

THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY MAY BE LAWFULLY OFFERED FOR SALE AND THEREIN ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES. NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

EMERALD STAR MINING EXPLORATIONS LTD.

106 - 525 Seymour Street
Vancouver, British Columbia

(hereinafter called the "Issuer")

(Incorporated under the laws of the Province of British Columbia)

PUBLIC OFFERING

500,000 COMMON SHARES WITHOUT PAR VALUE

PRICE: \$0.50 PER SHARE

ON SPREAD

	Price to Public	Commissions	Net Proceeds to Issuer
.....	\$0.50	\$0.05	\$0.45
.....	\$250,000.00	\$25,000.00	\$225,000.00 (1)

(1) Total of expenses of this issue estimated to be \$8,000.00.

MARKET THROUGH WHICH THESE SECURITIES MAY BE SOLD. THE OFFERING PRICE OF \$0.50 PER SHARE IS DETERMINED ARBITRARILY BY THE ISSUER.

THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED AS SPECULATION. ALL PROPERTIES IN WHICH THE ISSUER HAS AN INTEREST ARE IN THE EXPLORATION AND DEVELOPMENT STAGE AND ARE WITHOUT A KNOWN BODY OF COMMERCIAL ORE. NO SURVEY OF ANY PROPERTY OF INTEREST HAS BEEN MADE AND THEREFORE IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH THESE PROPERTIES ARE SITUATE, THEIR EXISTENCE AND AREA COULD BE IN DOUBT. SEE ALSO "RISK FACTORS" ON PAGE 13.

THE ISSUER IS NOT AUTHORIZED BY THE ISSUER TO PROVIDE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE ISSUE AND SALE OF THE SECURITIES OFFERED BY THE ISSUER.

THE VANCOUVER STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED PURSUANT TO THIS PROSPECTUS. LISTING IS SUBJECT TO THE ISSUER FULFILLING ALL THE LISTING REQUIREMENTS OF THE VANCOUVER STOCK EXCHANGE ON OR BEFORE AUGUST 8, 1988, INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

UPON COMPLETION OF THIS OFFERING THIS ISSUE WILL REPRESENT 31.5% OF THE SHARES THEN OUTSTANDING, AS COMPARED TO 32.9% THAT WILL THEN BE OWNED BY THE CONTROLLING PERSONS, PROMOTERS, DIRECTORS AND SENIOR OFFICERS OF THE ISSUER AND ASSOCIATES OF THE AGENT. REFER TO THE HEADING "PRINCIPAL HOLDERS OF SECURITIES" ON PAGE 17 HEREIN FOR DETAILS OF SHARES HELD BY DIRECTORS, PROMOTERS AND CONTROLLING PERSONS AND ASSOCIATES OF THE AGENTS. UPON COMPLETION OF THIS OFFERING THE BOOK VALUE OF THE ISSUED SHARES WILL BE APPROXIMATELY \$.1115 PER SHARE.

ONE OR MORE OF THE DIRECTORS OF THE COMPANY HAS AN INTEREST, DIRECT OR INDIRECT, IN OTHER NATURAL RESOURCE COMPANIES. REFERENCE SHOULD BE MADE TO THE ITEM "CONFLICTS OF INTEREST" ON PAGE 14 FOR A COMMENT AS TO THE RESOLUTION OF POSSIBLE CONFLICTS OF INTEREST.

THIS OFFERING IS SUBJECT TO A MINIMUM SUBSCRIPTION BEING RECEIVED BY THE ISSUER WITHIN 180 DAYS OF THE EFFECTIVE DATE NOTED BELOW. FURTHER PARTICULARS OF THE MINIMUM SUBSCRIPTION ARE DISCLOSED ON PAGE 3 UNDER THE HEADING "PLAN OF DISTRIBUTION".

WE, AS AGENTS, CONDITIONALLY OFFER THESE SECURITIES SUBJECT TO PRIOR SALE, IF, AS AND WHEN ISSUED BY THE ISSUER AND ACCEPTED BY US IN ACCORDANCE WITH THE CONDITIONS CONTAINED IN THE AGENCY AGREEMENT REFERRED TO UNDER "PLAN OF DISTRIBUTION" ON PAGE 3 OF THIS PROSPECTUS.

AGENTS

C.M. Oliver & Company Limited
Second Floor
750 West Pender Street
Vancouver, British Columbia

Brink Hudson & Lefever Ltd.
15th Floor, Park Place
666 Burrard Street
Vancouver, British Columbia

EFFECTIVE DATE: FEBRUARY 10, 1988

R.M.
PROPERTY FILE
Kam Jeff
921 / 15W
N.E.

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PROSPECTUS SUMMARY

This summary is qualified by information appearing elsewhere in this Prospectus.

Details of the Offering

- Offering: The offering (the "Offering") consists of Common shares in the capital of Emerald Star Mining Explorations Ltd.
- Amount: 500,000 Common shares without par value (with a minimum subscription of 500,000 Common shares).
- Price: \$0.50 per Common share.
- The Issuer: Emerald Star Mining Explorations Ltd. a British Columbia corporation formed on November 7, 1980.
- Use of Proceeds: The estimated net proceeds of \$225,000.00 to be received by the Issuer from this Offering will be primarily used to fund the exploration of property over which the Issuer has an option, located in the Kamloops Lake region of the Kamloops Mining Division, British Columbia. The exploration consists of a program of mapping, preliminary sampling and diamond drilling at a cost to the Issuer of approximately \$177,240.00.
- Agents: C.M. Oliver & Company Limited and Brink Hudson & Lefever Ltd., equally, on a best efforts basis.
- Risk Factors: The Issuer has no prior operating history and the property the Issuer intends to explore has no known mineralization. See "Risk Factors" on page 13 for further details. Upon completion of this Offering the issued and outstanding shares of the Issuer will have a book value of approximately \$0.1115 per share.

NAME AND INCORPORATION OF THE ISSUER

Emerald Star Mining Explorations Ltd. (the "Issuer") was incorporated by registration of its Memorandum and Articles under the Company Act (British Columbia) on November 7, 1980.

The executive offices of the Issuer are located at 106 - 525 Seymour Street, Vancouver, British Columbia. The authorized capital of the Issuer consists of 10,000,000 Common shares without par value. The registered and records office for the Issuer is located at the 16th Floor, 1100 Melville Street, Vancouver, British Columbia.

PLAN OF DISTRIBUTION

Offering

The Issuer, by an agreement dated as at July 1, 1987, (the "Agency Agreement") as amended by further agreements dated November 30, 1987, and December 3, 1987, appointed C.M. Oliver & Company Limited and Brink Hudson & Lefever Ltd. as its agents (the "Agents") to offer to the public through the facilities of the Vancouver Stock Exchange (the "Exchange") 500,000 Common shares without par value of the Issuer (the "Shares") at a price of \$0.50 per share (the "Offering"):

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 One Hundred and Eighty (180) days from the date upon which the securities of the Issuer are conditionally listed on the Exchange (hereinafter referred to as the "Effective Date").

Appointment of Agents

The Agents will participate in this Offering on the following basis:

<u>Name</u>	<u>Participation</u>
C.M. Oliver & Company Limited	50%
Brink Hudson & Lefever Ltd.	50%

The Agents will receive a commission of \$0.05 per share sold (representing 10% of the offering price per share).

The Agents reserve the right to offer selling group participation in the normal course of the brokerage business to selling groups of other licenced broker-dealers, brokers and investment dealers, who may or 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 on or prior to the Offering Day at the Agents' discretion on the basis of their assessment of the state of the financial markets and may also be terminated at any time prior to the Offering Day upon the occurrence of certain stated events.

The Issuer has granted to the Agents a right of first refusal to provide future public equity financing to the Issuer for a period of twelve (12) months from the date of receipt for this Prospectus.

This Offering is subject to a minimum subscription of all 500,000 shares being sold on the Offering Day. All funds received from the sale of the shares will be held in trust by the Issuer's Registrar and Transfer Agent until such time as the minimum subscription has been obtained, and if such minimum subscription is not obtained, all funds received by the Agents for subscriptions will be returned to subscribers without interest or deduction.

Those persons holding not less than a 5% interest in C.M. Oliver & Company Limited are Eagletree Estates Ltd. (controlled by R.A. Chilcott), Robert A. Chilcott, R.P.C. Holdings Ltd. (controlled by R.P. Chilcott), Leon Lotter and Sperrin Enterprises Ltd. (controlled by T.J.L. McKinney).

Those persons holding not less than a 5% interest in Brink Hudson & Lefever Ltd. are ATG Financial Corporation (wholly owned by Alan G. Thompson), Brian D. Graves, Francis A. Lefever, G. Douglas MacDonald, John L. Mathers and Fred G.T. Wong.

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

The Directors, Officers and other Insiders of the Issuer may purchase shares from this Offering.

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 August 8, 1988, including prescribed distribution and financial requirements.

Description of Securities Offered

Shares

The securities being offered to the public by this Prospectus are common shares of the Issuer. The Issuer has only one kind and class of share and each share ranks equally as to dividends, voting rights, participation in assets on winding-up and in all other respects. The shares to be issued pursuant to this Prospectus will be fully paid and will not be subject to any call or assessment.

MARKET FOR SECURITIES

There is presently no market for the Shares offered by this Prospectus. The Offering price of \$0.50 per share was determined arbitrarily by the Issuer.

USE OF PROCEEDS

The estimated net proceeds to be derived by the Issuer from this Offering is the sum of \$225,000.00, which, when added to the Issuer's cash on hand as at October 31, 1987, of approximately \$566.00, for a balance of \$225,566.00, shall be used in order of priority as follows:

- | | | |
|----|--|---------------------|
| 1. | To pay legal, audit and printing expenses of this Prospectus estimated to be: | \$ 8,000.00 |
| 2. | To complete the Stage Ia program of exploration on the Kam and Jeff mineral claims (\$70,350.00 less payments made to date of \$20,000.00): | \$ 50,350.00 |
| 3. | To conduct the Stage Ib and Stage Ic programs of exploration for the Kam and Jeff mineral claims as recommended by Barry J. Price, P. Geol., in his report to the Issuer dated November 1, 1986: | \$106,890.00 |
| 4. | To pay the following accounts payable:
Accrued managements fees - \$4,000.00
Miscellaneous - \$3,132.36: | \$ 7,132.36 |
| 5. | For administrative expenses and addition to corporate working capital: | \$ 53,193.64 |
| | | <u>\$225,566.00</u> |

No part of the proceeds of this Offering will be used to invest in, underwrite or trade in securities other than those which qualify as investments in which trust funds may be invested under the laws of the Province of British Columbia. 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 shareholders of the Issuer must first be obtained and notice of the intention to do so filed with the Superintendent of Brokers for British Columbia.

The Issuer may, pursuant to the recommendations of a qualified engineer, abandon, in whole or in part, any of its properties or may alter, as work progresses, the work program recommended or may make arrangements for the performance of all or any portion of such work by other persons or companies and may use any money so diverted for the purpose of conducting work or examining other properties acquired by the Company after the date of this Prospectus. The Company has no present plans in this regard. If any such event occurs during the primary distribution of the shares offered pursuant to this Prospectus, an amendment to this Prospectus will be filed. If any such event occurs subsequent to the completion of the primary distribution, shareholders will be notified.

SALES OTHERWISE THAN FOR CASH

No shares are being offered other than for cash.

SHARE AND LOAN CAPITAL STRUCTURE

The authorized capital of the Issuer consists of 10,000,000 common shares without par value of which 1,086,387 shares are issued and outstanding as fully paid and non-assessable. All of the shares of the Issuer, including those offered by this Prospectus, are common

shares with equal voting rights and are not subject to any future call or assessment. There are no special Rights or Restrictions of any nature attached to any of the shares and they all rank pari passu, each with the other, as to all benefits which might accrue to the holders of the securities. There are no pre-emptive or conversion rights and no provisions for purchase funds. Provisions as to the modification, amendment or variation of such rights or provisions are contained in the Company Act of British Columbia.

<u>Designation of Security</u>	<u>Amount Authorized</u>	<u>Amount Outstanding as of date of Balance Sheet Contained in this Prospectus</u>	<u>Amount Outstanding as of date of Prospectus</u>	<u>Amount Outstanding on completion of Offering</u>
Common shares without par value	10,000,000	1,060,137	1,086,387	1,586,387

Notes:

1. Pursuant to a Special Resolution passed by the Shareholders of the Issuer on May 25, 1986, all of the then issued and outstanding capital of the Issuer (totalling 3,288,255 Common shares) were consolidated on the basis of every 4 such shares being consolidated into 1 Common share (thereby reducing the issued and outstanding capital at that time to 822,064 Common shares). The authorized capital of the Issuer was then increased to 10,000,000 Common shares.
2. There are currently outstanding director and employee options to acquire an additional 149,012 shares of the Issuer at \$0.50 per share.
3. The Issuer has agreed to issue 44,000 shares (at \$0.50 per share) to Ryun Sinclaire, the President of the Issuer, in full satisfaction of management fees owing to him. See "Executive Compensation" on page 17 for further details.

ESCROWED SHARES

<u>Designation of Class</u>	<u>Number of Shares Escrowed</u>	<u>Percentage of Class</u>
Common	187,498	17.3%

The are 187,498 (post-consolidated) shares held in escrow by National Trust Company, 900 - 666 Burrard Street, Vancouver, British Columbia. The shares were originally issued to Ernst Wedekind, Tod Proskin and Norris Proskin in consideration of the Issuer acquiring

the Orb, Orb No. 1 to Orb No. 3 inclusive mineral claims located in the Similkameen Mining Division of British Columbia . The shares were then transferred to the following individuals:

<u>Name</u>	<u>Number of Escrowed Shares</u>
Ernst Wedekind	77,777
Ryun Sinclair	77,777
Collayne Rilea	31,944

The 187,498 (post-consolidated) shares were originally escrowed pursuant to an agreement dated as at May 1, 1984 and are currently escrowed pursuant to agreements dated December 18, 1986, and November 20, 1987. The escrow shares are subject to the direction of the Superintendent of Brokers or the Vancouver Stock Exchange. The escrow restrictions provide that the shares may not be traded in, dealt with in any manner whatsoever or released, nor may the Issuer, its transfer agent or escrow holder make any transfers or record any trading of the shares without the consent of the Superintendent of Brokers or the Vancouver Stock Exchange.

The escrow restrictions further provide that any of the escrowed shares not released from escrow within ten years from the date that a receipt is granted for this Prospectus are to be automatically cancelled.

The complete text of the Escrow Agreement is available for inspection at the registered office of the Issuer, 1600 - 1100 Melville Street, Vancouver, British Columbia, during normal business hours.

DESCRIPTION OF SECURITIES OFFERED

The securities offered by this Prospectus consist of common shares without par value.

The Issuer has only one kind and class of share. All of the Issuer's shares rank equally as to dividends, voting power and participation in assets as well as in all other respects. The shares presently issued are not subject to any call or assessment.

THE BUSINESS

The Issuer is a natural resource company engaged directly in the acquisition exploration and development of natural resource properties. The Issuer's present activities are the exploration and development of the Issuer's natural resource properties in British Columbia. The Issuer has an interest in those properties described under the heading "Property" on page 8.

THE PROPERTY

A. The Orb Mineral Claims

The Issuer is the legal and beneficial owner of the following mineral claims located in the Similkameen Mining Division of British Columbia:

<u>Name of Claim</u>	<u>Record Number</u>	<u>Expiry Date</u>
Orb #2 (18 units)	1357	Dec. 22, 1989
Orb #3 (6 units)	1358	Dec. 22, 1989
Orb #4 (10 units)	1406	May 19, 1989

The Orb #2 to Orb #4, inclusive, claims were acquired by the Issuer from Norris Proskin, Tod Proskin and Ernst Wedekind for 750,000 shares (equal to 187,500 post-consolidated shares) subject to escrow restrictions.

On or about September 15, 1987, the Issuer allowed the Orb #5 mineral claim (record number 1563) and Orb #7 mineral claim (record number 1565) to forfeit for failure to complete the necessary work commitments with respect thereto.

On or about January 22, 1988 the Issuer allowed the Orb #1 mineral claim (record number 1356) to forfeit for failure to complete the necessary work commitments thereon.

