

THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES FOR SALE AND THEREIN ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED

NEW ISSUE

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SDICTIONS WHERE THEY MAY BE LAWFULLY OFFERED BY THE COMMISSION OR SIMILAR AUTHORITY IN CANADA REPRESENTATION TO THE CONTRARY IS AN OFFENSE.

INITIAL PUBLIC OFFERING

THUMPER RESOURCES CORP.

1140 - 625 Howe Street,
Vancouver, British Columbia V6C 2T6
(the "Issuer")

\$280,000

Offering of 800,000 Common Shares
Price: \$0.35 per Common Share

	Price to Public ⁽¹⁾	Agents' Commission ⁽²⁾	Net Proceeds to be Received by the Issuer ⁽³⁾
Per Share	\$0.35	\$0.05	\$0.30
Total	\$280,000	\$40,000	\$240,000

- (1) The price to the public has been established pursuant to negotiations between the Issuer and the Agents.
(2) In addition, the Agents will be granted 200,000 Agents' Warrants as described in the section captioned "Plan of Distribution" herein.
(3) Before deducting offering expenses estimated to be \$20,000, which will be paid by the Issuer.

THE SECURITIES OF THE ISSUER MUST BE CONSIDERED SPECULATIVE AS THE ISSUER IS IN THE DEVELOPMENT STAGE. THERE IS NO MARKET THROUGH WHICH THE SECURITIES OF THE ISSUER MAY BE SOLD, AND THERE IS NO ASSURANCE THAT A MARKET WILL DEVELOP. FOR FURTHER PARTICULARS PLEASE REFER TO THE SECTION CAPTIONED "RISK FACTORS" HEREIN.

THE PROPERTIES IN WHICH THE ISSUER HAS AN INTEREST ARE IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY AND ARE WITHOUT A KNOWN BODY OF COMMERCIAL ORE. NO SURVEY OF ANY PROPERTY OF THE ISSUER HAS BEEN MADE, AND IN ACCORDANCE WITH THE LAWS OF THE JURISDICTIONS IN WHICH THE PROPERTIES ARE SITUATED, THEIR EXISTENCE AND AREA COULD BE IN DOUBT. FOR FURTHER PARTICULARS PLEASE REFER TO THE SECTION CAPTIONED "RISK FACTORS" HEREIN.

REFERENCE IS MADE TO THE SECTIONS CAPTIONED "PLAN OF DISTRIBUTION" AND "DESCRIPTION OF SECURITIES" HEREIN FOR A DETAILED DESCRIPTION OF THE OFFERED SHARES, THE REQUIREMENTS FOR SUBSCRIPTION, AND THE COMMISSIONS AND FEES PAYABLE THEREON.

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

ONE OR MORE OF THE DIRECTORS OF THE ISSUER HAS AN INTEREST, DIRECT OR INDIRECT, IN OTHER NATURAL RESOURCE COMPANIES, ONE OF WHICH HOLDS MINERAL PROPERTIES CONTIGUOUS TO THOSE OF THE ISSUER. FOR FURTHER PARTICULARS PLEASE REFER TO THE HEADING CAPTIONED "POTENTIAL CONFLICTS OF INTEREST" UNDER THE SECTION CAPTIONED "INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS" HEREIN, AND TO THE SECTION CAPTIONED "DIRECTORS AND OFFICERS" HEREIN.

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 JUNE 26, 1990, INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

UPON COMPLETION OF THIS OFFERING, THIS ISSUE WILL REPRESENT 32.85% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 38.27% THAT WILL THEN BE OWNED BY PROMOTERS, DIRECTORS AND OFFICERS OF THE ISSUER, UNDERWRITERS AND THEIR ASSOCIATES AND THOSE PERSONS OR GROUP OF PERSONS WHO OWN BENEFICIALLY, DIRECTLY OR INDIRECTLY, VOTING SECURITIES CARRYING MORE THAN 10% OF THE VOTING RIGHTS ATTACHED TO THE OUTSTANDING VOTING SECURITIES OF THE ISSUER. FOR FURTHER PARTICULARS PLEASE REFER TO THE SECTIONS CAPTIONED "PRINCIPAL HOLDERS OF SECURITIES" AND "INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS" HEREIN.

THE NET BOOK VALUE PER SHARE AFTER COMPLETION OF THIS OFFERING (BUT BEFORE EXERCISE OF ANY OF THE AGENTS' WARRANTS) WILL BE 13.93 CENTS, REPRESENTING AN IMMEDIATE AND SUBSTANTIAL DILUTION OF 60.21%

WE, AS AGENTS, CONDITIONALLY OFFER TO THE PUBLIC AND THROUGH THE FACILITIES OF THE VANCOUVER STOCK EXCHANGE AND SUBJECT TO PRIOR SALE, 800,000 COMMON SHARES, IF, AS AND WHEN ISSUED BY THE ISSUER AND ACCEPTED BY US IN ACCORDANCE WITH THE CONDITIONS CONTAINED IN THE AGENCY AGREEMENT REFERRED TO IN THE SECTION CAPTIONED "PLAN OF DISTRIBUTION" HEREIN.

Name and Address of the Issuer's Agents

L.O.M. WESTERN SECURITIES LTD.

Stock Exchange Tower, P.O. Box 10337, 2200 - 609 Granville Street
Vancouver, British Columbia V7Y 1H2
403 Main Street
Whitehorse, Yukon Territory, Y1A 2B6

YORKTON CONTINENTAL SECURITIES INC.

Four Bentall Centre, P.O. Box 49333
Tenth Floor, 1055 Dunsmuir Street
Vancouver, British Columbia, V7X 1L4

ADDITIONAL OFFERING — 200,000 AGENTS' WARRANTS

THE AGENTS HAVE AGREED TO PURCHASE ANY SHARES OFFERED HEREBY WHICH HAVE NOT BEEN SOLD AT THE CONCLUSION OF THE OFFERING (THE "GUARANTEE"), AND AS CONSIDERATION FOR THE GUARANTEE HAVE BEEN GRANTED THE AGENTS' WARRANTS. THE AGENTS' WARRANTS HAVE BEEN DISTRIBUTED TO THE AGENTS UNDER THIS PROSPECTUS. ANY SHARES ACQUIRED BY THE AGENTS PURSUANT TO THE GUARANTEE WILL ALSO BE DISTRIBUTED UNDER THIS PROSPECTUS THROUGH THE FACILITIES OF THE VANCOUVER STOCK EXCHANGE AT THE MARKET PRICE AT THE TIME OF SALE. FOR FURTHER PARTICULARS PLEASE REFER TO THE SECTION CAPTIONED "PLAN OF DISTRIBUTION" HEREIN.

DATED: December 14, 1989
EFFECTIVE DATE: December 28, 1989

See 10/90

PROSPECTUS SUMMARY

The Issuer

The Issuer was incorporated on the 13th day of February, 1984 under the Company Act of the Province of British Columbia by registration of its Memorandum and Articles under the name Thumper Resources Corp.

The head office of the Issuer is located at 1140 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6, and its Registered and Records Offices are located at 2550 - 555 West Hastings Street, Vancouver, British Columbia, V6B 4N5.

The Issuer's principal business is the acquisition, exploration and development of mineral properties.

The Offering

Amount: \$280,000.

Offering: 800,000 Common Shares.

Price: \$0.35 per Common Share.

Use of Proceeds

The net proceeds to be derived by the Issuer from the sale of the securities offered hereunder will be \$240,000. The net proceeds, together with an approximate \$1,100 working capital deficit position, as at December 14, 1989, will be used to pay legal and accounting costs of this Offering, exploration program costs and to increase working capital.

Pro Forma Dilution of Investment

The net book value per share after completion of this Offering (but before exercise of any of the Agents' Warrants) will be 13.93 cents, representing an immediate and substantial dilution of 60.21%.

Risk Factors

The Issuer is in the business of mineral exploration and development. Mineral exploration and development is a speculative business.

The properties in which the Issuer has an interest are in the exploration and development stage only and are without a known body of commercial ore. No survey of any property of the Issuer has been made, and in accordance with the laws of the jurisdictions in which the properties are situated, their existence and area could be in doubt.

The marketability of any minerals acquired by the Issuer will be affected by numerous factors, which include production costs, market fluctuations, processing prices and government regulation, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection, which cannot be accurately predicted. For further particulars please refer to the section captioned "Risk Factors" herein.

THIS INFORMATION IS A SUMMARY ONLY AND IS QUALIFIED BY THE MORE DETAILED INFORMATION APPEARING ELSEWHERE IN THIS PROSPECTUS.

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THE ISSUER

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The head office of the Issuer is located at 1140 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6, and its Registered and Records Offices are located at 2550 - 555 West Hastings Street, Vancouver, British Columbia, V6B 4N5.

The Issuer's principal business is the acquisition, exploration and development of mineral properties.

DESCRIPTION OF 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 "Acquisitions" and intends to seek and acquire additional properties worthy of exploration and development.

ACQUISITIONS

THE SKIDOO 1 AND WINDY 2 MINERAL CLAIMS GROUPS

Acquisition of the Skidoo 1 and Windy 2 Mineral Claims

By a mineral property acquisition agreement dated effective February 13, 1984 (hereinafter referred to as the "Mineral Property Acquisition Agreement"), as entered into between the Issuer and Western Informational Services Ltd. ("Western"), a non-reporting British Columbia company which is controlled by Charles Stuart Underhill, the President, Chief Executive Officer and a Director of the Issuer, the Issuer acquired, on a non-arm's length basis, a 100% interest in and to two (2) mineral claims, comprising 36 units, located in the Osoyoos Mining Division of the Province of British Columbia, and more particularly described as follows:

<u>Claim Name</u>	<u>Record Number</u>	<u>Units</u>	<u>Expiration Date</u>
Skidoo 1	998	16	Feb. 8, 1991
Windy 2	1626	20	Nov. 4, 1990

(Hereinafter collectively referred to as the "Skidoo 1 and Windy 2 Mineral Claims").

(Please note that Western has also sold to Kirby Energy Inc., a British Columbia reporting company having common Directors and/or Senior Officers with the Issuer, which company is listed for trading on the Vancouver Stock Exchange, mineral properties contiguous to the Skidoo 1 and Windy 2 Mineral Claims).

The Mineral Property Acquisition Agreement

By virtue of the Mineral Property Acquisition Agreement the Issuer acquired a 100% interest in and to the Skidoo 1 and Windy 2 Mineral Claims in consideration of the following payments:

- (a) A cash payment of Four Thousand Nine Hundred Dollars (\$4,900), which sum has been paid by the Issuer to Western, said cash payment representing a reimbursement of part of the original \$5,400 acquisition cost to Western of the Skidoo 1 and Windy 2 Mineral Claims; and
- (b) A further cumulative cash payment of Ten Thousand Six Hundred and Sixty-Six Dollars, Thirty-Two Cents (\$10,666.32), which sum has also been paid by the Issuer to Western, said cumulative cash payment representing the cost of the then recent exploration and development work conducted, compiled and paid for on the Skidoo 1 and Windy 2 Mineral Claims by Western.

(By virtue of an agreement dated February 4, 1983, as entered into between Western and Mercedes Petroleum Ltd. ("Mercedes"), of 926 - 470 Granville Street, Vancouver, British Columbia, V6C 1V5, Western acquired the Skidoo 1 Mineral Claim from Mercedes in consideration of a total cash payment of \$2,900. On November 8, 1982 Western paid Trans-Artic Explorations Ltd., of 1807 - 1450 West Georgia Street, Vancouver, British Columbia, V6G 2T8, \$2,000 (being \$100 per unit) for the staking for Western of the Windy 2 Mineral Claim.)

A copy of the aforementioned Mineral Property Acquisition Agreement will be available for inspection during the Offering period at the Registered Office of the Issuer

located at 2550 - 555 West Hastings Street, Vancouver, British Columbia, V6B 4N5, during normal business hours, and will continue to be available during normal business hours for a period of thirty (30) days following completion of this Offering.

The Issuer has expended a total of \$4,900 on acquisition costs and a total of approximately \$64,193 on exploration costs of the Skidoo 1 and Windy 2 Mineral Claims as at the date of this Prospectus.

Description of the Skidoo 1 and Windy 2 Mineral Claims

Location, Access and Net Area

The Skidoo 1 and Windy 2 Mineral Claims are located in the Osoyoos Mining Division of the Province of British Columbia. The northeast corner of the Skidoo 1 and Windy 2 Mineral Claims is located 1.5 km southwest of Hedley, British Columbia, to the immediate south of the Similkameen River. The geographical co-ordinates are 49°20'N latitude and 120°07'W longitude.

There is easy access to the Skidoo 1 and Windy 2 Mineral Claims by the Whistle Creek forestry access road leading southerly from Highway #3 approximately 7 km west of Hedley, British Columbia. The road runs along the western side of Whistle Creek. Near the confluence of Pettigrew Creek with Whistle Creek, a secondary logging road branches off to the south and east about 4 km from Highway #3. The Skidoo 1 and Windy 2 Mineral Claims are approximately 10 km along the secondary road so that the total distance from Highway #3 is 14 km (the secondary road branches into two parallel roads, both of which cross the Skidoo 1 and Windy 2 Mineral Claims). Recent logging activity has opened a road down the western boundary of the Skidoo 1 and Windy 2 Mineral Claims. This is accessible from the logging road described above.

The net area of the Skidoo 1 and Windy 2 Mineral Claims is 400 hectares or 16 claim units, due to the overlap on the pre-existing mineral claims.

Geological History of the Area and the Region

The following historical information respecting the Skidoo 1 and Windy 2 Mineral Claims has been excerpted from an engineering report dated May 8, 1989 (hereinafter referred to as the "Skidoo 1 and Windy 2 Mineral Claims Report"),

prepared for the Issuer by Michael R. Sanford, Geologist, of Box 225, Hedley, British Columbia, as endorsed by I. Borovic, P. Eng., of 4258 West 10th Avenue, Vancouver, British Columbia. The complete text of the Skidoo 1 and Windy 2 Mineral Claims Report may be examined during normal business hours at the head office of the Issuer located at 1140 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6, and is available for inspection at the Registered Office of the Issuer located at 2550 - 555 West Hastings Street, Vancouver, British Columbia, V6B 4N5, during normal business hours while the primary distribution of the securities offered hereunder is in progress and for a period of thirty (30) days thereafter.

"History

Regional History

Placer gold in the Similkameen River was discovered in the mid-eighteenth century and actively worked until the turn of the century. The first major discovery of lode gold in the region was on Nickel Plate Mountain in 1897. Since then the area has had a long history of gold mining and between 1902 and 1955 approximately 51 million grams (1.6 million ounces) of gold were won from several mineralized skarn orebodies. Most production came from the Nickel Plate and Hedley Mascot mines located near the summit of Nickel Plate Mountain. Total production from the smaller French, Canty, Good Hope and Banbury mines was approximately 1.8 million grams of gold. Mineralization is also seen at the Peggy (Hedley Amalgamated) and Gold Hill properties.

The Hedley District was geologically mapped more than 40 years ago (Camsell, 1910; Bostock, 1930, 1940a, 1940b) but since that time little regional geological work has been done. The areas immediately surrounding some of the gold producers were mapped and studied in detail (Warren and Cummings, 1936; Dolmage and Brown, 1945; Lee, 1951), but less attention was devoted to either the regional geology or synthesising and comparing the various gold bearing deposits in the district.

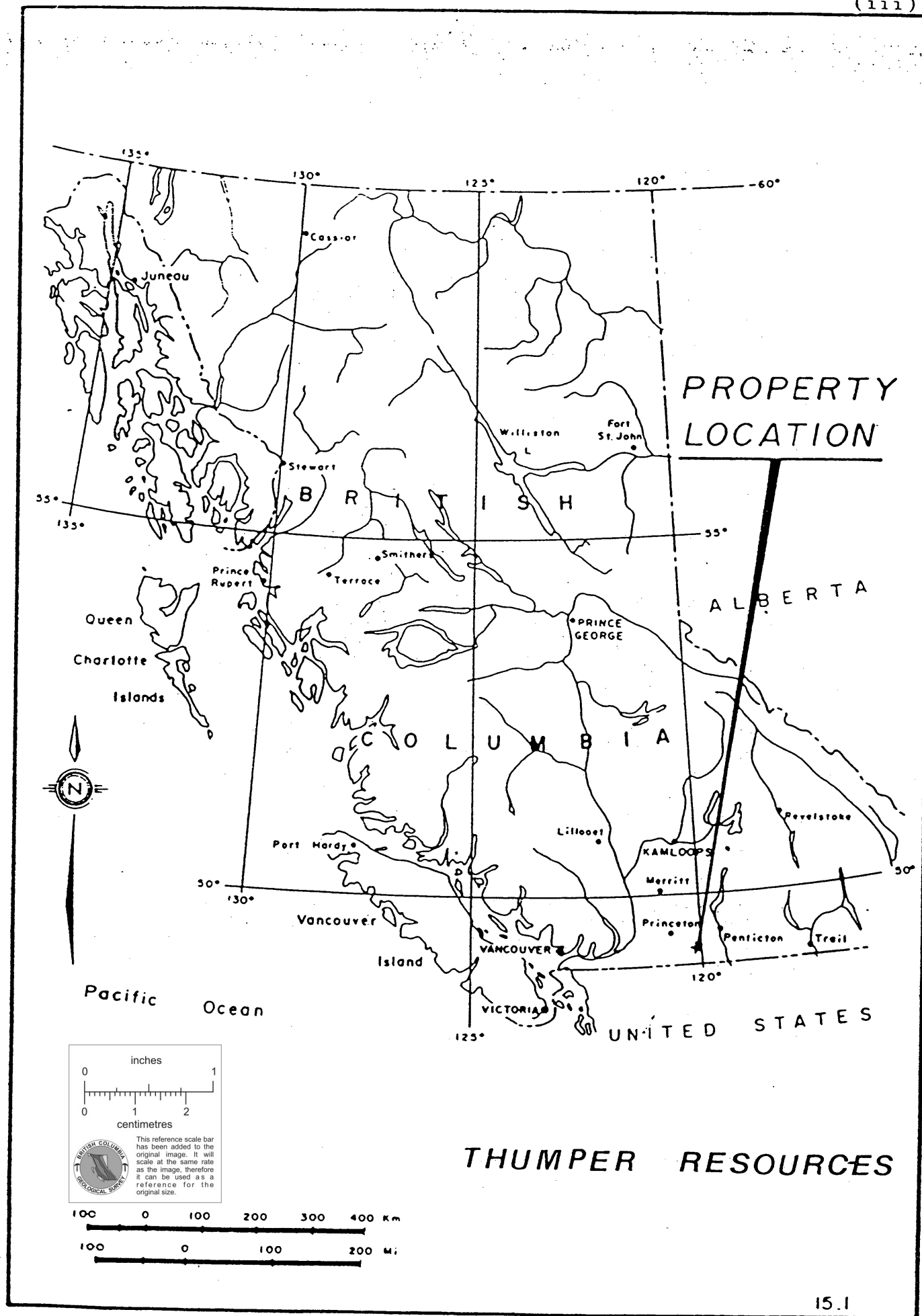
Interest in the Hedley gold camp has recently revived due to Mascot Gold Mines Limited 1987 reopening of the Nickel Plate mine as an open-pit operation. Current open-pit reserves total approximately 6.5 million tonnes of ore grading 5.1 grams gold per tonne.

Banbury Gold Mines, currently under option to Noranda Exploration, has also created interest in the Hedley camp in prospects peripheral to Mascot Gold Mines Ltd.

