British Columbia, approximately 15 kilometres northwest of the town of Duncan on Vancouver Island under a Joint Venture Agreement with Abermin Corporation. The Lara Property consists of a total of 149 mineral claim units covering an area of approximately 9,200 acres.

Abermin Corporation is the operator of the Joint Venture and, as the holder of the majority interest, determines the exploration and development of the Lara Property and has the responsibility of keeping the Lara Property in good standing. In order to maintain its interest in the Lara Property, the Issuer is required to contribute 35% of the cost of exploration, development and operation of the Lara Property and is entitled to 35% of the proceeds from any production. Should the Issuer wish not to contribute to the cost of placing the Lara Property into production when the operator gives a notice of production, it has the right to convert its participating interest to a 10% Net Profits Interest as defined in the Joint Venture Agreement. If, as a result of non-contribution, either party fails to contribute to the exploration and development of the Lara Property, its interest will be diluted in accordance with a specified formula and if reduced to below 7.5%, is automatically converted to a 5% Net Profits Interest.

Abermin is a federally incorporated public company whose shares are listed on the Vancouver, Toronto and Montreal Stock Exchanges. Its head office and principal place of business is 15th Floor, 1075 West Hastings Street, Vancouver, B.C., V6E 3C9. The Joint Venture Agreement between Abermin and the Issuer was negotiated at arms' length.

Since 1984, 148 drill holes totalling 68,300 ft. have been bored on the Lara Property. Thirty-two holes have produced "ore class" intersections within the metal-bearing sulphide layer. These have averaged .13 opt gold, 3.25 opt silver, 5.79% zinc, .81% copper and 1.32% lead over an average true thickness of 12.7 ft.

Infill drilling on the Coronation Zone identified a highgrade trend that has been traced for 500 ft. It is 11 ft. thick and averages .24 opt gold, 6.7 opt silver, 14.9% zinc, 1.5% copper and 3.1% lead and demonstrates the possibility of achieving mining grades higher than those previously indicated by wide-spaced exploratory drilling.

The mineralized zones occur in a pyrite-rich rhyolite bed which trends ESE, dips about 60° to the north, and has been traced by drill holes for more than one mile. The Coronation Zone has been traced along strike for 1,300 ft. and to a maximum depth of 500 ft. The Coronation Extension Zone lies 1,000 ft. to the southeast and diamond drill intersections have identified the mineralization to a depth of 450 ft. and about 500 ft. along strike. Neither zone has been completely defined by exploration drilling; there is further potential at depth and around four isolated intersections which require detailed follow-up drilling.

A second metal-bearing sulphide layer was identified by drilling in 1986. It is parallel to the horizon which contains the Coronation Zone and is located 7,000 ft. to the north.

A diamond drilling programme of approximately 9,000 metres has been planned for 1987 along with geophysical surveys and a continuation of Stage I environmental studies at an estimated cost of \$1.07 million. Preliminary metallurgical test work has indicated that commercial flotation concentrates can be made from Lara ore without unusual difficulty. Further testing will be done as drilling and underground development proceeds.

The Issuer has elected to contribute its 35% cost share to the 1987 programme budget. This programme and budget has been reviewed by I.M. Watson, P.Eng. on behalf of the Issuer in his Report entitled "A Summary Review of the Lara Project, Mt. Sicker Area, Vancouver Island, B.C." dated April 15, 1987. The Issuer's cost share of the 1987 exploration programme on the Lara Property (namely \$376,002) is being funded by Deductible Opportunities Fund 1987 Mineral Limited Partnership through the issue of flow-through shares at \$2.34 per share (see Item 5 hereof).

SADIM PROPERTY

CHNEOS
The Issuer has the right to acquire a 50% interest in the Sadim 1-5 mineral claims (68 units)

situated 21 miles north of Princeton, Similkameen Mining Division, Province of British Columbia.

Under its agreement with the Vendors, J.H. Randa and I.M. Watson, the Issuer has paid the total amount of \$60,000 and made exploration expenditures of \$118,857 in connection with geological mapping, geochemical surveys, trenching, sampling and drilling. The Issuer has now earned a 50% interest in the Sadim Property and has the right to have the Sadim Property transferred to a new company to be incorporated and in which the Issuer and the Vendors will hold the initial 750,000 shares as to 50% each.

The Issuer intends to make this payment to earn its interest in the near future and to exercise the incorporation option.

In February, 1987, six vertical diamond drill holes totalling 960 feet were bored to test a gold bearing quartz stockwork zone which was identified by trenching in the fall of 1986. At that time, assays averaging 0.04 oz. per ton gold were reported in an area of 60 feet by 200 feet. The mineralized zone has a general north south trend and appears to dip eastward.

Holes #1 to #5 show diminishing near surface gold concentrations to the south, however, Drill Hole #6 at the northern extremity of the trenching cut a 30.5 foot section from 70.5 feet to the bottom of the hole at 101 feet, averaging 0.09 oz. per ton gold and 0.74 oz. per ton silver. This includes a 3.3 foot section averaging 0.58 oz. per ton gold and 4.6 oz. per ton silver. The best trench section near Drill Hole #6 is located 130 feet to the south and averages 0.05 oz. per ton gold and 0.36 oz. per ton silver across 53 feet. The stockwork is open down dip and northward along strike. Further surface work and drilling on the Sadim Property is planned for this year through the new company. The Issuer will finance the cost of such work through the issue of flow through shares at \$2.34 per share to Deductible Opportunities Fund 1987 Mineral Limited Partnership (see item 5).

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ALLIES PROPERTY:

The Issuer is the owner of the Allies Property consisting of the Allies 1 mineral claim comprising 24 units situate 28 miles northwest of Kamloops, B.C. and accessible by logging road from Kamloops. The Issuer acquired the Allies 1 mineral claim for the cost of staking of approximately \$10,000 and carried out

exploration on the Allies Property at a cost of approximately \$85,000.

The Allies Property is subject to an agreement dated September 30, 1985 with Relay Creek Resources Ltd. ("Relay"), a British Columbia reporting company, which agreement was negotiated at arm's length from the Issuer. Pursuant to the agreement, Relay, in consideration of \$5,000 paid to the Issuer, was granted the option to earn a 50% interest in the Allies Property by expending a total of \$200,000 on exploration of the property as follows:

\$ 75,000 by December 31, 1986 (committed)
\$125,000 by December 31, 1987 (optional)
\$200,000 by December 31, 1988 (optional)

Upon Relay having earned its 50% interest, the Issuer has the option to maintain its 50% interest and become the operator of a joint venture between the Issuer and Relay or elect to reduce its interest to 25% which is carried until a production decision can be made. At that time, the Issuer will have the option to maintain its 25% interest in the Allies Property by contributing 25% of the cost of placing it into production or converting its interest to a 2% net smelter return royalty interest as defined.