To date, the Issuer has spent approximately \$93,000 on exploration and development of the Orb mineral claims. Exploration has consisted of the following:

Assaying	\$ 872.00
Blasting	589.00
Consulting	7,906.00
Drilling	35,348.00
Equipment	1,107.00
Geophysical Surveying	23,180.00
Maps	1,260.00
Repair and Maintenance	1,114.00
Supplies, Travel, Misc.	<u>21,624.00</u>
	\$ 93,000.00

Location, Access and History

The claims are situated approximately 20 kilometers south of Princeton in the Similkameen Mining Division of British Columbia. Access to the claims is by approximately 25 kilometers along Highway No. 3 from Princeton to Sunny Summit which passes through the Western part of the claims and thereafter by old logging and forestry roads to Sunday Creek.

There are no reported exploration activities on the claims other than those conducted by the Issuer during the years 1981 and 1982 consisting of stream sediments sampling and soil sampling on a small part of the claims and airborne VLF-EM surveying and drilling of 14 percussion holes totalling 882.28 meters. The drilling results were inconclusive. However, pursuant to an engineering report to the

Issuer by G.C. Singhai, P. Eng. dated April 12, 1985, the claims warrant further exploration in the form of line cutting, soil sampling and geological mapping.

Future Exploration of the Orb Property

At this time the Issuer does not intend to incur further expenditures on the Orb property. However, the Issuer does intend at some future date to perform additional exploration thereon.

The Orb property is without a known body of commercial ore and to the best of the knowledge of the directors of the Issuer there has been no underground development or exploration on the property and there is no surface plant or equipment thereon.

B. Kam and Jeff Prospect

Pursuant to an agreement between the Issuer and Candian Nickel Company Limited ("CNC") dated February 1, 1987, as thereafter amended, the Issuer has acquired an option to obtain a 50% interest in 18 unpatented mining claims containing 208 units situated in the Kamloops Mining Division of British Columbia and more particularly described as:

<u>Name</u>	<u>Record No.</u>	<u>Expiry Date</u>
Kam 3 -4	4479-4480	June 10, 1988
Kam 15-16	4491-4492	June 10, 1989
Kam 17	4493	June 10, 1994
Kam 18	4494	June 10, 1990
Kam 19	4495	June 10, 1990
Kam 20	4496	June 10, 1992
Kam 21	4497	June 10, 1988
Kam 22	4498	June 10, 1990
Kam 23	4499	June 10, 1989
Kam 24	4500	June 10, 1991
Jeff 1	5480	Feb. 3, 1995
Jeff 2-6, inclusive	5481-5485 inclusive	Feb. 3, 1994

In order to exercise the option, the Issuer must issue to CNC, in aggregate, 200,000 Common shares on the following basis:

- a) 25,000 shares upon receipt of regulatory approval to the agreement between the Issuer and CNC;
- b) 50,000 shares upon completion of a phase I exploration program on the property and recommendation for a phase II exploration program being given (subject to regulatory approval);
- c) 50,000 shares upon completion of a phase II exploration program on the property and recommendation for a phase III exploration program being given (subject to regulatory approval);

- d) 75,000 shares upon completion of a phase III exploration program and recommendation for further exploration being given (subject to regulatory approval).

In addition, the Issuer must complete the following expenditures (aggregating \$500,000) on the property:

- a) \$60,000 on or before February 15, 1988 (provided that \$48,000 thereof is to be spent on drilling to be commenced on or before November 30, 1987);
- b) \$200,000 on or before February 1, 1989; and
- c) \$240,000 on or before February 1, 1990.

The Issuer and Canadian Nickel Company Limited deal at arms length with each other.

THE FOLLOWING IS A BRIEF SUMMARY OF THE KAM AND JEFF MINERAL CLAIMS. THIS SUMMARY IS BASED UPON AN ENGINEERING REPORT PREPARED FOR THE ISSUER BY BARRY J. PRICE, P. GEOLOGIST, AND DATED NOVEMBER 1, 1986. ALL SUBSCRIBERS ARE URGED TO READ THIS ENGINEERING REPORT, A COPY OF WHICH IS CONTAINED IN THIS PROSPECTUS.

Location, Access and History

The property is located approximately 40 kilometers Northwest of Kamloops, British Columbia and directly North of Savona on the opposing shore of Kamloops Lake.

Access to the property is via the Sabiston Creek gravel road extending from the Trans Canada Highway about 1 kilometer West of the bridge over the Thompson River, 3 kilometers South of Savona, British Columbia. The gravel road bends North, then West for distance of approximately 12 kilometers to the Western edge of the Kam #20 claim, then continues through the Southern part of the property.

Exploration of the region in which the property is located commenced in the mid 1800's when gold was found in the gravels at the Criss Creek within 5 kilometers of the Kam #3 claim. Criss Creek experienced limited and sporadic gold production until the 1940's (with total recorded production from the creek to 1945 being 51 ounces). One of the early load gold discoveries in British Columbia was first staked in 1882 at Stump Lake, located approximately 55 kilometers Southeast of the Kam #23 claim. Considerable exploration has been done in the area from 1968 and Canadian Nickel Company Limited has pursued exploration on the Kam property from 1982 to 1985, consisting of:

1982 - heavy mineral sampling resulting in the staking of the Kam #1 to Kam #24 claim group (cost unknown)

1983 - cutting and flagging of grid lines, geological mapping, soil sampling, rock sampling, heavy mineral concentrate sampling, VLF surveying, altimete surveying and IP and Resistivity geophysics (total cost \$58,954.30)

1984 - line cutting, geological mapping, rock and stream sediment sampling, magnetometer, VLF and IF geophysical surveys and overburden percussion drilling (total cost \$72,426.50)

1985 - two diamond drill holes totalling 316.5 meters (total cost \$15,000)

There is no surface or underground plant or equipment on the claims and there has been no underground exploration or development work done on the claims.

There is no known body of commercial ore on the claims.

Geology

The Kam property is underlain mainly by volcanics and sediments of the Nicoln Group although the eastern part of the property is underlain by ashcroft formation clastic sediments.

Exploration Program

Based upon the results of exploration on the Kam-Jeff property to date, Barry J. Price, P. Geol., in his report to the Issuer dated November 1, 1986, has recommended the following exploration programs for the Kam-Jeff property:

Stage 1a

purchase air photos	\$ 100.00	
preparation of base maps	1,500.00	
geological mapping	7,500.00	
grid preparation	7,500.00	
soil sampling	7,500.00	
VLF-EM	3,000.00	
trenching	5,000.00	
rock sampling	3,000.00	
geochemical analysis	25,000.00	
rentals	5,500.00	
supplies	<u>4,500.00</u>	
	<u>70,350.00</u>	\$ 70,350.00

Stage Ib

percussion drilling	\$23,000.00	
sample analysis	5,250.00	
assay follow-up	3,700.00	
geologist	5,625.00	
supplies	<u>4,125.00</u>	
	<u>41,700.00</u>	41,700.00

Stage 1c

diamond drilling (500 meters)	\$48,000.00	
geological supervision	3,750.00	
reports	<u>5,000.00</u>	
	<u>\$56,750.00</u>	<u>\$ 56,750.00</u>

Total 168,800.00

In addition, a cost of \$8,440.00 for filing work against the property with respect to the above expenditures will be incurred.

The Issuer has now completed \$33,121.35 (of which the Issuer has paid \$20,000.00) of the \$70,350.00 Phase Ia exploration program recommended for the claims by Barry Price, P. Geol. The aforesaid exploration consisted of the following:

Consulting Fees	\$ 5,231.25
Geology, Grid Work, Sampling	6,875.00
Air Photos	95.86
Vehicle and Other Equipment Rentals	3,288.45
Geochemical Analysis	14,029.35
Miscellaneous Disbursements	<u>2,376.44</u>
	\$ 31,896.35

In a supplementary report to the Issuer dated November 25, 1987, (a copy of which is attached to this Prospectus) Barry Price recommends completing the balance of the Phase I exploration program as outlined in his original report to the Issuer dated November, 1986.

Oil and Gas Properties

The Issuer, through a wholly owned subsidiary, Ivy Holdings Ltd. of Seattle, Washington, had owned a 43.1% interest in Round Table Investment Group, Inc. ("RTIG") an Oklahoma corporation which in turn was the holder of certain working interests in oil and gas leases located on 1620 acres in Scott County, Kansas. The Issuer has caused Ivy Holdings Ltd. to be dissolved and accordingly has written its \$532,749.00 investment in RTIG down to nil. Exploration of the oil and gas leases in Kansas by RTIG did not determine any wells of economic value.

SPECIAL RISK FACTORS

None of the Issuer's properties contain a known body of commercial ore and the proposed exploration programs are an exploratory search for ore. There is no guarantee that the funds to be expended on these programs will result in the discovery of commercially recoverable ore.

Mineral exploration and development is inherently speculative and carries with it many risks that even the most careful evaluation and management cannot overcome. If production is obtained prices received are subject to market fluctuations.

Mining operations generally involve a high degree of risk. Hazards such as unusual or unexpected formations and other conditions are involved. 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 materially adverse effect on the Issuer's financial position.

Upon completion of this Offering, this Offering will represent 31.5% of the Shares then outstanding, as compared to 32.9% that will then be owned by controlling persons, promoters, directors and senior officers of the Issuer.

The book value of the Issuer's outstanding share capital upon completion of this Offering will be approximately \$0.1115 per share.

ACQUISITIONS

During the past two (2) years prior to the date of this Prospectus the Issuer's only material acquisition has been the option acquired by the issuer from Canadian Nickel Company Limited over the Kam and Jeff mineral properties located in the Kamloops Mining Division of British Columbia (see page 9).

In 1985 the Issuer forfeited title to the Star Mineral Claim (record number 3679) located in the Greenwood Mining Division of British Columbia, for failure to file the required work commitments pursuant to the Mineral Act of British Columbia. The Issuer had originally staked the property at a cost of approximately \$646.00.

In 1986 the Issuer forfeited title to the Gold Star Mineral Claim (record number 1718) located in the New Westminster Mining Division of British Columbia, for failure to file the required work commitments pursuant to the Mineral Act of British Columbia. The Issuer had originally staked the Gold Star Claim at a cost of approximately \$4,000.00.

In 1987, the Issuer forfeited title to the Orb #1, Orb #5 and Orb #7 Mineral Claims (record numbers 1356, 1563 and 1565, respectively) located in the Similkameen Mining Division of British Columbia, for failure to file the required work commitments pursuant to the Mineral Act of British Columbia.

CONFLICTS OF INTEREST

William Thompson a director of the Issuer, is also an officer, director and/or promoter of other non-reporting companies which are engaged in natural resource exploration and development: See "Directors and Officers" and "Interest of Management and Others in Material Transactions" herein. Thus conflicts of interest may arise which could influence the directors in evaluating possible acquisitions on behalf of the Issuer, notwithstanding that they are bound by the provisions of the British Columbia Company Act to act in good faith at all times and in the best interests of the Issuer. Persons considering a purchase of securities pursuant to this Offering must appreciate that they will be required to rely on the judgment and good faith of the Issuer's directors in resolving such conflicts of interest as may arise.

PROMOTERS

Ryun Sinclair, Collayne Rilea, Ernst Wedekind and William Thompson, acting in their capacities as Directors and Officers of the Issuer, and Norris Proskin by virtue of his initiative in reorganizing the Issuer, are the Promoters of the Issuer in accordance with Section 1(1) of the Securities Act (British Columbia).

No consideration has been paid to any of the aforesaid for acting in their capacity as promoters of the Issuer. The promoters however have been granted options to purchase additional shares of the Issuer. See "Options to Purchase Securities" on page 16. The Issuer has however remunerated certain of the directors for management services rendered to the Issuer (see "Executive Compensation" on page 17). In addition, the Issuer intends, subject to Vancouver Stock Exchange approval and availability of unallocated funds, to continue to pay a management fee of \$2,000 per month to Ryun Sinclair in consideration of future management services rendered to the Issuer by him.

The promoters have acquired the following shares (post-consolidated) at the following post-consolidated prices:

<u>Name</u>	<u>Shares at \$0.04</u>	<u>Shares at \$0.50</u>	<u>Shares at \$0.60</u>	<u>Shares at \$1.60</u>
Ryun Sinclair	77,777	Nil	Nil	3,750
Collayne Rilea	31,944	Nil	Nil	Nil
Ernst Wedekind	77,777	Nil	55,000	Nil
William Thompson	Nil	Nil	Nil	Nil
Norris Proskin	Nil	265,525	10,625	Nil

PENDING LEGAL PROCEEDINGS

There are no legal proceedings pending against the Issuer, or any of the Issuer's properties. The Issuer knows of no such proceedings being currently contemplated.

ISSUANCE OF OBLIGATIONS

The Issuer is not offering any debt obligations hereunder.

DIVIDEND RECORD

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

DIRECTORS AND OFFICERS

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

<u>Names and Address</u>	<u>Position with Company</u>	<u>Principal Occupation</u>
Ryun Sinclair 34 - 1923 Purcell Way North Vancouver, B.C.	Director/ President	Management Consultant and Instructor (Vancouver City College) in management
Collayne Rilea 34 - 1923 Purcell Way North Vancouver, B.C.	Director/ Secretary	Businesswoman and Manager of various fashion retail outlets
Ernst Wedekind 7711 Canada Way Burnaby, B.C.	Director	Prospector, and past engineer with Dome Petroleum
William Thompson Box 283 Qualicum Beach, B.C.	Director	Vice-President of; Interex Development Corporation; past consultant to U.S. Steel Corp.

The Issuer's Audit Committee pursuant to the Company Act (British Columbia) is to be comprised of Ernst Wedekind, William Thompson and Collayne Rilea.

OPTIONS TO PURCHASE SECURITIES

Incentive Stock Options have been granted to the following directors and key employees in the amounts set out hereafter. The number of options granted are within the allowed maximum of 10% (5% to directors and 5% to the employee) of the issued and outstanding capital of the Issuer following all of the Shares offered pursuant to this Prospectus being subscribed for,

<u>Director Options</u>	<u>Number of Shares</u>
Ernst Wedekind 7711 Canada Way Burnaby, B.C.	37,253
William Thompson Box 283 Qualicum Beach, B.C.	37,253
TOTAL	74,506
<u>Employee Options</u>	<u>Number of Shares</u>
Ryun Sinclair 34 - 1923 Purcell Way North Vancouver, B.C.	37,253
Collayne Rilea 34 - 1923 Purcell Way North Vancouver, B.C.	37,253
TOTAL	74,506

The director options are for a term of two years and the employee options are for a term of two years, each commencing on the day following the date that the shares of the Issuer become unconditionally listed for trading on the Vancouver Stock Exchange. The option price is \$0.50 per share. The director options are subject to shareholder approval in general meeting prior to any exercise thereof. The complete text of the Incentive Option

Agreements may be viewed at the registered office of the Issuer, 1600 - 1100 Melville Street, Vancouver, British Columbia, or at the head office of the Issuer at 106 - 525 Seymour Street, Vancouver, British Columbia.

EXECUTIVE COMPENSATION

The Issuer has two executive officers, that being Ryun Sinclair who is the President of the Issuer and Collayne Rilea who is the Secretary of the Issuer. Since March 1, 1986, the Issuer has been paying Ryun Sinclair \$2,000.00 per month for management services rendered by him to the Issuer for unpaid management fees payable to Ryun Sinclair aggregating \$22,000.00 (for the months of March 1, 1986 to January 30, 1987) the Issuer has agreed, subject to the appropriate regulatory approvals, to issue Sinclair 44,000 shares in the capital of the Issuer (at a deemed issue price of \$0.50 per share) in full satisfaction of management fees owing. In addition, Collayne Rilea receives a wage from the Issuer of \$415.50 per week for secretarial services rendered to the Issuer. Subject to the availability of funds and the consent of the Vancouver Stock Exchange the Issuer intends to continue to pay \$2,000.00 per month, in aggregate, to Ryun Sinclair for management services to be rendered to the Issuer.

In addition, the Issuer has granted options to the executive officers and directors of the Issuer to purchase additional shares in the capital of the Issuer. See "Options to Purchase Securities" on page 16.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

None of the present directors or senior officers of the Issuer are now or at any time have been indebted to the Issuer.

PRINCIPAL HOLDERS OF SECURITIES

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

<u>Name and Address</u>	<u>Type of Ownership</u>	<u>Class of Shares</u>	<u>Number of Shares</u>	<u>Percentage of Shares Outstanding</u>
Norris Proskin 432 - 8th Street New Westminster, B.C.	Of record and Beneficially	Common	276,150	25.4%
Ernst Wedekind 7711 Canada Way Burnaby, B.C.	Of record and Beneficially	Common	132,777	12.2%

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

<u>Designation of Class</u>	<u>Number of Shares</u>	<u>Percentage of Class</u>
Common Shares	246,248	22.7%

NOTES:

The percentage of shares of the Issuer being offered to the public for cash will represent 31.5% of the shares issued and outstanding upon completion of this Offering.