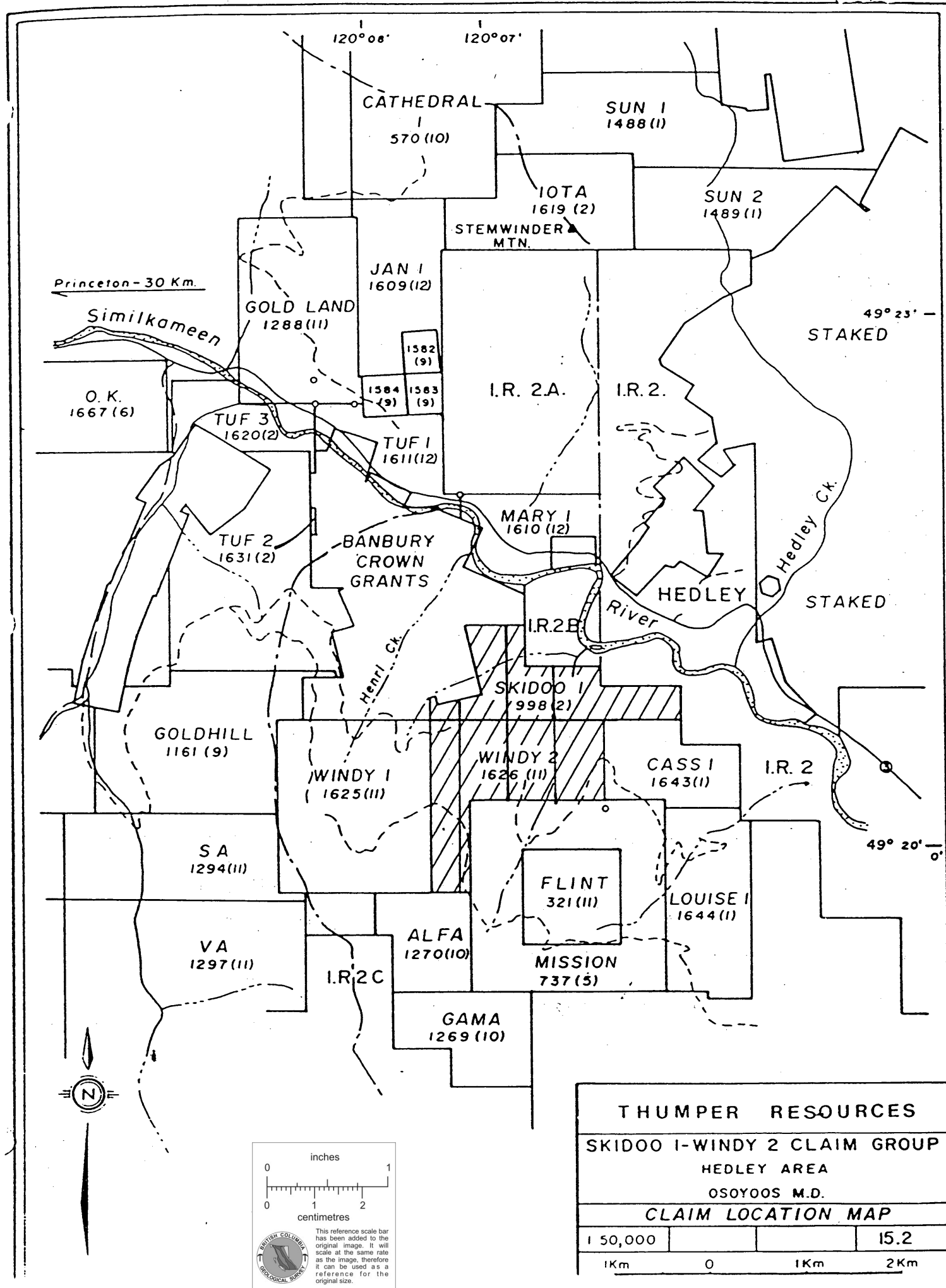
Property History

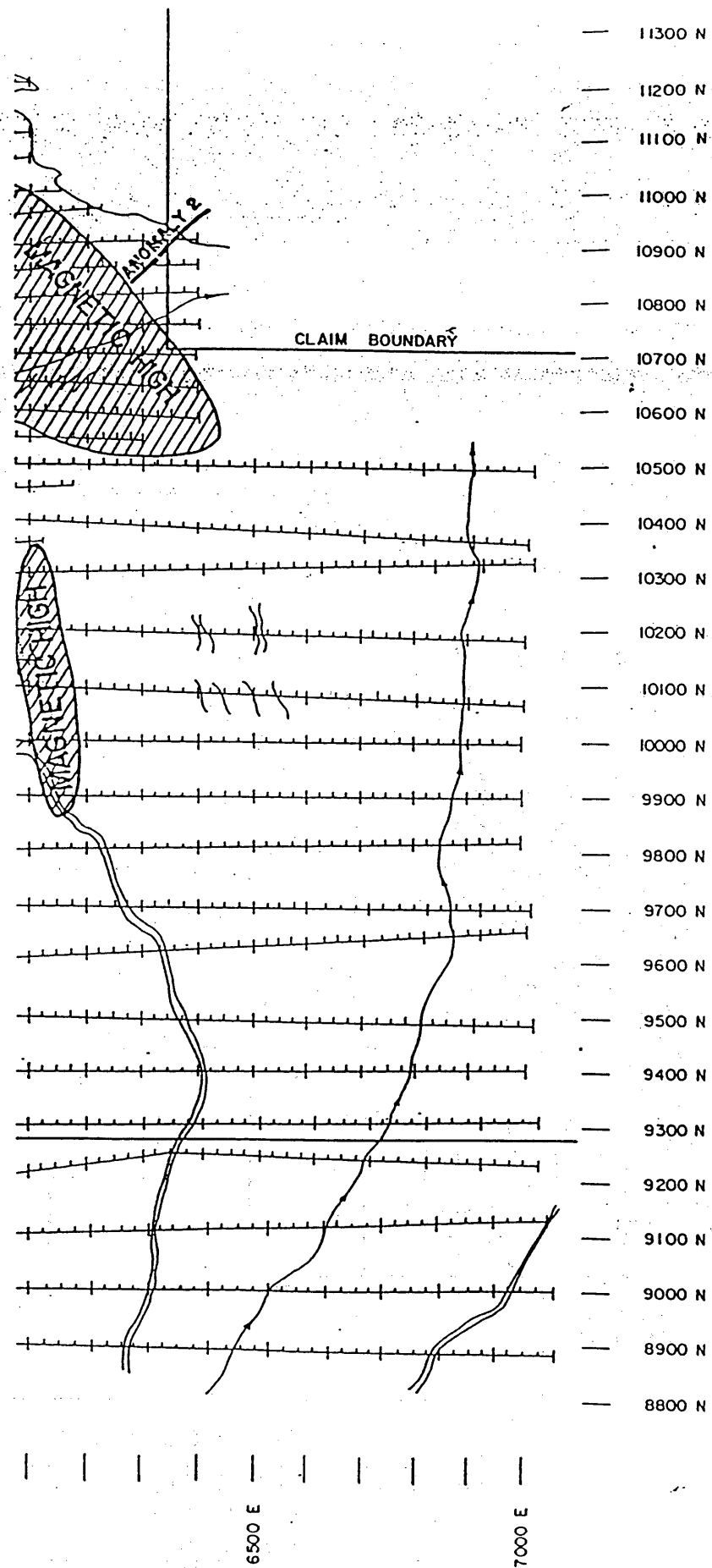
Prior to 1980, little serious exploration had been carried out on the property. Several small, very old and overgrown pits were encountered while mapping the property which attest to some earlier prospecting endeavour, but these are sporadic and unintensive.

(iii)

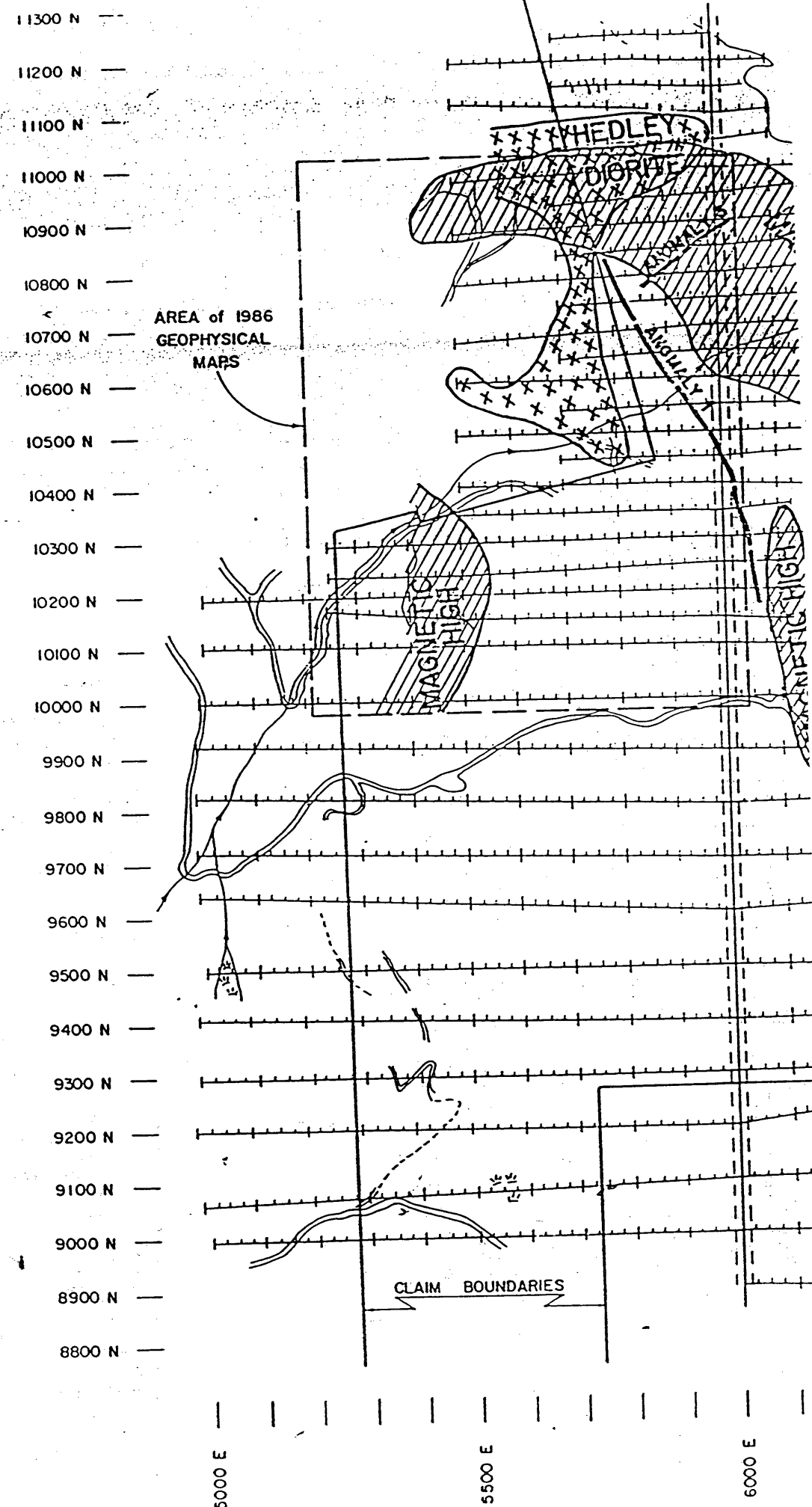
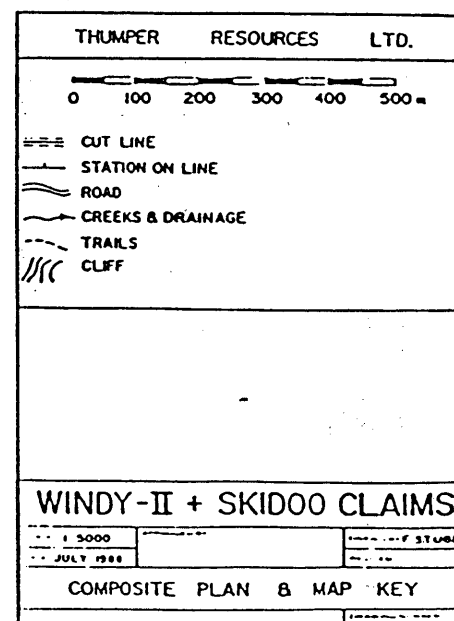
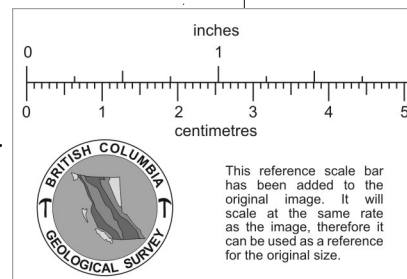


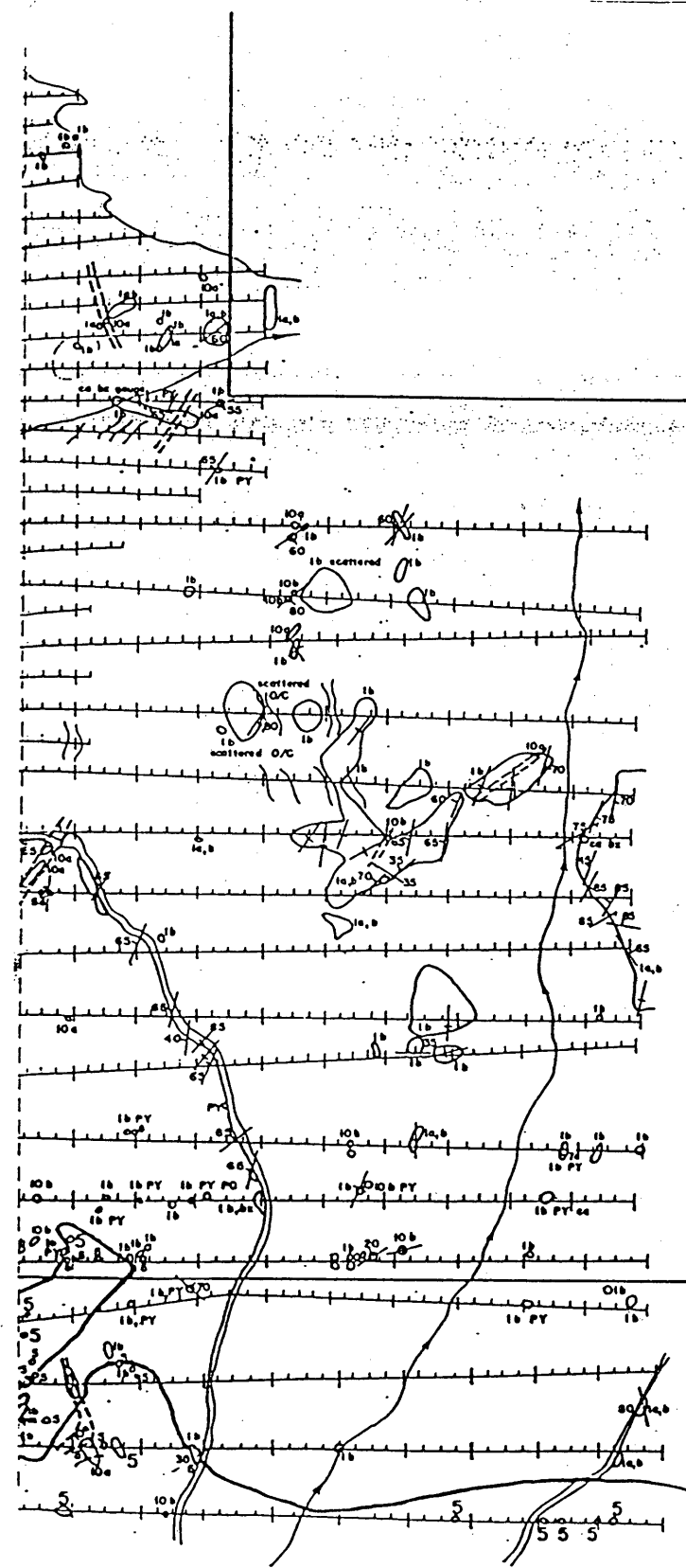
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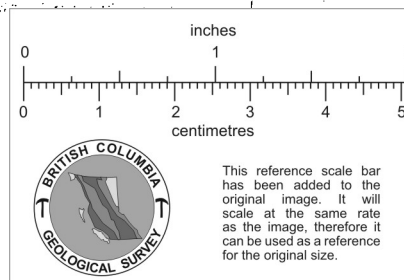
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58.



LEGEND

- | | | |
|------|---------------------------|----------------|
| 100c | ANDESITE DYKE-PORPHYRITIC | TERTIARY |
| 100b | ANDESITE DYKE | |
| 7c | INTERMEDIATE DYKE | JURASSIC ? |
| 5 | GRAMMORITE | LATE JURASSIC |
| 4 | HEDLEY DIORITE | EARLY JURASSIC |
| 10 | ARGILLITE & CHELT | MICOLA GROUP |
| 1c | LIME STONE & CHELT | |
| | | TRIASSIC |

○ OUTLINE OF OUTCROP

THUMPER RESOURCES LTD.

0 100 200 300 400 500 m

- == CUT LINE
— STATION ON LINE
— ROAD
— CREEKS & DRAINAGE
— TRAILS
— CLIFF

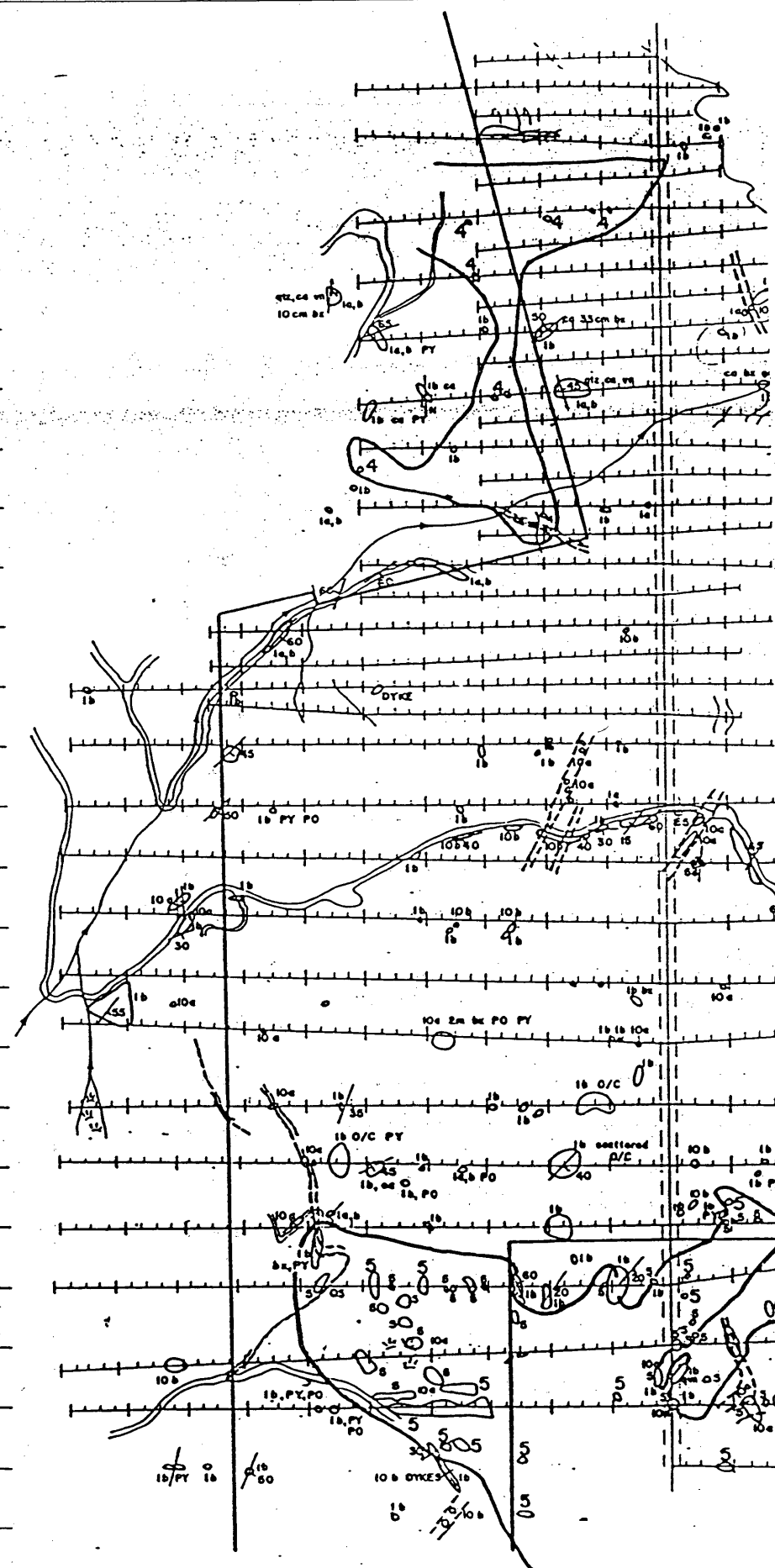
GEOLOGICAL CONTACTS:	
— DEFINED	PT PYRITE
— INFERRED	PO PYROMOTITE
— BEDDING ATTITUDE	QTZ QUARTZ
— FOLIATION	CA CARBONATE
— FOLD AXIAL PLANE	VE VEIN
— SUBCROP	BR BRECCIA
— OUTCROP	