The joint venture provides for dilution of interest for non-contribution and, if a party's interest is reduced to 10%, it will be converted to a 10% Net Profits Interest as defined.

Relay expended approximately \$85,000 on exploration, including drilling, of the Allies Property. Neither the Issuer's work nor the work of Relay produced any significant assay results except in gold bearing float. Relay intends to carry out further work in the Allies Property.

CROW LAKE PROPERTY

The Issuer is the owner of 41 unpatented mining claims located on Kakagi (Crow) Lake in the Kenora Mining Division of Ontario. The Issuer acquired the claims for the cost of staking which was approximately \$4,225. Work done by the Issuer in 1986 and early 1987 at a cost of approximately \$84,800 consisted of trenching, sampling, geological mapping and geophysical surveys. The property covers an east-west trending gold-bearing shear zone that is composed of pyritic quartz sericite schist. Most of this structure is covered by lakewater. Where it is

exposed on East Island, immediately west of the Issuer's property on claims held by others, three trenches average 0.19 opt Au across an average width of 14.5 ft. The Issuer proposes to test the mineralized structure on its property by diamond drilling during the winter of 1987-88 and will seek the participation of others in this project.

The Issuer proposes to finance its share of exploration of the Crow Lake Property through the issue of flow-through shares at \$2.34 per share to Deductible Opportunities Fund 1987 Mineral Limited Partnership (see Item 5).

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GROUP III

SNOWFLAKE PROPERTY

The Issuer owns 50% of the issued capital in Quilchena Resources Ltd. ("Quilchena"), a British Columbia non-reporting company, of 904 - 675 West Hastings Street, Vancouver, B.C. Quilchena owns nine located mineral claims (62 units) in the Aspen Grove area, Nicola Mining Division, British Columbia (the "Snowflake Property"). The balance of the shares of Quilchena are held by Snowflake Mining Ltd., a non-reporting British Columbia company which is at arms-length with the Issuer. Albert F. Reeve, a director and President of the Issuer, is also a director and President of Quilchena, and Jurgen T. Lau, a director of the Issuer, is a director and Secretary of Quilchena.

The Issuer earned its interest by making payments to the owners of \$50,000 and exploration expenditures of \$200,000.

The exploration work carried out by the Issuer to earn its interest consisted of magnetic surveys, induced polarization surveys and geochemical surveys. In addition, 12 diamond drill holes were completed for a total of 3,300 feet. Significant gold assays were obtained in three holes with the best intersection returning 5 feet of 1.05 oz. per ton gold and 12 oz. per ton silver. Subsequent to the Issuer earning its interest, the Snowflake Property was optioned to Lornex Mining Corporation. Lornex carried out a geophysical survey, bored six diamond drill holes totalling 1,900 feet at a cost of approximately \$60,000. The best core intersection obtained by Lornex was 6.6 feet averaging .13 oz. per ton gold, .65 oz. per ton silver and 2.1% copper. Lornex terminated this option in November, 1986.

By an agreement dated May 1, 1987 between Quilchena and Gerle Gold Ltd., a British Columbia reporting company whose shares are traded on the Vancouver Stock Exchange, Gerle Gold Ltd. has the option to acquire a 50% interest in the Snowflake Property by making total exploration expenditures of \$1,000,000 by 1991 with a commitment to incur not less than \$75,000 of exploration expenditures by December 31, 1987.

ITEM 4 PARTICULARS OF NON-RESOURCE ASSETS

The Issuer does not own or have an interest in any non-resource assets.

ITEM 5 CORPORATE INFORMATION

The Issuer was incorporated on May 29, 1980 by filing a Memorandum and Articles with the Registrar of Companies under the British Columbia Company Act.

The Issuer's authorized capital consists of 10,000,000 Common shares without par value, of which 4,384,954 shares are issued. There are no material rights or restrictions attached to such shares.

In addition, the Issuer has entered into an Exploration Agreement dated January 20, 1987 and accepted by the Issuer February 11, 1987, whereby Deductible Opportunities Fund 1987 Mineral Limited Partnership (the "Partnership") has subscribed for 300,000 flow-through shares at a price of \$2.34 per share. The shares will be issued as the subscription funds have been spent on exploration programs of the Issuer. The General Partner of the Partnership, DOF Management Ltd. is owned 50% by Canarim Investment Corporation Ltd., the Agent for the Offering pursuant to this Statement of Material Facts.

Shares have been issued by the Issuer since the date of the latest financial statements included in this Statement of Material Facts as follows:

- (a) 4,839 shares were issued on March 20, 1987 to Deductible Opportunities Fund 1987 Mineral Limited Partnership pursuant to the Exploration Agreement described above.

(b) 347,222 shares were issued on April 1, 1987 to Canada Northwest Energy Limited, a control person of the Issuer, at \$1.44 per share by way of a private placement pursuant to a Subscription Agreement dated February 27, 1987.

ITEM 6 DIRECTORS, OFFICERS, PROMOTERS AND PERSONS HOLDING MORE THAN 10% OF THE ISSUED VOTING SHARES

The names, addresses, positions with the Issuer, and chief occupations for the past five years of the directors, officers and promoters of the Issuer and the number of shares each holds beneficially, directly or indirectly, are as follows:

<u>Name, Address and Position with Issuer</u>	<u>Chief Occupation For Past Five Years</u>	<u>No. of Shares Held Beneficially, Directly or Indirectly</u>
ALBERT FREDERICK REEVE R.R. #1, North Road Gibsons, B.C. VON 1V0 President, Director & Promoter	Geologist; President of the Company and Albert F. Reeve Limited, over five years. President of Blackdome Mining Corp. to May, 1985	95,143* (of which 14,375 are pooled)
JURGEN THEODOR LAU 3929 Marine Drive West Vancouver, B.C. V7V 1N5 Director	Barrister & Solicitor; Partner, Bull, Housser & Tupper, over five years	103,900* (of which 15,500 are pooled)
GARY RALPH McDONALD 316 First Street New Westminster, B.C. V3L 2G6 Director	Secretary of MFC Mining Finance Corporation, May/85 to present; Secretary of Blackdome Mining Corporation, May/84 to present; Secretary, Laramide Service Corp., July/83 to Nov./85; Chartered Accountant, Self-Employed, May/83 to June/83; Audit Manager, Coopers & Lybrand, Feb./79 to April/83.	41,500 (of which (16,500 are escrowed and 2,500 are pooled)