The number of shares currently held by Promoters, Directors and Controlling Persons of the Issuer will represent 32.9% of the shares issued and outstanding upon completion of this Offering.

INTERCORPORATE RELATIONSHIPS

In 1987 the Issuer allowed its wholly owned subsidiary, Ivy Holdings Ltd., to dissolve. Ivy Holdings Ltd. was a limited company incorporated pursuant to the laws of Delaware, U.S.A. on December 5, 1984. The United States address of Ivy Holdings Ltd. was 1218 Third Avenue, Seattle, Washington, 98101.

PRIOR SALES

Since the Issuer's incorporation on November 7, 1980, the Issuer has sold the following shares for cash. The following numbers and prices are post-consolidated figures:

<u>Number of Securities Sold (Post-Consolidated)</u>	<u>Approximate Date of Sale</u>	<u>Price (Post-Consolidated)</u>	<u>Total Cash Received</u>	<u>Commissions Paid</u>
1	Nov. 7, 1980	\$1.00	\$ 1.00 (deemed)	NIL
60,750	Dec. 11, 1981	1.60	97,200.00	NIL
34,375	Dec. 22, 1981	0.80	27,500.00	NIL
79,000	July 15, 1982	1.60	126,400.00	NIL
25,063	July 15, 1982	1.60	40,099.20	NIL
5,000	Aug. 9, 1982	0.80	4,000.00	NIL
25,000	Sept. 21, 1982	0.60	15,000.00	NIL
70,000	Sept. 29, 1982	0.60	42,000.00	NIL
30,625	Apr. 29, 1983	0.60	18,375.00	NIL
46,563	Apr. 29, 1983	1.60	74,500.80	NIL
56,562	May 30, 1983	1.60	91,000.00	NIL
40,000	June 3, 1983	0.60	24,000.00	NIL
9,375	July 19, 1983	1.60	15,000.00	NIL
** 2,437	July 29, 1983	1.60	998.40	NIL
3,125	Nov. 16, 1983	1.60	5,000.00	NIL
300	Nov. 16, 1983	4.00	1,200.00	NIL
12,500	Dec. 12, 1983	1.60	20,000.00	NIL
9,125	Dec. 29, 1983	4.00	36,500.00	NIL

21,875		Jan. 24, 1984	4.00	\$87,500.00	NIL
3,550		Feb. 2, 1984	4.00	14,200.00	NIL
14,462		Feb. 6, 1984	4.00	57,852.00	NIL
13,000		Mar. 27, 1984	4.00	52,000.00	NIL
563		Apr. 30, 1984	4.00	2,248.00	NIL
7,325		June 29, 1984	4.00	29,300.00	NIL
4,625		Feb. 10, 1985	4.00	18,500.00	NIL
2,500		Feb. 10, 1985	4.00	10,000.00	NIL
4,375		Feb. 10, 1985	4.00	17,500.00	NIL
33,125		Feb. 22, 1985	1.60	53,000.00	NIL
250		Apr. 9, 1985	4.00	1,000.00	NIL
41,302		Apr. 14, 1986	1.60	66,083.20	NIL
1,813		May 27, 1986	1.60	2,900.80	NIL
875		May 27, 1986	4.00	3,500.00	NIL
1,250		June 10, 1986	1.60	2,000.00	NIL
125		Jan. 7, 1987			
				issued upon consolidation of share capital to correct for fractional shares	
20,000	Common	Jan. 14, 1987	0.50	\$10,000.00	Nil
1,000	Common	Jan. 30, 1987	0.50	500.00	Nil
2,000	Common	Jan. 31, 1987	0.50	1,000.00	Nil
2,000	Common	Feb. 13, 1987	0.50	1,000.00	Nil
4,000	Common	Feb. 23, 1987	0.50	2,000.00	Nil
10,000	Common	Feb. 27, 1987	0.50	5,000.00	Nil
2,000	Common	March 6, 1987	0.50	1,000.00	Nil
* 167,074	Common	May 29, 1987	0.50	83,537.00	Nil
10,000	Common	July 31, 1987	0.50	5,000.00	Nil
20,000	Common	Aug. 12, 1987	0.50	10,000.00	Nil

Note: * Of these shares 97,074 were issued to Norris Proskin, a Promoter and former director of the Issuer, in settlement of monies advanced to, or for the benefit of, the Issuer by Proskin.

** Of these shares 1,813 were issued to Whiteoak Petroleum Inc. in lieu of an outstanding bill in the sum of \$2,380.40 (U.S.) for exploration services rendered with respect to oil exploration in Oklahoma, U.S.A.

POOLED SHARES

None of the Issuer's shares are subject to pooling restrictions.

INTEREST OF MANAGEMENT OR OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed herein under the headings "Escrowed Shares", "Promoters", "Options to Purchase Securities", "Executive Compensation" and "Prior Sales", the directors, officers and principal shareholders and their respective affiliates or associates have no interest in any past or proposed material transactions of the Issuer.

AUDITORS, REGISTRAR AND TRANSFER AGENT

The auditors for the Issuer are Loewen, Stronach & Company, Chartered Accountants, 700 - 2695 Granville Street, Vancouver, British Columbia.

The Registrar and Transfer Agent for the Issuer is The National Trust Company, 666 Burrard Street, Vancouver, British Columbia.

The Issuer's solicitors are Boughton & Company, Barristers and Solicitors, 1600 - 1100 Melville Street, Vancouver, British Columbia. The Issuer's Solicitors have no beneficial interest, direct or indirect, in any securities or property of the Issuer.

MATERIAL CONTRACTS

There are no material contracts entered into by the Issuer within the last two years prior to the date of this Prospectus other than as hereinafter described or as entered into in the ordinary course of business:

1. Option Agreement between the Issuer and Canadian Nickel Company Limited dated February 1, 1987 (see "The Property" on page 8).
2. Agency Offering Agreement between the Issuer, C.M. Oliver & Company Limited and Brink Hudson & Lefever Ltd. dated as of July 1, 1987, as amended by further agreements dated for reference November 30, 1987, and December 3, 1987, (see "Plan of Distribution" on page 3).
3. Director Incentive Stock Option Agreement dated for reference the 1st day of May, 1987 (see "Options to Purchase Securities" on page 16).
4. Key Employee Incentive Stock Option Agreement dated for reference the 1st day of May, 1987 (see "Options to Purchase Securities" on page 16).
5. Management Agreement between the Issuer and Ryun Sinclair (see "Executive Compensation" on page 17).
6. Escrow Agreement dated December 18, 1986 between the Issuer, National Trust Company, Ernst Wedekind, Ryun Sinclair, Collayne Rilea and Brian Doutaz, as amended by further Escrow Agreement dated November 20, 1987 between the Issuer, National Trust Company and Ryun Sinclair (see "Escrowed Shares" on page 6).
7. Drilling Agreement dated November 28, 1987 between the Issuer and H.N. Horning Percussion Drilling Ltd. pertaining to drilling to be performed on the Kam and Jeff Mineral Claims.

The aforesaid material contracts may be inspected at the principal business office of the Issuer located at 106 - 525 Seymour Street, Vancouver, British Columbia, during normal business hours while primary distribution of the securities offered hereunder is in progress and for a period thirty (30) days thereafter.

STATUTORY RIGHTS OF RESCISSION AND WITHDRAWAL

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

OTHER MATERIAL FACTS

There are no other material facts except as disclosed in this Prospectus.

EMERALD STAR MINING EXPLORATIONS LTD.

INTERIM FINANCIAL STATEMENTS

FOR THE TWO MONTHS ENDED OCTOBER 31, 1987

Loewen, Stronach & Co.
Chartered Accountants

EMERALD STAR MINING EXPLORATIONS LTD.
 INTERIM STATEMENT OF DEFERRED EXPLORATION AND
 ADMINISTRATION COSTS
 OCTOBER 31, 1987

	Orb Claims \$	Kam And Jeff Claims \$	Total \$
BALANCE - beginning	96,072	109,857	205,929
Direct costs	-	12,002	12,002
Administrative costs - Exhibit E	-	10,254	10,254
	<u>96,072</u>	<u>132,113</u>	<u>228,185</u>
Write off to deficit	54,194	-	54,194
BALANCE - ending	<u><u>41,878</u></u>	<u><u>132,113</u></u>	<u><u>173,991</u></u>

The attached notes form an integral part of these audited financial statements

EMERALD STAR MINING EXPLORATIONS LTD.
 INTERIM STATEMENT OF CHANGES IN FINANCIAL POSITION
 FOR THE TWO MONTHS ENDED OCTOBER 31, 1987

	\$
OPERATING ACTIVITIES	
Cash provided by changes in non-cash working capital item:	
Accounts payable and accrued liabilities	17,526
FINANCING ACTIVITIES	
Loan payable	2,000
INVESTING ACTIVITIES	
Deferred administration costs	(10,254)
Less depreciation	19
Deferred exploration costs	(12,002)
Less depreciation	52
	(22,185)
INCREASE (DECREASE) IN CASH	(2,659)
CASH - beginning	3,225
CASH - ending	566

The attached notes form an integral part of these audited financial statements

EMERALD STAR MINING EXPLORATIONS LTD.
 INTERIM SCHEDULE OF DEFERRED
 ADMINISTRATION COSTS
 FOR THE TWO MONTHS ENDED OCTOBER 31, 1987

	<u>\$</u>
Salaries and benefits	4,115
Management fees	4,000
Professional fees	633
Rent	578
Office	431
Transfer agent fees	292
Telephone	174
Depreciation	19
Bank charges and interest	<u>12</u>
 TOTAL DEFERRED ADMINISTRATION COSTS	 <u><u>10,254</u></u>
 ALLOCATED AS FOLLOWS:	
Jeff and Kam claims	10,254
Orb claims	<u>-</u>
 EXHIBIT "C"	 <u><u>10,254</u></u>

The attached notes form an integral part of these audited financial statements

EMERALD STAR MINING EXPLORATIONS LTD.
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE TWO MONTHS ENDED OCTOBER 31, 1987

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a) Mineral claims are recorded at cost and represent all costs of acquisition.
- b) Deferred Exploration, Development and Other Expenditures:
All direct exploration and development costs related to mining properties and indirect administration costs are deferred during the development period with administration costs allocated to the respective properties according to the ratio of direct exploration costs for each property during the year. Any revenues during the development period are deducted from the deferred costs.
- c) Properties:
Upon the abandonment or the sale of all interest in the respective properties, the direct exploration and development costs and a proportionate share of administration costs are written off to deficit.
- d) Values:
The amounts shown for mineral properties and deferred costs represent costs to date and are not intended to reflect present or future values.
- e) Fixed assets are recorded at cost with depreciation at 20 % on the declining balance basis.
- f) Basic loss per share has not been calculated as it is not considered to be meaningful at this stage of the company's operation.

Note 2 NATURE AND CONTINUANCE OF OPERATIONS

The recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the confirmation of economically recoverable reserves, the ability of the company to obtain necessary financing to successfully complete their development and to meet the requirements of lenders from time to time that are providing this financing, and upon future profitable production.

. . . /2

These notes form an integral part of the attached audited financial statements

EMERALD STAR MINING EXPLORATIONS LTD.
 NOTES TO THE INTERIM FINANCIAL STATEMENTS
 FOR THE TWO MONTHS ENDED OCTOBER 31, 1987
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Note 3 FIXED ASSETS

Fixed assets are as follows:

	1987		
	Cost \$	Accumulated Depreciation \$	NBV \$
Furniture and equipment	2,118	1,581	537
Laboratory equipment	<u>7,079</u>	<u>5,559</u>	<u>1,520</u>
	<u>9,197</u>	<u>7,140</u>	<u>2,057</u>

Note 4 MINERAL CLAIMS

The company holds the following mineral claims at October 31, 1987:

a) Orb Claims

The Orb claims consisted of 78 units in the Similkameen Mining Division. During the period 32 units lapsed and the decision made to allow to lapse in December 1987 a further 12 units. Therefore the costs relating to the 44 units have been written off to deficit in this period.

b) Jeff and Kam Claims

The company has an option with Canadian Nickel Company Limited (CANICO) to acquire 50% interest in 18 unpatented mining claims consisting of 208 units situated in the Kamloops Mining Division. The company has agreed to issue 200,000 shares and spend \$500,000 over three years determined by the amount and type of exploration work performed, and is subject to Regulatory approval.

Note 5 LOAN PAYABLE

The company is indebted to a former director. The loan is without interest or fixed terms of repayments.

. . . /3

These notes form an integral part of the attached audited financial statements

EMERALD STAR MINING EXPLORATIONS LTD.
 NOTES TO THE INTERIM FINANCIAL STATEMENTS
 FOR THE TWO MONTHS ENDED OCTOBER 31, 1987
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Note 6 SHARE CAPITAL

- a) Authorized - 10,000,000 common shares without par value
 b) To date 1,060,137 shares have been issued as follows:

	<u>October 31, 1987</u>	
	<u>#</u>	<u>\$</u>
For mineral claims	187,498	7,500
For services	1,813	2,900
For debt settlement	97,074	48,537
For cash	<u>773,752</u>	<u>1,123,264</u>
	<u>1,060,137</u>	<u>1,182,201</u>

Subsequent to the period, 26,250 shares were issued to correct a previous cancellation recorded two times in error.

- c) The directors and employees of the company have been allocated share purchase options which entitle them to purchase shares of the company as follows:

<u>No. of shares</u>	<u>Price per share</u>	<u>If exercised by</u>
149,012	\$0.50	Two years from the date the company's shares are listed on the Vancouver Stock Exchange.

- d) The company has the obligation to issue 44,000 shares (subject to regulatory approval) to a director for debts arising from unpaid management fees of \$22,000.

Note 7 RELATED PARTY TRANSACTIONS

- a) The company has a management contract with a director for \$2,000 per month. During the two month period \$4,000 was accrued.
 b) A director was paid \$3,740 for salaries.

These notes form an integral part of the attached audited financial statements . . . /4

EMERALD STAR MINING EXPLORATIONS LTD.
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE TWO MONTHS ENDED OCTOBER 31, 1987
PAGE - 4 -

Note 8 DIRECTORS AND OFFICERS

The company has four directors two of whom are officers. No remuneration was paid to the directors except for amounts disclosed in Note 7.

Note 9 PROSPECTUS

A prospectus has been filed with the regulatory authorities, which if approved it would enable the company to sell 500,000 common shares without par value at \$0.50 per share to the public. The sale of shares would provide the company with \$225,000 net proceeds. Upon approval the company would apply for a listing on the Vancouver Stock Exchange.

These notes form an integral part of the attached audited financial statements

EMERALD STAR MINING EXPLORATIONS LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 1987

Loewen, Stronach & Co.
Chartered Accountants

EMERALD STAR MINING EXPLORATIONS LTD.
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 1987

Auditors' Report

Consolidated Balance Sheet **Exhibit "A"**

Consolidated Statement of Loss and Deficit **Exhibit "B"**

**Consolidated Statement of Deferred Exploration and
Administration Expenses** **Exhibit "C"**

Consolidated Statement of Changes in Financial Position **Exhibit "D"**

Notes to the Consolidated Financial Statements **Exhibit "E"**

LOEWEN, STRONACH & CO.
Chartered Accountants

AUDITORS' REPORT

To the Directors of,
Emerald Star Mining Explorations Ltd.

We have examined the Consolidated Balance Sheet of Emerald Star Mining Explorations Ltd. as at August 31, 1987, 1986, 1985 and 1984 and the Consolidated Statements of Loss and Deficit, Deferred Exploration and Administration Expenses, and Changes in Financial Position for each of the years in the four year period ended August 31, 1987. 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.


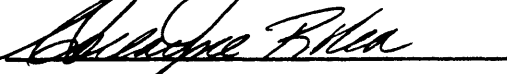
In our opinion, these consolidated financial statements present fairly the financial position of the company as at August 31, 1987, 1986, 1985 and 1984 and the results of its operations and the changes in financial position for each of the years in the four year period ended August 31, 1987 in accordance with generally accepted accounting principles applied on a consistent basis.