WINDY-II + SKIDOO CLAIMS

1:5000
JULY 1988

GEOLOGICAL OUTCROP PLAN

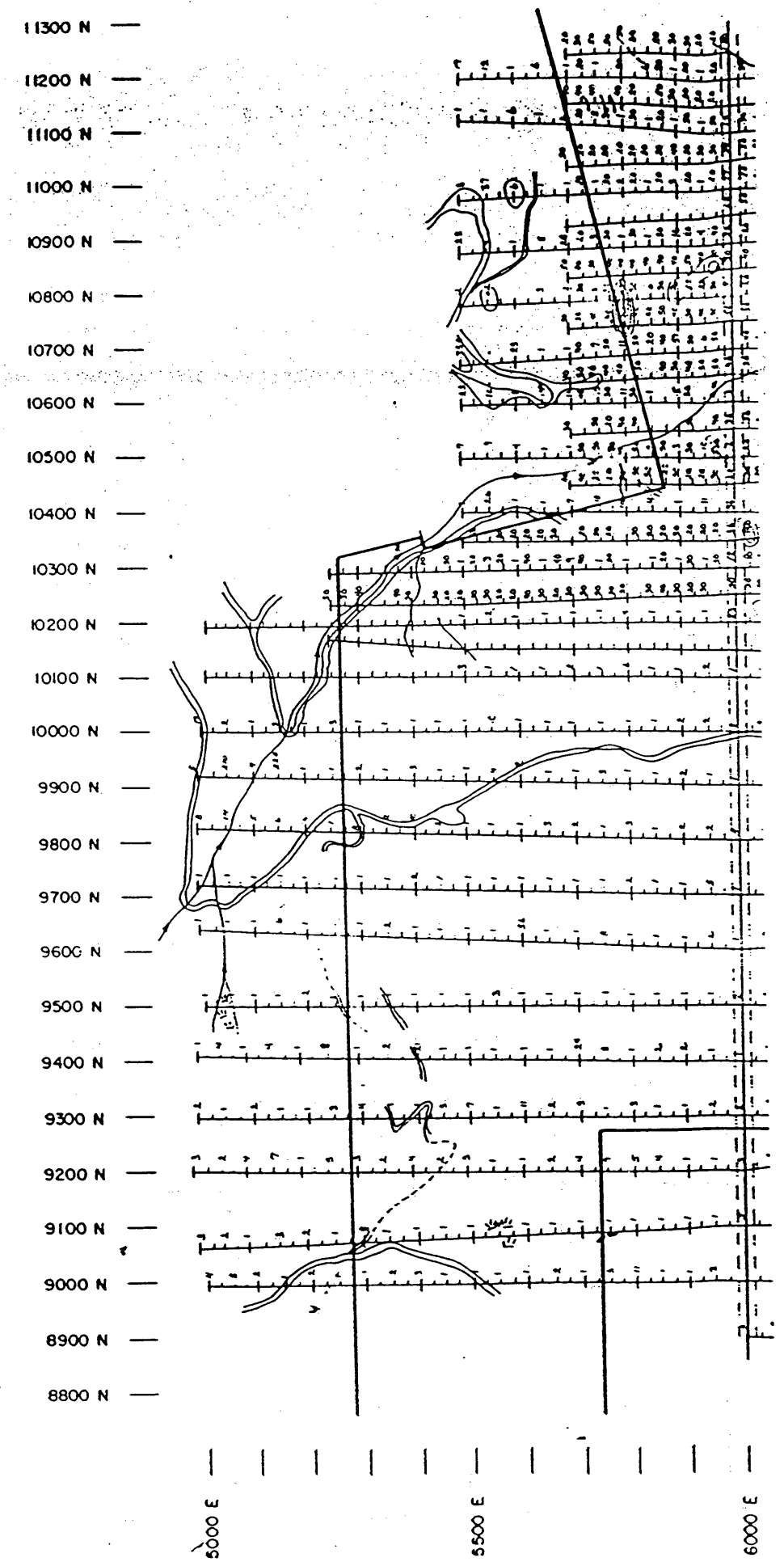
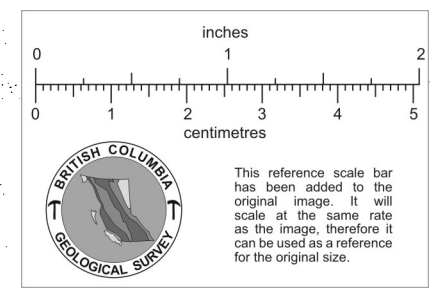
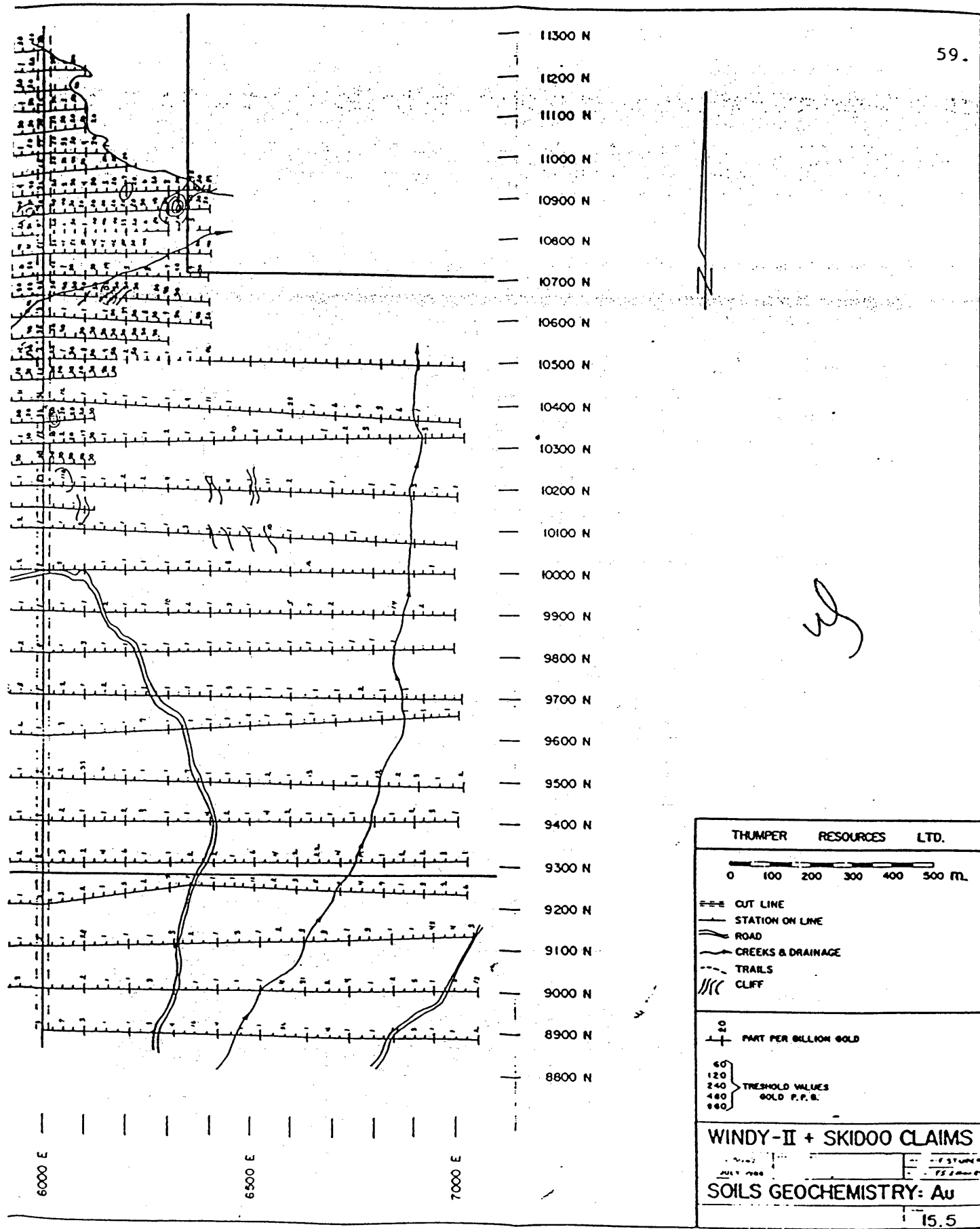
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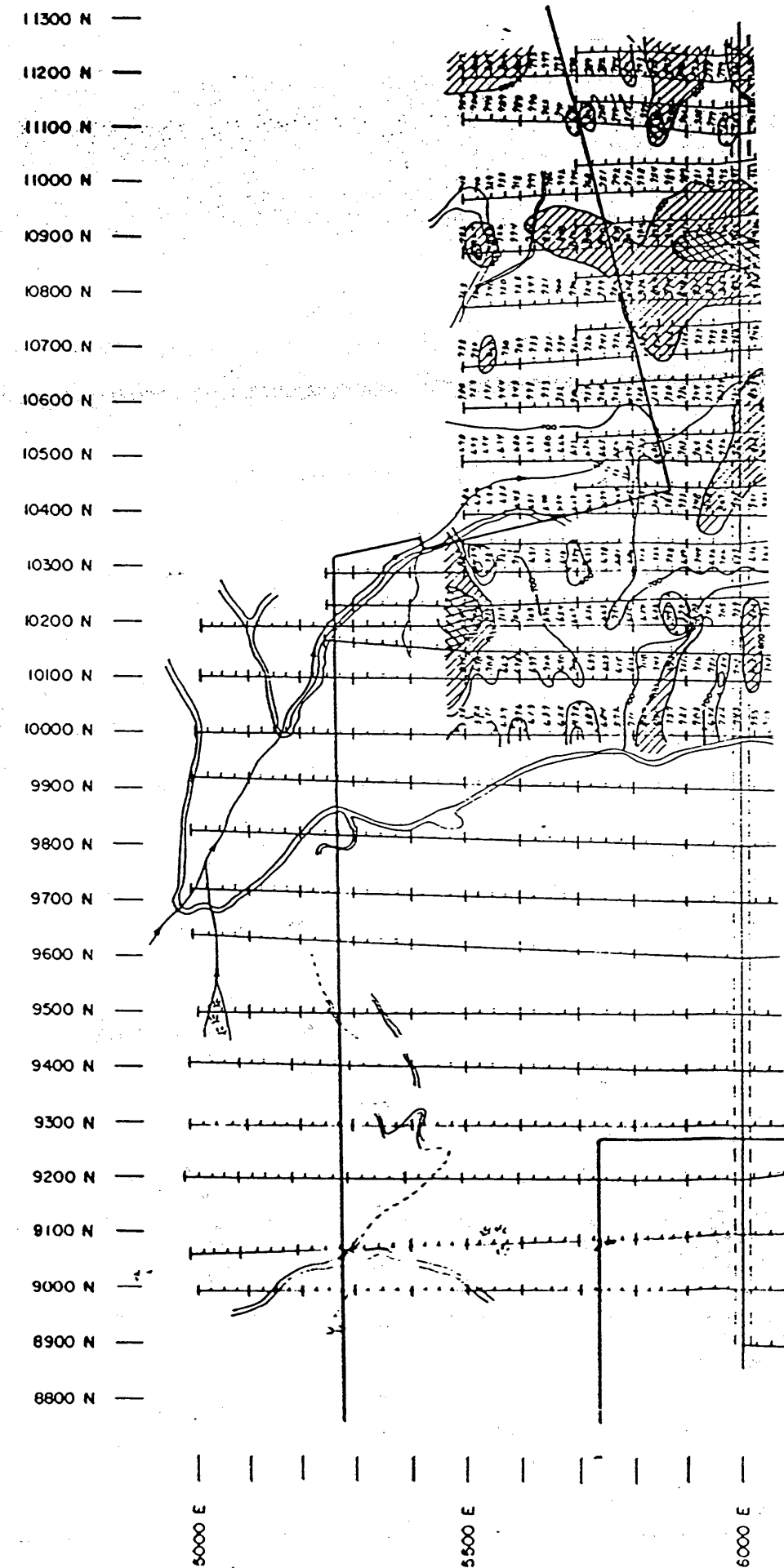
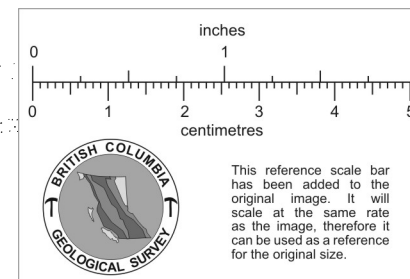
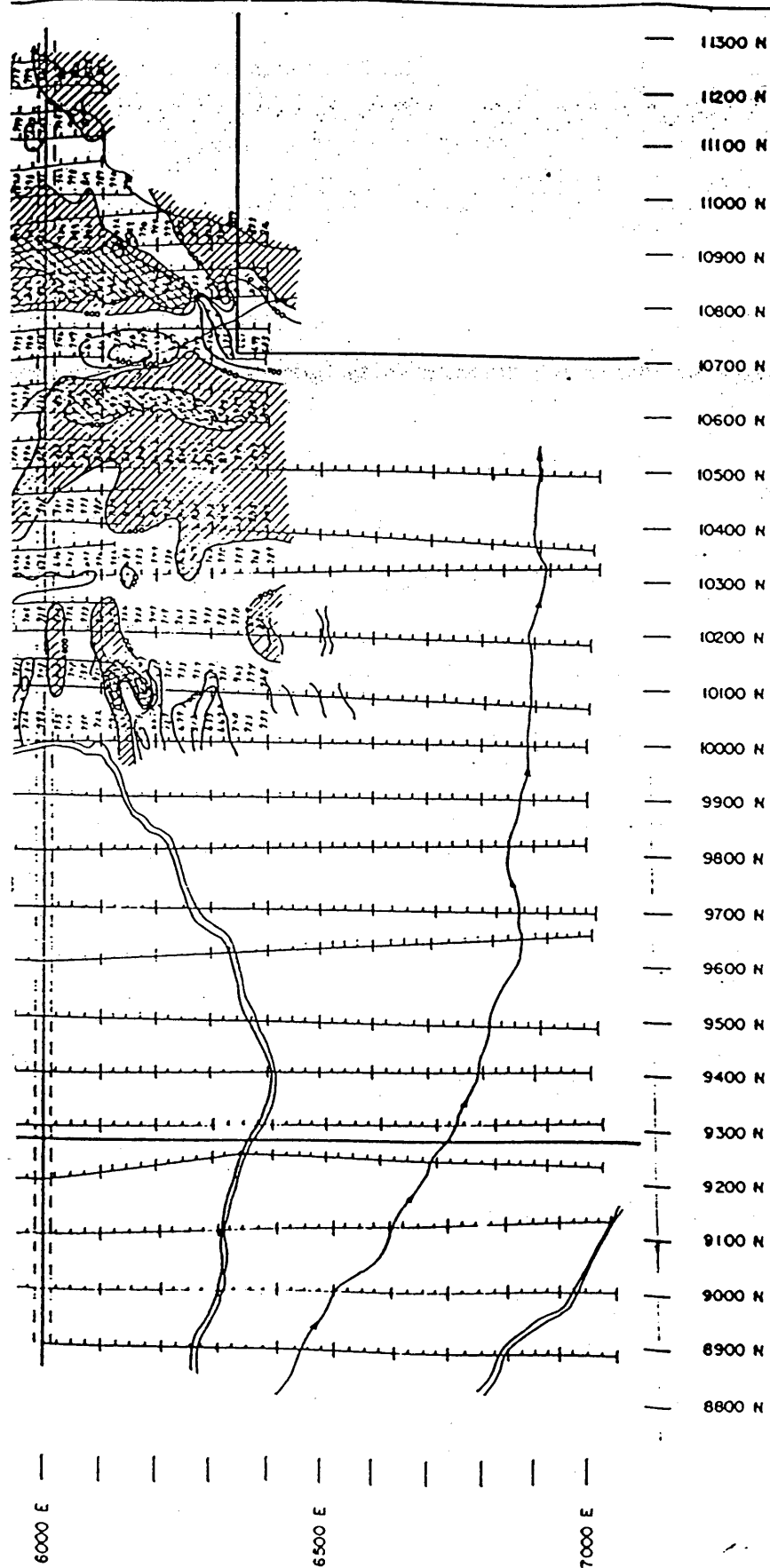


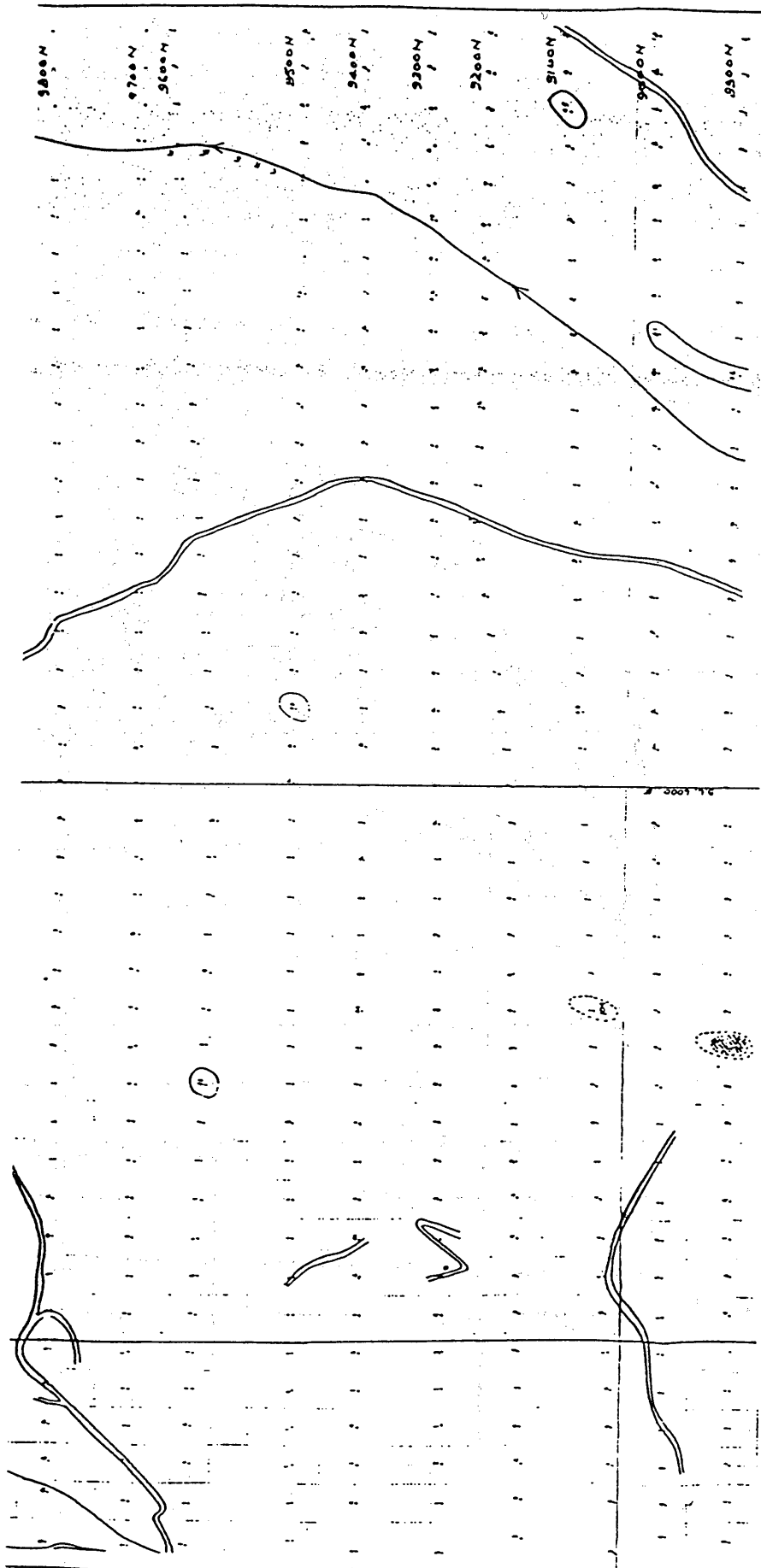
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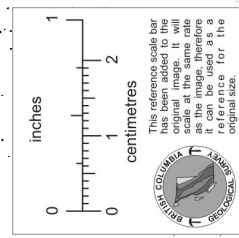
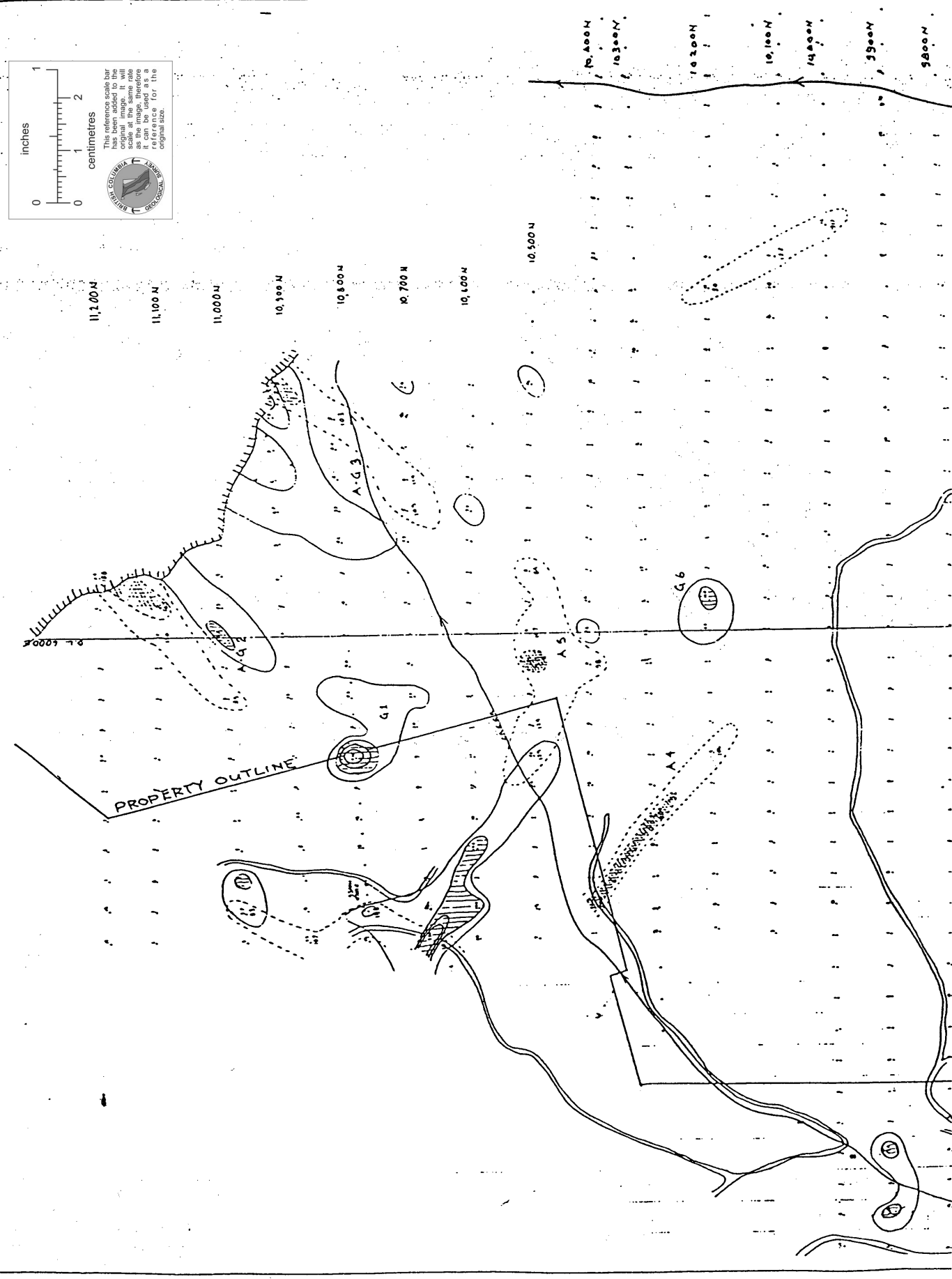




Au in ppb
 As in ppm (< 400 ppm not shown)
 Au Anomalous (> 60 ppb)
 As Anomalous (> 120 ppm)

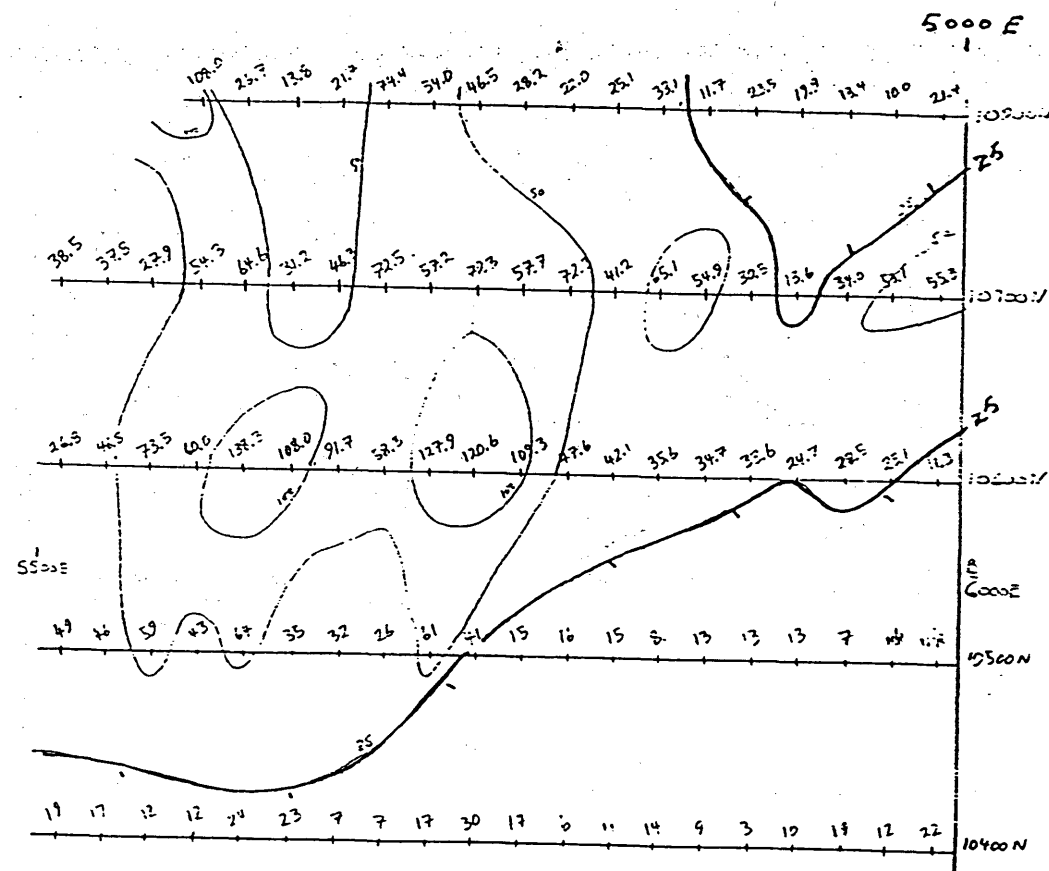


THUMPER RESOURCES CORP.
 SKIDOO I & WINDY 2 CLAIMS
 GEOCHEMISTRY - Au, As
 1986 Survey
 N.T.S. 92H-8E
 OSOY00S M.D., B.C.
 0 100 200 400 metres
 SCALE: AS SHOWN APRIL 1988 15.7



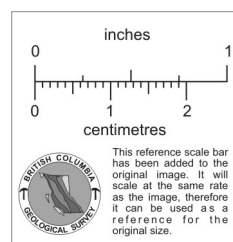
THUMPER RESOURCES CORP.
 SKIDOO I & WINDY 2 CLAIMS
 GEOCHEMISTRY - Au, As
 1986 Survey
 N.T.S. 92H-8E
 OSOY00S M.D., B.C.
 0 100 200 400 metres
 SCALE: AS SHOWN APRIL 1988 15.7

5500 F



AB = 175 m ; MN = 25 m.