RAYMOND JAMES KIRKER 61-1815 Varsity Estates Drive Calgary, Alberta T3B 3Y7 Director	Geologist; Vice- President, Special Projects, Canada Northwest Energy Limited, over five years	75,000
WILLIAM WOLODARSKY 4582 West 5th Avenue Vancouver, B.C. V6R 1S7 Director	Geologist, President, Mistaya Explorations Ltd., over five years; President, OGY Petroleum Ltd., Dec./83 to present.	210,500 (of which (15,125 are escrowed)
JOHN WILLIAM STOLLERY 4423 Patterdale Drive North Vancouver, B.C. V7R 4L6 Director	Geological Engineer; Managing Partner, Cordilleran Engineering, over five years; President, Fairfield Minerals Ltd., Oct./84 to present; President, Regional Resources Ltd., March/82 to Dec./85.	5,000
DUNCAN MacKENZIE STEWART 1940 Kings Avenue West Vancouver, B.C. V7V 2B5 Director	President, Duncan Stewart Development Management Inc., over five years.	15,000
ANNIKKI TERTTU PUUSAARI 314-1355 Harwood St. Vancouver, B.C. V6E 3W3 Secretary	Office Manager, Laramide Service Corp., Aug./85 to present; Accountant, Centennial Minerals Ltd., Jan./85 to June/85; Office Manager, Du Pont of Canada Exploration Ltd., May/71 to Dec./84.	11,400 (of which 8,250 are escrowed)

* Albert F. Reeve and Jurgen T. Lau control a further 498,857 shares of the Issuer through Exaton Resources Ltd. (see below).

Albert F. Reeve is a director of three other reporting companies; Jurgen T. Lau is an officer of one other reporting company; Gary R. McDonald is not a director or officer of any other reporting companies; R. James Kirker is an officer of one other reporting company; William Wolodarsky is a director of one other reporting

company; John W. Stollery is a director or officer of two other reporting companies; Duncan M. Stewart is not a director or officer of any other reporting companies; and Annikki T. Puusaari is an officer of one other reporting company. A list of the names of such companies is available for inspection at the location and during the times specified in Item 9 of this Statement of Material Facts.

No such companies were, during the period any of the foregoing directors and officers were directors, officers or promoters of them, struck off the British Columbia Register of Companies, or other similar authority, nor were these securities the subject of a cease trade or suspension order for a period of more than thirty consecutive days.

No direct remuneration was paid or is payable by the Issuer in the financial year ended December 31, 1986 to directors and senior officers of the Issuer in their capacity as such. During the year ended December 31, 1986, the Issuer paid the following indirect remuneration:

- (a) \$66,500 to Laramide Service Corporation (which is owned 100% by Albert F. Reeve Limited, the President of the Issuer) for office services, being at the rate of \$5,000 per month and for accounting services provided by the Secretary of the Company, being at the rate of \$200 per day for in excess of three days per month of providing such services;
- (b) \$55,500 to Albert F. Reeve Limited (which is owned 100% by Albert F. Reeve, the President of the Issuer) for technical and professional services.

Stock options granted to certain directors of the Issuer are set out in Item 7 hereof.

No director, officer, promoter or insider has received anything of value from the Issuer within the past year which has not been disclosed elsewhere in this Statement of Material Facts.

To the knowledge of the directors and senior officers of the Issuer, the only persons or companies other than the directors of the Issuer, who own beneficially, directly or indirectly, more than 10% of the equity shares of the Issuer are as follows:

<u>Name and Address of Shareholder</u>	<u>No. of Shares</u>	<u>Percentage of Issued Shares</u>
Canada Northwest Energy Limited* 2700-300 Fifth Avenue N.W. Calgary, Alberta T2P 3C4	1,541,423	35.1%
Exaton Resources Ltd.** 904-675 W. Hastings Street Vancouver, B.C. V6B 1N2	498,857 (of which 206,250 are escrowed and 14,000 are pooled)	11.4%

* Canada Northwest Energy Limited is a Federal public corporation, registered to do business in Alberta, whose shares are listed on the Toronto Stock Exchange. R. James Kirker, a Director of the Issuer, is an officer of Canada Northwest Energy Limited.

** The voting shares of Exaton Resources Ltd. are owned 50% by Albert F. Reeve, President and a Director of the Issuer, and 50% by Jurgen T. Lau, a Director and the responsible solicitor of the Issuer.

ITEM 7 OPTIONS TO PURCHASE SECURITIES OF THE ISSUER

Directors' Stock Options

By agreements dated April 7 and 15, 1986, the Issuer granted director stock options to five of its directors to purchase up to an aggregate of 130,000 Common shares exercisable until August 12, 1991 at a price of \$0.85 per share. To date, one of the directors has exercised his option in full for 20,000 shares and the following options remain outstanding:

<u>Name</u>	<u>No. of Shares</u>
Gary R. McDonald	20,000
R. James Kirker	20,000
Duncan Stewart	20,000
John Stollery	50,000

Employee Stock Options

By agreements dated April 7, 1986, the Issuer granted employee stock options to purchase up to an aggregate of 145,000 Common shares exercisable until

August 12, 1991 at a price of \$0.85 per share. To date, one employee has exercised his option in full for 25,000 shares, and the following options remain outstanding:

<u>Name</u>	<u>No. of Shares</u>
Albert F. Reeve	100,000
Annikki T. Puusaari	20,000

Each option is non-assignable and terminates in the event the optionee ceases to be a director or an employee of the Issuer, as applicable.

ITEM 8 SECURITIES OF THE COMPANY HELD IN ESCROW,
IN POOL OR SUBJECT TO HOLD RESTRICTIONS

There are 369,875 shares in the capital stock of the Issuer held in escrow by the Issuer's Registrar and Transfer Agent, The Canada Trust Company, 1055 Dunsmuir Street, Vancouver, B.C., which shares are subject to the direction or determination of the Vancouver Stock Exchange. These shares were issued as Principals' Shares at \$0.01 per share. The escrow restrictions provide that the shares may not be sold, assigned, hypothecated, alienated, released from escrow, transferred within escrow, or otherwise in any manner dealt with, without the express consent of the Exchange.