Chartered Accountants

Vancouver, British Columbia

November 16, 1987

EMERALD STAR MINING EXPLORATIONS LTD.
CONSOLIDATED BALANCE SHEET
AUGUST 31, 1987 AND 1986

	<u>1987</u>	<u>1986</u>
	\$	\$
ASSETS		
CURRENT		
Cash	3,225	42
ADVANCES TO A SHAREHOLDER	-	5,600
INVESTMENT	-	1
FIXED (Note 3)	2,128	2,660
MINERAL CLAIMS (Note 4)	7,500	7,500
DEFERRED EXPLORATION AND ADMINISTRATION COSTS	<u>205,929</u>	<u>93,000</u>
	<u>218,782</u>	<u>108,803</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	20,124	17,075
Loan payable (Note 5)	<u>9,000</u>	<u>31,107</u>
	29,124	48,182
OTHER		
Obligation to issue share capital (Note 6)	<u>22,000</u>	-
	<u>51,124</u>	<u>48,182</u>
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 6)	1,182,201	1,063,164
DEFICIT	<u>(1,014,543)</u>	<u>(1,002,543)</u>
	<u>167,658</u>	<u>60,621</u>
	<u>218,782</u>	<u>108,803</u>
Approved on behalf of the Board:		
	Director	
	Director	

The attached notes form an integral part of these audited financial statements

EMERALD STAR MINING EXPLORATIONS LTD.
CONSOLIDATED STATEMENT OF LOSS AND DEFICIT
FOR THE YEARS ENDED AUGUST 31, 1987, 1986, 1985 AND 1984

	1987	1986	1985	1984
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
MISCELLANEOUS INCOME	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,250</u>
WRITE-DOWN AND LOSSES				
Write-down of deferred costs	-	328,936	-	-
Write-down of investments	-	-	434,292	89,457
Write-down of claims	-	-	646	-
Incorporation costs written off	<u>-</u>	<u>3,052</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>331,988</u>	<u>434,938</u>	<u>89,457</u>
LOSS	<u>-</u>	<u>331,988</u>	<u>434,938</u>	<u>73,207</u>
DEFICIT-BEGINNING AS PREVIOUSLY REPORTED	1,002,543	682,555	247,617	174,410
CHANGE IN ACCOUNTING ESTIMATE	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFICIT-BEGINNING AS RESTATED	<u>1,014,543</u>	<u>682,555</u>	<u>247,617</u>	<u>174,410</u>
DEFICIT-ENDING	<u><u>1,014,543</u></u>	<u><u>1,014,543</u></u>	<u><u>682,555</u></u>	<u><u>247,617</u></u>

The attached notes form an integral part of these audited financial statements

EMERALD STAR MINING EXPLORATIONS LTD.
CONSOLIDATED STATEMENT OF DEFERRED EXPLORATION
AND ADMINISTRATION EXPENSES
FOR THE YEARS ENDED AUGUST 31, 1987, 1986, 1985 and 1984

	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>
	\$	\$	\$	\$
EXPLORATION EXPENSES				
Geophysics, drilling, staking and assaying	22,500	1,500	583	7,055
Claim registration	2,020	-	-	-
Depreciation	393	491	615	768
Maps	57	-	105	177
Equipment rental	29	-	-	-
Contracting, consulting and engineering	-	16,355	2,805	5,175
Travel	-	244	222	2,396
Salary and wages	-	-	-	9,938
Repairs and maintenance	-	-	75	-
Miscellaneous	-	-	(10)	152
Advertising	-	-	-	831
Accomodation	-	-	-	107
Automobile	-	-	-	35
Supplies	-	-	-	18
	<u>24,999</u>	<u>18,590</u>	<u>4,395</u>	<u>26,652</u>
ADMINISTRATION EXPENSES				
Legal and accounting	25,658	5,675	20,761	17,846
Management fee	24,000	14,800	7,852	-
Salaries and benefits	14,166	-	-	45,856
Bad Debt	5,600	-	-	-
Regulatory fees	4,530	-	-	-
Transfer agent fees	3,732	1,483	1,924	2,323
Office	3,689	1,802	2,466	6,609
Rent	3,467	2,029	-	-
Miscellaneous	1,353	39	531	1,475
Telephone	920	1,460	1,127	5,413
Automobile	580	-	159	(150)
Depreciation	139	(737)	1,029	271
Bank charges and interest	77	460	926	2,686
Advertising and promotion	19	-	(211)	2,617
Interest and other income	-	(600)	(422)	(128)
Loss on disposal of assets	-	912	-	647
Dues and subscriptions	-	75	118	583
Interest on long-term debt	-	-	4,054	-
	<u>87,930</u>	<u>27,398</u>	<u>40,314</u>	<u>86,048</u>
DEFERRED EXPENSES FOR THE YEAR	112,929	45,988	44,709	112,700
DEFERRED EXPENSES, BEGINNING OF YEAR	93,000	375,948	331,239	218,539
WRITE-OFF OF DEFERRED EXPENSES	-	(328,936)	-	-
TOTAL EXPENSES, END OF YEAR	<u>205,929</u>	<u>93,000</u>	<u>375,948</u>	<u>331,239</u>

The attached notes form an integral part of these audited financial statements

EMERALD STAR MINING EXPLORATIONS LTD.
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 1987, 1986, 1985 and 1984

	1987	1986	1985	1984
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
OPERATING ACTIVITIES				
Change in accounting estimate	(12,000)	-	-	-
Write off deferred costs	-	(328,936)	-	-
Incorporation costs	-	(3,052)	-	-
Write off investments	-	-	(434,292)	(89,457)
Write off claims	-	-	(646)	-
Miscellaneous income	-	-	-	16,250
	<u>(12,000)</u>	<u>(331,988)</u>	<u>(434,938)</u>	<u>(73,207)</u>
Cash provided by changes in non-cash working capital items:				
Accounts payable and accrued liabilities	3,049	(17,984)	15,301	10,540
Bank loan	-	(6,000)	-	-
Incorporation costs	-	3,052	(3,052)	865
Loan payable	5,600	(2,345)	-	-
Accounts receivable	-	520	(118)	(402)
Prepays	-	-	3,052	(3,052)
	<u>(3,351)</u>	<u>(354,745)</u>	<u>(419,755)</u>	<u>(65,256)</u>
FINANCING ACTIVITIES				
Share capital	119,037	56,400	(10,351)	333,415
Advances from a shareholder	(22,107)	(600)	1,842	(26,305)
Contributed surplus	-	-	60,000	-
Long term debt	-	-	3,839	35,613
Obligation to issue shares	22,000	-	-	-
	<u>118,930</u>	<u>55,800</u>	<u>55,330</u>	<u>342,723</u>
INVESTING ACTIVITIES				
Deferred administration costs	(87,930)	212,083	(40,314)	(75,835)
Less depreciation	139	173	1,126	11,372
Deferred exploration costs	(24,999)	82,865	(4,395)	(61,917)
Less depreciation	393	491	615	4,007
Proceeds from sale of assets	-	2,258	-	5,398
Investments	1	-	409,954	(198,621)
Acquisition of fixed assets	-	-	(3,167)	-
	<u>(112,396)</u>	<u>297,870</u>	<u>363,819</u>	<u>315,596</u>
INCREASE (DECREASE) IN CASH	3,183	(1,075)	(606)	(38,129)
CASH - beginning	<u>42</u>	<u>1,117</u>	<u>1,723</u>	<u>39,852</u>
CASH - ending	<u><u>3,225</u></u>	<u><u>42</u></u>	<u><u>1,117</u></u>	<u><u>1,723</u></u>

The attached notes form an integral part of these audited financial statements

EMERALD STAR MINING EXPLORATIONS LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 1987

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a) The consolidated financial statements include the accounts of a wholly owned subsidiary, Ivy Holding Inc., a company incorporated in the State of Washington, U.S.A. The subsidiary has been dissolved and accordingly its assets have been written off, and future financial statements will not be consolidated.
- b) Mineral claims are recorded at cost and represent all costs of acquisition.
- c) **Deferred Exploration, Development and Other Expenditures:**
All direct exploration and development costs related to mining properties and indirect administration costs are deferred during the development period with administration costs allocated to the respective properties according to the ratio of direct exploration costs for each property during the year. Any revenues during the development period are deducted from the deferred costs.
- d) **Properties:**
Upon the abandonment or the sale of all interest in the respective properties, the direct exploration and development costs and a proportionate share of administration costs are written off to deficit.
- e) **Values:**
The amounts shown for mineral properties and deferred costs represent costs to date and are not intended to reflect present or future values.
- f) Fixed assets are recorded at cost with depreciation at 20 % on the declining balance basis.
- g) Basic loss per share has not been calculated as it is not considered to be meaningful at this stage of the company's operation.

Note 2 NATURE AND CONTINUANCE OF OPERATIONS

The recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the confirmation of economically recoverable reserves, the ability of the company to obtain necessary financing to successfully complete their development and to meet the requirements of lenders from time to time that are providing this financing, and upon future profitable production.

. . . /2

These notes form an integral part of the attached audited financial statements

EMERALD STAR MINING EXPLORATIONS LTD.
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED AUGUST 31, 1987
 PAGE - 2 -

Note 3 **FIXED ASSETS**

Fixed assets are as follows:

	<u>1987</u>			<u>1986</u>
	<u>Cost</u> \$	<u>Accumulated Depreciation</u> \$	<u>NBV</u> \$	<u>NBV</u> \$
Furniture and equipment	2,118	1,563	555	694
Laboratory equipment	7,079	5,506	1,573	1,966
	<u>9,197</u>	<u>7,069</u>	<u>2,128</u>	<u>2,660</u>

Note 4 **MINERAL CLAIMS**

The company holds the following mineral claims at August 31, 1987:

a) **Orb Claims**

The Orb claims consisting of 78 units in the Similkameen Mining Division were acquired by the company in exchange for 187,498 post consolidated escrow shares.

b) **Jeff and Kam Claims**

During the year, the company, was granted an option by Canadian Nickel Company Limited (CANICO) to acquire 50% interest in 18 unpatented mining claims consisting of 208 units situated in the Kamloops Mining Division. The company has agreed to issue 200,000 shares and spend \$500,000 over three years determined by the amount and type of exploration work performed, and is subject to Regulatory approval.

Note 5 **LOAN PAYABLE**

The company is indebted to a former director. The loan is without interest or fixed terms of repayments.

.../3

These notes form an integral part of the attached audited financial statements

EMERALD STAR MINING EXPLORATIONS LTD.
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED AUGUST 31, 1987
 PAGE - 3 -

Note 6 SHARE CAPITAL

- a) Authorized - 10,000,000 common shares without par value
- b) In May, 1986 the company consolidated its capital stock on the basis of four old shares for one new share.
- c) During the year the company issued shares as follows:
- i) 97,074 at \$.50 each in settlement of a debt to a former director.
 - ii) 141,000 at \$.50 each.
- d) To date 1,060,137 shares have been issued as follows:

	<u>August 31, 1987</u>		<u>August 31, 1986</u>	
	<u>#</u>	<u>\$</u>	<u>#</u>	<u>\$</u>
For mineral claims	187,498	7,500	187,498	7,500
For services	1,813	2,900	1,813	2,900
For debt settlement	97,074	48,537	-	-
For Cash	<u>773,752</u>	<u>1,123,264</u>	<u>632,752</u>	<u>1,052,764</u>
	<u>1,060,137</u>	<u>1,182,201</u>	<u>822,063</u>	<u>1,063,164</u>

- e) The directors and employees of the company have been allocated share purchase options which entitle them to purchase shares of the company as follows:

<u>No. of shares</u>	<u>Price per share</u>	<u>If exercised by</u>
149,012	\$0.50	Two years from the date the company's shares are listed on the Vancouver Stock Exchange.

- f) The company has the obligation to issue 44,000 shares (subject to regulatory approval) to a director for debts arising from unpaid management fees of \$22,000.

. . . /4

These notes form an integral part of the attached audited financial statements

EMERALD STAR MINING EXPLORATIONS LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 1987
PAGE - 4 -

Note 7 RELATED PARTY TRANSACTIONS

- a) The company has a management contract with a director for \$2,000 per month. During the year \$14,000 was paid and \$10,000 accrued, (see Note 6(f)).
- b) A director was paid \$2,400 for secretarial and management fees during the year.
- c) A director was paid \$14,165 for salaries.

Note 8 DIRECTORS AND OFFICERS

The company has four directors two of whom are officers. No remuneration was paid to the directors except for amounts disclosed in Note 7.

Note 9 PROSPECTUS

A prospectus has been filed with the regulatory authorities, which if approved it would enable the company to sell 500,000 common shares without par value at \$0.50 per share to the public. The sale of shares would provide the company with \$225,000 net proceeds. Upon approval the company would apply for a listing on the Vancouver Stock Exchange.

Note 10 COMPARATIVES

Some of the comparative figures have been reclassified to conform with the current year's financial statement presentation.

These notes form an integral part of the attached audited financial statements

GEOLOGICAL REPORT

KAM AND JEFF PROSPECT

Sabiston Creek, Kamloops Mining Division.

Lat. 50 50 N/ Long. 120 51 W.

Mapsheet 92-I-15W

for:

EMERALD STAR MINING EXPLORATIONS LTD.

SUITE 106 - 525 SEYMOUR STREET, VANCOUVER, B.C.

V6B 3H9 689-2746

by:

BARRY J. PRICE, M.SC., F.G.A.C.

CAROL I. DITSON, B.SC.

Consulting Geologists

3347 West 7th. Avenue

Vancouver, B.C.

V6R 1W2 733-6902

November 1, 1986

Barry Price

GEOLGICAL REPORT

KAM AND JEFF PROSPECT

Sabiston Creek, Kamloops Mining Division.

SUMMARY

The Kam property, situated on Sabiston Creek, on the north shore of Kamloops Lake includes the Kam claims, 12 claims totalling 202 units and the Jeff claims, 6 two-post claims, included within the Kam claim block. The claims are owned by Canadian Nickel Company Ltd, and Emerald Star Mining Explorations Ltd. may earn a 50 % interest in the claims under a joint-venture agreement.

Around the turn of the century, the property was explored for mercury; numerous mercury prospects occur in a belt extending northwestward from Tunkwa Lake, south of Savona B.C. to Criss Creek, north of the Kam property. Placer gold was produced from Criss Creek and Deadman River, north and west of the Kam property, and Tranquille Creek to the east.

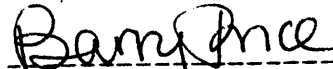
The property is situated in a northwesterly-trending feature known as the Quesnel Trough, filled mainly with basic to ultramafic Nicola volcanics, of late Triassic age, and characterized by gold deposits on the margins and copper-gold porphyry deposits within the central part. Mercury deposits in the Kamloops lake area are associated with north-west trending faults thought to be an extension of the Pinchi Fault, which hosted British Columbias most productive mercury deposit.

On the Kam property, Canadian Nickel Company has expended at least \$140,000 from 1982 to 1985 in the search for epithermal precious metal deposits associated with the extensive silica-carbonate alteration zones along major faults. Angular gold particles occur in till on the property, and are believed to have originated within 2 km. Percussion drilling and two diamond drill holes have not defined the source of the gold.

A large proportion of the property remains unexplored. Scattered anomalous gold values in rock are associated with mercury, arsenic, and antimony in association with granitoid intrusions and with faults along the contact of Nicola volcanics with younger conglomeratic units deposited in a fault graben.

A program of geological mapping, soil sampling, backhoe trenching, percussion drilling and diamond drilling with total budget of \$177,240.00 is recommended for the 1987 exploration season.

respectfully submitted



Barry J. Price, M.Sc.
Consulting Geologist.
November 1, 1986.

GEOLOGICAL REPORT
KAM AND JEFF PROSPECT
EMERALD STAR MINING EXPLORATIONS LTD.

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Geology of the Kam Property	12
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Table I:	Claim List
Table II	Stratigraphic Table for Regional Geology

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Figure 1:	Location Map
Figure 2:	Topography of Claim Area
Figure 3:	Claim Map
Figure 4:	Regional Geology - Quesnel Trough
Figure 5:	Regional Geology, Kamloops Lake Area
Figure 6:	Mineral Deposits, Kamloops Lake Area
Figure 7:	Property Geology, Grids and Drill Holes
Figure 8:	Percussion Drilling and Gold Anomaly
Figure 9:	Drill Section, 1984 Drilling

LOCATION AND ACCESS:

The Kam and Jeff claims are situated approximately 40 kilometers northwest of Kamloops, British Columbia, and directly north of Savona on the opposing shore of Kamloops Lake (refer to Figure 1).