Reading in ohm - m



THUMPER RESOURCES CORP.	
SKIDOO 1 & WINDY 2 CLAIMS	
I.P. SURVEY	
RESISTIVITY	
NTS. 92H-8E	OSOYOOS M.D., B.C.
0 50 100 150 METRES	
SCALE: AS SHOWN	APRIL 1988 15.10

Since 1980, several phases of exploration have been carried out. These include geological, geochemical, and geophysical surveys...

(...)

Geology

Regional Geology

The Hedley region lies within the Intermontane Belt of the Canadian Cordillera. The area between Winters Creek to the east, and Smith Creek to the west is underlain by a sedimentary and volcanoclastic package of rocks of Upper Triassic age of the Nicola Group. These rocks are relatively highly deformed, and in the Hedley area are folded tightly along North-South axial planes. The entire package is roughly 1500 m thick.

As did Bostock in 1930, G. Ray of the B.C. Department of Mines divides the package in two, comprising an older Hedley sequence, and a younger Whistle Creek Sequence. A description of these two sequences follows:

'... our preliminary work indicates that the package can be informally separated into a younger Whistle Creek sequence to the west and an older Hedley sequence to the east. The latter comprises a generally westerly dipping, 450 to 600 metre-thick succession of sedimentary rocks that are characterized by thin-bedded, calcareous and cherty turbiditic siltstones, black argillites and impure limestone beds of variable thickness.'

The country rocks on the Skidoo and Windy-2 claims are Hedley sequence turbidites, representing a medium to deep-water back arc basin facies.

Sitting stratigraphically above the Hedley sequence is the Copperfield conglomerate, which Ray describes as:

'a limestone boulder conglomerate which forms the most distinctive and important stratigraphic marker horizon in the district. This conglomerate is best developed west of Hedley where it forms a northerly trending, steeply dipping unit that is traceable discontinuously for over 15 kilometres along strike. Remnant outliers of the same conglomerate are also seen further east, in the Nickel Place mine-Lookout Mountain vicinity where it was originally called the "Copperfield breccia".'

Three major plutonic suit(e)s are recognized in the Hedley area. Ray describes these as follows:

'The oldest is probably Middle Jurassic in age and comprises massive, coarse-grained, hornblende-bearing diorites, quartz diorites and minor gabbros of the Hedley intrusion (Rice, 1947). Potassium-argon age dates from these rocks range between 170 and 190 million years (Roddick et al., 1972). These rocks form major stocks up to 1.5 kilometres in diameter and swarms of thin sills and dykes, up to 200 metres in thickness and over 1 kilometre in strike length. The suite is absent in the Apex Mountain Group, but further west is widespread throughout the Upper Triassic rocks in the Hedley district. Most of the Hedley intrusions are concentrated along a

northerly trending, elongate zone that coincides with the slope related change of sedimentary facies in the Hedley sequence. Varying degrees of sulphide-bearing skarn alteration are developed within and adjacent to many of these intrusions. Some previous workers (Billingsley and Hume, 1949; Dolmage and Brown, 1945) considered this plutonic suite to be genetically related to the skarn-hosted gold mineralization in the district, including that at the Nickel Plate, Hedley Mascot and French mines. The preliminary geochemical and mapping results of this project support their conclusions.

The second plutonic suite, the Similkameen intrusion, comprises coarse, massive, biotite hornblende-bearing granodiorite of presumed Late Jurassic age; most potassium-argon ages from these rocks range from 150 to 160 million years (Roddick et al., 1972). These intrusions generally form large bodies such as the Pennask pluton which outcrops northwest of Hedley and a granodiorite body outcropping between Winters Creek and Hedley township...referred to as the Cahill Creek Pluton type in the region.

The third and youngest intrusive suite in the district is represented by a fine-grained, felsic, quartz-bearing porphyry that cuts and postdates the Cahill Creek pluton. These rocks are characteristically leucocratic and contain rounded, partially resorbed quartz phenocrysts up to 4 millimetres in diameter. Sills and dykes, generally less than 3 metres wide, are widespread but not abundant throughout the area. West of Ashnola Hill one 300-metre-wide, 1.3 kilometre-long dyke-like body of quartz porphyry is controlled by the west-southwest-trending Cahill Creek fracture zone.

Property Geology

Guy Royer, in his report of 1985 described the property as being underlain by argillites, cherts, grits, and calcareous rocks, with granodiorite exposed along the Southern property boundary.

The survey conducted between June and September in 1986 by C. White, geologist, attempted to define the contacts, as well as delineate areas of silicification and marble alteration and define structure in the sedimentary package. A primary objective was to locate and trace a body of Hedley diorite on the claims.

Map 15.4 as well as the following description summarizes the findings.

The main proportion of the property is underlain by fine-grained turbidites of the Hedley sequence. These are mainly cherty and limy dark grey to black argillites with minor siltstones, and the occasional fine chert pebble conglomerate. These rocks lie immediately below the Copperfield conglomerate, which was found in the extreme southwest corner of the claims and off the established grid.

Structure in the sediments is complex, and very difficult to interpret from the limited exposure present. On a large scale, however, the sediments form a large syncline which plunges shallowly to the southwest. The southeastern part of the property is formed by a limb that is steeply dipping to the NW, while the central and northwestern part of the ground represents a shallow to moderate SE dipping limb. Along the logging road cuts fairly plentiful exposures allow the fold to be traversed across the nose. Minor folding is noted in the nose and shows the fold to be plunging at 15° to the southwest. To the northwest on the claims it is

thought that the structure becomes more complex with the obvious occurrence of major faulting, and possibly folding along an EW axis.

Several stages of intrusions were mapped. Along the southern margin of the property a coarse biotite-hornblende quartz diorite or granodiorite runs. The contact with the sediments is irregular, but generally sharp. Hornfelsing of the adjacent country rocks is not intense. Where it is exposed on the property represents the extreme western limit of a 2 km embayment of the Cahill Creek Pluton. Probably this represents a major structurally weak zone. No apparent geochemical signature is recognized over or adjacent to the granodiorite and it is thought that in terms of ground preparation or introduction of economic mineralizing fluids into the country rocks it is of little significance.

The NS-trending irregular body of medium-grained mafic Hedley Diorite was mapped from 11,000N/5700E to 10,450N/5800E. It is at least 600 m long, and due to poor exposure its width has not been determined. It is at least 100 m to 150 m wide in places. This is identical to the hornblende diorite found on the property of Banbury Gold Mines Ltd., immediately to the west, and it may represent an extension of the Banbury diorite stock. Weak silicification, alteration to marble, and quartz carbonate stockwork was observed widely distributed in the sediments within 200 m of the diorite, while gold and arsenic gold geochem have a strong correlation with the diorite body and its contact aureole.

Several small porphyry dykes of diorite composition were recorded. All of them have from 2-4% disseminated pyrrhotite and pyrite. Again, these dykes are identical to those on the Banbury claims and are thought to have a relationship to gold mineralization.

Andesitic fine-grained tertiary dykes, typically green, both porphyritic and non-porphyritic are widespread and generally from 1 m to 4 m thick. They are generally steeply dipping and NS trending. Whereas they are considered to postdate events of economic significance, they occupy mineralized fissures on the Banbury Claims and may have had a role in the concentration of gold and sulphides."

Current Exploration

From June 1, 1986 to October 30, 1986, Michael R. Sanford, Geologist, of Box 225, Hedley, British Columbia, conducted an initial general exploration program of the Skidoo 1 and Windy 2 Mineral Claims, consisting, in part, of the establishment of a grid, representing a 2.5 km cut and surveyed base line and a 47.3 km flagged line covering the entire Skidoo 1 and Windy 2 Mineral Claims. 698 soil samples were taken on 100 m lines with 50 m intervals covering the entire Skidoo 1 and Windy 2 Mineral Claims, and the same were analyzed for each of Au, As, Ag, Cu, Pb, Zn, Co, Mo, Mn, Sb, and W. A magnetic survey was further conducted over 3.2 km, a VLF-EM survey over 3.2 km and an I.P. survey (chargeability and resistivity) over 2.5 km.

During the 1988 field season exploration was continued on the Skidoo 1 and Windy 2 Mineral Claims. 7.3 km of new grid was flagged and cleared as intermediate lines on 50 m spacings with stations 25 m apart. In addition, 12.0 km of old grid was refurbished with 25 m stations established. 316 soil samples were taken over the north part of the property grid to give this part of the ground a 50 m by 25 m coverage, and the same were analyzed for gold. A magnetic survey of 12.0 km of gridline was also covered with stations 25 m apart.

The above programs were undertaken on behalf of the Issuer at an approximate cost of \$46,137, and the results of the programs, together with a review and interpretation of all available historical exploration data on the Skidoo 1 and Windy 2 Mineral Claims, are the subject of the aforementioned Skidoo 1 and Windy 2 Mineral Claims Report.

The following information respecting the Skidoo 1 and Windy 2 Mineral Claims has again been excerpted from the Skidoo 1 and Windy 2 Mineral Claims Report. The complete text of the Skidoo 1 and Windy 2 Mineral Claims Report may again be examined during normal business hours at the head office of the Issuer located at 1140 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6, and is available for inspection at the Registered Office of the Issuer located at 2550 - 555 West Hastings Street, Vancouver, British Columbia, V6B 4N5, during normal business hours while the primary distribution of the securities offered hereunder is in progress and for a period of thirty (30) days thereafter.

"Geochemical Surveys

Historical Surveys

The only geochemical data collected on this ground was done in 1980, and compiled in a report by Goldsmith and Mill. 280 samples were collected along two road cuts and plotted at a scale of 1:10,000. They were analyzed for Au, Ag, and Cu. Several point anomalies for Au were recognized.

1986-1988 Survey

In 1986, the major part of the Skidoo and Windy-II claims was covered by a soil geochem survey with samples taken every 50m on EW lines 100m apart. These were analyzed for 11 elements, including Au, Ag, As, Cu, Pb, Zn, Co, Mn, Sb and W. Gold and arsenic results were plotted and the results are presented in Map 15.7.

In 1988, the northern portion of the claims were subject to a follow-up survey, where samples were taken every 25m on EW lines 50m apart and analyzed for gold. This helped to resolve the several loosely defined anomalous zones into three main linear gold-bearing anomalies which are ... described as follows:

1. Anomaly 1: (includes Anomalies G1, A5 and G6 of 1986 report) This is an intermittent linear gold-arsenic anomaly running from 10850N/5800E to 10,200N/6050E, roughly 650m long, with gold values up to 420 ppb, and arsenic values up to 311 ppm. It is parallel to many of the known structures in the area, including the Pine Knot Vein on Banbury Gold Mines Ltd. property 1.5 km to the west, and lies in a similar geological environment.
2. Anomaly 2: Gold and arsenic values form a strong, distinct anomaly from 10,900N/6375E to 10,650N/6150E. It is roughly 300m long with gold values up to 660 ppb, and arsenic values up to 278 ppm.
3. Anomaly 3: (formerly part of anomaly G-1) This is a gold anomaly near the diorite contact parallel to Anomaly 2. It is of weak to moderate intensity, 100m long running from 10,900N/5975E to 10,850N/5900E, with a high gold value of 120 ppb.

Several one or two point gold and arsenic anomalous values were evident on the grid area as well, but were of lesser intensity and continuity than those described above.

Geophysical Surveys

Historical Surveys

A VLF-EM survey was carried out over part of the Windy-II claim in 1983. The results of the survey are presented by D.G. Mark, Geophysicist in a report dated April 14, 1983.

Complex cross structures with NE and NW orientation were postulated by Mark to explain the short but often intense survey results. The survey covered a limited area over ground underlain entirely by Hedley sequence sediments. The geologically and geochemically interesting ground to the north was not covered by this survey.

1986 Surveys - Magnetic, VLF-EM, and I.P.

A very limited geophysical program was undertaken in 1986. Magnetic, VLF-EM, and I.P. surveys for chargeability and resistivity were completed in the area of the diorite and over part of geochemical Anomaly 1.

(...)

The following observations can be made:

1. There is good correlation between I.P. resistivity and geology. The diorite appears to be much more highly resistive than the country rocks, which are finely pyritic, and probably in some degree graphitic. It is a good mapping tool.
2. The magnetic survey indicates a strong NNE trend, and may reflect porphyry dykes. This is the case on the Banbury ground to the west. It may be a good mapping tool.

3. VLF-EM response is weak in the area of the survey.

1988 Survey - Magnetic

A Scintrex MP-2 portable proton precession magnetometer was used for the magnetic survey. Total magnetic field was measured in gammas, recorded, and plotted. A contour plan was prepared at a scale of 1:5000, with a contour interval of 100 gammas. Total field strength varied between 56,400 and 57,500 gammas, with most values between 56,400 and 56,900 gammas. No diurnal corrections were made.

The magnetic method of geophysical surveying consists of precisely measuring the resultant magnetic field produced by rock formations on the inherent earth's magnetism. The result varies with rock type (magnetic susceptibility) and rock history (magnetic field left in the rock due to prior magnetization).

The results of this survey are presented on Map 15.6 and show that a broad magnetic high lies WNW across the northern part of the grid area. The western part of this is underlain by Hedley diorite, while the eastern extension is underlain by Hedley formation limestones and argillites. It is thought that the magnetic anomaly is indicating the presence of sub-surface diorite along this trend.

The N-S anomaly at 6150E on the southern part of the grid may indicate a pyrrhotitic Hedley Diorite dyke in this region.

VLF-EM and I.P. surveys must be completed over the northern part of the property before further correlation can be made with the geological and geochem results."

Summary, Conclusions and Recommendations

Summary

The Skidoo 1 and Windy 2 Mineral Claims Report summarizes its findings, at page 1, as follows:

"Results of exploration programs carried out over the Skidoo and Windy-2 claims to date indicate promising economic potential. Three moderate to intense gold soils geochemistry anomalies have been identified in a geological environment that has similarities to the environments of both the Mascot Gold Mine and Banbury Gold Mine. Results show that these anomalies lie in discrete structures at or near the margins of a basic intrusive stock. These structures are probably shear zones or channelways prepared by basic dykes emanating from the intrusive stock. The surface soils above these structures contain elevated gold values likely to be the erosion products of gold-bearing veins or metasomatic fluid-originated skarns.

The Skidoo and Windy-2 claims lie one km SE of prominent gold-bearing veins on the Banbury Gold Mines property which lies immediately to the west. Anomalies on the Skidoo and Windy-2 claims are possible extensions of the Banbury system.

These are summarized as follows:

Anomaly 1: (includes Anomalies G1, A5 and G6 of the 1986 report). This is an intermittent linear gold-arsenic anomaly running from 10850N/5,800E to 10,200N/6050E, roughly 650m long, with gold values up to 420 ppb, and arsenic values up to 311 ppm. It is parallel to many of the known structures in the area, including the Pine Knot Vein on Banbury Gold Mines Ltd. property 1.5 km to the west, and lies in a similar geological environment.

Anomaly 2: Gold and arsenic values form a strong, distinct anomaly from 10,900N/6375E to 10,650N/6150E. It is roughly 300m long with gold values up to 660 ppb, and arsenic values up to 278 ppm.

Anomaly 3: (formerly part of anomaly G-1) This is a gold anomaly near the diorite contact parallel to Anomaly 2. It is weak to moderate intensity, 100m long running from 10,900N/5975E to 10,850N/5900E, with a high gold value of 120 ppb.

As evident on the composite map, page v., all three anomalies lie at or near diorite-sediment contacts, similar to the Banbury veins.

In light of the encouraging results generated on the property thus far, this author is of the opinion that an exploration program to test the anomalies that have been outlined to date, and to attempt to locate new anomalies that may lie within the claims is a worthwhile endeavor that may lead to the discovery of gold mineralization with possible economic potential."

Conclusions

The Skidoo 1 and Windy 2 Mineral Claims Report concludes, at pages 14 and 15, as follows:

"Recent regional studies and intensive local exploration in the Hedley camp generated largely by the reopening of the Mascot Mine has led to a new understanding of the gold deposits of the area.

One of the best gold prospects in the area is Banbury Gold Mines' Henri Creek property, currently under option to Noranda. Widespread gold values associated with a plug of Hedley diorite are thought to represent an epithermal to mesothermal manifestation of Mascot style mineralization.

The Skidoo and Windy-II claims lie just 1 km SE of the Banbury showing and the geochemical and geological expressions on the claims are possible extensions of the Banbury system.

Structural traps in sediments proximal to Hedley diorite intrusions are the primary geological setting for gold ore bodies in the Hedley area. Such an environment is present on the Skidoo and Windy-II claims."

Recommendations

The Skidoo 1 and Windy 2 Mineral Claims Group Report then recommends, at page 15, as follows:

"An exploration program geared to defining shallow epithermal vein-type targets, as well as developing deeper mesothermal skarn-type targets should be undertaken.

A VLF-EM survey over the northern part of the property grid may indicate structures within the sediments or diorite in which the gold apparent in the geochemistry results is concentrated, while I.P. chargeability and resistivity surveys may indicate deeper, more massive sulphide targets at depth.

As well, detailed geological mapping and prospecting in the areas of the geochemical anomalies should be carried out. Special attention should be paid to structure, hydrothermal veining or stockwork, and alteration and silicification.

Upon the resolution of targets, diamond drilling should test the areas of highest potential.

Cost Estimate of Recommended Program

1. Geological Mapping and Prospecting: 4 days @ \$350.00 per day, all inclusive	\$ 1,400.00
2. Geophysical Surveys: VLF-EM and I.P. 10 days @ \$1400.00 per day, all inclusive	\$14,000.00
3. Diamond Drilling: 500 m @ \$105/m, all inclusive	\$52,500.00
4. Supervision and Report: 10 days @ \$350.00 per day, all inclusive	\$ 3,500.00
SUB-TOTAL	\$71,400.00
CONTINGENCIES @ 10%	\$ 7,140.00
TOTAL	<u>\$78,540.00"</u>

There are no known reserves of commercial ore located on the Skidoo 1 and Windy 2 Mineral Claims, and the Issuer is conducting an exploratory search for ore only.

There are no known material underground or surface workings, plant or equipment located on the Skidoo 1 and Windy 2 Mineral Claims, except as disclosed herein.

THE GAB 6 MINERAL CLAIM

Acquisition of the Gab 6 Mineral Claim

By a mineral property acquisition agreement dated June 6, 1988 as amended by an amendment letter agreement dated May 1, 1989 (hereinafter collectively referred to as the "Acquisition Agreement"), as entered into between the Issuer and Iskut Gold Syndicate ("Iskut"), a partnership, of 1140 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6, the Issuer acquired, on a non-arm's length basis, an option to purchase a 100% interest in and to one (1) mineral claim, comprising 20 units, located in the Liard Mining Division of the Province of British Columbia, and more particularly described as follows:

<u>Claim Name</u>	<u>Record Number</u>	<u>Units</u>	<u>Expiration Date</u>
Gab 6	3831	20	Dec. 22, 1990

(Hereinafter referred to as the "Gab 6 Mineral Claim").

(Please note that Iskut has also sold to Kirby Energy Inc., a British Columbia reporting company having common Directors and/or Senior Officers with the Issuer, which company is listed for trading on the Vancouver Stock Exchange, a mineral property contiguous to the Gab 6 Mineral Claim).

(By virtue of a partnership agreement dated November 3, 1986, Iskut was formed for the purpose of carrying on the business of prospecting and exploring for minerals, ores and mines. Iskut is owned and controlled by the following:

<u>Name of Partner</u>	<u>Percentage Interest</u>
Western Informational Services Ltd.*	39%
Robin T. Forshaw	17%
Ian Hagemoen	17%
Reg E. Davis	10%
Stuart J. Cameron	17%

(* Western Informational Services Ltd. is a non-reporting British Columbia company which is controlled by Charles Stuart Underhill, the President, Chief Executive Officer and a Director of the Issuer, thereby being a non-arm's length acquisition to that extent.))

The Acquisition Agreement

The Acquisition Agreement provides that in order for the Issuer to acquire a 100% interest in and to the Gab 6 Mineral Claim, the Issuer will be required:

- (a) To pay Twenty Thousand Dollars (\$20,000) to Iskut upon the execution of the Acquisition Agreement, which sum was paid by the Issuer to Iskut (and of which sum, Western Informational Services Ltd. ("Western"), a non-reporting British Columbia company which is controlled by Charles Stuart Underhill, the President, Chief Executive Officer and a Director of the Issuer, reimbursed the Issuer \$7,020, representing Western's 39% interest in and to the balance of the cash consideration paid to Iskut over and above the staking costs of Iskut under the Acquisition Agreement, due to the non-arm's length nature of the acquisition);
- (b) To issue Two Hundred Thousand (200,000) shares of the Issuer to Iskut as follows:
 - (i) Fifty Thousand (50,000) shares within five (5) days of approval of the Acquisition Agreement by the Regulatory Authorities. (It being acknowledged and agreed to by the Issuer and Iskut that said 50,000 shares will not be issued until such time that the Issuer's shares are listed, posted and called for trading on the Vancouver Stock Exchange);
 - (ii) Fifty Thousand (50,000) shares upon the approval of a recommended Phase I work program after the completion of this Offering of at least \$50,000 on the Gab 6 Mineral Claim as set out in a qualified engineer's report which is accepted for filing with the Vancouver Stock Exchange (the "Exchange"), and which report, upon review of the completion of the said Phase I program, recommends a Phase II work program of at least \$75,000 on the Gab 6 Mineral Claim;
 - (iii) Fifty Thousand (50,000) shares upon the approval of a further recommended Phase II work program of at least \$75,000 on the Gab 6 Mineral Claim as set out in a qualified engineer's report which is accepted for filing with the Exchange, and which report, upon review of the completion of the said Phase II program, recommends a Phase III work program of at least \$100,000 on the Gab 6 Mineral Claim; and

- (iv) Fifty Thousand (50,000) shares upon the approval of a further recommended Phase III work program of at least \$100,000 on the Gab 6 Mineral Claim as set out in a qualified engineer's report which is accepted for filing with the Exchange, and which report, upon review of the completion of the said Phase III program, recommends a further work program on the Gab 6 Mineral Claim; AND
- (c) To expend \$225,000 for exploration and development on the Gab 6 Mineral Claim by December 31, 1991, as follows:
 - (i) \$50,000 on or before the completion of a recommended Phase I work program after the completion of this Offering of at least \$50,000 on the Gab 6 Mineral Claim as set out in a qualified engineer's report which is accepted for filing with the Exchange, and which report, upon review of the completion of the said Phase I work program, recommends a Phase II work program of at least \$75,000 on the Gab 6 Mineral Claim; but in any event, on or before June 30, 1990;
 - (ii) \$75,000 on or before the completion of a further recommended Phase II work program of at least \$75,000 on the Gab 6 Mineral Claim as set out in a qualified engineer's report which is accepted for filing with the Exchange, and which report, upon review of the completion of the said Phase II work program, recommends a Phase III work program of at least \$100,000 on the Gab 6 Mineral Claim; but in any event, on or before December 31, 1990; and
 - (iii) \$100,000 on or before the completion of a further recommended Phase III work program of at least \$100,000 on the Gab 6 Mineral Claim as set out in a qualified engineer's report which is accepted for filing with the Exchange, and which report, upon review of the completion of the said Phase III work program, recommends a further work program on the Gab 6 Mineral Claim; but in any event, on or before December 31, 1991.