The terms of the Escrow Agreement provide that a portion of the consideration for the issuance of the escrow shares is to encourage the escrow shareholders to act in the best interest of the Issuer, and if the Issuer becomes successful due in part to the efforts of the shareholders, or any one of them, the shareholders shall be entitled to maintain their ownership of the escrow shares and to a release of the shares from the terms of the Escrow Agreement, from time to time, in accordance with the general policies of the Exchange.

A total of 124,875 shares of the Issuer remain held in pool by The Canada Trust Company, and will be released from pool on May 26, 1987.

The shares issued to Canada Northwest Energy Limited must be held for at least 12 months from April 1, 1987, except as provided in the Securities Act, S.B.C. 1985, c. 83 and Regulations.

ITEM 9 PARTICULARS OF ANY OTHER MATERIAL FACTS

There are no actual or pending material legal proceedings to which the Issuer is or is likely to be a party or of which any of its property is or is likely to be the subject.

No properties are proposed to be acquired for which regulatory approval is not being sought under this Statement of Material Facts.

The Company has no bonds, debenture, notes or other debt obligations outstanding.

In addition to the interests of Mr. Jurgen T. Lau, the filing solicitor and a Director of the Issuer disclosed elsewhere in this Prospectus, two of his law partners have an indirect material beneficial interest in the Issuer as a result of their non-voting shareholdings in Exaton Resources Ltd. In addition, certain of Mr. Lau's partners own an aggregate of 115,857 shares in the capital stock of the Issuer. Neither Mr. Lau nor any of his partners have any interest direct or indirect in the properties of the Issuer. None of Mr. Lau's partners is a director, senior officer or promoter of the Issuer.

The Issuer owns approximately 20% of the issued shares of Nation River Resources Ltd., a private British Columbia mineral exploration company, and has a first right of refusal on the sale, option or other disposition by Nation River Resources Ltd. of certain mineral properties.

The Company has agreed to purchase from MFC Mining Finance Corporation, 450,000 shares of Calnor Resources Ltd. for and in consideration of the allotment and issue to MFC Mining Finance Corporation of 50,000 shares of the Company. Calnor Resources Ltd.'s principal asset is comprised of rights to acquire a gold prospect in Ontario, which, in the opinion of the Company has significant exploration potential and which is the reason for the proposed transaction. MFC Mining Finance Corporation is a British Columbia reporting company whose shares trade on both the Vancouver and Toronto Stock Exchanges. One of the directors of the Company, Mr. Gary R. McDonald was also secretary of MFC at the time of the negotiations. Calnor Resources Ltd. is a British Columbia reporting company whose shares trade on the Vancouver Stock Exchange. The Vancouver Stock Exchange has approved this transaction; however, as at the date hereof, the shares have not been issued.

By a Share Purchase Agreement dated as of February 23, 1987 between Labrador Mining and Exploration Company, of 715 - 5th Avenue S.W., Calgary, Alberta, T2P 2X7, and the Issuer, the Issuer agreed, on its own behalf and on behalf of Bell Molybdenum Mines Limited ("Bell"), to purchase all of the issued and outstanding shares of Vanco Explorations Limited (N.P.L.) ("Vanco") in consideration of the sum of \$40,000, of which the Issuer is required to pay \$16,000. Vanco holds interests in 14,000 acres of mineral claims in the Aspen Grove district and 9,000 acres in the Quesnel district of British Columbia. As at the date hereof, the transaction has not closed. After closing, the Issuer and Bell will each own 46.25% of the issued capital of Vanco with 7.5% being owned by I.M. Watson and James H. Randa, the optionors of the claims held by Vanco in the Aspen Grove area.

There are no other material facts relating to the securities being offered and not disclosed under any other Item in this Statement of Material Facts.

The list of reporting companies referred to in Item 6 hereof and all contracts referred to herein may be inspected during normal business hours at the Company's registered office, 3000 - 1055 West Georgia Street, Vancouver, B.C., during the primary distribution of the securities offered hereunder and for 30 days after completion of such primary distribution.

ITEM 10 STATUTORY RIGHTS OF RESCISSION

The British Columbia Securities Act provides purchasers with the right to rescind a contract for the purchase of securities where the statement of material facts and any existing amendments thereto either contain a misrepresentation or are not delivered to the purchaser before delivery of the written confirmation of sale. For further information concerning these rights, and the time limits within which they must be exercised, refer to Sections 66, 114 and 118 of the Securities Act, or consult a lawyer.

LARAMIDE RESOURCES LTD.

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 1986**

The accompanying financial statements were prepared in accordance with the requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook, which are based on the accounting principles generally accepted in Canada. The financial statements are presented in Canadian dollars. The financial statements are presented in accordance with the requirements of the CICA Handbook, which are based on the accounting principles generally accepted in Canada. The financial statements are presented in accordance with the requirements of the CICA Handbook, which are based on the accounting principles generally accepted in Canada.

Coopers
& Lybrand

chartered accountants

a member firm of
Coopers & Lybrand (International)

AUDITORS' REPORT TO THE DIRECTORS

We have examined the balance sheet of Laramide Resources Ltd. as at December 31, 1986 and the statements of deficit, mineral properties and related deferred costs and changes in financial position for the year then ended. 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 December 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Coopers & Lybrand

Vancouver, B.C.
February 20, 1987

LARAMIDE RESOURCES LTD.