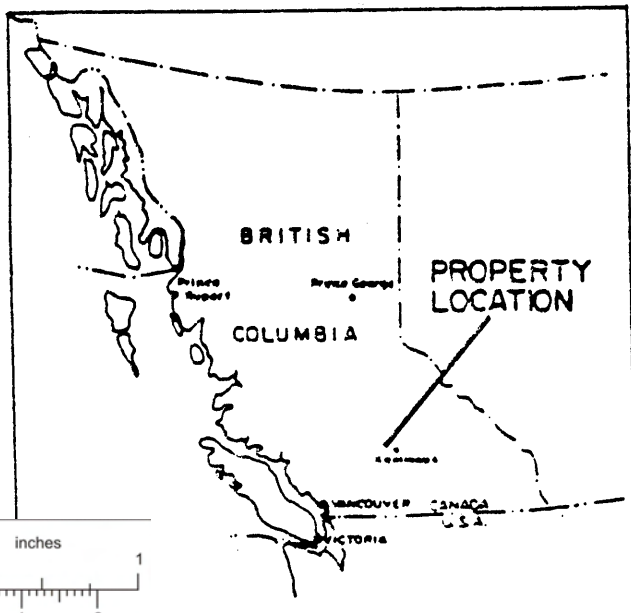
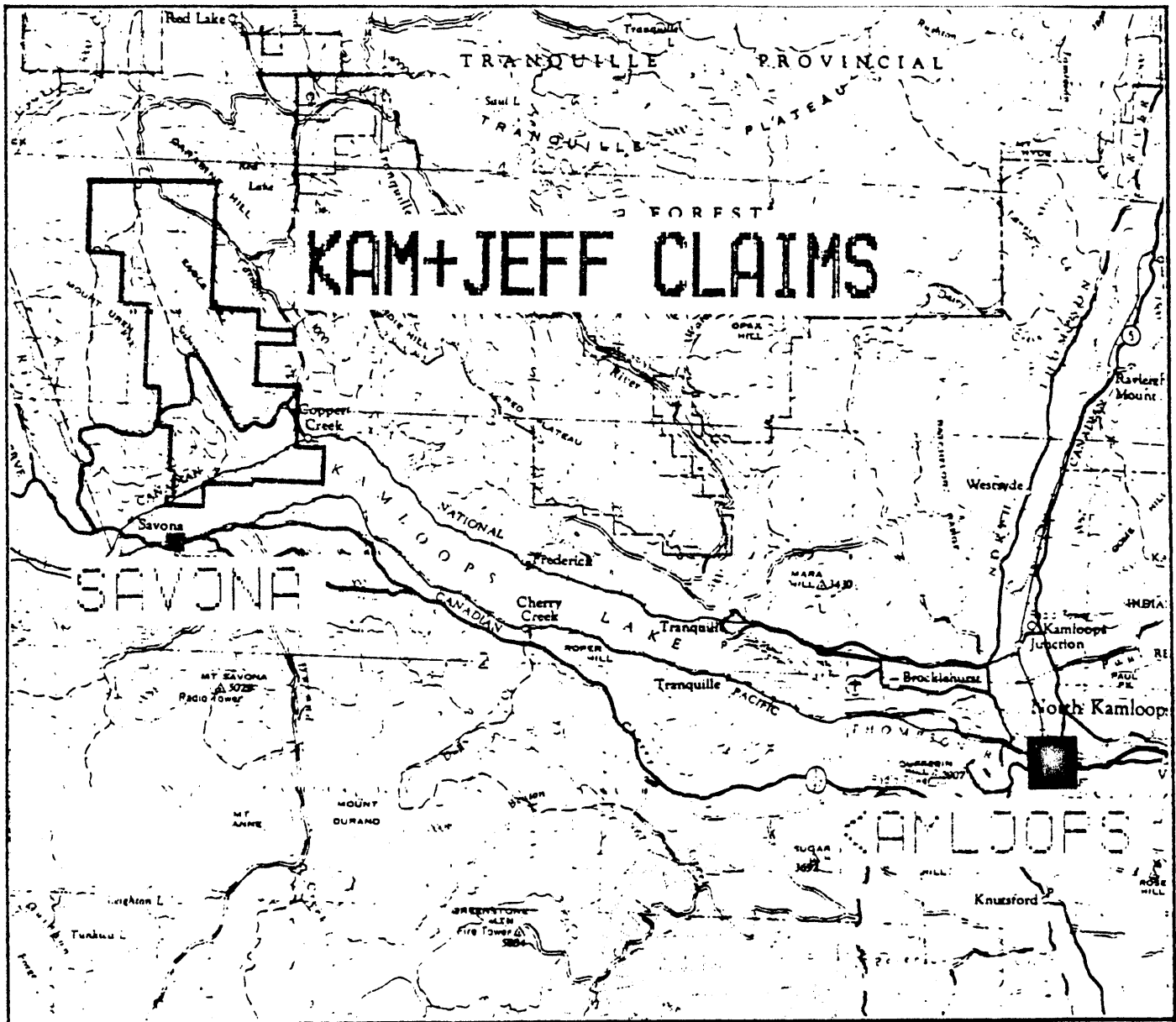
The claim group encompasses most of Eagle Hill and portions of the northeastern and southern slopes of Mount Uren. The property lies along the Sabiston Creek drainage and includes part of Copper Creek, Carabine Creek, and Sabiston Lake.

Access is via the Sabiston Creek gravel road, which extends from the Trans Canada Highway, about 1 km west of the bridge over the Thompson River, 3 km west of Savona B.C.

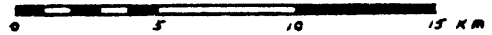
The gravel road heads northerly, then westerly, for a distance of about 12 kilometers to the western edge of the Kam 20 claim, then continues through the southern part of the property to the railway siding at Copper Creek, on the shore of Kamloops Lake.

An extensive network of other secondary roads provides good access to most other portions of the property with the exception of Eagle Hill. Four-wheel drive is recommended for some of the roads because of mud in wet weather.

The property can be reached in about 4 hours driving time from Vancouver or 1 hour from Kamloops. All necessary supplies and services are available from Kamloops, which is serviced by several flights a day from Vancouver.

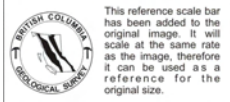
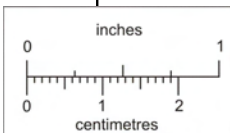


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KAM AND JEFF PROSPECT	
for: EMERALD STAR MINING EXPLORATION LTD.	
by: B. PRICE & C. DITSON	
PROPERTY LOCATION KAMLOOPS M.D., B.C.	
N.T.S. 92I/15W	Date:
Drawn by: C.D.	Figure: 1

Benny Price



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PHYSIOGRAPHY, VEGETATION AND CLIMATE:

Topography on the Kam and Keff claims varies from gently sloping to locally very steep, particularly approaching the shores of Kamloops Lake. Elevations range from 350 meters at the lakeshore to 1450 meters atop Eagle Hill. The Sabiston Valley, wide and U-shaped at its headwaters, becomes steeply V-shaped as it approaches Kamloops Lake. Sabiston creek is the only water course on the property which contains running water year around.

Much of the claim area is heavily wooded with spruce, pine, hemlock, aspen and birch. At lower elevations, on slopes bordering Kamloops Lake, the area is desert-like with grass, sagebrush, cactus, and sparse mature pine, primarily in stream valleys. The claim area is used as open cattle range.

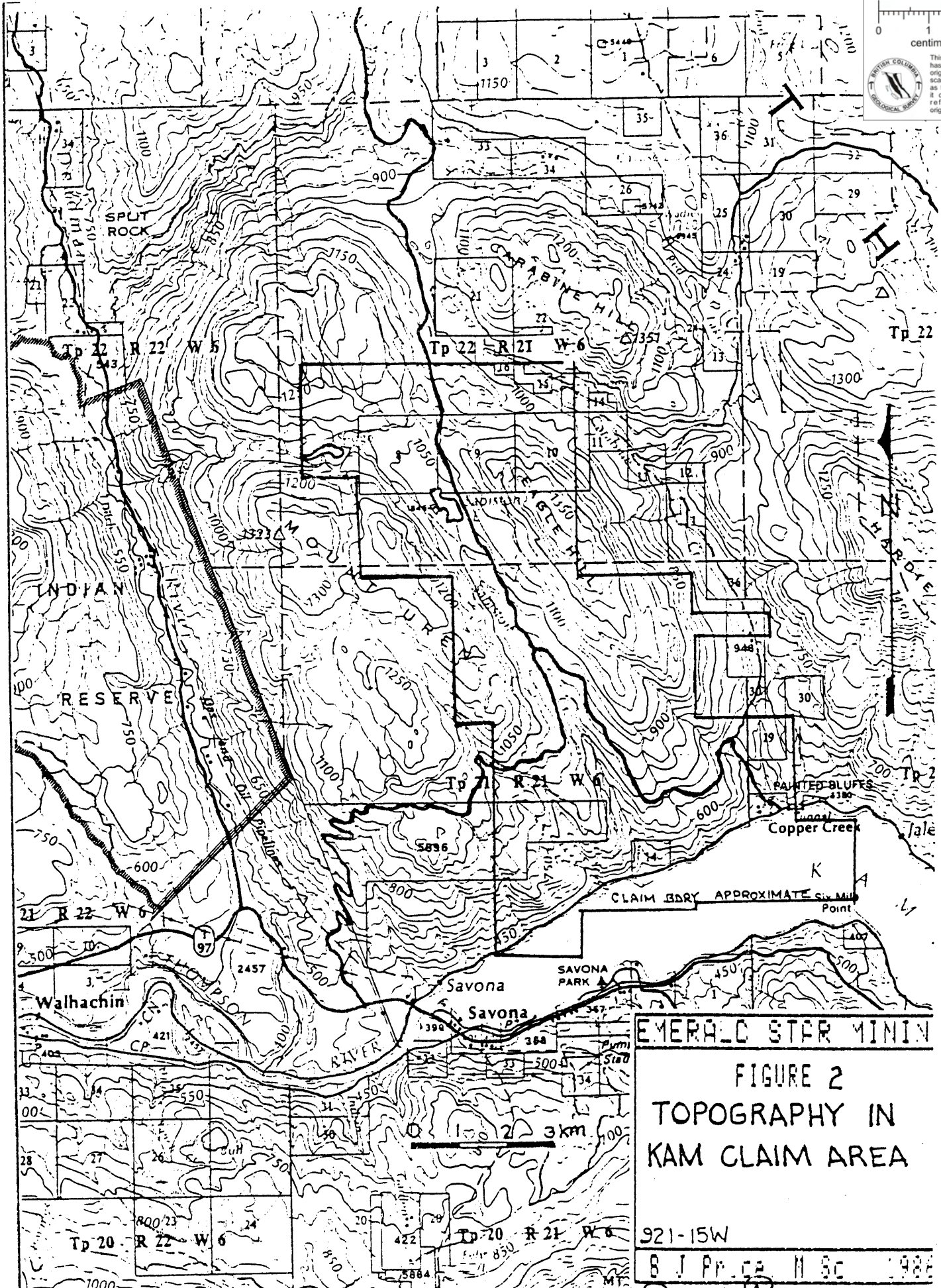
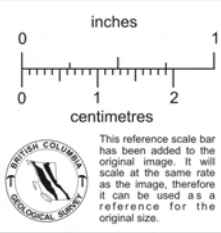
Climate is arid, with temperatures to 38 degrees in summer, and moderately cold in winter. Work could continue late in the season on showings at lower elevations adjacent to the lake.

During the summer, water for drilling must be trucked or pumped from one of the lakes.

PROPERTY DEFINITION:

The claims, Kam 3-4, 15-24 and Jeff 1-6 are situated in the Kamloops Mining District. The Kam claims, staked using the modified grid system, consist of 202 units. The Jeff claims are 2-post claims, totalling 6 unit equivalents.

The property is held by Canadian Nickel Company Ltd., and will be explored by Emerald Star Mining Explorations Ltd. under a legal agreement leading to a joint-venture between the two companies.



EMERALD STAR MININ

FIGURE 2
TOPOGRAPHY IN
KAM CLAIM AREA

921-15W
B.I. Pr. ca. 11.9c. 1988
Barny Price

Claim details are itemized below, a claim map is included as figure 3.

TABLE I
Kam and Jeff Claims
Kamloops M.D., Mapsheet 92-1-15W

<u>CLAIM</u>	<u>UNITS</u>	<u>REC. NO.</u>	<u>RECORD DATE</u>	<u>EXPIRY DATE</u>
Kam 3	20	4479	June 10, 1983	June 10, 1987
Kam 4	20	4480	June 10, 1983	June 10, 1987
Kam 15	20	4491	June 10, 1983	June 10, 1989
Kam 16	16	4492	June 10, 1983	June 10, 1989
Kam 17	3	4493	June 10, 1983	June 10, 1992
Kam 18	15	4494	June 10, 1983	June 10, 1990
Kam 19	20	4495	June 10, 1983	June 10, 1989
Kam 20	12	4496	June 10, 1983	June 10, 1991
Kam 21	18	4497	June 10, 1983	June 10, 1987
Kam 22	20	4498	June 10, 1983	June 10, 1990
Kam 23	18	4499	June 10, 1983	June 10, 1989
Kam 24	20	4500	June 10, 1983	June 10, 1990
TOTAL			202 units	
Jeff 1	1	5480	February 3, 1984	Feb 3, 1995
Jeff 2	1	5481	February 3, 1984	Feb 3, 1994
Jeff 3	1	5482	February 3, 1984	Feb 3, 1994
Jeff 4	1	5483	February 3, 1984	Feb 3, 1994
Jeff 5	1	5484	February 3, 1984	Feb 3, 1994
Jeff 6	1	5485	February 3, 1984	Feb 3, 1994
TOTAL			6 claims	

The Kam claims have been grouped as follows:

<u>Group Name</u>	<u>Includes Claims</u>	<u>Units</u>
Kam 1 Group	Kam 4, 16, 17, 19, 23, 24	97
Kam 2 Group	Kam 3, 15, 18, 20, 22	87
Jeff Group	Jeff 1-6.	6

Note: Kam 21 claim is not grouped. $\frac{18}{208}$

The claims are shown on British Columbia Department of Mines and Petroleum Resources Mineral Claim Map 92I/15W. Some of the claims do not actually contain the full number of units represented above as a result of overlap; considerable portions of Kam 21, 22 and 23 extend into Kamloops Lake.

KAM AND JEFF PROSPECT

for: EMERALD STAR MINING
EXPLORATION LTD.

by: B. PRICE & C. DITSON

CLAIM MAP

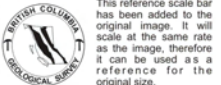
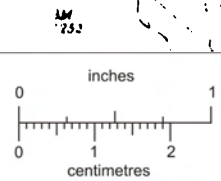
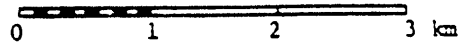
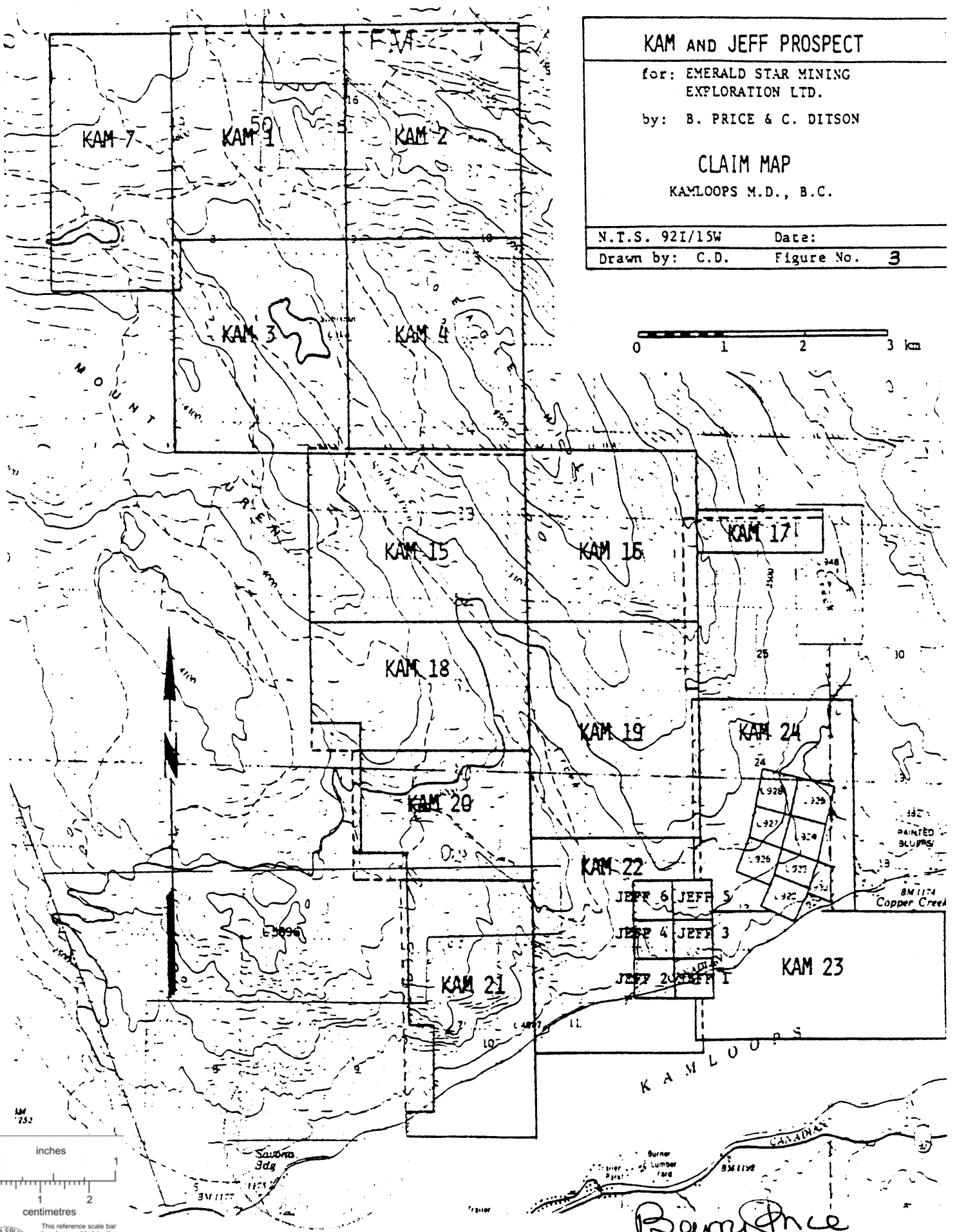
KAMLOOPS M.D., B.C.