(By virtue of an agreement dated May 1, 1989, as entered into between Western Informational Services Ltd. ("Western") and Ian Hagemoen ("Hagemoen"), both parties being partners of Iskut, Western has transferred to Hagemoen all of its right, title and interest in and to its 39% interest in any of the aforementioned 200,000 shares that may be issued by the Issuer to Iskut pursuant to the terms of the Acquisition Agreement.)

The Issuer will not earn any interest in the Gab 6 Mineral Claim until all expenditures have been made and all shares have been issued in accordance with the Acquisition Agreement. If any expenditure or share issuance is not made, the Acquisition Agreement will automatically terminate. Additionally, the Issuer has an option to terminate the Acquisition Agreement at any time by giving sixty (60) days' notice to Iskut. In the event of termination, Iskut will be entitled to retain all payments made and all shares issued to it prior to the time of termination.

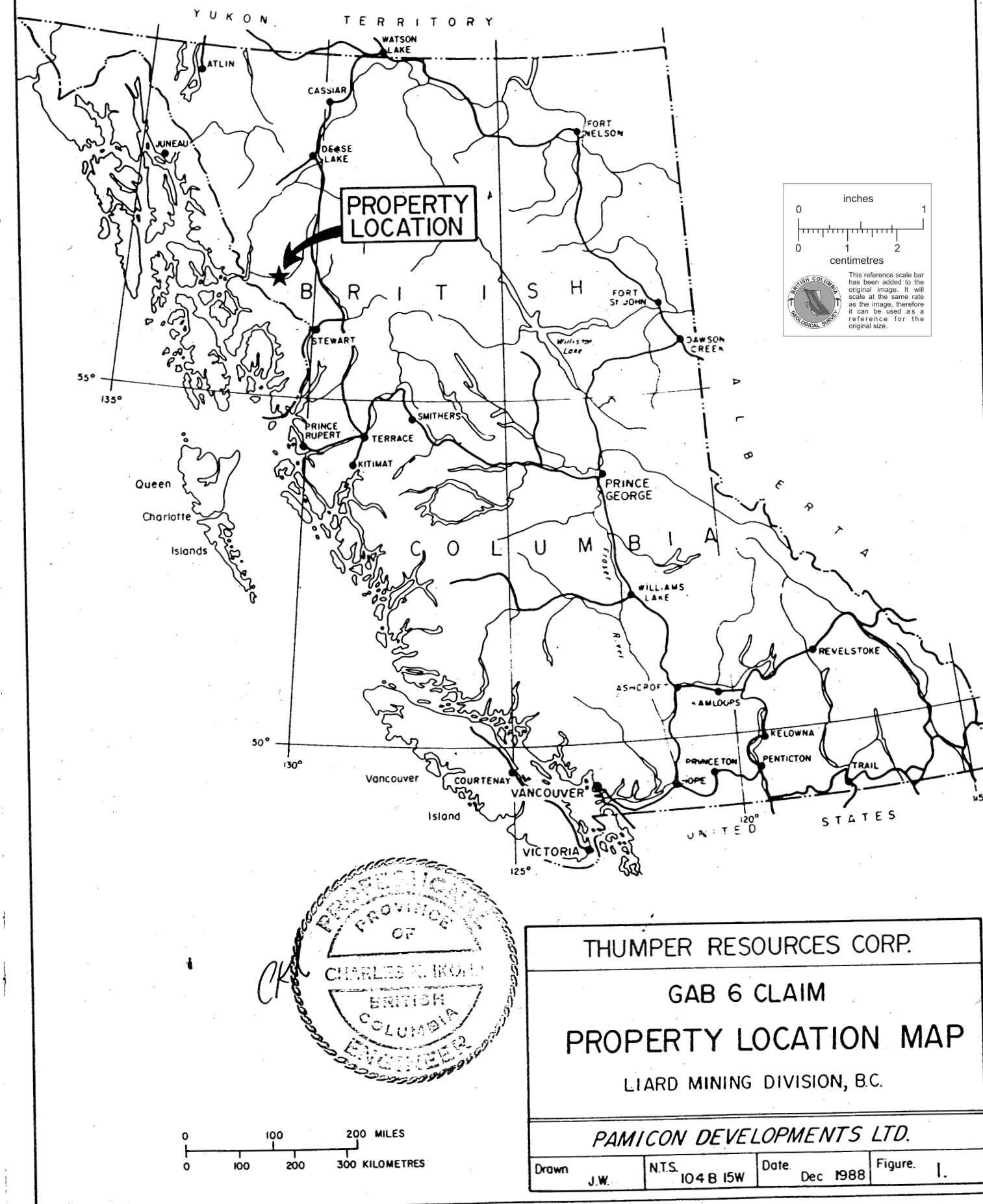
A copy of the aforementioned Acquisition Agreement will be available for inspection during the Offering period at the Registered Office of the Issuer located at 2550 - 555 West Hastings Street, Vancouver, British Columbia, V6B 4N5, during normal business hours, and will continue to be available during normal business hours for a period of thirty (30) days following completion of this Offering.

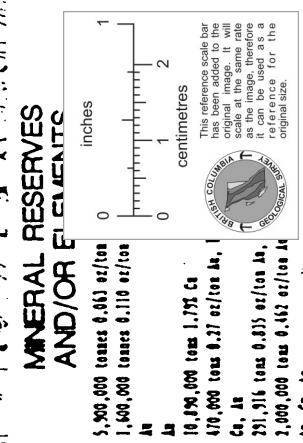
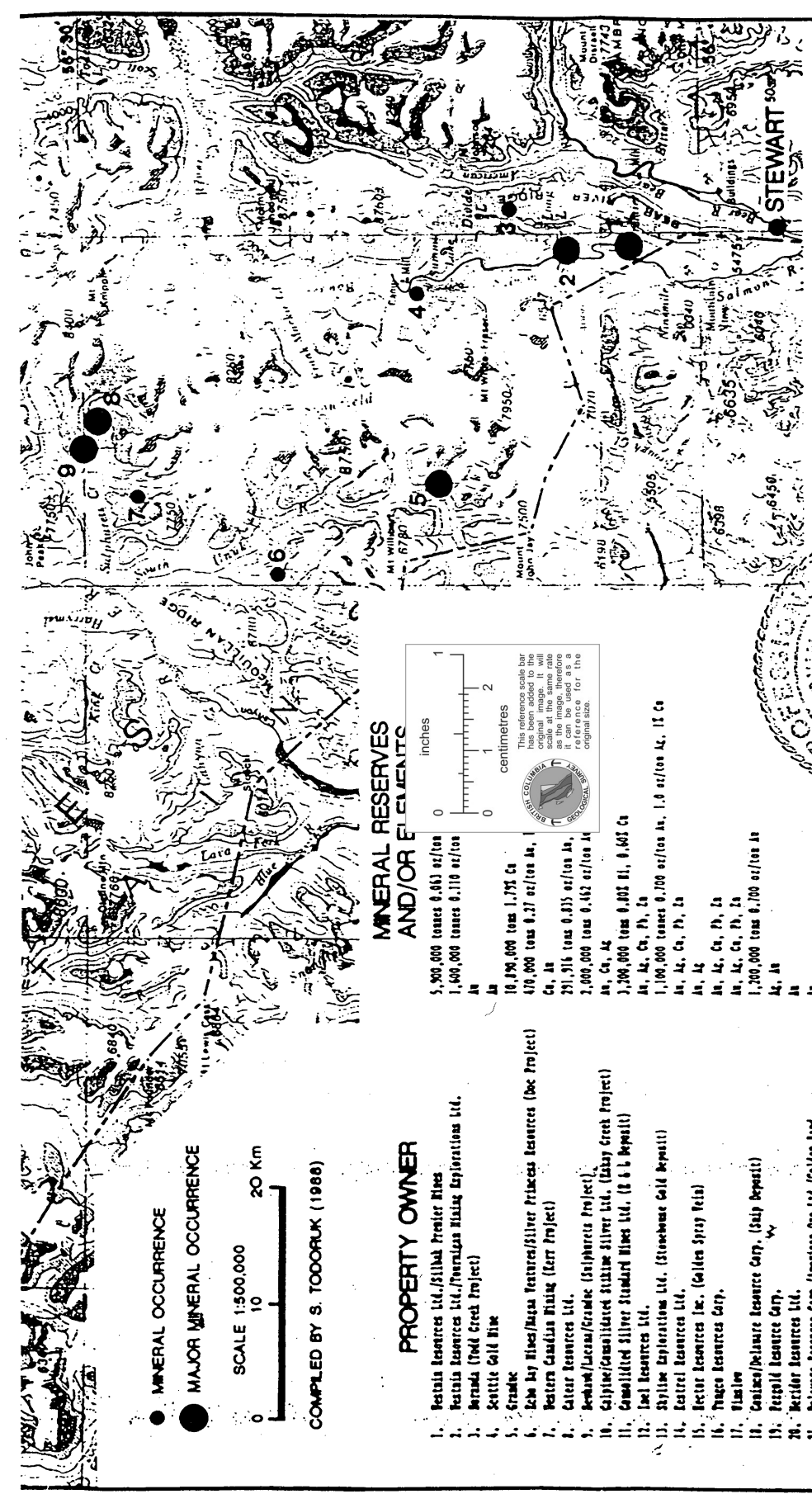
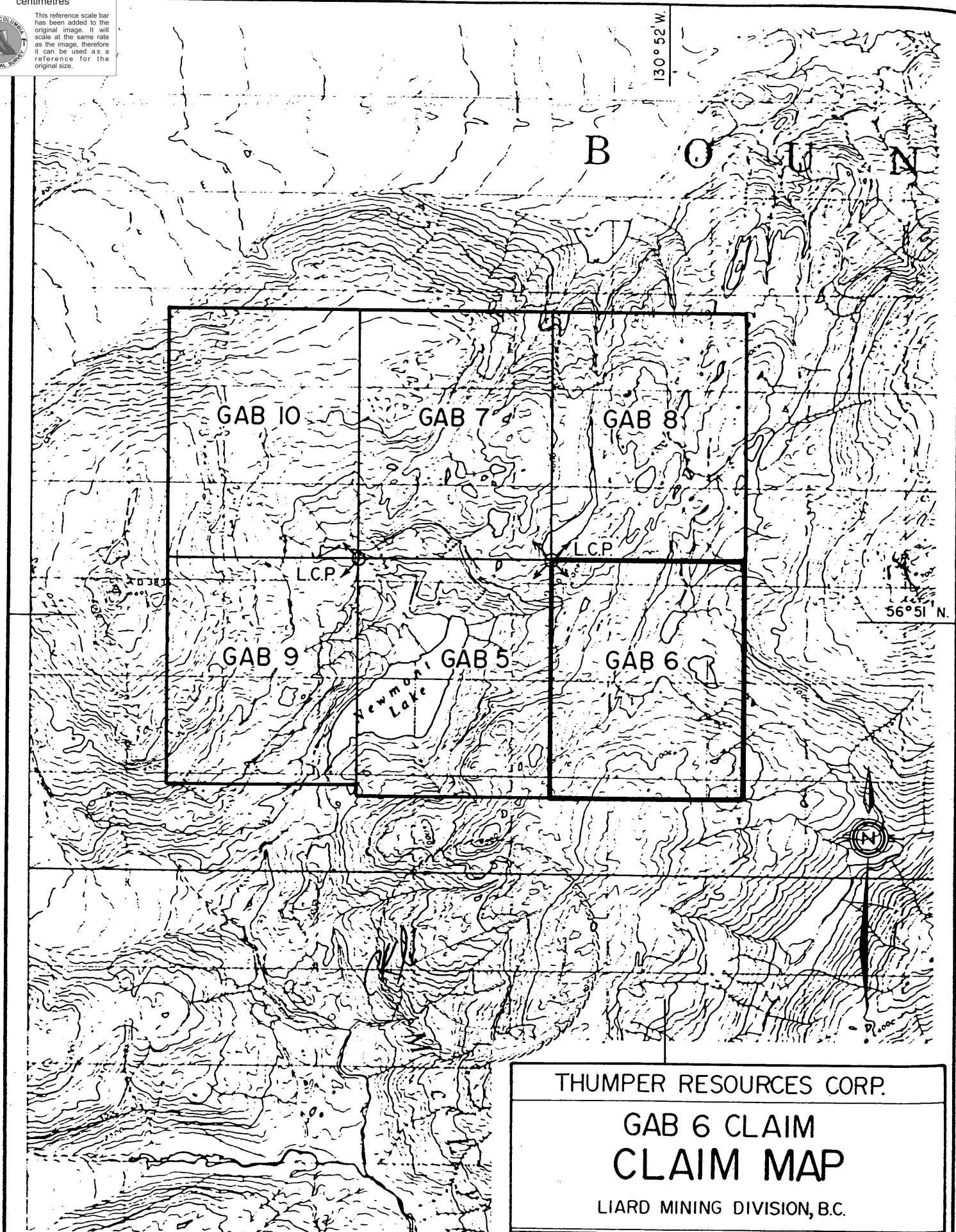
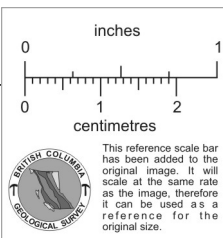
The Issuer has expended a total of \$12,980 on acquisition costs and a total of approximately \$19,150.66 on exploration costs of the Gab 6 Mineral Claim as at the date of this Prospectus.

Description of the Gab 6 Mineral Claim

Location and Access

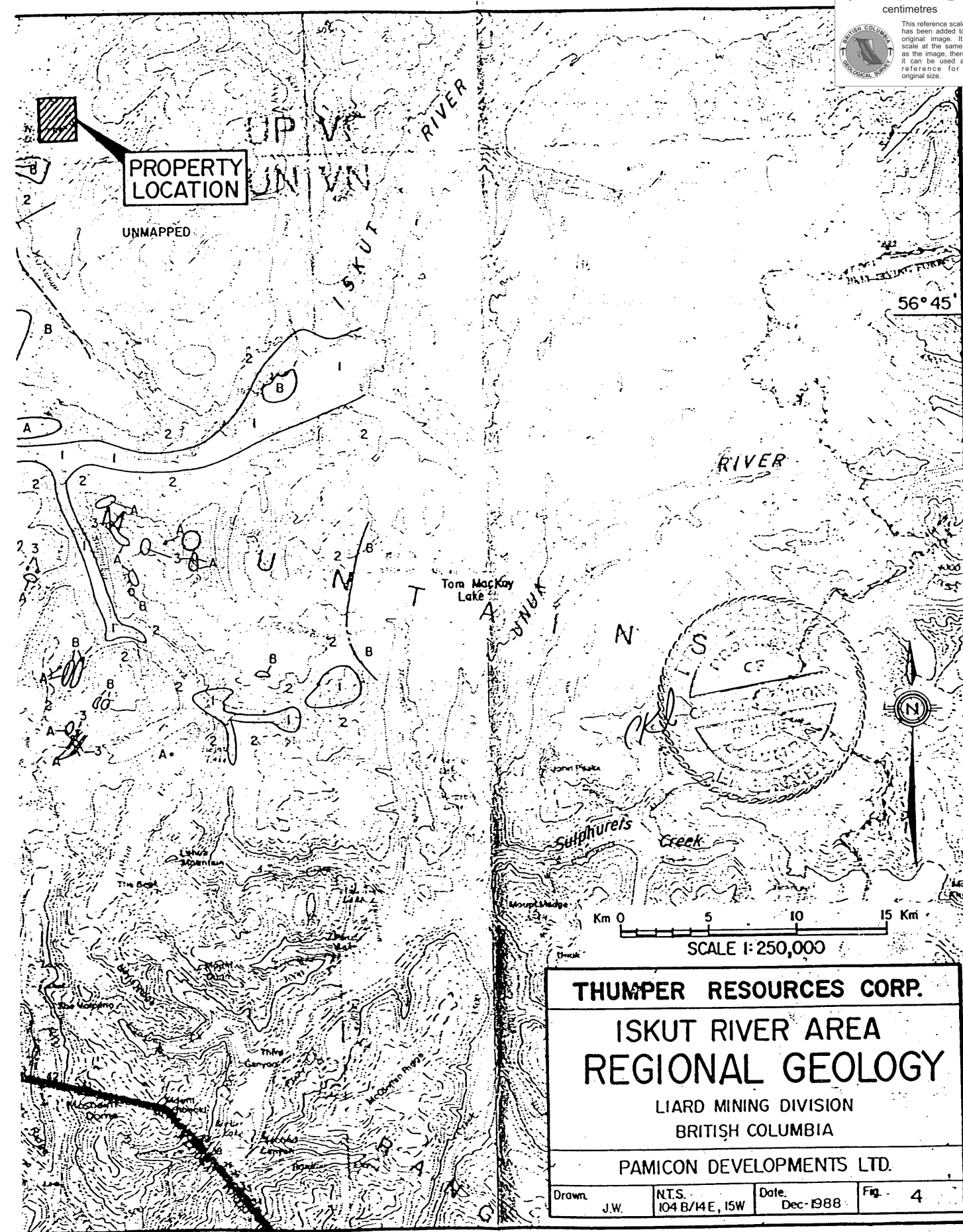
The following information on the Gab 6 Mineral Claim has been excerpted from an engineering report dated January, 1989 and an appendix to the engineering report dated November 3, 1989 (hereinafter collectively referred to as the "Gab 6 Mineral Claim Report"), prepared for the Issuer by William D. Kiesman, Geologist, and Charles K. Ikona, P.Eng., both of Pamicon Developments Ltd., Consulting Geologists, of 711 - 675 West Hastings Street, Vancouver, British Columbia, V6B 1N4. The complete text of the Gab 6 Mineral Claim Report may be examined during normal business hours at the head office of the Issuer located at 1140 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6, and is available for inspection at 2550 - 555 West Hastings Street, Vancouver, British Columbia, V6B 4N5, during normal business hours while the primary distribution of the securities offered hereunder is in progress and for a period of thirty (30) days thereafter.





PROPERTY OWNER

1. Petrolia Resources Ltd./Silk Road Resources Ltd.
2. Petrolia Resources Ltd./Thompson Mining Exploration Ltd.
3. Petrolia Resources Ltd./Thompson Mining Exploration Ltd.
4. Petrolia Resources Ltd./Thompson Mining Exploration Ltd.
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37. Petrolia Resources Ltd./Thompson Mining Exploration Ltd.



"The Gab 6 claim is located approximately 100 kilometres east of Wrangell, Alaska, and 115 kilometres northwest of Stewart, British Columbia, on the eastern edge of the Coast Range Mountains (Figure 1). Newmont Lake is situated approximately two kilometres to the west and the Iskut River 20 kilometres to the south of the Gab 6 claim.

Coordinates of the claims area are 56°50' north latitude and 131°52' west longitude, and the property falls under the jurisdiction of the Liard Mining Division.

Access to the Gab 6 claim would be via fixed wing aircraft from Wrangell, Alaska or Smithers, British Columbia to either the Forrest Kerr gravel airstrip five kilometres north of the Gab 6 claim or the Bronson Creek gravel airstrip located 25 kilometres southwest from the claims. From these gravel airstrips, helicopter support is needed to reach the Gab 6 mineral claim. In addition, the Bob Quinn gravel airstrip is located 40 kilometres to the northeast on Highway 37 at Kilometre 139. Access to the property by helicopter or fixed wing can also be accomplished from this airstrip.

(...)"

Area History and Geology

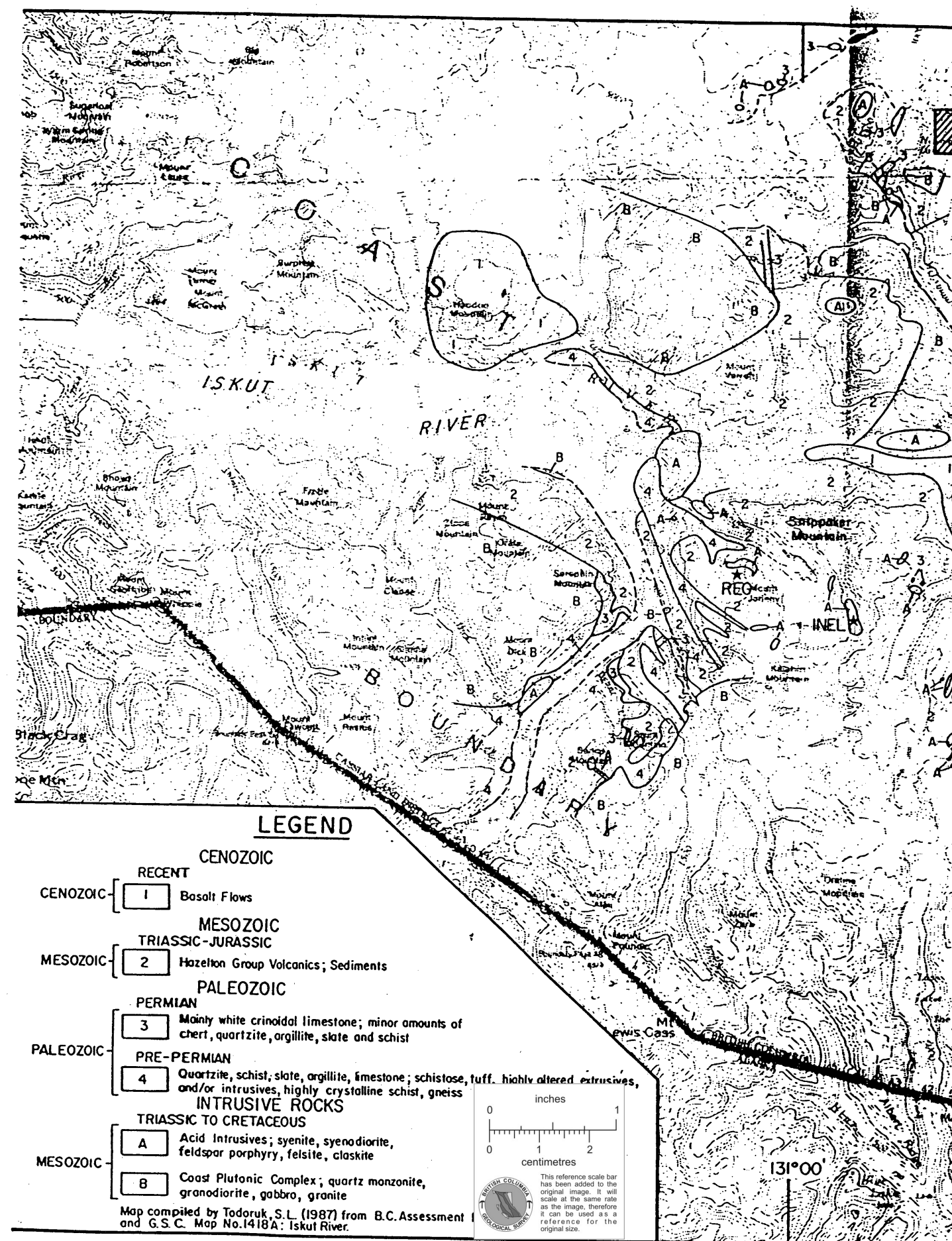
The Gab 6 Mineral Claim Report continues, at pages 3 to 6, as follows:

"Area History

Figure 3 of this report presents a 1:500,000 scale area of northwestern B.C. from Stewart in the south to near Telegraph Creek in the north. This represents some 225 km. Within this area, which has been referred to as the Stikine Arch, mining activity goes back to the turn of the century. Due to the size of the region it historically has been referred to in more specific areas ranging from the Stewart area to Sulphurets, Iskut and Galore Creek. As can be noted in Figure 3, however, all of these individual camps appear to be related to the Stikine Arch as a whole. Recent discoveries appear to be filling in areas between these known mineralized camps. It is probable that the entire area be considered as one large mineralized province with attendant subareas....