BALANCE SHEET AS AT DECEMBER 31, 1986

	1986 \$	1985 \$
A S S E T S		
CURRENT ASSETS		
Cash and term deposits	475,014	341,554
Cash held in trust	86,100	55,114
Accounts receivable (note 6)	47,440	7,715
Other assets	<u>11,932</u>	<u> </u>
	620,486	404,383
FIXED ASSETS, net of accumulated depreciation of \$9,072 (1985 - \$5,291)	15,128	18,909
INVESTMENTS (note 3)	327,885	312,135
MINERAL PROPERTIES AND RELATED DEFERRED COSTS (notes 4 and 7)	<u>1,439,095</u>	<u>688,923</u>
	<u>2,402,594</u>	<u>1,424,350</u>

L I A B I L I T I E S

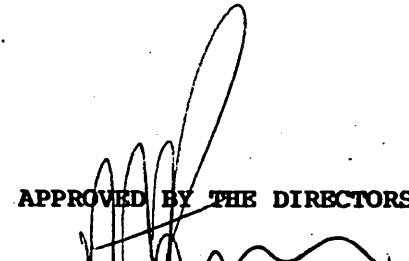
CURRENT LIABILITIES

Trust liability (note 5(j))	86,100	55,114
Accounts payable	<u>66,644</u>	<u>37,025</u>
	<u>152,744</u>	<u>92,139</u>

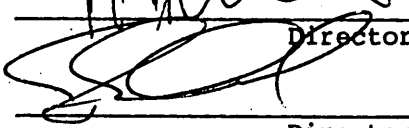
S H A R E H O L D E R S ' E Q U I T Y

CAPITAL STOCK (note 5)	2,303,678	1,344,191
DEFICIT	<u>(53,828)</u>	<u>(11,980)</u>
	<u>2,249,850</u>	<u>1,332,211</u>
	<u>2,402,594</u>	<u>1,424,350</u>

APPROVED BY THE DIRECTORS



Director



Director

LARAMIDE RESOURCES LTD.

STATEMENT OF DEFICIT

FOR THE YEAR ENDED DECEMBER 31, 1986

	1986	1985
	\$	\$
DEFICIT - BEGINNING OF YEAR	11,980	11,980
ADD: SHARE ISSUE EXPENSES	<u>41,848</u>	<u> </u>
DEFICIT - END OF YEAR	<u>53,828</u>	<u>11,980</u>

LARAMIDE RESOURCES LTD.

STATEMENT OF MINERAL PROPERTIES AND RELATED DEFERRED COSTS
FOR THE YEAR ENDED DECEMBER 31, 1986

	Total costs December 31, 1985 \$	Costs incurred during 1986 \$	Total costs December 31, 1986 \$
EXPLORATION COSTS			
Aircraft	6,576	16,491	23,067
Automotive	35,058	16,377	51,435
Communications and delivery	5,499	4,662	10,161
Depreciation	5,290	3,782	9,072
Diamond drilling	239,994	190,753	430,747
Environmental studies		7,667	7,667
Geochemical analysis	49,279	31,688	80,967
Heavy equipment rentals	15,670	15,202	30,872
Legal	6,562	435	6,997
Licences and fees	21,912	9,031	30,943
Mineral research	61,606	14,303	75,909
Miscellaneous	5,101	3,266	8,367
Office	17,932	15,895	33,827
Operator's fee	9,087	13,170	22,257
Supplies	15,560	30,576	46,136
Surveys and claim staking	56,295	13,930	70,225
Technical and professional services	338,208	254,423	592,631
Travel	48,923	31,078	80,001
	<u>938,552</u>	<u>672,729</u>	<u>1,611,281</u>
ADMINISTRATION COSTS			
Administrative and office services	70,480	66,500	136,980
Advertising and promotion	2,310	17,686	19,996
Audit and legal	87,620	16,241	103,861
Communications	572	1,290	1,862
Licences and taxes	249	4,796	5,045
Office expense	5,325	1,634	6,959
Shareholders' meeting & reports		10,001	10,001
Travel	8,104	5,922	14,026
Interest income	(72,174)	(33,644)	(105,818)
	<u>102,486</u>	<u>90,426</u>	<u>192,912</u>
TOTAL MINERAL PROPERTIES AND RELATED DEFERRED COSTS	1,041,038	763,155	1,804,193
OPTION PAYMENTS MADE (RECEIVED), net	(90,000)	25,000	(65,000)
MINERAL PROPERTIES AND RELATED DEFERRED COSTS BEFORE WRITE-OFFS AND ADJUSTMENTS	951,038	788,155	1,739,193
Less: Government grant			
for mineral exploration		37,983	37,983
Costs written off on abandonment of properties	11,980		11,980
Costs incurred to earn a 50% interest in Quilchena Resources Ltd. (note 3)	250,135		250,135
MINERAL PROPERTIES AND RELATED DEFERRED COSTS (note 4)	688,923	750,172	1,439,095

LARAMIDE RESOURCES LTD.

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 1986

	1986	1985
	\$	\$
CASH PROVIDED FROM (USED FOR)		
OPERATING ACTIVITIES		
Net (increase) decrease in non-cash working capital items	<u>(22,038)</u>	<u>22,408</u>
FINANCING ACTIVITIES		
Shares issued - for cash	354,100	126,375
for exploration	55,114	211,250
reserved for issue and fully paid	550,273	281,611
Option payments received (made), net	(25,000)	115,000
Share issue expenses	<u>(41,848)</u>	<u> </u>
	<u>892,639</u>	<u>734,236</u>
INVESTING ACTIVITIES		
Mineral properties and related deferred costs, excluding depreciation	(721,391)	(560,966)
Investments	(15,750)	(62,000)
Purchase of fixed assets	<u> </u>	<u>(21,977)</u>
	<u>(737,141)</u>	<u>(644,943)</u>
INCREASE IN CASH	133,460	111,701
CASH AND TERM DEPOSITS - BEGINNING OF YEAR	<u>341,554</u>	<u>229,853</u>
CASH AND TERM DEPOSITS - END OF YEAR	<u><u>475,014</u></u>	<u><u>341,554</u></u>

LARAMIDE RESOURCES LTD.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1986

1. OPERATIONS

The company is in the exploration stage and, on the basis of information to date, does not yet have economically recoverable reserves. The underlying value of the mineral properties and related deferred costs and investments in resource assets is entirely dependent upon the existence of such reserves, the ability to obtain the necessary financing to develop the reserves and upon future profitable production.

2. SIGNIFICANT ACCOUNTING POLICIES

Mineral Properties and Related Deferred Costs

The cost of mineral properties and the related exploration and administration costs are deferred until the properties to which they relate are placed into production, sold or abandoned. These costs will be amortized over the estimated useful lives of the properties following the commencement of production or written off if the properties are sold or abandoned.

Option Payments

Option payments are made at the discretion of the optionee and, accordingly, are accounted for on the cash basis.

Depreciation

Depreciation of fixed assets is provided on a declining-balance basis at the rate of 20% per annum.

Investments

The company follows the equity method of accounting for its investments in companies in which it owns 20% to 50% of the common shares. Other investments are accounted for on the cost basis.