N.T.S. 92I/15W

Date:

Drawn by: C.D.

Figure No. 3



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Benny Price

The Jeff claims are located within the Kam 22, 23 and 24 claims. A group of reverted crown grants, the Savona Gold group (Lots 922-930 inclusive), are contained within the Kam 23 and 24 claims, but is not a part of the property, as ownership is held by Wasil Verigin.

The south-facing slopes of the claims bordering on Kamloops Lake are considered grazing land and, as such, are operated by the Indian Garden Ranch, located on Tunkwa Lake Road.

HISTORY

Attention was first drawn to the area between Kamloops and Ashcroft by the discovery of placer gold in Tranquille Creek and Criss Creek in the mid 1800's. Gold was found in the gravels of Criss Creek near its confluence with the Deadman River, within 5 kilometers of the Kam 3 claim. Ministry of Mines reports indicate that Chinese miners obtained a total of 548 grams of gold from a location in Criss Creek only 1 1/2 kilometers from the Kam 7 claim. There is, however, no mention of when this was accomplished. In general, Criss Creek experienced limited and sporadic gold production until the 1940's. Total recorded production from the creek is 51 ounces to 1945.

In 1858, placer gold intermixed with platinum was found in the lower reaches of the Tranquille River, approximately 25 kilometers easterly of Savona, 19 kilometers southeasterly of Copper Creek. These placers were worked for over 30 years, along 8 miles of the creek. Total production is not known because accurate records were not kept until 1976, but an estimate of \$250,000 production

has been made (Barlee, 1972). This, at \$20/ounce would amount to 12,500 ounces. Recorded production from 1876 to 1945 is 2,392 ounces. The gold was coarse and of good quality - nuggets of 1 ounce size were not unusual.

Placer gold is also reported to have been mined from Jamieson Creek, Deadman Creek, and the Thompson River.

One of the early lode gold discoveries in British Columbia, was first staked in 1882, at Stump Lake, located approximately 55 kilometers southeast of the Kam 23 claim, and centrally situated in the same belt of Nicola volcanics, within the Quesnel Trough.

Copper appears to have been the first metal sought in the vicinity of the Kam/Jeff claims. Brewer (1914) indicated that natives had, for a considerable time, known the area to be a source of native copper. It was from this association that Copper Creek, located less than 1 kilometer east of the Kam 24 claim, derived its name. In 1894, G.M. Dawson reports the discovery of copper ore on the Tenderfoot claim, Copper Creek area. In 1899, 728 kilograms of copper are reported to have been mined by the Tenderfoot Copper Mining Company of Kamloops, along with 840 grams of silver and 31 grams of gold, all from 4 tonnes of ore. In 1918, approximately 100 tons of ore are reported to have been shipped from the same property, however, no mention of ore grade was found. There is no further mention of copper exploration in this area until the early 1960's, when porphyry copper exploration was at its peak; this phase of exploration led to major discoveries a short distance from the Sabiston creek area in the Highland Valley (Lornex, Valley Copper, Highmont), and near Kamloops (Afton Mine).

Mercury deposits, many known since the 1890's occur in a belt roughly 12 kilometers wide and 36 kilometers long which trends across the Kam/Jeff claims. Most of these showings are located within a few kilometers of the present Kam/Jeff claims; two are located within the Kam claims, (the Sabiston Flats/ Independence showings and the Jane and possibly part of the Plaza showings. All of the mercury showings have been explored intermittently since the 1890's.

TABLE II

MINE RESERVES AND PRODUCTION
KAMLOOPS AND QUESNEL TROUGH AREAS

<u>DEPOSIT</u>	<u>TONS</u>	<u>CU %</u>	<u>AU (oz/T)</u>	<u>OTHER</u>
VIDETTE P	54,199	0.09%	0.55	0.86 Oz/T Ag
R	12,000	?	0.61	?
AFTON (1976)R	30,840,000	1.0 %	0.017	0.122 Oz/T Ag
STUMP LAKE P	77,605	0.03	0.11	3.26 oz/T Ag 1.42% Pb
CRAIGMONT 1974P	22,565,873	1.50	??	??
1974R	8,599,000	1.84	??	+ Magnetite
BETHLEHEM 1974P	49,200,000			
1974R	51,120,000	0.46		+ MOS2
1979R	67,200,000	0.42		
JA 1979R	286,200,000	0.43		0.017 MOS2
VALLEY CU 1976R	790,000,000	0.48		
LORNEX 1976R	425,000,000	0.412		0.014% MOS2
HIGHMONT 1976R	135,000,000	0.28		+ MOS2
MAGGIE 1979R	200,000,000	0.40% CU EQUIV.		

Canadian Mines Handbook, BCDM Ann Repts.

P = Production, R = Reserves.

Numerous copper deposits are present in the area, most associated with the Iron Mask Batholith, located only 12 kilometers from the Kam 23 claim. Nearly 200,000 tonnes of material, grading about 1.5% copper, was mined from this district between 1891 and 1928. This included several thousand tonnes of magnetite ore. The Afton Mine, prior to opening in 1975, announced proven ore reserves of 30 million tonnes grading 1% copper, 0.58 ppm gold (0.017 oz./ton), and 4.19 ppm silver, (0.122 oz./ton). The mine is continuing exploration, although the smelter operation is closed pending increased copper price.

Lode gold has been mined at Stump Lake and at Swakum Mountain, located about 35 kilometers southeast and south, respectively, from the Kam 23 claim, and gold-silver exploration is presently being aggressively pursued on a number of epithermal prospects situated north of the Kam claims.

Regional geology is shown in Figures 4 and 5, and recent exploration efforts in the area are described below:

RECENT EXPLORATION IN THE AREA:

Considerable exploration has been done in the area from 1968, (During the Afton staking and exploration boom) to the present, when epithermal targets are being evaluated. Several types of deposit in the area, characteristic of the Quesnel Trough. are:

- 1). porphyry style copper-gold deposits (Afton)
- 2) Copper-magnetite-Apatite deposits (Cherry Creek)
- 3). Copper veins, disseminations in volcanics or in Dolomite veins (Tenderfoot)
- 4) Gold-silver in quartz veins. (Precisely, Allies, Stump Lake, Swakum Mtn.)
- 5) Mercury-Arsenic-Antimony (+/- copper, silver) in chalcedonic quartz and ankerite or dolomite. (Kam and Jeff).

Some of the more significant nearby deposits which are currently being explored are briefly described:

VIDETTE MINE

The Vidette Mine, situated northwest of the Kam Claims, on Hamilton Creek, near the head of Deadman Creek, produced 54,199 tons of ore containing 29,869 oz. gold (0.55 oz./ton), 46,573 oz. silver, (0.86 oz./ton) and 96,619 lbs copper, (0.09%). Gold and silver are contained within quartz-filled fissure veins with ribbon structure and graphite partings. Sulphides include shattered pyrite and later chalcopyrite. Wall-rocks are massive to porphyritic augite andesites, cut by feldspar porphyries of granitic to monzonitic composition.

One of the productive Crown Grants is now owned by Consolidated Paymaster Resources Ltd., who drilled 3 holes totalling 1017 meters in 1983. The balance of the property is held by Tugold Resources Ltd. Other claims in the area are owned by Menika Mining Ltd., Lakewood Mines Ltd., Hawkeye Resources Ltd., and others.

Approximately 12,000 tons of potential ore are reported to be left in the old workings.

PRECISELY PROPERTY:

The Precisely property situated at the head of Deadman River, southeast of Vidette Mine and north of the Kam claims, was staked by Minequest Exploration Associates., and has been explored since 1984. The property is now optioned to Inter-Pacific Resources (75%) with the balance held by GoldQuest 1 Limited Partnership.

Boulders of vein quartz occur on the surface with values up to 6.4 oz./ton gold. Drilling started in April 1986 located the vein in bedrock, in hydrothermally altered Nicola volcanic rocks, with hole 6 intersecting 2.8 feet averaging 1.04 oz./ton gold and 0.33 oz/ton silver.

ALLIES PROPERTY:

The Allies property covers old showings of gold-silver values in quartz veins associated with dykes cutting serpentinitized ultramafics of the Nicola Group. The property is being explored by Laramide Resources Ltd., who have explored the ground since 1984.

CAYUSE PROPERTY:

Conpac Resources, formerly Packard Resources Ltd., own this 20 unit claim block, on which stibnite-bearing chalcedonic and carbonate alteration is present. Strong argillic alteration with anomalous mercury, antimony and arsenic soil geochemistry is reported by Dr.G.Medford, Ph.D.,who indicates potential for epithermal gold or silver.

MOW PROPERTY:

The Mow claims, owned by M.Dickens under option to Northair Mines Ltd., who have explored the ground from 1984 onward. Copper showings occur in Nicola volcanics. Listwanite is present, (Silica-Carbonate-Mariposite alteration) and a riebeckite-bearing quartz eye flow. These alteration types are potentially gold-bearing.

REN CLAIMS:

The Ren 1-6 claims were explored by Placer Development Ltd., who found soils anomalous in mercury over the entire property, with gold anomalies in the western part of the block.

The Ren claims encompass the old mercury showings known as the "Davis" showings (Stevenson, 1949)

BORNITE 1-4 CLAIMS:

These claims surround the original Tenderfoot property, Crown Grant Lot 882, from which up to 100 tons of bornite-rich material were mined in 1918. Previously, in 1894, recorded production was 4 tonnes from which 31 grams gold, and 840 grams silver, and 728 kg copper were produced, indicating approximate grades of 0.21 oz/ton gold, 6.15 oz./ton silver, and 18% copper, likely from hand sorted material.

Work has been done on the claims by Kamloops Copper Company in 1962, Falaise Lake Mines Ltd. in 1972,

The property is owned by Mix Resources Ltd., who conducted soil sampling and 458 meters of percussion drilling in 10 holes in 1983 under the supervision of R.J.Englund.

BRUSSELL/SPROUT CLAIMS:

The Brussell and Sprout claims are situated on the south shore of Kamloops Lake, near Brussell Creek. The claims were optioned to Newmont Exploration and Placer Development Ltd. in 1985. A vein type gold occurrence is present on the Sprout claims and replacement zones carry gold on the Brussell claims. (B.C. Mineral Exploration Review, 1985). The properties are currently being explored by a junior company.

ELM CLAIMS, (CRISS CREEK)

The property, owned by J.D.Murphy, has several short adits, and percussion and diamond drilling is reported (A.R.# 12288). Silver, lead, zinc and molybdenum mineralization are reported associated with a granitic stock cutting Cretaceous conglomerate. Cockfields map indicates gold showings at this locality.

MERCURY OCCURRENCES IN THE AREA:SAVONA GOLD GROUP:

The most significant of the mercury occurrences was a group of crown granted claims, the Savona gold group, situated above the Canadian Pacific Railroad's Copper Creek Station. This is the group of reverted crown granted claims situated within the Kam claim block. Between 1895 and 1897, the Cinnabar Mining Company of British Columbia produced 138 flasks (10,557 pounds) of mercury. Monkton (1914) calculated that over 80% of this mercury was produced from ore grading 2.9%. According to Eardley-Wilmot (1926), most of the recovered ore was obtained from one "pocket".

The property then lay dormant until 1925 when an increase in mercury prices led the British Quicksilver Mining Company to reopen the workings. Five flasks of mercury were recovered, however, it was concluded that high-grade cinnabar ore was distributed primarily in small, scattered veins and stringers, necessitating hand picking of ore and rendering it sub-economic. No further production from the property is known.

SABISTON CREEK SHOWINGS:

Previous work done on the Sabiston Flats property, located 3 kilometers west of the Copper Creek Station in the vicinity of the present Jeff claims, consists primarily of 3 adits and several trenches (Blender, 1973). These workings traced dolomitic stringers into bedrock in search of cinnabar with very little success. The best assay recorded is 0.2% mercury. In 1973, a geophysical survey conducted over the Jean 1-16 claims, as the area was then known, recommended geochemical sampling for base metals and mercury. Additional details on the showings are given in a subsequent section.

JANE, PLAZA, ROSE M. SHOWINGS:

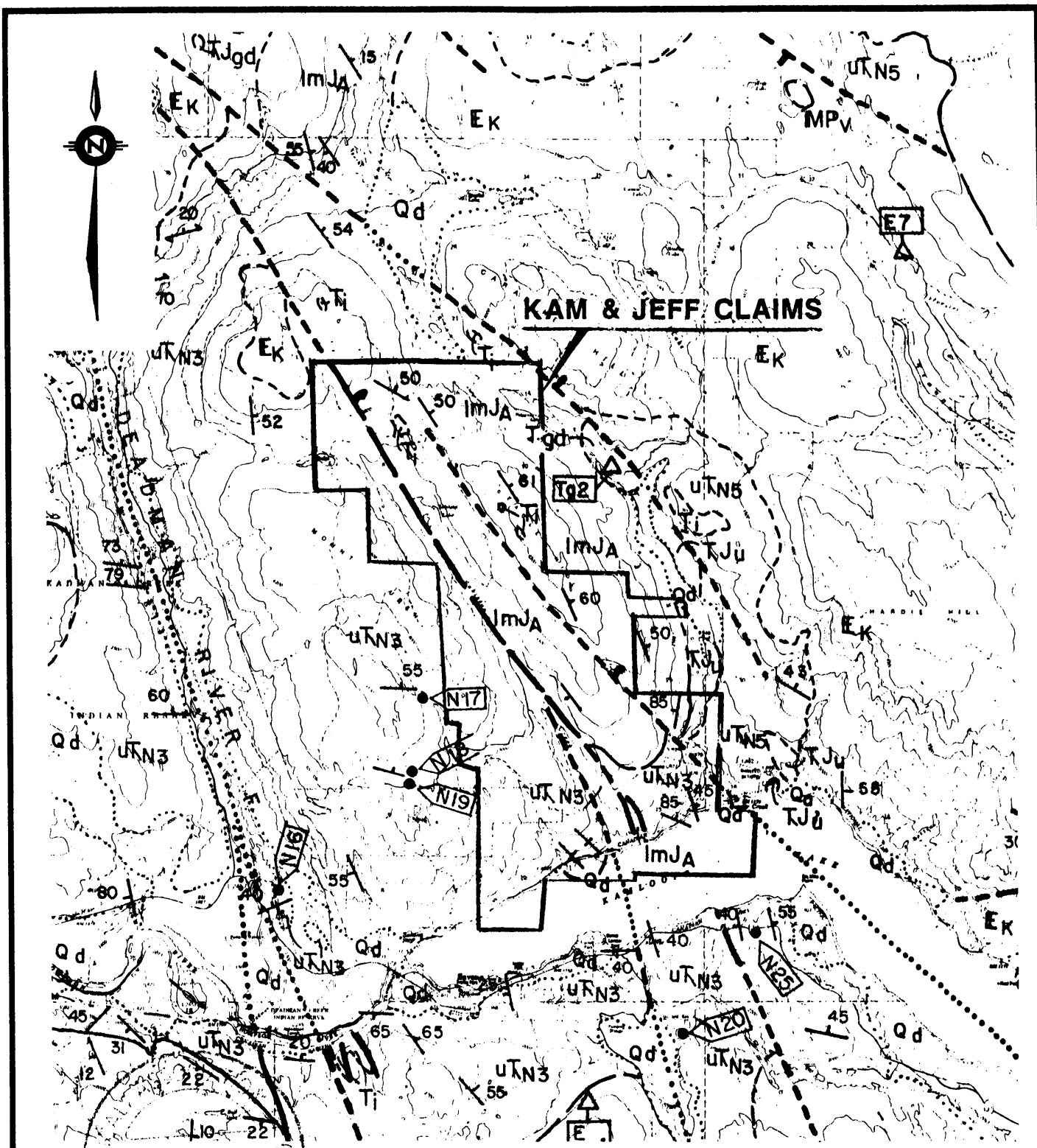
The Jane, Plaza and Rose M. claim groups appear to have spanned portions of the Kam 19, 22, 24 claims, perhaps also portions of Kam 20 and 21. Workings consist of seven known trenches (Cockfield, 1948) exposing dolomite stringers, 3 of which carry thin films of cinnabar.