The first recorded work done in the Iskut Region occurred in 1907 when a prospecting party from Wrangell, Alaska staked nine claims north of Johnny Mountain. Iskut Mining Company subsequently worked crowned granted claims along Bronson Creek and on the north slope of Johnny Mountain. Up to 1920, a 9 metre adit revealed a number of veins and stringers hosting galena and gold-silver mineralization.

In 1954, Hudsons Bay Mining & Smelting located the Pick Axe showing and high grade gold-silver-lead-zinc float on the open upper slopes of Johnny Mountain, which today is part of Skyline Explorations Ltd.'s Stonehouse Gold deposit. The claims were worked and subsequently allowed to lapse.



During the 1960s, several major mining companies conducted helicopter borne reconnaissance exploration programs in a search for porphyry-copper-molybdenum deposits. Several claims were staked on Johnny Mountain and on Sulphurets Creek.

Between 1965 and 1971, Silver Standard Mines, and later Sumitomo, worked the E + L prospect on Nickel Mountain at the headwaters of Snippaker Creek. Work included trenching, drilling and 460 metres of underground development work. Reserves include 3.2 million tons of 0.80% nickel and 0.60% copper.

In 1969 Skyline staked the Inel property after discovering massive sulphide float originating from the head of the Bronson Creek glacier.

During 1972, Newmont Mining Corporation of Canada Limited carried out a field program west of Newmont Lake on the Dirk claim group. Skarn-type mineralization was the target of exploration. Work consisted of airborne and ground magnetic surveys, geological mapping and diamond drilling. One and one-half metres grading 0.220 ounces of gold per ton and 15.2 metres of 1.5% copper was intersected on the Ken showing.

In 1980 Dupont Canada Explorations Ltd. staked the Warrior claims south of Newmont Lake on the basis of a regional stream sediment survey. In 1983, Skyline Explorations Ltd. and Placer Developments Ltd. optioned the Warrior claims from Dupont. Efforts were directed at sampling and extending several narrow quartz-pyrite-chalcopyrite veins with values ranging from 0.1 to 3.0 oz/ton gold. Geophysics and coincident geochemical values indicated a significant strike length to the mineralized structure. The Warrior claims were allowed to lapse in 1986, at which time, Gulf International Minerals Ltd. acquired the McLymont claims covering much the same area.

Assays of interest from recent Gulf drilling are listed below (Gulf International Minerals Ltd., Annual Report, 1987 and news releases):

Drill Hole	Interval (feet)	Length (feet)	Copper (%)	Silver (oz/ton)	Gold (oz/ton)
87-25	343.0-373.0	30.0	0.23	0.11	0.404
	409.3-412.0	2.7	0.55	0.35	0.250
	470.2-473.8	3.6	0.42	0.19	1.520
87-29	167.0-170.0	3.0	0.001	0.01	0.140
	205.0-241.5	36.5	0.97	39.73	1.605
88-28	213.9-229.0	15.1			0.810
	260.5-276.6	16.1			0.645
	354.0-363.2	9.2			0.319

(average grade = 149.0 feet of 0.290 oz/ton gold)

After restaking the Reg property in 1980, Skyline carried out trenching and drilling for veined high-grade gold and polymetallic massive sulphide mineralization on the Reg and Inel deposits between 1981 and 1985.

In 1986, drilling and 460 metres of underground cross-cutting and drifting on the Stonehouse Gold Zone confirmed the presence of high grade gold mineralization with additional values in silver and copper over mineable widths with good lateral and depth continuity. As of January 1988, reserves on the Stonehouse Gold Zone were reported as:

	Au (oz/ton)	Tons
Total Measured	1.246	121,000
Total Drill-Indicated	0.556	236,875
Total Inferred	0.570	700,000
Subtotal	0.644	1,057,875
McFadden	2.800	30,000
Ore Reserve Total	0.704	1,087,875

On the Cominco/Delaware Snip claims immediately north of the Stonehouse gold deposit, approximately 20,000 metres of diamond drilling has been carried out defining the Twin Zone gold deposit. Three thousand metres of underground development work has also been completed as the project readies for production. As of December, 1987, reserves on the Twin Zone were reported as:

	Au (oz)	Tons
Total Inferred	0.700	1,200,000

Also, during 1987, Inel Resources Ltd. commenced an underground drifting and diamond drilling program along the main cross-cut intent on intersecting the Discovery Zone which hosts gold-bearing polymetallic massive sulphide mineralization. Underground drilling on the centre section of workings has returned in U88-3 a grade of 0.769 oz/ton gold for 4.1 metres (September, 1988). As of November, 1988, 730 metres of underground development has been completed in the area of the Discovery Zone.

Western Canadian Mining Corp. in 1987 drilled tested to Khyber Pass massive sulphide showing on their Gossan claims in the Iskut area while in 1988 drilling was carried out on their Kerr project copper-gold porphyry deposit in the Sulphurets camp to the southeast.

Tungco Resources Corporation has drill tested four main gold/copper quartz vein targets; the Bluff, No. 7, Swamp and Gold Bug Zones. The Bluff Zone has been delineated 70 metres along strike and 60 metres downdip with better intersections

grading up to 0.243 oz/ton gold across 2.45 metres. The No. 7 Vein returned 1.12 metres of 0.651 oz/ton gold. Drill testing was also carried out near the western edge of the claims on the Boot Zone lead/zinc/copper/silver/gold prospect.

During 1988 Pezgold Resource Corp./International Prism Exploration drill tested the old Newmont Ken Zone magnetite/chalcopryite/gold skarn zone north of Gulf International Minerals' Northwest Gold Zone. High grade silver-lead-zinc was also found on the eastern side of the property.

In late 1988, Calpine Resources Incorporated/Consolidated Stikine Silver announced several exciting drill holes on their Eskay Creek Project at Tom McKay Lake. Drill hole CA88-6 reported values of 0.730 oz/ton gold across 96.5 feet.

South of Calpine's Eskay Creek Project and in the Suphurets Gold Camp several properties are quickly moving into production phases as listed below:

<u>Project</u>	<u>Mineral Reserves</u>
Newhawk/Granduc/Lacana Mine	2,000,000 of 0.462/oz ton Au, 21.78 oz/ton Ag
Catear Resources Ltd. Mine	291,916 of 0.835 oz/ton Au, 2.44 oz/ton Ag
Echo Bay Mines/Magna/ Silver Princess Project	470,000 of 0.270 oz/ton Au, 1.31 oz/ton Ag

Magenta Development Corp. also discovered an exciting gold/silver/copper/lead quartz vein in 1988 on the Rob claims in the Skyline area with values in trenches up to 2.567 oz/ton Au across 9.8 feet including 7.394 oz/ton Au across 3.3 feet.

(...)

Property Geology

On the Gab 6 mineral claim the oldest lithologies exposed are grey Mississippian limestones. Disarticulated crinoids form distinct conformable debris beds within massive limestone. Chert nodules and beds give a ribbed appearance to limestone outcrops and are contorted illustrating deformation of the limestone.

Overlying the limestones unconformably are early Jurassic Hazelton volcanics. The volcanics have locally large felsic fragments supported in a finer grained purplish red matrix. Subangular to angular fragments have altered selvages which indicate rapid quenching during deposition. The term "agglomerates" best describes these volcanics texturally and genetically.

Intrusive rocks are also found on the Gab 6 claim and form the dominant rock type in the southeast corner of the claims. Anhedral quartz phenocrysts are set in the medium grained groundmass of pink K-Feldspar and grey-white plagioclase. K-feldspar is greater in abundance than plagioclase and with quartz as a minor constituent these intrusives are termed quartz syenites. These quartz syenites are similar to intrusive rocks mapped as syeno-monzonites on the Gulf International's McLymont Group located 4 km to the southwest from the Gab 6 claim.

All lithologies are faulted and segmented by displacements along the faults. A major northeast trending lineament with a coincident linear aeromagnetic high can be traced through the lakes and alluvial plain found in the central portion of Gab 6. A major geological contract is inferred from outcrop pattern between the limestone/volcanic and syenite which is also coincident with this lineament. Easterly trending faults are possible splays to this major lineament with offset of the limestone occurring along their inferred trace. Right lateral displacements with an unknown vertical component are proposed for movement on these structures.

Northwest trending faults are interpreted to be the last structural event. An andesite dyke found in the syenite trending AZ 030 was rotated near the fault to a northwest orientation."

Current Exploration

During the summer of 1988, Pamicon Developments Ltd., of 711 - 675 West Hastings Street, Vancouver, British Columbia, V6B 1N4, conducted a limited geological reconnaissance program on the Gab 6 Mineral Claim. The program consisted of several prospecting and mapping traverses combined with rock chip and soil sampling. The program was undertaken on behalf of the Issuer at an approximate cost of \$19,150.66, and results of the program are the subject of the aforementioned Gab 6 Mineral Claim Report.

The following information respecting the Gab 6 Mineral Claim has again been excerpted from the Gab 6 Mineral Claim Report. The complete text of the Gab 6 Mineral Claim Report may again be examined during normal business hours at the head office of the Issuer located at 1140 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6, and is available for inspection at the Registered Office of the Issuer located at 2550 - 555 West Hastings Street, Vancouver, British Columbia, V6B 4N5, during normal business hours while the primary distribution of the securities offered hereunder is in progress and for a period of thirty (30) days thereafter.

"Mineralization

Within Mississippian limestones exposed on the Gab 6 claim are mineralized fractures traceable for 200 metres. Widths approaching 1.0 metre have yielded silver assays to 9.58 oz/st from preliminary rock chip sampling. Selected assays are as follows:

Appendix to Report of January, 1989
SIGNIFICANT SAMPLE RESULTS
SILVER SHOWING AREA
GAB 6 CLAIM OF THUMPER RESOURCES

Locations of samples are presented on Figure 5.

Sample Number	Pb (ppm)	Zn (ppm)	Ag (ppm) (oz/ton)	Description
21620	31,585	7,366	90.5 —	grab - dolomite containing barite, some disseminated galena
21635	351	>10%	12.6 —	chip across 5 metres - vein averages 1-2 m traced for 25 m 5% coarse honey coloured sphalerite, trace galena
21636	6,784	>10%	11.4 —	chip across 1 metre 10 m NE of #21635 - galena, sphalerite and barite
21637	6,512	20,257	16.1 —	chip across 1 metre 5 m NE of #21636 - galena, sphalerite, barite, minor malachite
21638	32,213	18,706	31.1 —	chip across 1 metre 10 m NE of #21637 - barite, good galena
21639	27,779	7,963	— 9.58	grab of possible subcrop adjacent to #21638 - dolomite containing some galena and sphalerite around barite margins
21640	31,914	4,920	— 3.16	grab of subcrop at #21639 - massive galena in barite
21641	22,647	>10%	— 2.15	chip across 1 metre 5 m SW of #21635 - barite with galena

21642	4,828	>10%	23.4 —	grab of talus at foot of carbonate cliff - massive sphalerite and galena, strong malachite within dark black fine grained sediment, source not located
21711	692	25,976	17.2 —	chip across 20 cm shear - sphalerite, malachite, minor barite
21712	35,477	66,261	96.1 —	grab of barite with massive galena, strong malachite
21713	30,263	18,461	86.3 —	grab of barite - dolomite, good galena, sphalerite; zone approx 10 m wide traced for 20 m
21714	10,263	29,876	35.7 —	grab of galena mineralization, minor malachite in barite dolomite zone 1 m wide traced for 50 m at 150°
21715	35,747	19,180	82.9 —	grab - good galena, minor malachite, #21714 structure
21716	16,301	1,831	62.2 —	grab - malachite in dolomite - poorly exposed zone may be 3 to 4 m in width, unknown strike length
21717	35,358	21,301	>100 —	massive galena and barite - same area as #21716

Mineralization fractures, orange brown to buff brown in colour, yielded best sampling results. Galena, sphalerite + malachite are found discontinuously hosted in a barite gangue. Cadmium values reported from assays are associated with sphalerite rich samples while copper and antimony are associated with malachite rich samples. The occurrence of tetrahedrite is thought responsible for the copper and antimony values."

Conclusions and Recommendations

Conclusions

The Gab 6 Mineral Claim Report concludes, at pages 10 and 11, as follows:

"Mineralization found hosted within the limestones as replacements has been traced for 200 metres along strike. Discontinuous replacements along selective fractures illustrates a pervasive mineralizing event responsible.

Elevated values of molybdenum and tungsten suggest high level thermal activity as the mechanism responsible for the replacements found within the limestone. The quartz syenites found in the southeast corner of Gab 6 are interpreted to be the thermal source responsible for supplying mineralizing fluids which accessed faults within the limestone to produce the replacement style mineralization.

Although no anomalous gold values have been received from this area it should be noted that Gulf International Minerals Ltd. has reported gold intersections hosted in crinoidal Mississippian limestones-chert-marble from their Northwest Zone drilling (Grove 1987). Stratiform barite-pyrite-sphalerite mineralization is spatially related to these gold intersections found in the limestones 4.0 kilometres west from the Gab 6 mineral claim."

Recommendations

The Gab 6 Mineral Claim Report then recommends, at pages 11 to 13, as follows:

"For the 1989 field season claim it is recommended that:

1. Additional geologic mapping and prospecting to locate limestone outcrops not mapped and sampled in 1988 field season.
2. Trenching of anomalous silver assays over full widths to allow continuous chip sampling. Contingent upon results of trenching a modest diamond drill hole program could be recommended.
3. The quartz syenite contact area be investigated for quartz sulphide vein swarms oriented AZ 030 or AZ 340.

Recommended Budget

STAGE I - GEOLOGICAL MAPPING AND PROSPECT SAMPLING

WAGES

Project Geologist - 20 days @ \$350/day	\$ 7,000
Prospector - 20 days @ \$225/day	4,500
Helpers - 2 x 20 days @ \$175/day	<u>7,000</u>

Total Wages \$ 18,500

EXPENSES

ANALYSIS

Heavy Mineral Concentrates	
60 @ \$32.50/sample	\$ 1,950
Assays (rock chips, soil and silts) 200 @ \$20	<u>4,000</u>
	\$ 5,950

SUPPORT

80 man days @ \$100/day	8,000
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TRENCHING SUPPLIES

1,300

TRANSPORTATION

Vehicle rental	
- 4 days @ \$50/day	\$ 200
Airfares, Fixed Wing, Helicopter	<u>13,000</u>
	13,200

REPORT

2,500

Total Expenses 30,950

TOTAL WAGES AND EXPENSES 49,450

Contingency @ 10% 4,900

Management Fee @ 15% on Expenses 4,650

TOTAL STAGE I \$59,000

Dependent upon the results of the Stage I program additional work may be warranted. This may take the form of additional sampling and trenching and may possibly include a small drill program. It is anticipated that \$100,000 would be required for such a program.

Stage II - dependent upon results of Stage I program \$100,000

Total Stage I and II \$159,000"

There are no known reserves of commercial ore located on the Gab 6 Mineral Claim, and the Issuer is conducting an exploratory search for ore only.

There are no known material underground or surface workings, plant or equipment located on the Gab 6 Mineral Claim, except as disclosed herein.

PLAN OF DISTRIBUTION

The Offering

The Issuer by its Agents hereby offers (the "Offering"), to the public through the facilities of the Vancouver Stock Exchange (the "Exchange"), 800,000 shares (the "Shares") of the Issuer at a price of \$0.35 per Share (the "Offering Price"). The Offering will be made in accordance with the rules and policies of the Exchange and on a day (the "Offering Day") determined by the Agents and the Issuer, with the consent of the Exchange, within a period of 180 days from the date upon which the Shares of the Issuer are conditionally listed on the Exchange (the "Effective Date").

Appointment of Agents

The Issuer, by an agency offering agreement (the "Agency Agreement") dated November 27, 1989, appointed **L. O. M. Western Securities Ltd.**, of Stock Exchange Tower, 2200 - 609 Granville Street, Vancouver, British Columbia, V7Y 1H2, and **Yorkton Continental Securities Inc.**, of Four Bentall Centre, P.O. Box 49333, Tenth Floor, 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1L4, as its agents ("Agents") to offer the Shares through the facilities of the Vancouver Stock Exchange (the "Exchange"). The Agents will participate in the Offering as follows:

<u>Agent</u>	<u>Participation</u>
L. O. M. Western Securities Ltd.	400,000 Shares; and
Yorkton Continental Securities Inc.	400,000 Shares.

The Agents will receive a commission of \$0.05 per Share sold.

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

The obligations of the Agents under the Agency Agreement may be terminated at any time before the day the Shares of the Issuer are listed, posted and called for trading on the Exchange at the Agents' discretion on the basis of their assessment of the state of the financial markets, and upon the occurrence of certain stated events.

The Issuer has granted the Agents a right of first refusal to provide future equity financing to the Issuer for a period of twelve (12) months from the Effective Date.

The Directors, Officers and Insiders of the Issuer may purchase Shares of this Offering.

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

Associates of the Agents and other underwriters directly and indirectly own 152,000 common shares of the Issuer which were purchased at a subscription price of \$0.25 per common share. For further particulars please refer to the section captioned "Principal Holders of Securities" herein.

Agents' Warrants

The Agents have agreed to purchase from the Offering any Shares not sold at the conclusion of the Offering Day. In consideration therefor, the Agents have been granted non-transferable share purchase warrants (the "Agents' Warrants") entitling the Agents to purchase up to 200,000 common shares of the Issuer at a price of \$0.35 per common share at any time up to the close of business one (1) year from the date the Issuer's Shares are listed, posted and called for trading on the Exchange, and at a price of \$0.4025 per common share at any time up to the close of business at the end of the second year from the date the Issuer's Shares are listed, posted and called for trading on the Exchange.

The Agents' Warrants will contain, among other things, anti-dilution provisions and provisions for appropriate adjustment in 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 of the Issuer, the payment of stock dividends or the amalgamation of the Issuer.

Additional Offering

The Agents have agreed to purchase any Shares offered hereby which have not been sold at the conclusion of the Offering (the "Guarantee"), and as consideration for the Guarantee have been granted the Agents' Warrants. The Agents' Warrants have been distributed to the Agents under this Prospectus. Any shares acquired by the Agents pursuant to the Guarantee will also be distributed under this Prospectus through the facilities of the Vancouver Stock Exchange at the market price at the time of sale.

Conditional Listing

The Vancouver Stock Exchange (the "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 Exchange on or before June 26, 1990, including prescribed distribution and financial requirements.

USE OF PROCEEDS

The net proceeds to be derived by the Issuer from the sale of the securities offered hereunder will be \$240,000. The net proceeds, together with an approximate \$1,100 working capital deficit position, as at December 14, 1989, will be expended in priority in accordance with the following allocation:

FUND ALLOCATION

<u>Allocation Category</u>	<u>Fund Allocation</u>
(a) To pay the estimated Costs of the Offering	\$ 20,000.00
(b) To conduct the work program recommended on the Skidoo 1 and Windy 2 Mineral Claims by Michael R. Sanford in his Skidoo 1 and Windy 2 Mineral Claims Report, dated May 8, 1989, to consist of further grid establishment, geological, geochemical and geophysical surveying and diamond drilling*	\$ 78,540.00

(c) To conduct Phase I of the work program recommended on the Gab 6 Mineral Claim by Pamicon Developments Ltd. in its Gab 6 Mineral Claim Report, dated January, 1989, to consist of further grid establishment and geological, geochemical and geophysical surveying**	\$ 59,000.00
(d) Unallocated reserve for Working Capital	\$ 81,360.00
TOTAL:	\$ 238,900.00***

* For further particulars please refer to the sub-headings captioned "Acquisition of the Skidoo 1 and Windy 2 Mineral Claims" and "Description of the Skidoo 1 and Windy 2 Mineral Claims" under the heading captioned "The Skidoo 1 and Windy 2 Mineral Claims" herein.

** For further particulars please refer to the sub-headings captioned "Acquisition of the Gab 6 Mineral Claim" and "Description of the Gab 6 Mineral Claim" under the heading captioned "The Gab 6 Mineral Claim" herein.

*** In the event the Agents' Warrants are exercised in full in the first year of their term, the Issuer would receive an extra \$70,000, and the Issuer would have additional money available for its Skidoo 1 and Windy 2 Mineral Claims and Gab 6 Mineral Claim, or for the acquisition and development of other properties or for general working capital purposes.

It is the opinion of the Issuer that the allocation of funds in the foregoing manner appears warranted on the basis of information presently available to the Issuer, and upon current circumstances, economic and otherwise.

Funds committed to a specific program or property may be diverted in whole or in part to other uses if the program or property to which the funds are committed is abandoned or disposed of in whole or in part. Such abandonment or disposition of such program or property may only occur upon the written recommendation of the Issuer's qualified independent engineering consultants, or upon the Issuer

making arrangements with other parties for the performance of part or all of the work on the program or property. Any such event and diversion of proceeds will be subject to the approval of the appropriate regulatory authorities and will be disclosed by amendment to this Prospectus, if the Issuer is still in the course of the Offering. Following completion of the Offering shareholders will be notified of changes in the affairs of the Issuer in accordance with the requirements of the appropriate regulatory authorities.

The foregoing represents the Issuer's best estimate as to how the proceeds of the Offering herein will be expended. However, the Issuer reserves the right to redirect any portion of the funds as management considers to be in the best interests of the Issuer, based upon circumstances as they arise.