LARAMIDE RESOURCES LTD.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1986

3. INVESTMENTS

	1986	1985
	\$	\$
Quilchena Resources Ltd. (no quoted value)	300,135	300,135
Nation River Resources Ltd. (no quoted value)	<u>27,750</u>	<u>12,000</u>
	<u>327,885</u>	<u>312,135</u>

The company owns 50% of the outstanding shares of Quilchena Resources Ltd.; therefore, it is accounted for by the equity method. The carrying value of this investment represents exploration costs of \$250,135, incurred by the company, on property now owned by Quilchena Resources Ltd. and a cash subscription for shares of \$50,000.

During the year, the company purchased an additional 112,875 shares in Nation River Resources Ltd. bringing its interest ownership to 19.7% of the issued capital. The investment is accounted for by the cost method.

4. MINERAL PROPERTIES

The company has interests ranging from 35% to 100% in 684 mineral claim units in British Columbia. Eighty-eight of the mineral claim units are held under an option agreement. In order to fully exercise the option, the company is required to make payments totalling \$25,000 before December 31, 1987.

In addition, the company owns 41 unpatented mining claims in Ontario.

5. CAPITAL STOCK

Authorized -

10,000,000 common shares with no par value

Issued and fully paid -

	1 9 8 6		1 9 8 5	
	Shares	\$	Shares	\$
For cash	2,379,700	878,125	1,955,500	524,025
For exploration	<u>1,086,020</u>	<u>875,280</u>	<u>645,000</u>	<u>382,250</u>
	3,465,720	1,753,405	2,600,500	906,275
Reserved for issue and fully paid	<u>485,373</u>	<u>550,273</u>	<u>385,906</u>	<u>437,916</u>
	<u>3,951,093</u>	<u>2,303,678</u>	<u>2,986,406</u>	<u>1,344,191</u>

LARAMIDE RESOURCES LTD.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1986

5. CAPITAL STOCK (continued)

During the year:

- a. the shareholders approved an increase in the authorized share capital of the company from 5,000,000 common shares without par value to 10,000,000 common shares without par value;
- b. the company granted stock options to three of its employees to purchase a total of 145,000 common shares and to five of its directors to purchase a total of 130,000 common shares. The options are exercisable at \$0.85 per share and expire on August 12, 1991;
- c. the president's stock option for 100,000 common shares, at a price of \$0.75 per share, dated April 9, 1985, was cancelled and reissued at a price of \$0.85 per share and is included in employee stock options above;
- d. the holders of 27,500 common shares issued at \$.01 per share paid an additional \$0.24 per share;
- e. pursuant to an agency agreement dated April 22, 1986 (as amended July 31, 1986 and August 14, 1986) the company issued 300,000 common shares at a price of \$0.85 per share. The total proceeds of \$225,000, net of the agent's commission, was credited to capital stock;
- f. the company's agents, under a greenshoe option, were entitled to over-allot the share issue and in that connection the company issued to one of its agents 45,000 common shares at a price of \$0.75 per share subject to no commission. The agents were granted non-transferable warrants entitling them to purchase up to 75,000 common shares of the company at a price of \$1.00 per share. The agents purchased 54,200 common shares. The total proceeds were credited to capital stock;
- g. the company issued 25,000 shares for \$21,250 pursuant to the employee stock option;
- h. the company issued 441,020 shares (385,906 of which had been reserved at December 31, 1985) to investors in fulfillment of its Canadian Exploration Expenses (C.E.E.) agreements;
- i. in April 1986, the company gave its existing shareholders the opportunity to earn 426,373 shares in the company by incurring \$426,373 of C.E.E. on the company's properties. At December 31, 1986, \$426,373 of C.E.E. had been carried out; and 426,373 shares were reserved to meet the obligations under this agreement. These shares were subsequently issued in January 1987;

LARAMIDE RESOURCES LTD.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1986

5. CAPITAL STOCK (continued)

- j. in October 1986, the company agreed to issue 100,000 flow-through shares to an investor in exchange for \$210,000 of C.E.E. to be incurred on the company's properties prior to February 28, 1987. At December 31, 1986, \$123,900 of C.E.E. had been carried out; 59,000 shares were reserved to meet the obligations under this agreement. The balance of the funds yet to be expended (\$86,100), is held in trust by the company; and
- k. the company received \$13,300 as a refund of commissions previously paid on an issue of capital stock.

6. GOVERNMENT ASSISTANCE

The company has been granted government assistance under British Columbia's Financial Assistance for Mineral Exploration Program and the Ontario Exploration Program. The company has already incurred sufficient exploration expenditures to qualify for grants of \$37,983 which are recorded in receivables at the year end and which have been credited to mineral properties and related deferred costs.

7. FUTURE INCOME TAXES

Since incorporation, the company has raised \$1,410,553 (1985 - \$805,166) through the issue of 1,511,393 (1985 - 970,906) flow-through shares. These funds have been expended on C.E.E. which will not accrue to the company as a tax benefit.

8. RELATED PARTY TRANSACTIONS

During the year, the company was billed \$122,000 (1985 - \$78,425) by companies owned by a director for office services and technical and professional services. Of this amount, \$5,000 (1985 - \$6,100) is included in accounts payable at the year end.

9. SUBSEQUENT EVENT

Subject to regulatory approval, the company has a commitment to receive \$702,000 for which it will issue 300,000 flow-through shares for \$2.34 per share.

LARAMIDE RESOURCES LTD.

BALANCE SHEET AS AT FEBRUARY 28, 1987

(Prepared by management)

	February 28 1987 \$ (Unaudited)	December 31 1986 \$
A S S E T S		
CURRENT ASSETS		
Cash and term deposits	482,359	475,014
Cash held in trust		86,100
Accounts receivable (note 6)	40,246	47,440
Other assets	<u>5,000</u>	<u>11,932</u>
	527,605	620,486
FIXED ASSETS, net of accumulated depreciation of \$9,576 (1986 - \$9072)	14,624	15,128
INVESTMENTS (note 3)	327,885	327,885
MINERAL PROPERTIES AND RELATED DEFERRED COSTS (notes 4 and 7)	<u>1,557,639</u>	<u>1,439,095</u>
	<u>2,427,753</u>	<u>2,402,594</u>

L I A B I L I T I E S

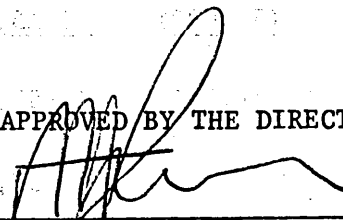
CURRENT LIABILITIES

Trust liability (note 5(b))		86,100
Accounts payable	<u>54,003</u>	<u>66,644</u>
	<u>54,003</u>	<u>152,744</u>


S H A R E H O L D E R S ' E Q U I T Y

CAPITAL STOCK (note 5)	2,427,578	2,303,678
DEFICIT	<u>(53,828)</u>	<u>(53,828)</u>
	<u>2,373,750</u>	<u>2,249,850</u>
	<u>2,427,753</u>	<u>2,402,594</u>

APPROVED BY THE DIRECTORS



Director



Director

LARAMIDE RESOURCES LTD.