HARDIE MOUNTAIN MERCURY:

Most recent work on the mercury showings was done by Savanna Creek Oil and Gas Ltd., in 1969 and 1970, (Assessment Reports 1789, 1914, 1989, and 2467).

OTHER MERCURY SHOWINGS:

A great number of additional mercury showings occur the Kamloops Lake area, at Hardie Mountain, Criss Creek, Savona, Tunkwa Lake, Cherry Creek, and Deadman River, as described by Stevenson, (1940), Cockfield, (1948), and Camsell, (1918), and shown on the accompanying map, Figure 6. All are associated with shears and carbonatized zones in Nicola rocks, and many have associated copper, silver, antimony and arsenic mineralization.



EMERALD STAR MINING EXPLORATIONS LTD

KAM & JEFF CLAIMS

KAMLOOPS MINING DIVISION, B.C. NTS: 91-1

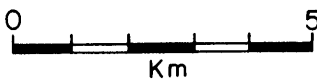
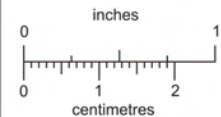
REGIONAL GEOLOGY MAP

(DATA FROM GSC OPEN FILE MAP 980)

BY: B.PRICE, CONSULTING GEOLOGIST

DATE: NOVEMBER, 1987

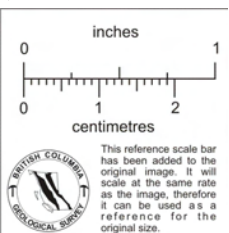
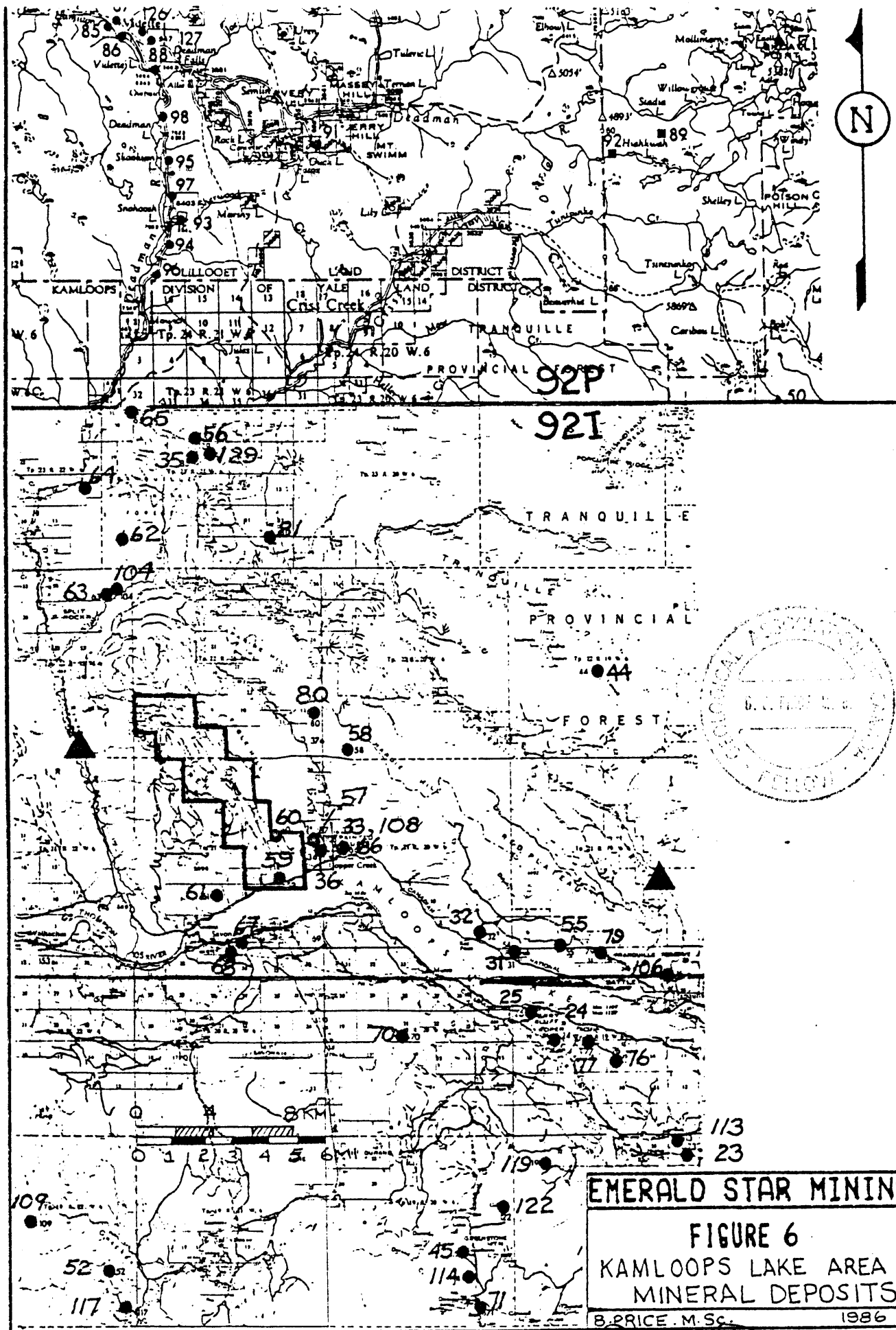
FIGURE: 5



B. Price



This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.



EMERALD STAR MINING
FIGURE 6
KAMLOOPS LAKE AREA
MINERAL DEPOSITS
 B. PRICE, M.Sc. 1986
Barry Price

GEOLOGY OF THE KAM PROPERTY:

In this brief discussion of geology of the property, much of the information is a summary of previous reports by Debicki, (1985), and Manson, (1984).

The Kam property is underlain mainly by Volcanics and sediments of the Nicola Group, (Late Triassic), although the eastern part of the property is underlain by Ashcroft Formation clastic sediments (Early Jurassic). Small stocks of granite to granodiorite of Jurassic or Cretaceous age intrude the Ashcroft Formation, and small patches of Late Tertiary basalts unconformably overlie the older rocks.

The rock units are described in stratigraphic order from the Nicola Group upwards:

NICOLA GROUP:

The Nicola group has been divided into six map units by Debicki as follows:

Unit 1a: ANDESITE; light to dark green, fine to medium grained, and massive to moderately jointed, locally brecciated.

Unit 1b: ANDESITE PORPHYRY; greenish to reddish brown, fine grained to aphanitic, Plagioclase phenocrysts occur as tabular laths less than 8 mm in length. Hematite common in matrix.

Unit 1c: ANDESITE ? LAPILLI TUFF: Green to reddish brown matrix which is medium to coarse grained. Fragments 2 mm to 32 mm. Moderately fractured and locally brecciated.

Unit 1d: ANDESITE AGGLOMERATE: Similar to 1c, but clasts 32 mm to 20 cm. Possibly derived from Unit 1b.

Unit 1e: BASALTIC TO ULTRAMAFIC FLOWS: Dark grey to dark green, massive and medium grained. Plagioclase, Hornblende (after Augite), and Olivine phenocrysts. Picrite phases present, these may be serpentinized.

Unit 1f: ARGILLITE; black to dark brown, fine grained or aphanitic.

ASHCROFT FORMATION: (Unit 2):

The Ashcroft Formation is a multi-colored polymictic conglomerate with lenses of siltstone and sandstone. Clasts are resistant quartzite, chert, or quartz in a sandy matrix. The unit decomposes readily to rubble with loose clasts, often resembling till.

CRETACEOUS (?) INTRUSIONS: (Unit 3):

Granitoid stocks and plugs intrude the Ashcroft Formation, north of Sabiston Lake. The intrusive rocks are white to pink, porphyritic to equigranular, and do not appear to have contact alteration phenomena.

STRUCTURE:

The Nicola Group rocks trend northwesterly and have moderate to steep northeast or southwest dips. Small-scale folds are concordant with the regional strike and dip.

Major northwest-trending faults are common and trend at 332 degrees (slightly oblique to the strike). These are interpreted by Warren as "en echelon" faults related to or extensions of the Pinchi Fault System. The faults follow the major drainages of Deadman Creek, Sabiston Creek and Carabine Creek, and may be normal faults, but offset is unknown. The presence of considerable thickness of Ashcroft clastics on the east side of the property may indicate a "Graben" structure. On a smaller scale, cross faults of limited displacement are likely present.

Tight folding is present in the Ashcroft Formation; there may be an unconformity at the base of the formation.

ALTERATION:

Debicki describes ten alteration zones within the Nicola Group rocks. Two common alteration types are:

Unit 1g: Carbonate-Silica alteration, with buff to yellow weathering carbonate including dolomite, ankerite, and calcite, massive to brecciated, with one or more stages of silica, (chalcedonic), and varying amounts of sericite, kaolinite and pyrite.

Generally more than one stage of alteration is present, and the first (mineralized) stage dolomite, quartz, barite veins may be cut by later-stage unmineralized dolomite, kaolinite, quartz veins and stockworks.

Unit 1h: Argillic alteration; buff to white weathering, may be gossanous. Varies in intensity from pervasive to local alteration of feldspars. Contains weathered pyrite cubes. Confined to one small area on the Jeff Claims. Quartz, dolomite and sericite may be present. Veins of quartz/ilmenite are present.

Several large carbonate-silica alteration zones extend from the shore of Kamloops Lake northward and northwestward, and others occur intermittently along the trend of Sabiston valley throughout the entire claim block, a distance of at least 10 kilometers. Individual alteration zones have been mapped on the south grid, and these are known to be up to 1500 meters in strike length and up to 150 meters wide. Considerably more mapping will be necessary to outline all alteration zones on the property.

MINERALIZATION:

Mineralization recognized on the property early in its history was disseminated cinnabar in the Silica-carbonate and clay alteration zones. No production has come from the "Independence" vein, about 10 cm wide, exposed in a short adit at the south end of Jeff 1 claim, near the lakeshore west of Copper Creek. The

adit has been driven north 40 degrees west on the vein for 18 feet, and thence north for 10 feet to cross-cut the zone, which is about 10 feet wide (Cockfield 1948). The vein is dolomite which contains thin films of cinnabar.

Approximately 1500 feet upstream is another group of workings, where an open cut has been made on a shear zone in the east bank of the dry gulch. Cockfield reports that the zone strikes north 10 degrees east and dips 70 degrees southwest and carries a narrow vein with malachite and azurite stain.

An additional 50 feet upstream on the same gulch, an adit driven 100 feet northeasterly has a 12 foot crosscut 50 feet from the portal and a short crosscut in either direction at the face. Small stringers of dolomite are present, but Cockfield observed no cinnabar at this locality.

Additional showings are thought to exist westerly upslope from Sabiston Lake, where the Rose M claim was staked in 1940. Cinnabar was noted by Cockfield in Volcanics and sediments on the Jane and Plaza claims, (in 1940), on the ridge between Carabine Creek and Sabiston Creek. These showings evidently occurred in rocks of the Ashcroft Formation, and have to be re-discovered by detailed prospecting.

Economic potential of the claims lies not with the mercury mineralization, but with the possibility of additional gold or silver mineralization in epithermal veins or alteration zones.

Canadian Nickel Company Ltd. began exploration for gold on the property in 1982; the next section describes work done from 1982 to the present.

RECENT WORK ON THE KAM PROPERTY:

Recent work on the Sabiston Creek showings has been spurred by the development of new geologic models for epithermal gold-silver deposits in the southwestern United States, and application of this model to exploration for similar deposits in British Columbia and elsewhere in the world.

Exploration personnel from Canico became aware that the numerous hydrothermal mercury occurrences in the area could be a manifestation of zoning in epithermal ("fossil hotspring) gold deposits. Exploration was pursued intensively from 1982 to 1985, as is outlined below:

1982_Exploration: In 1982, heavy mineral sampling, conducted by Canico yielded several anomalous instances of mercury and gold and resulted in staking of the Kam 1-24 claim group. Total expenditures on the claim block in 1982 are not known.

1983_Exploration: In 1983, Canico conducted extensive work over the claims. The Jeff 1-6 claims were staked, and the Kam group was reduced to 15 claims.

Exploration included cutting and flagging in excess of 30 km of grid lines, geological mapping, soil sampling (159 samples), rock sampling (84 samples), heavy mineral concentrate sampling (124 samples), at least 20 km of VLF surveys, altimeter surveys, and 7.6 km of IP and Resistivity geophysics.

The 1983 program involved 225 man days of work under the supervision of E.J. Debicki, F.G.A.C., (District Geologist), and W.O. Manson, B.Sc., (Project Geologist) at a total cost of \$58,954.30.

1984_Exploration: In the 1984 and 1985 field seasons, Canico continued exploration to determine the source of gold and mercury anomalies discovered in 1984.

Work done in 1984 included: line cutting, prospecting, geological mapping, rock and stream sediment sampling, magnetometer, VLF and IP geophysical surveys, and overburden percussion drilling. In all, 146 man days were spent on the property and total cost of the program was \$72,426.50.

1985_Exploration: In 1985, Canico drilled two diamond drill holes totalling 316.5 meters at an estimated cost of \$15,000.

Total expenditures by Canadian Nickel Company from 1982 to the present are at least \$140,000.

SUMMARY_OF_EXPLORATION_RESULTS:

In 1982, reconnaissance stream-sediment and heavy mineral concentrate samples were taken throughout a large area north of Kamloops Lake. Several sample sites contained anomalous mercury and gold. These are clustered in a linear fashion along Sabiston Creek and along the east side of Mt.Uren, and in a smaller cluster 1-2 km north of Sabiston Lake, on the west flank of Eagle Hill. Additional sampling in 1983 and 1984 confirmed these anomalous locations.

A line of soil samples in Sabiston Valley, (Line 7000 S), was concentrated by heavy mineral methods (Gold Wheel Concentrator), in 1983. Nine of sixteen samples treated in this fashion contained from 1,000 to 9,999 ppb. gold, and 2 contained greater than 10,000 ppb gold. Seven of the samples had mercury in excess

of 10,000 ppm. Arsenic values were low, (6-26 ppm). Location of the samples, and their values are shown in Figure 7.

The gold anomaly on Ln 7000S was covered by a small soil-sampling grid, and soil anomalies for gold (20-110 ppb) and mercury (to 4200 ppb) support the heavy mineral results.

Additional work in this area in 1984 involved detailed geological mapping and drilling of a series of 9 percussion drill holes along the access road. (Figure 7). These holes intersected broad carbonate alteration zones with traces of cinnabar. Penetration into bedrock was limited - 5 to 15 meters.

Maximum values in percussion drilling samples were 11 ppb Au; 0.4 ppm Ag; 133 ppm As; 25 ppm Sb; and 50,000 ppb Hg. No explanation was evident for the heavy mineral concentrate values of 70,400 ppb gold and 380,000 ppb Mercury. Gold particles were noted in the till overburden; evidently the gold has been transported from its origin.