No part of the proceeds will be used to invest, underwrite or trade in securities other than those that qualify as an investment in which trust funds may be invested under the laws of the jurisdiction in which the securities offered by this Prospectus may be lawfully sold. Should the Issuer intend to use the proceeds to acquire other than trustee type securities after the distribution of the securities offered by this Prospectus, approval by the members of the Issuer must first be obtained and notice of the intention must be filed with the regulatory securities bodies having jurisdiction over the sale of the securities offered by this Prospectus.

RISK FACTORS

Mineral exploration and development is a speculative business. The marketability of any minerals acquired by the Issuer will be affected by numerous factors, which include production costs, market fluctuations, processing prices and government regulation, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection, which cannot be accurately predicted.

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

1. There is no known body of commercial ore located on the Skidoo 1 and Windy 2 Mineral Claims or the Gab 6 Mineral Claim, and the Issuer is conducting an exploratory search for ore only. The purpose of the present Offering is to raise funds to carry out further

exploration with the objective of establishing ore of commercial tonnage and grade. If the Issuer's exploration program is successful, additional funds will be required for the development of an economic ore body and to place it in commercial production. The only source of future funds presently available to the Issuer is through the sale of equity capital. The only alternative for the financing of further exploration would be the offering by the Issuer of an interest in the Skidoo 1 and Windy 2 Mineral Claims or the Gab 6 Mineral Claim to be earned by another party or parties carrying out further exploration or development thereof, which is not presently contemplated. In addition, pursuant to the aforementioned Acquisition Agreement, the Issuer is required to expend \$50,000 on the Gab 6 Mineral Claim on or before June 30, 1990, and an additional \$75,000 on or before December 31, 1990, in accordance with the recommendations of qualified engineers' reports which are accepted for filing with the Vancouver Stock Exchange, which funds may not be available by that time. Failure by the Issuer to meet the terms and conditions of the Acquisition Agreement may result in the forfeiture and corresponding return of the Gab 6 Mineral Claim by the Issuer to the non-arm's length optionor of the Gab 6 Mineral Claim. (For further particulars please refer to the sub-heading captioned "Acquisition of the Gab 6 Mineral Claim" under the heading captioned "The Gab 6 Mineral Claim" herein);

2. There is no existing market for the shares of the Issuer and there can be no assurance given that one will develop;
3. Mining operations involve a high degree of risk. Hazards such as unusual or unexpected formations and other conditions are involved. The Issuer has no liability insurance, and the Issuer may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the Issuer's financial position;
4. While the Issuer has obtained an industry standard title report with respect to the Skidoo 1 and Windy 2 Mineral Claims and the Gab 6 Mineral Claim, this should not be construed as a guarantee of title. The Skidoo 1 and Windy 2 Mineral Claims and the Gab 6 Mineral Claim may be subject to prior adverse unregistered agreements or transfers, and title may be affected by undetected defects;

5. No investigation has been made of the original application for filing, the location of boundaries of the Skidoo 1 and Windy 2 Mineral Claims and the Gab 6 Mineral Claim or of the existence of any interests in the Skidoo 1 and Windy 2 Mineral Claims and the Gab 6 Mineral Claim other than what may be noted in the offices of the Mining Recorder in each of the Osoyoos Mining Division and the Liard Mining Division of the Province of British Columbia;
6. No examination has been made of the ground to determine if the Skidoo 1 and Windy 2 Mineral Claims or the Gab 6 Mineral Claim have been staked or assessment work carried out to comply with the provisions of the Mineral Act and its Regulations of the Province of British Columbia;
7. One or more Directors of the Issuer has an interest, direct or indirect, in other natural resource companies. (For further particulars please refer to the heading captioned "Potential Conflicts of Interest" under the section captioned "Interest of Management and Others in Material Transactions" herein); and
8. The net book value per share after completion of the Offering (but before exercise of any of the Agents' Warrants) will be 13.93 cents, representing an immediate and substantial dilution of 60.21%.

SHARE AND LOAN CAPITAL STRUCTURE

<u>Designation</u>	<u>Amount Authorized</u>	<u>Amount Outstanding as at June 30, 1989</u>	<u>Amount Outstanding as at Dec. 14, 1989</u>	<u>Amount Outstanding on completion of Offering*</u>
Common	10,000,000	1,635,501	1,635,501	2,435,501

* Before the issuance of 50,000 shares of the Issuer to Iskut Gold Syndicate ("Iskut") within five days of the day on which the Issuer's shares are listed, posted and called for for trading on the Vancouver Stock Exchange, pursuant to the terms of the aforementioned Acquisition Agreement, which Acquisition Agreement also provides that a further total of 150,000 shares of the Issuer may be issued to Iskut upon the completion of at least \$225,000 of additional exploration work on the Gab 6 Mineral Claim by December 31, 1991. (For further particulars please refer to the sub-heading captioned

"Acquisition of the Gab 6 Mineral Claim" under the heading captioned "The Gab 6 Mineral Claim" herein).

Before the exercise of any of the 200,000 Agents' Warrants. (For further particulars please refer to the section captioned "Plan of Distribution" herein).

There are also 210,000 common shares of the Issuer subject to incentive stock option agreements. (For further particulars please refer to the section captioned "Options to Purchase Securities" herein).

There are no shares of the Issuer subject to rights, options and warrants, except as disclosed herein.

DESCRIPTION OF SECURITIES

The authorized capital of the Issuer consists of 10,000,000 shares without par value of which 1,635,501 shares are issued as 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. Provisions as to the modifications, amendments or variations of such rights or such provisions are contained in the Company Act of the Province of British Columbia.

PROMOTERS

The following may be considered the promoters of the Issuer within the five (5) years immediately preceding the date of this Prospectus in that they took the initiative in founding or organizing the business of the Issuer, or that they have received ten percent (10%) or more of the Issuer's present securities:

Charles Stuart Underhill
John Angus MacAskill
Corwin Edward Coe
Paul Charles Gorick

The names of the promoters, the nature and amount of anything of value (including money, property, options or rights of any kind) received directly or indirectly from the Issuer, and the nature and amount of any asset, service or other consideration received or to be received by the Issuer are as follows:

(a) Seed Capital Common Shares

<u>Name of Purchaser</u>	<u>No. of Shares</u>	<u>Price per Share</u>
Charles Stuart Underhill	20,000*	\$0.25
	1**	\$0.01
John Angus MacAskill	5,000	\$0.25
Corwin Edward Coe	5,000	\$0.25

* All of which are registered in the name of Western Informational Services Ltd., a non-reporting British Columbia company which is controlled by Mr. Underhill.

** Initial Subscriber's share.

(b) Principals' Escrowed Common Shares

<u>Name of Shareholder</u>	<u>No. of Shares</u>
Western Informational Services Ltd.*	225,000**
John Angus MacAskill	175,000**
Corwin Edward Coe	175,000**
Paul Charles Gorick	175,000**

* A non-reporting British Columbia company which is controlled by Mr. Underhill.

** At a price of \$0.01 per principal escrowed common share.

(c) Incentive Stock Options

<u>Name of Optionee</u>	<u>Type of Option</u>	<u>No. of Shares</u>
Charles Stuart Underhill	Director	50,000*
John Angus MacAskill	Director	50,000*
Corwin Edward Coe	Director	50,000*
Paul Charles Gorick	Employee	50,000*

* All exercisable at a price of \$0.35 per share for a period of two (2) years from the date of the issuance of the final receipt for this Prospectus.

(d) Acquisition of the Skidoo 1 and Windy 2 Mineral Claims

By virtue of the aforementioned Mineral Property Acquisition Agreement, the Issuer acquired a 100% interest in and to the Skidoo 1 and Windy 2 Mineral Claims from Western Informational Services Ltd., a non-reporting British Columbia company which is controlled by Mr. Underhill. (For further particulars please refer to the sub-heading captioned "Acquisition of the Skidoo 1 and Windy 2 Mineral Claims" under the heading captioned "The Skidoo 1 and Windy 2 Mineral Claims" herein).

(e) Acquisition of the Gab 6 Mineral Claim

By virtue of the aforementioned Acquisition Agreement, the Issuer acquired an option to obtain a 100% interest in and to the Gab 6 Mineral Claim from Iskut Gold Syndicate ("Iskut"). By virtue of the aforementioned partnership agreement dated November 3, 1986, Western Informational Services Ltd. ("Western"), a non-reporting British Columbia company which is controlled by Mr. Underhill, has a 39% interest in Iskut. (By virtue of an agreement dated May 1, 1989, as entered into between Western and Ian Hagemoen ("Hagemoen"), both parties being partners of Iskut, Western has transferred to Hagemoen all of its right, title and interest in and to its 39% interest in any of the aforementioned 200,000 shares that may be issued by the Issuer to Iskut pursuant to the terms of the Acquisition Agreement). (For further particulars please refer to the sub-heading captioned "Acquisition of the Gab 6 Mineral Claim" under the heading captioned "The Gab 6 Mineral Claim" herein).

The details of the amounts and dates of any other assets acquired or to be acquired within the past two (2) years by the Issuer from the promoter and the amount and date of cost of such asset to the promoter is Nil.

ESCROWED AND POOLED SHARES

Escrowed Shares

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

<u>Designation of Class</u>	<u>Number of Securities Held in Escrow</u>	<u>Percentage of Class</u>
Common (Principals' shares)	750,000	45.86%

These principal escrowed common shares were issued as Principals' shares at a price of \$0.01 per principal escrowed common share as follows:

<u>Name & Address of Principal</u>	<u>Number of Shares Issued</u>
John Angus MacAskill 302 - 1440 Creekside Drive Vancouver, British Columbia V6J 5B6	175,000
Corwin Edward Coe 11479 79th Avenue Delta, British Columbia V4C 1V4	175,000
Paul Charles Gorick 1311 Chestnut Street Vancouver, British Columbia V6J 3K1	175,000
Western Informational Services Ltd.* 1140 - 625 Howe Street Vancouver, British Columbia V6C 2T6	225,000

* A non-reporting British Columbia company which is controlled by Charles Stuart Underhill, the President, Chief Executive Officer and a Director of the Issuer.

and are held in escrow pursuant to an escrow agreement dated June 15, 1989 (the "Escrow Agreement") with **Montreal Trust Company of Canada**, of 510 Burrard Street, Vancouver, British

Columbia, V6C 1B9, subject to the direction and determination of the Superintendent of Brokers (the "Superintendent") or the Vancouver Stock Exchange (the "Exchange") (hereinafter collectively referred to as the "Regulatory Authorities"). The escrow restrictions provide that the principal escrowed common shares may not be traded in, dealt with in any manner whatsoever, or released, nor may the Issuer, its transfer agent or escrow shareholders make any transfer or record any trading of the principal escrowed common shares without the consent of the Regulatory Authorities.

The Escrow Agreement acknowledges that a portion of the consideration for the issuance of the principal escrowed common shares is to encourage the escrow shareholders to act in the best interests of the Issuer, and if the Issuer becomes successful due in part to the efforts of the escrow shareholders, the escrow shareholders will be entitled to maintain their ownership of the principal escrowed common shares and to a release of the principal escrowed common shares from time to time in accordance with the general policies of the Regulatory Authorities.

The complete text of the Escrow Agreement is available for inspection at the Registered Office of the Issuer located at 2550 - 555 West Hastings Street, Vancouver, British Columbia, V6B 4N5, during normal business hours, and will continue to be available during normal business hours for a period of thirty (30) days following completion of this Offering.

Pooled Shares

There are no shares of the Issuer subject to a pooling agreement.

DIRECTORS AND OFFICERS

The names, addresses and principal businesses or occupations in which each of the Directors and Senior Officers of the Issuer have been engaged in during at least the immediately preceding five (5) years are as follows:

<u>Name & Address</u>	<u>Shares Beneficially Owned</u>	<u>Occupation</u>
CHARLES STUART UNDERHILL* 106 - 1750 West 10th Ave. Vancouver, B.C., V6J 2A6 PRESIDENT, CHIEF EXECUTIVE OFFICER AND A DIRECTOR	20,000* 225,000** 1***	During the past five years, Mr. Underhill has been self-employed as an Executive with various British Columbia reporting and non-reporting companies, from 1978 to present; as a Director of Arizona Silver Corporation, from 1978 to present; as a Director of Consolidated Sea Gold Corp., from 1979 to present; as a Director of Hector Resources Inc., from 1984 to present; as a Director of Blue Gold Resources Ltd., from 1988 to present; as a Director of Jazzman Resources Inc., from 1988 to present; as a Director of Azora Minerals Inc., from 1984 to 1985; and as a Director of Kirby Energy Inc., from 1984 to present.
JOHN ANGUS MACASKILL* 302 - 1440 Creekside Dr. Vancouver, B.C. V6J 5B6 DIRECTOR	5,000* 175,000**	During the past five years, Mr. MacAskill has been self-employed as a Certified General Accountant with various British Columbia reporting and non-reporting companies, from 1984 to present; as a Director of Arizona Silver Corporation, from 1984 to present; as a Director of Consolidated Sea Gold Corp., from 1984 to present; as a Director of Hector Resources Inc., from 1984 to present; as a Director of Wild Rose Resources Ltd., from 1989 to present; as a Director of Jazzman Resources Inc., from 1988 to present; as a Director of China Sea Resources Corporation, from 1984 to 1986; and as a Director of Kirby Energy Inc., from 1986 to present.

CORWIN EDWARD COE* 11479 79th Ave. Delta, B.C., V4C 1V4 DIRECTOR	5,000* 175,000**	During the past five years, Mr. Coe has been self-employed as a Mining Engineer Technologist with various British Columbia reporting and non-reporting companies; as a Director of Arizona Silver Corporation, from 1984 to present; as a Director of Consolidated Sea Gold Corp., from 1984 to present; as a Director of Jazzman Resources Inc., from 1988 to present; as a Director of Sun River Gold Corp., from 1987 to Feb., 1989; as a Director of Wild Rose Resources Ltd., from 1989 to present; as a Director of Kirby Energy Inc., from 1986 to present; and as a Director of Hector Resources Inc., from May, 1989 to present.
PAUL CHARLES GORICK 1311 Chestnut St. Vancouver, B.C., V6J 3K1 SECRETARY AND CHIEF FINANCIAL OFFICER	175,000**	During the past five years, Mr. Gorick has been self-employed as a Lawyer representing various British Columbia reporting and non-reporting companies; as a Director of Arizona Silver Corporation, from 1983 to May, 1989 (now Secretary); as a Director and Secretary of Hector Resources Inc., from 1984 to May, 1989 (now Secretary); as a Director of Consolidated Sea Gold Corp., from 1984 to March, 1988 (now Secretary); as the Secretary of Jazzman Resources Inc., from 1988 to present; as a Director of Azora Minerals Inc., from 1984 to 1985; and as the Secretary of Kirby Energy Inc., from 1986 to present.

- * Comprised of seed capital which was subscribed for at a price of \$0.25 per common share. For further particulars please refer to the section captioned "Interest of Management and Others in Material Transactions" herein.
- ** Principals' escrowed common shares. For further particulars please refer to the section captioned "Escrowed and Pooled Shares" herein.
- *** Initial Subscriber's share.
- * Proposed members of the Issuer's Audit Committee.

None of the Directors or Officers of the Issuer have been a Director or Officer of any companies which have been struck from the Register of Companies by the Registrar of Companies for the Province of British Columbia. None of the Directors or Officers of the Issuer are Directors or Officers of reporting companies which have been cease traded or suspended for more than thirty (30) days.

Other than as disclosed above, Charles Stuart Underhill is currently a Director or Officer of two (2) other British Columbia companies, of which none are reporting companies; John Angus MacAskill is currently a Director or Officer of no other British Columbia companies; Corwin Edward Coe is currently a Director or Officer of no other British Columbia companies; and Paul Charles Gorick is currently a Director or Officer of one (1) other non-reporting British Columbia company. Messrs. Underhill, MacAskill and Coe are responsible for the day-to-day business affairs of the Issuer.

Details of positions held by the foregoing during the past five (5) years in other companies are available during normal business hours at the head office of the Issuer located at 1140 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There are no other proposed or existing material interests in respect of the Issuer, direct or indirect, of any Director, Senior Officer, Principal Holder of Securities, and any associates or affiliates of the foregoing, within a three (3) year period prior to the date of this Prospectus, except as disclosed in this Prospectus.

Principals' Escrowed Common Shares

Pursuant to the aforementioned Principals' Share Escrow Agreement dated June 15, 1989, Directors and Officers of the Issuer purchased 750,000 principal escrowed common shares of the Issuer at a price of \$0.01 per principal escrowed common share, as follows:

<u>Name & Address of Principal</u>	<u>Number of Shares Issued</u>
John Angus MacAskill 302 - 1440 Creekside Drive Vancouver, British Columbia V6J 5B6	175,000
Corwin Edward Coe 11479 79th Avenue Delta, British Columbia V4C 1V4	175,000
Paul Charles Gorick 1311 Chestnut Street Vancouver, British Columbia V6J 3K1	175,000
Western Informational Services Ltd.* 1140 - 625 Howe Street Vancouver, British Columbia V6C 2T6	225,000

- * A non-reporting British Columbia company which is controlled by Charles Stuart Underhill, the President, Chief Executive Officer and a Director of the Issuer.

For further particulars please refer to the section captioned "Escrowed and Pooled Shares" herein.

Seed Capital Common Shares

Directors of the Issuer directly and indirectly purchased an aggregate of 30,000 common shares of the Issuer at a subscription price of \$0.25 per common share, as follows:

<u>Name of Director</u>	<u>Number of Shares</u>
Charles Stuart Underhill	20,000*
John Angus MacAskill	5,000
Corwin Edward Coe	5,000

* All of which are registered in the name of Western Informational Services Ltd., a non-reporting British Columbia which is controlled by Mr. Underhill.

Incentive Stock Options

By Incentive Stock Agreements dated September 11, 1989, the Issuer has granted certain Directors and Employees of the Issuer the option to purchase an aggregate of 210,000 common shares from the capital of the Issuer at a price of \$0.35 per common share, exercisable for a period of two (2) years from the date of the final receipt for this Prospectus, as follows:

<u>Name of Optionee</u>	<u>Type of Option</u>	<u>Number of Optioned Shares</u>
Charles Stuart Underhill	Director	50,000
John Angus MacAskill	Director	50,000
Corwin Edward Coe	Director	50,000
Paul Charles Gorick	Employee	50,000
Norma Smith	Employee	10,000

Administration Fees and Disbursements

Since the date of incorporation of the Issuer, that being February 13, 1984, up to and including December 31, 1988, the Issuer reimbursed Arizona Silver Corporation, a British Columbia reporting company of which Messrs. Underhill, MacAskill, Gorick and Coe are Directors and/or Senior Officers, a total of \$76,294.38 for administrative fees and disbursements incurred and paid by Arizona Silver Corporation on behalf of the Issuer. During the ten (10) months ending October 31, 1989, the Issuer reimbursed Arizona Silver Corporation a further \$23,746.83 for administrative fees and disbursements incurred and paid by Arizona Silver Corporation on behalf of the Issuer.

Since the date of incorporation of the Issuer, that being February 13, 1984, up to and including December 31, 1988, the Issuer indirectly paid Messrs. Underhill, MacAskill, Coe and Gorick, through Arizona Silver Corporation, a total of \$28,565 for administrative, accounting, consulting and legal services performed by the same, respectively, for the

Issuer. During the ten (10) months ending October 31, 1989, the Issuer indirectly paid Messrs. Underhill, MacAskill, Coe and Gorick, through Arizona Silver Corporation, a further total of \$11,550 for additional administrative, accounting, consulting and legal services performed by the same, respectively, for the Issuer.

As at June 30, 1989, the Issuer was collectively owed \$546.47 from affiliated British Columbia reporting companies of which Messrs. Underhill, MacAskill, Coe and Gorick are Directors and/or Senior Officers. In July of 1989 the Issuer advanced \$11,000 to Arizona Silver Corporation in consideration of administrative, accounting, consulting and legal services to be performed by the same on behalf of the Issuer to the date of this Prospectus. As at the date of this Prospectus, no funds are currently owing to or due from affiliated British Columbia reporting companies.

Acquisition of the Skidoo 1 and Windy 2 Mineral Claims

By virtue of the aforementioned Mineral Property Acquisition Agreement, the Issuer acquired a 100% interest in and to the Skidoo 1 and Windy 2 Mineral Claims from Western Informational Services Ltd., a non-reporting British Columbia company which is controlled by Mr. Underhill. (For further particulars please refer to the sub-heading captioned "Acquisition of the Skidoo 1 and Windy 2 Mineral Claims" under the heading captioned "The Skidoo 1 and Windy 2 Mineral Claims" herein).

Acquisition of the Gab 6 Mineral Claim

By virtue of the aforementioned Acquisition Agreement, the Issuer acquired an option to obtain a 100% interest in and to the Gab 6 Mineral Claim from Iskut Gold Syndicate ("Iskut"). By virtue of the aforementioned partnership agreement dated November 3, 1986, Western Informational Services Ltd. ("Western"), a non-reporting British Columbia company which is controlled by Mr. Underhill, has a 39% interest in Iskut. (By virtue of an agreement dated May 1, 1989, as entered into between Western and Ian Hagemoen ("Hagemoen"), both parties being partners of Iskut, Western has transferred to Hagemoen all of its right, title and interest in and to its 39% interest in any of the aforementioned 200,000 shares that may be issued by the Issuer to Iskut pursuant to the terms of the Acquisition Agreement). (For further particulars please refer to the sub-heading captioned "Acquisition of the Gab 6 Mineral Claim" under the heading captioned "The Gab 6 Mineral Claim" herein).

Potential Conflicts of Interest

Directors and Officers of the Issuer may be presented, from time to time, with situations or opportunities which give rise to apparent conflicts of interest which cannot be resolved by arms-length negotiations but only through exercise by the Directors and Officers of such judgment as is consistent with their fiduciary duties to the Issuer which arise under British Columbia Corporate law, especially insofar as taking advantage, directly or indirectly, of information or opportunities acquired in their capacities as Directors and Officers of the Issuer. Any transactions with Directors or Officers will only be on terms consistent with industry standards and sound business practice in accordance with the fiduciary duties of those persons to the Issuer, and, depending upon the magnitude of the transactions and the absence of any disinterested board members, may be submitted to the shareholders for their approval. (For further particulars respecting contiguous mineral properties currently being explored by British Columbia reporting companies having common Directors and/or Senior Officers with the Issuer, please refer to the sub-headings captioned "Acquisition of the Skidoo 1 and Windy 2 Mineral Claims" and "Acquisition of the Gab 6 Mineral Claim" under the headings captioned "The Skidoo 1 and Windy 2 Mineral Claims Groups" and "The Gab 6 Mineral Claim" herein).

EXECUTIVE COMPENSATION

The number of Executive Officers of the Issuer is two (2). They are Charles Stuart Underhill, the President, Chief Executive Officer and a Director of the Issuer, and Paul Charles Gorick, the Secretary and Chief Financial Officer of the Issuer.