STATEMENT OF MINERAL PROPERTIES AND RELATED DEFERRED COSTS

FOR THE TWO MONTHS ENDED FEBRUARY 28, 1987

(Prepared by management)

	Total costs December 31 1986 \$	Costs incurred during the period \$ (Unaudited)	Total costs February 28 1987 \$ (Unaudited)
EXPLORATION COSTS			
Aircraft	23,067		23,067
Automotive	51,435	1,968	53,403
Communications and delivery	10,161	662	10,823
Depreciation	9,072	504	9,576
Diamond drilling	430,747	22,905	453,652
Environmental studies	7,667	2,448	10,115
Geochemical analysis and assay	80,967	5,065	86,032
Heavy equipment rentals	30,872		30,872
Legal	6,997		6,997
Licences and fees	30,943	2,705	33,648
Mineral research	75,909	3,600	79,509
Miscellaneous	8,367	2,242	10,609
Office	33,827	874	34,701
Operator's fee	22,257	1,059	23,316
Supplies	46,136	3,993	50,129
Surveys and claim staking	70,225	39,641	109,866
Technical and professional services	592,631	50,838	643,469
Travel	80,001	2,832	82,833
	<u>1,611,281</u>	<u>141,336</u>	<u>1,752,617</u>
ADMINISTRATION COSTS			
Administrative and office services	136,980	11,900	148,880
Advertising and promotion	19,996	935	20,931
Audit and legal	103,861	11,920	115,781
Communications	1,862	237	2,099
Licences and taxes	5,045	2,488	7,533
Office expense	6,959	404	7,363
Shareholders' meetings and reports	10,001	3,347	13,348
Travel	14,026	600	14,626
Interest income	(105,818)	(4,623)	(110,441)
	<u>192,912</u>	<u>27,208</u>	<u>220,120</u>
TOTAL MINERAL PROPERTIES AND RELATED DEFERRED COSTS	<u>1,804,193</u>	<u>168,544</u>	<u>1,972,737</u>
OPTION PAYMENTS MADE (RECEIVED), net	<u>(65,000)</u>	<u>(50,000)</u>	<u>(115,000)</u>
MINERAL PROPERTIES AND RELATED DEFERRED COSTS BEFORE WRITE-OFFS AND ADJUSTMENTS	<u>1,739,193</u>	<u>118,544</u>	<u>1,857,737</u>
Less: Government grants for mineral exploration	37,983		37,983
Costs written off on abandonment of properties	11,980		11,980
Costs incurred to earn a 50% interest in Quilchena Resources Ltd. (note 3)	250,135		250,135
MINERAL PROPERTIES AND RELATED DEFERRED COSTS (note 4)	<u>1,439,095</u>	<u>118,544</u>	<u>1,557,639</u>

LARAMIDE RESOURCES LTD.

STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE TWO MONTHS ENDED FEBRUARY 28, 1987

(Prepared by management)

	Two Months ended February 28 1987 \$ (Unaudited)	Year ended December 31 1986 \$
CASH PROVIDED FROM (USED FOR)		
OPERATING ACTIVITIES		
Net (increase) decrease in non-cash working capital items	<u>1,485</u>	<u>(22,038)</u>
FINANCING ACTIVITIES		
Shares issued - for cash	37,800	354,100
for exploration	86,100	55,114
reserved for issue and fully paid		550,273
Option payments received (made), net	50,000	(25,000)
Share issue expenses	<u> </u>	<u>(41,848)</u>
	<u>173,900</u>	<u>892,639</u>
INVESTING ACTIVITIES		
Mineral properties and related deferred costs, excluding depreciation	(168,040)	(721,391)
Investments	<u> </u>	<u>(15,750)</u>
	<u>(168,040)</u>	<u>(737,141)</u>
INCREASE IN CASH	7,345	133,460
CASH AND TERM DEPOSITS - BEGINNING OF PERIOD	<u>475,014</u>	<u>341,554</u>
CASH AND TERM DEPOSITS - END OF PERIOD	<u>482,359</u>	<u>475,014</u>

LARAMIDE RESOURCES LTD.

NOTES TO FINANCIAL STATEMENTS

FOR THE TWO MONTHS ENDED FEBRUARY 28, 1987

(Prepared by management)

(Unaudited)

1. OPERATIONS

The company is in the exploration stage and, on the basis of information to date, does not yet have economically recoverable reserves. The underlying value of the mineral properties and related deferred costs and investments in resource assets is entirely dependent upon the existence of such reserves, the ability to obtain the necessary financing to develop the reserves and upon future profitable production.

2. SIGNIFICANT ACCOUNTING POLICIES

Mineral Properties and Related Deferred Costs

The cost of mineral properties and the related exploration and administration costs are deferred until the properties to which they relate are placed into production, sold or abandoned. These costs will be amortized over the estimated useful lives of the properties following the commencement of production or written off if the properties are sold or abandoned.

Option Payments

Option payments are made at the discretion of the optionee and, accordingly, are accounted for on the cash basis.

Depreciation

Depreciation of fixed assets is provided on a declining-balance basis at the rate of 20% per annum.

Investments

The company follows the equity method of accounting for its investments in companies in which it owns 20% to 50% of the common shares. Other investments are accounted for on the cost basis.

3. INVESTMENTS

	\$
Quilchena Resources Ltd. (no quoted value)	300,135
Nation River Resources Ltd. (no quoted value)	<u>27,750</u>
	<u>327,885</u>

The company owns 50% of the outstanding shares of Quilchena Resources Ltd.; therefore, it is accounted for by the equity method. The carrying value of this investment represents exploration costs of \$250,135, incurred by the company, on property now owned by Quilchena Resources Ltd. and a cash subscription for shares of \$50,000.