The aggregate cash compensation, including salaries, fees, commissions and bonuses, indirectly paid or to be paid to the Executive Officers of the Issuer, through Arizona Silver Corporation as part of a reimbursement of administrative, accounting, consulting and legal services provided by the same to the Issuer since the date of incorporation of the Issuer, that being February 13, 1984, is \$27,220.

The Issuer has no plan pursuant to which cash or non-cash compensation was paid or distributed or is proposed to be paid to Executive Officers during the most recently completed financial period, being June 30, 1989, except as disclosed under the heading captioned "Administration Fees and Disbursements" under the section captioned "Interest of Management and Others in Material Transactions" herein.

The Issuer has no plan to grant options to purchase securities to Executive Officers during the most recently completed financial period, being June 30, 1989, except for those incentive stock options granted as disclosed under the section captioned "Options to Purchase Securities" herein.

The aggregate net value of options exercised since the date of incorporation of the Issuer, that being February 13, 1984, is nil.

OPTIONS TO PURCHASE SECURITIES

As at the date of this Prospectus, the Issuer has granted the following incentive stock options:

- (a) To Directors who are also Executive Officers of the Issuer who number one (1) as a group:

<u>Number of Shares Optioned</u>	<u>Purchase Price</u>	<u>Expiration Date</u>
50,000	\$0.35	Two (2) years from the date of final receipt for this Prospectus

- (b) To Directors who are not Executive Officers of the Issuer who number two (2) as a group:

<u>Number of Shares Optioned</u>	<u>Purchase Price</u>	<u>Expiration Date</u>
100,000	\$0.35	Two (2) years from the date of final receipt for this Prospectus

- (c) To Employees who are also Executive Officers of the Issuer who number one (1) as a group:

<u>Number of Shares Optioned</u>	<u>Purchase Price</u>	<u>Expiration Date</u>
50,000	\$0.35	Two (2) years from the date of final receipt for this Prospectus

(d) To Employees who are not Executive Officers of the Issuer who number one (1) as a group:

<u>Number of Shares Optioned</u>	<u>Purchase Price</u>	<u>Expiration Date</u>
10,000	\$0.35	Two (2) years from the date of final receipt for this Prospectus

The Directors' incentive stock options are subject to shareholder approval before they may be exercised.

INDEBTEDNESS OF DIRECTORS & SENIOR OFFICERS

Particulars of indebtedness to the Issuer that are not routine and have been incurred by proposed and current Directors and Senior Officers of the Issuer and their associates or affiliates are Nil, as there has been no such indebtedness incurred.

PRINCIPAL HOLDERS OF SECURITIES

Principal Shareholders

As of the date of this Prospectus, each person or company holding, as of record or known to the Issuer to hold beneficially, directly or indirectly, more than ten percent (10%) of the issued shares of the Issuer are as follows:

<u>Name & Address</u>	<u>Class of Shares</u>	<u>Type of Owner- ship</u>	<u>No. of Shares Owned</u>	<u>Percentage of Class</u>
Charles Stuart Underhill 106 - 1750 West 10th Ave. Vancouver, B. C. V6J 2A6****	Common	Indirect	225,000* 20,000** 1***	14.98%
John Angus MacAskill 302 - 1440 Creekside Drive Vancouver, B. C. V6J 5B6****	Common	Direct	175,000* 5,000**	11.01%

Corwin Edward Coe
11479 79th Avenue
Delta, B. C.
V4C 1V4****

Common Direct 175,000* 11.01%
5,000**

Paul Charles Gorick
1311 Chestnut Street
Vancouver, B. C.
V6J 3K1****

Common Direct 175,000* 10.70%

* Principals' escrowed common shares.
 ** Seed capital common shares.
 *** Initial Subscriber's share.
 **** Mr. Underhill is the President, Chief Executive Officer and a Director of the Issuer, Mr. MacAskill is a Director of the Issuer, Mr. Coe is a Director of the Issuer and Mr. Gorick is the Secretary and Chief Financial Officer of the Issuer.

* Principals' escrowed common shares registered in the name of Western Informational Services Ltd., a non-reporting British Columbia company which is controlled by Mr. Underhill.
 ** Seed capital common shares all of which are registered in the name of Western Informational Services Ltd.

Directors and Officers

The number and percentage of securities of each class of voting securities of the Issuer beneficially owned, directly or indirectly, by all Directors and Senior Officers of the Issuer as a group is as follows:

<u>Class of Shares</u>	<u>No. of Shares Owned</u>	<u>Percentage of Class prior to Offering</u>	<u>Percentage of Class after the Offering</u>
Common	780,001	47.69%	32.03%

Underwriters

There is a total of 152,000 seed capital common shares of the Issuer which are directly or indirectly owned by associates of the Issuer's Agents and by other underwriters, as follows:

<u>Name of Underwriter</u>	<u>Number of Shares Owned</u>	<u>Subscription Price</u>
Helen Jansen	2,000	\$0.25
Jane Harada	20,000	\$0.25
G. Robert Fay	40,000	\$0.25
Estate of Angus I. MacPhail	40,000	\$0.25
Clonmere Estates	50,000	\$0.25

PRIOR SALES OF SHARES

Since the date of incorporation of the Issuer, that being February 13, 1984, the Issuer has sold the following common shares for cash:

<u>Number of shares</u>	<u>Price per share</u>	<u>Commissions Paid per share Sold</u>	<u>Cash Received</u>
750,000*	\$0.01	Nil	\$ 7,500.00
885,500	\$0.25	Nil	\$221,375.00
1**	\$0.01	Nil	\$ 0.01
<u>1,635,501</u>			<u>\$228,875.01</u>

* Principals' escrowed common shares. For further particulars please refer to the section captioned "Escrowed and Pooled Shares" herein.

** Initial Subscriber's share.

SHARES ISSUED FOR OTHER THAN CASH

There are no shares of the Issuer issued for other than cash.

LEGAL MATTERS

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

SOLICITORS, AUDITORS AND REGISTRAR AND TRANSFER AGENT

The name and address of the Solicitors of the Issuer is Devlin Jensen Harvey, Barristers & Solicitors, of 2550 - 555 West Hastings Street, Vancouver, British Columbia, V6B 4N5.

The name and address of the Auditors of the Issuer is Jung & Lee, Chartered Accountants, of 550 - 1130 West Pender Street, Vancouver, British Columbia, V6E 4A4.

The Registrar and Transfer Agent of the Issuer is Montreal Trust Company of Canada, of 510 Burrard Street, Vancouver, British Columbia, V6C 1B9.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of the Issuer's business, the only material contracts entered into by the Issuer within ten (10) years immediately preceding the date of this Prospectus are the following:

- (a) Mineral Property Acquisition Agreement dated February 13, 1984, respecting the Skidoo 1 and Windy 2 Mineral Claims, referred to in the section captioned "Acquisitions" herein;
- (b) Acquisition Agreement dated June 6, 1988 and Amendment Letter Agreement dated May 1, 1989, respecting the Gab 6 Mineral Claim, referred to in the section captioned "Acquisitions" herein;
- (c) Agency Agreement dated November 27, 1989 referred to in the section captioned "Plan of Distribution" herein;
- (d) Escrow Agreement dated June 15, 1989 referred to in the section captioned "Escrowed and Pooled Shares" herein; and
- (e) Incentive Stock Option Agreements dated September 11, 1989 referred to in the section captioned "Options to Purchase Securities" herein.

Other than as set out above, there are no material contracts except as disclosed in this Prospectus or entered into in the ordinary course of the Issuer's business, all of which may be inspected at the Registered Office of the Issuer located at 2550 - 555 West Hastings Street, Vancouver,

British Columbia, V6B 4N5, during normal business hours while the primary distribution of the securities being offered under this Prospectus is in progress, and for a period of thirty (30) days thereafter.

MANAGEMENT COMMENTS ON INTERIM RESULTS

There have been no material changes to the financial position of the Issuer since the most recently completed financial period for the Issuer, that being June 30, 1989.

OTHER MATERIAL FACTS

There are no other material facts not previously disclosed herein.

PURCHASER'S STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

The Securities Act (British Columbia) provides a purchaser with a right to withdraw from an agreement to purchase securities within two (2) business days of receipt or deemed receipt of a prospectus, and the securities legislation of British Columbia and the Yukon Territory 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 limits prescribed. For further information concerning these rights, and the time limits within which they must be exercised, the purchaser should refer to the securities legislation of the applicable jurisdiction, or consult a lawyer.

Thumper Resources Corp.

Report and Financial Statements

June 30, 1989 and December 31, 1988, 1987, 1986 and 1985

A Partnership of
Professional Corporations
In Association With

HENRY JUNG, C.A.
KENNETH Y. LEE, C.A.

JUNG & LEE

CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Directors,
Thumper Resources Corp.

We have examined the balance sheets of Thumper Resources Corp. as at June 30, 1989 and as at December 31, 1988, 1987, 1986 and 1985 and the statements of deferred exploration expenses, loss and deficit and changes in financial position for the periods 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 June 30, 1989 and as at December 31, 1988, 1987, 1986 and 1985 and the results of operations and the changes in financial position for the periods then ended in accordance with generally accepted accounting principles applied on a consistent basis.

Jung & Lee

Chartered Accountants

Vancouver, B.C.
July 24, 1989, except as to
Notes 6 and 9(b) which are as
of September 11, 1989

Thumper Resources Corp.

Balance Sheet as at June 30, 1989 and December 31, 1988, 1987, 1986 and 1985

	June 30, 1989	Dec. 31, 1988	Dec. 31, 1987	Dec. 31, 1986	Dec. 31, 1985
ASSETS					
Current					
Cash	\$ 22,321	\$ 14	\$ 624	\$ 693	\$ 1,132
Due from affiliates - Note 7(c)	546	-	-	-	-
Resource properties - Note 4	17,880	24,900	4,900	4,900	4,900
Deferred exploration expenses	83,344	79,221	48,364	48,243	18,056
Incorporation costs	187	187	187	187	187
	<u>\$124,278</u>	<u>\$104,322</u>	<u>\$ 54,075</u>	<u>\$ 54,023</u>	<u>\$ 24,275</u>
LIABILITIES					
Current					
Accounts payable	\$ 4,900	\$ 3,617	\$ 2,477	\$ 10,303	\$ 14,977
Due to affiliates - Note 7(c)	-	53,165	36,799	51,519	4,124
	4,900	56,782	39,276	61,822	19,101
SHAREHOLDERS' EQUITY					
Capital Stock - Note 5	228,875	135,625	91,875	34,375	12,500
Deficit	(109,497)	(88,085)	(77,076)	(42,174)	(7,326)
	<u>\$124,278</u>	<u>\$104,322</u>	<u>\$ 54,075</u>	<u>\$ 54,023</u>	<u>\$ 24,275</u>

APPROVED BY THE DIRECTORS:

Charles S. Underhill, Director
CHARLES S. UNDERHILL
John A. Macaskill, Director
JOHN A. MACASKILL

See accompanying notes to the financial statements

Thumper Resources Corp.

Statement of Deferred Exploration Expenses
For the Six Month Period Ended June 30, 1989 and
the Years Ended December 31, 1988, 1987, 1986 and 1985

	June 30, 1989	Dec. 31, 1988	Dec. 31, 1987	Dec. 31, 1986	Dec. 31, 1985
Assays	\$ -	\$ 5,235	\$ -	\$ 6,806	\$ -
Assessment work	-	-	-	-	4,500
Equipment	-	798	-	-	-
Geochemical	-	14,811	-	1,214	3,008
Geological surveys	-	-	-	4,633	4,000
Geophysical	-	-	-	6,759	-
Linecutting	-	-	-	461	-
Recording and filing fees	-	360	-	4,250	2,640
Reports and maps	3,858	2,468	121	-	1,618
Roadwork	-	-	-	-	400
Soil sampling	-	-	-	1,335	-
Supervision	-	3,568	-	3,344	-
Supplies	-	409	-	1,385	-
Transportation	-	2,909	-	-	-
Travel and accommodation	265	299	-	-	-
Trenching	-	-	-	-	1,890
	4,123	30,857	121	30,187	18,056
Deferred exploration expenses, beginning of the period	79,221	48,364	48,243	18,056	-
Deferred exploration expenses, end of the period	<u>\$ 83,344</u>	<u>\$ 79,221</u>	<u>\$ 48,364</u>	<u>\$ 48,243</u>	<u>\$ 18,056</u>
Allocation of expenses:					
Windy 2 and Skidoo 1 claims	\$ 64,193	\$ 61,754	\$ 48,364	\$ 48,243	\$ 18,056
GAB 6 claims	19,151	17,467	-	-	-
	<u>\$ 83,344</u>	<u>\$ 79,221</u>	<u>\$ 48,364</u>	<u>\$ 48,243</u>	<u>\$ 18,056</u>

See accompanying notes to the financial statements

Thumper Resources Corp.

Statement of Loss and Deficit
For the Six Month Period Ended June 30, 1989 and
the Years Ended December 31, 1988, 1987, 1986 and 1985

	June 30, 1989	Dec. 31, 1988	Dec. 31, 1987	Dec. 31, 1986	Dec. 31, 1985
Administration Expenses					
Accounting and legal	\$ 9,700	\$ 4,220	\$ 8,528	\$ 8,239	\$ 531
Administration fees	2,400	860	4,700	4,800	600
Bank charges and interest	926	2,291	1,147	981	-
Consulting	1,150	660	4,700	4,200	-
Dues, licenses and subscriptions	650	551	260	224	150
Office	1,812	603	3,564	3,643	2,429
Printing	-	-	-	-	1,532
Rent	2,935	1,047	5,843	5,766	699
Telephone	838	293	1,866	2,001	240
Wages	1,388	484	4,294	4,994	1,145
	21,799	11,009	34,902	34,848	7,326
Interest income	(387)	-	-	-	-
Net loss for the period	21,412	11,009	34,902	34,848	7,326
Deficit, beginning of the period	88,085	77,076	42,174	7,326	-
Deficit, end of the period	<u>\$109,497</u>	<u>\$ 88,085</u>	<u>\$ 77,076</u>	<u>\$ 42,174</u>	<u>\$ 7,326</u>

See accompanying notes to the financial statements

Thumper Resources Corp.

Statement of Changes in Financial Position
For the Six Month Period Ended June 30, 1989 and
the Years Ended December 31, 1988, 1987, 1986 and 1985

	June 30, 1989	Dec. 31, 1988	Dec. 31, 1987	Dec. 31, 1986	Dec. 31, 1985
Operational activities					
Net loss for the year	\$(21,412)	\$(11,009)	\$(34,902)	\$(34,848)	\$(7,326)
Net changes in non-cash working capital balances *	(52,428)	17,506	(22,546)	42,721	19,101
	(73,840)	6,497	(57,448)	7,873	11,775
Financing activities					
Share subscriptions received	93,250	43,750	57,500	21,875	12,500
Investing activities					
Acquisition of mineral interests	7,020	(20,000)	-	-	(4,900)
Deferred exploration expenses	(4,123)	(30,857)	(121)	(30,187)	(18,056)
Incorporation costs	-	-	-	-	(187)
	2,897	(50,857)	(121)	(30,187)	(23,143)
Increase (decrease) in cash during the period	22,307	(610)	(69)	(439)	1,132
Cash, beginning of the period	14	624	693	1,132	-
Cash, end of the period	\$ 22,321	\$ 14	\$ 624	\$ 693	\$ 1,132

* This movement comprises accounts payable and due to affiliated companies.

See accompanying notes to the financial statements

Thumper Resources Corp.

Notes to the Financial Statements
June 30, 1989 and December 31, 1988, 1987, 1986 and 1985

Note 1 Nature of Operations

The company is in the process of exploring its interests in resource properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for resource properties is dependent upon the existence of economically recoverable reserves, the ability of the company to obtain necessary financing to complete the development, and upon future profitable production.

Note 2 Summary of Significant Accounting Policies

(a) Resource Properties

The acquisition of resource properties is recorded at cost, net of accumulated depletion. Producing resource properties are depleted over their estimated useful lives based upon a method relating recoverable resource reserves to production. Non-producing resource properties that the company abandons an interest in are written off to deficit in the year of abandonment.

(b) Deferred Exploration Expenses

The company capitalizes all exploration expenses incurred for the purpose of acquiring and retaining resource properties or an interest therein. The accumulated costs including applicable exploration expenses relative to non-producing resource properties that the company abandons an interest in are written-off. Otherwise, the exploration expenses are depleted over the estimated useful life of the producing resource properties, based on a method relating recoverable reserves to production.

(c) Values

The amounts shown for resource properties and deferred exploration expenses represent costs to date and do not necessarily reflect present or future values. No adjustment is made to the original cost of resource properties acquired until they are sold or abandoned.

(d) Loss per Share

Loss per share has not been calculated as it is not meaningful at this stage of the company's operations.

Note 3 Incorporation

The company was incorporated February 13, 1984, under the Laws of the Province of British Columbia.

Note 4 Resource Properties

	<u>1989</u>	<u>1988</u>	<u>1987</u>	<u>1986</u>	<u>1985</u>
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(a) Windy 2 and Skidoo 1

On February 13, 1984, the company acquired 36 units of mineral claims located in the Osoyoos Mining Division of British Columbia from one of the company's directors.

Acquisition cost	\$ 4,900	\$ 4,900	\$ 4,900	\$ 4,900	\$ 4,900
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Pursuant to the agreement, the company was also required to pay \$10,666 for exploration expenses incurred on these claims.

(b) GAB 6 Claims

During June 1988, the company acquired 20 units of mineral claims, located in the Liard Mining Division of British Columbia, from an affiliated party. The consideration consisted of a payment of \$20,000 and issuance of a total of 200,000 shares of the company at various stages. The cash consideration was subsequently reduced and the company recovered \$7,020 in June, 1989.

In addition, the company is to expend a total of \$225,000 in a three phase exploration/development program.

Acquisition cost	<u>12,980</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$17,880</u>	<u>\$24,900</u>	<u>\$ 4,900</u>	<u>\$ 4,900</u>	<u>\$ 4,900</u>

Note 5 Capital Stock

	<u>Number of shares</u>	<u>Amount</u>
Authorized		
10,000,000 common shares without par		
Issued and fully paid	1	\$ -
Paid in full, not yet issued		
From incorporation to December 31, 1985		
for cash	<u>50,000</u>	<u>12,500</u>
Balance at December 31, 1985	50,001	12,500
During 1986, for cash	<u>87,500</u>	<u>21,875</u>
Balance at December 31, 1986	137,501	34,375
During 1987, for cash	<u>230,000</u>	<u>57,500</u>
Balance at December 31, 1987	367,501	91,875
During 1988, for cash	<u>175,000</u>	<u>43,750</u>
Balance at December 31, 1988	542,501	135,625
During 1989, for cash		
- escrowed common shares	750,000	7,500
- other common shares	<u>343,000</u>	<u>85,750</u>
Balance at June 30, 1989	<u>1,635,501</u>	<u>\$228,875</u>

At June 30, 1989, only one common share had been issued by the company. In July 1989, the remaining 1,635,500 fully paid common shares were issued.

Note 6 Stock Options

The company has granted stock options to directors and employees which allow the purchase of up to 210,000 common shares of the company at \$0.35 per share for up to two years from the date of final receipt of the company's prospectus (Note 9).

Note 7 Related Party Transactions

(a) Resource Properties

The company acquired the Windy and Skidoo claims from a director of the company and the GAB 6 claims from a partnership significantly influenced by a director of the company.

(b) Administration Expenses

The company paid various administration expenses to a company with common directors.

1985 -	\$ 4,124
1986 -	\$33,312
1987 -	\$33,200
1988 -	\$ 5,658
1989 -	\$14,352

Note 7 Related Party Transactions - cont'd

(c) Due from/to Affiliates

	June 30, 1989	Dec. 31, 1988	Dec. 31, 1987	Dec. 31, 1986	Dec. 31, 1985
(i) Advances from (to) affiliates which are repayable 30 days after demand and bear interest at a rate from 10% to prime plus 2%.	\$ (546)	\$41,768	\$ 6,560	\$19,496	\$ -
(ii) The company owes funds to an affiliate for administrative services performed. The balance outstanding has no specific terms for repayment and does not bear any interest.	-	11,397	30,239	32,023	4,123
	\$ (546)	\$53,165	\$36,799	\$51,519	\$ 4,123

Note 8 Income Taxes

The company has non-capital tax loss carry-forwards available to reduce income of future years. The loss carry-forwards expire as follows:

1992	\$ 7,326
1993	34,848
1994	34,902
1995	11,009
1996	21,412
	<u>\$109,497</u>

Note 9 Subsequent Events

- (a) In July 1989, the company paid \$11,000 to an affiliate as an advance for future administrative services.
- (b) The company is in the process of filing a prospectus for the offering of shares to the public. The proposed offering consists of 800,000 common shares of the company at a price of \$.035 per share for a maximum aggregate consideration of \$280,000 and estimated proceeds, net of commission expenses, of \$240,000.

Also included in the offering are agent's warrants entitling the holder to purchase up to 200,000 common shares of the company at a price of:

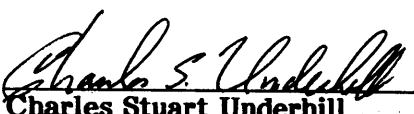
- \$.035 per share for a period of one year from the date of listing on the Vancouver Stock Exchange; and
- \$.04025 per share for the second year from the date of listing on the Vancouver Stock Exchange.

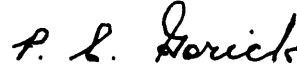
CERTIFICATE OF THE ISSUER

Dated: December 14, 1989.

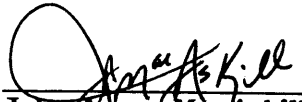
The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the Securities Act (British Columbia) and its Regulations and the Securities Act (Yukon Territory) and its Regulations.

THUMPER RESOURCES CORP.


Charles Stuart Underhill
President, Chief Executive
Officer and a Director



Paul Charles Gorick
Secretary and Chief
Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

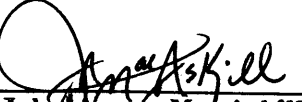

John Angus MacAskill
A Director


Corwin Edward Coe
A Director

PROMOTERS


Charles Stuart Underhill


Paul Charles Gorick


John Angus MacAskill


Corwin Edward Coe

CERTIFICATE OF THE AGENTS

Dated: December 14, 1989.

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 (British Columbia) and its Regulations and by the Securities Act (Yukon Territory) and its Regulations.

L. O. M. WESTERN SECURITIES LTD.

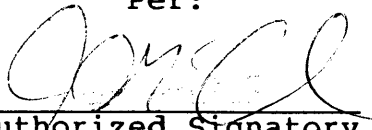
Per:



Authorized Signatory

YORKTON CONTINENTAL SECURITIES INC.

Per:



Authorized Signatory