Nation River Resources Ltd. is accounted for by the cost method.

LARAMIDE RESOURCES LTD.

NOTES TO FINANCIAL STATEMENTS

FOR THE TWO MONTHS ENDED FEBRUARY 28, 1987

(Prepared by management)

(Unaudited)

4. MINERAL PROPERTIES

The company has interests ranging from 35% to 100% in 679 mineral claim units in British Columbia. Eighty-eight of the mineral claim units are held under an option agreement. In order to fully exercise the option, the company is required to make payments totalling \$25,000 before December 31, 1987,

In addition, the company owns 41 unpatented mining claims in Ontario.

5. CAPITAL STOCK

Authorized -

10,000,000 common shares of no par value

Issued and fully paid -

	February 28, 1987		December 31, 1986	
	Shares	\$	Shares	\$
For cash	2,420,500	915,925	2,379,700	878,125
For exploration	<u>1,612,393</u>	<u>1,511,653</u>	<u>1,086,020</u>	<u>875,280</u>
	4,032,893	2,427,578	3,465,720	1,753,405
Reserved for issue and fully paid			<u>485,373</u>	<u>550,273</u>
	<u>4,032,893</u>	<u>2,427,578</u>	<u>3,951,093</u>	<u>2,303,678</u>

During the period

(a) the company issued 426,373 shares (all of which had been reserved at December 31, 1986) to shareholders who were participants in exploration programs;

(b) in October 1986, the company agreed to issue 100,000 flow-through shares to an investor in exchange for \$210,000 of Canadian Exploration Expense (C.E.E.) to be incurred on the company's properties prior to February 28, 1987. At February 28, 1987, \$210,000 of C.E.E. (1986 - \$123,900) had been carried out, and 100,000 shares (59,000 of which had been reserved at December 31, 1986) were issued.

(c) the company issued 40,800 shares for \$37,800 under its director stock option plans and underwriter warrant agreements.

LARAMIDE RESOURCES LTD.

NOTES TO FINANCIAL STATEMENTS

FOR THE TWO MONTHS ENDED FEBRUARY 28, 1987

(Prepared by management)

(Unaudited)

5. CAPITAL STOCK

On January 20, 1987 the company entered into an agreement whereby it will receive \$702,000 for which it will issue 300,000 flow-through shares at \$2.34 per share for C.E.E. incurred prior to February 29, 1988 on the company's properties.

6. GOVERNMENT ASSISTANCE

The company has been granted government assistance under British Columbia's Financial Assistance for Mineral Exploration Program and the Ontario Mineral Exploration Program. The company has already incurred sufficient exploration expenditures to qualify for grants of \$37,983 which are recorded in receivables and which have been credited to mineral properties and related deferred costs.

7. FUTURE INCOME TAXES

Since incorporation, the company has raised \$1,496,653 (1986 - \$1,410,553) through the issue of 1,552,393 (1986 - 1,511,393) flow-through shares. These funds have been expended on C.E.E. which will not accrue to the company as a tax benefit.

8. RELATED PARTY TRANSACTIONS

During the period the company was billed \$23,400 (1986 - \$122,000) by companies owned by a director for office services and technical and professional services. Of this amount \$7,250 (1986 - \$5,000) is included in accounts payable at the end of the period.

9. SUBSEQUENT EVENTS

(a) On April 1, 1987, 347,222 shares were issued to Canada Northwest Energy Limited at \$1.44 per share by way of a private placement pursuant to a Subscription Agreement dated February 27, 1987.

(b) Subject to regulatory approvals, the company has agreed to purchase from MFC Mining Finance Corporation, 450,000 shares of Calnor Resources Ltd. for and in consideration of the allotment and issue to MFC Mining Finance Corporation of 50,000 shares of the company.

(c) On March 20, 1987, 4,839 shares were issued for C.E.E. incurred pursuant to the January 20, 1987 agreement to issue 300,000 flow through shares at \$2.34 per share for C.E.E. incurred prior to February 29, 1988.

LARAMIDE RESOURCES LTD.

NOTES TO FINANCIAL STATEMENTS

FOR THE TWO MONTHS ENDED FEBRUARY 28, 1987

(Prepared by management)

(Unaudited)

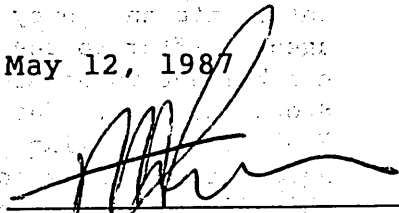
9. SUBSEQUENT EVENTS

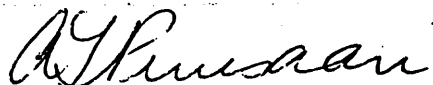
- (d) Subsequent to February 28, 1987, the company has agreed to enter into an agency agreement whereby it will, through its agent, offer to the public 300,000 shares at a price to be established in accordance with the rules of the Vancouver Stock Exchange. The agent will receive a commission of 7.5% of the selling price of the shares. The agent has agreed to purchase any shares not sold at the conclusion of the offering. The agent will be granted non-transferable warrants entitling them to purchase up to 100,000 common shares of the company at a price to be determined in accordance with the rules and policies of the stock exchange. The warrants will expire 180 days from the Offering Day.

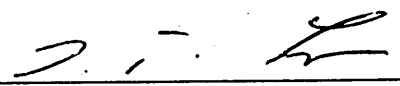
ITEM 11 CERTIFICATE OF THE DIRECTORS AND PROMOTER


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

May 12, 1987


ALBERT F. REEVE,
CHIEF EXECUTIVE OFFICER,
President, Director and
Promoter


ANNIKKI T. PUUSAARI,
CHIEF FINANCIAL OFFICER
& Secretary


JURGEN T. LAU,
Director


WILLIAM WOŁODARSKY,
Director

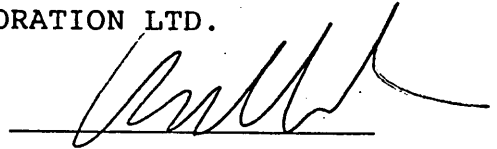
CERTIFICATE OF THE AGENT

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

May 12, 1987.

CANARIM INVESTMENT
CORPORATION LTD.

Per: _____

A handwritten signature in dark ink, appearing to be "J. Smith", is written over a horizontal line. The signature is cursive and extends to the right of the line.