Detailed studies of the gold morphology by M.W.Milner, consulting geomorphologist revealed that gold is present only in the upper of two layers of till. Two types of gold particles are present: angular particles and worn and flat particles, which may indicate mixing of gold from two separate sources, near and far. Milner feels that the angular gold is from a bedrock source no more than 1-2 kilometers distant and likely from the vicinity of the Nicola/Ashcroft contact, east of Sabiston Creek.

Most work in 1983 and 1984 concentrated on the south and southwest portions of the grid, revealing numerous areas strongly anomalous in mercury (in silt, soil and rock) This was as expected; many anomalies correspond to known areas with cinnabar in silica-carbonate alteration, but others are in overburden covered areas and require follow-up.

On the east side of the Jeff claims, about 500 meters east of the adits, an area of complex geology includes a strong clay alteration zone in Nicola volcanics, an altered andesite dyke, and a linear, fault-associated zone of steeply dipping Ashcroft conglomerates. Faults of at least two and possibly three ages appear to have offset the conglomerates and dyke. Alteration is associated with very high mercury and arsenic values.

Near the contact of the Nicola volcanics with the Ashcroft Formation conglomerates, several samples are anomalous in gold (to 195 ppb near Sabiston Lake). Arsenic is also elevated in the few samples taken, (to 1,986 ppm).

Some of the more anomalous rock geochemical samples, along with a selection of typical unaltered or weakly altered samples, are given in the table on the following page.

TABLE II

ROCK GEOCHEMICAL SAMPLES
KAM/JEFF CLAIMS - KAMLOOPS M.D.

AREA OF ADITS - JEFF CLAIMS
(Carbonate-Silica alteration)

SAMPLE	LOCATION	AU (ppb)	AS (ppm)	SB (ppm)	HG (ppb)
46086	8365S/600W	5	181	16	19,000
46087	8320S/570W	5	41	39	3,300,000
46090	8320S/570W	5	29	22	64,000
46098	8000S/440W	5	1764	1546	4,500,000
46100	7985S/430W	15	22	5	880,000
38602	7945S/400W	5	46	95	72,000
38623	8000S/440W	15	8903	2	19,000,000
38623	REASSAY	15	1000	650	>5000
38667	8025S/470W	5	3517	4	15000
38668	8345S/100W	5	3160	60	100000
38629	8310S/100W	5	1868	8	7900
38631	8345S/100W	5	1577	18	28000
38642	8445S/60W	5	710	34	5900

ASHCROFT CONGLOMERATE - COPPER CREEK AREA

SAMPLE	LOCATION	AU (ppb)	AS (ppm)	SB (ppm)	HG (ppb)
38647	8225S/045E	5	1986	2 *	11600
38647	REASSAY B.	<5	1000	170	>5000

ASHCROFT CONGLOMERATE - SABISTON LAKE AREA

SAMPLE	LOCATION	AU (ppb)	AS (ppm)	SB (ppm)	HG (ppb)
38673	TRAV 1/90M	155	92	2	220
38673*	RESAMPLE	5	106	4	110
38903	TRAV 1/80M	195	80	2	40

TYPICAL NICOLA VOLCANICS

SAMPLE	LOCATION	AU (ppb)	AS (ppm)	SB (ppm)	HG (ppb)
46054	7530S/545W	5	14	2	200
42299	6500S/085W	5	2	2	420
38595	5250S/800W	5	3	2	5
45467	6315S/1260W	5	12	2	10

1985 DIAMOND DRILLING:

In 1985 two diamond drill-holes were completed by Canico to test one of the mercury showings. Both holes were drilled from the same drillsite, 30 meters above lake level, 20 meters North and 12 meters east of the Location posts for Jeff 1 and 2 claims.

General drill hole data is presented in tabular form below:

TABLE IV

1985 Diamond Drill Hole Data

DRILL HOLE	COORDINATES	ELEV.	AZIMUTH	INCL.	DEPTH
38895	8400S/473W	390	260	-45	91.5 M
			Dip Tests	-41	45. m
				-42	90. m
38896	8400S/475W	390	260	-74	225.0 M
			Dip Tests	-73	45.m
				-75	90.m
				-75	135.m
				-75	180.m
				-75	225.m

The holes cut hematitic altered basalt in the hanging wall and porphyritic green and black basalt in the footwall. The upper hole (38895) intersected two veins, each about 0.5 meters wide, consisting of ankerite, quartz, and fault gouge. Disseminated pyrite and cinnabar is present in the lower vein.

The second and lower hole (38896) intersected three narrow (0.3 meter) quartz-ankerite-hematite veins and a major (1.5 meter) composite, banded vein with brecciated wallrock fragments.

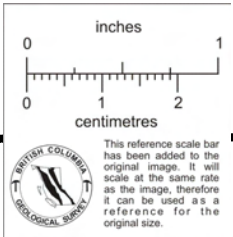
Samples from the upper drill hole contained weakly anomalous gold, (140 ppb in one sample of basalt with one quartz veinlet).
NOTE: Analytical method used for these samples was ICP; this method is considered unreliable for certain elements such as Antimony and Barium, for which dissolution is incomplete. Considering the importance of these elements in epithermal systems, more accurate analytical methods are recommended for the future.

A sketch of the drilling is presented in Figure 8 .

GEOPHYSICAL SURVEYS:

VLF-EM (Radem) surveys done in 1983 on 1000 meter and 500 meter line spacing "indicate several, probably discontinuous zones of weak conductivity and a single zone of medium conductivity at 7000S/1350W . With the wide line spacing and station spacing (50 meters = 164 ft), strong topographic effects, and lack of orientation studies, little can be concluded except that conductors may correlate with clay alteration or gouge-filled faults. Closer spacing in 1984 surveys gave some conductors that can be traced from line to line.

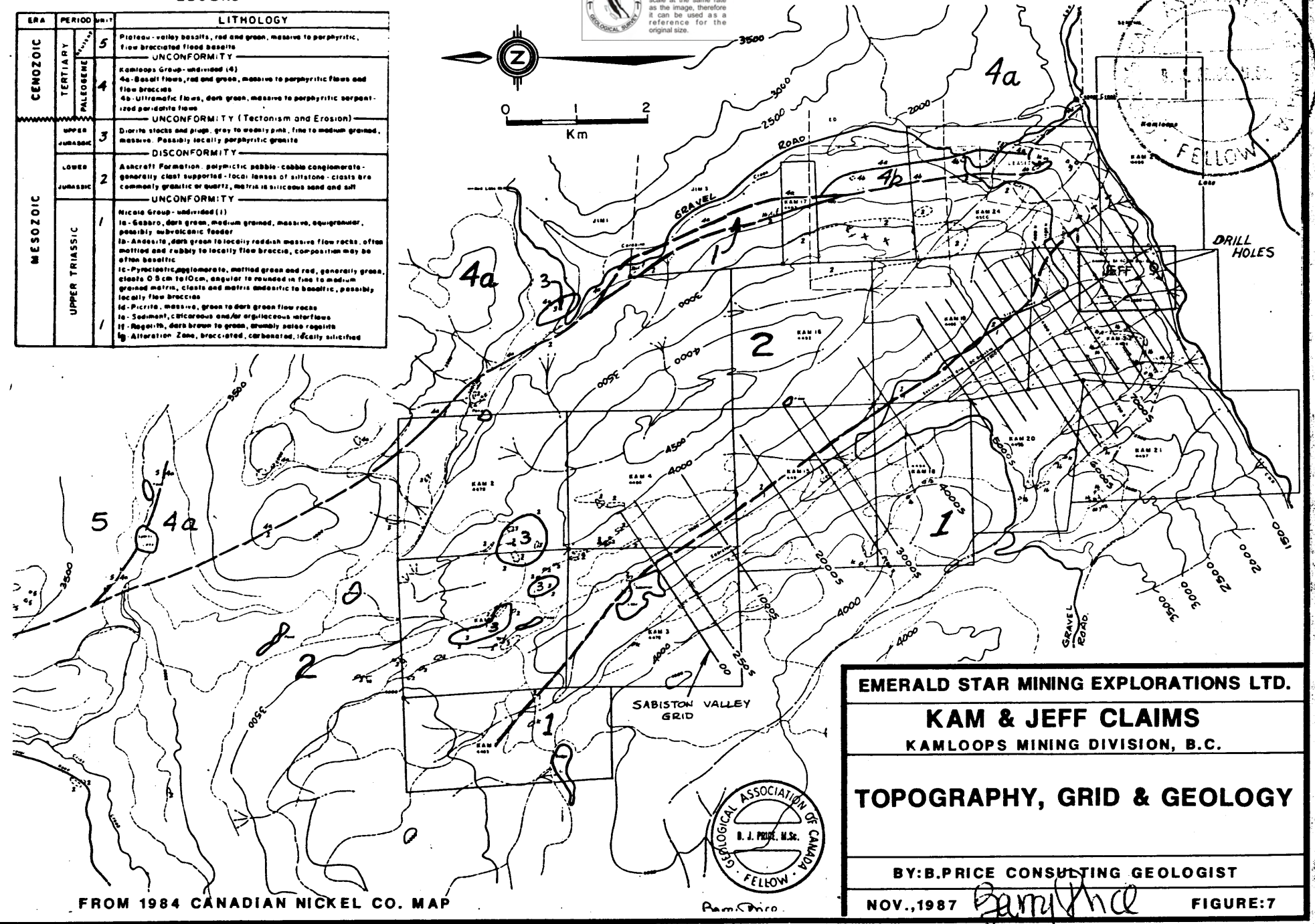
Magnetometer surveys done in 1984 show "a large number of very small-amplitude anomalies. Stronger, broader anomalies correspond



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LEGEND

ERA	PERIOD	UNIT	LITHOLOGY
CENOZOIC	TERTIARY	5	Plateau - valley basalt, red and green, massive to porphyritic, flow brecciated flood basalt UNCONFORMITY
		4	Kamloops Group - undivided (4) 4a - Basalt flows, red and green, massive to porphyritic flows and flow breccias 4b - Ultramafic flows, dark green, massive to porphyritic serpentinized peridotite flows UNCONFORMITY (Tectonism and Erosion)
	UPPER JURASSIC	3	Diorite stocks and plugs, gray to weakly pink, fine to medium grained, massive. Possibly locally porphyritic granite DISCONFORMITY
		2	Ascroft Formation - polymictic pebble - cobble conglomerate - generally clast supported - local lenses of siltstone - clasts are commonly granitic or quartz, matrix is siliceous sand and silt UNCONFORMITY
	UPPER TRIASSIC	1	Nicola Group - undivided (1) 1a - Gabbro, dark green, medium grained, massive, equigranular, possibly subvolcanic feeder 1b - Andesite, dark green to locally reddish massive flow rocks, often mottled and rabby to locally flow breccia, composition may be often basaltic 1c - Pyroclastic agglomerate, mottled green and red, generally green, clasts 0.5 cm to 10 cm, angular to rounded in fine to medium grained matrix, clasts and matrix andesitic to basaltic, possibly locally flow breccia 1d - Picrite, massive, green to dark green flow rocks 1e - Sediment, calcareous and/or argillaceous interflows 1f - Regolith, dark brown to green, crumbly, siliceous regolith 1g - Alteration Zone, brecciated, carbonated, locally silicified



EMERALD STAR MINING EXPLORATIONS LTD.
KAM & JEFF CLAIMS
 KAMLOOPS MINING DIVISION, B.C.

TOPOGRAPHY, GRID & GEOLOGY

BY: B. PRICE CONSULTING GEOLOGIST

NOV., 1987

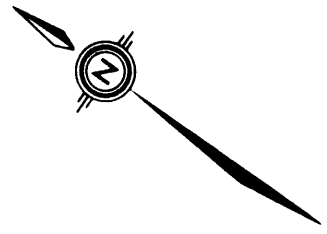
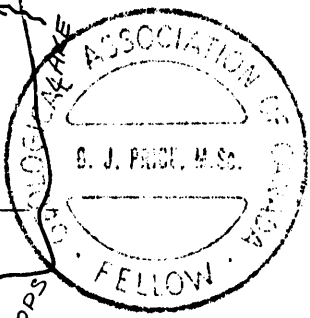
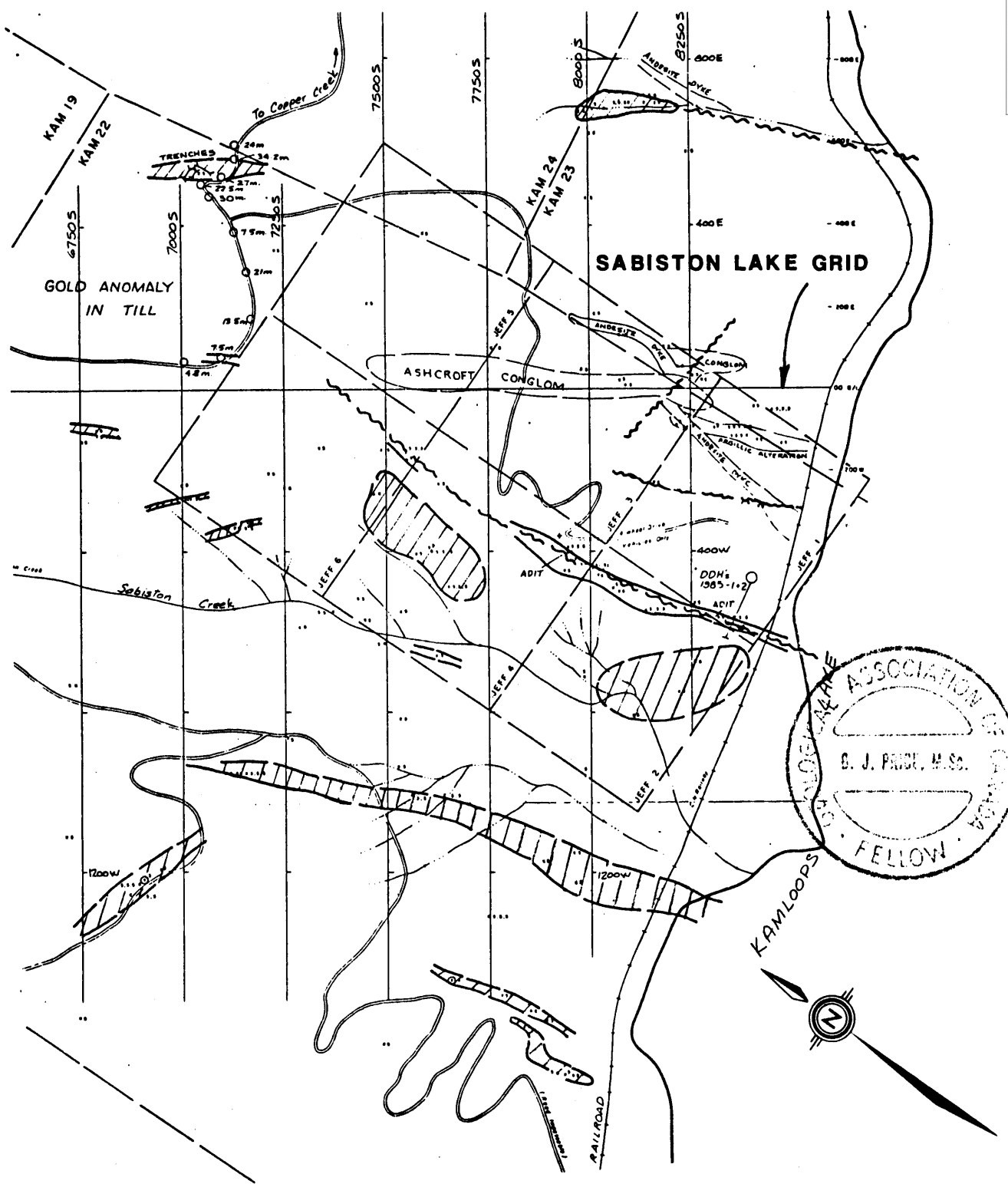
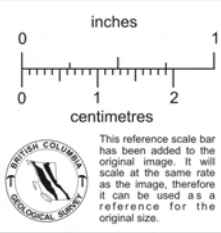
B. Price

FIGURE: 7

FROM 1984 CANADIAN NICKEL CO. MAP



B. Price



SILICA-CARBONATE ALTERATION



Benny Price

FROM 1984 CANADIAN NICKEL CO. MAP

EMERALD STAR MINING EXPLORATIONS LTD.	
KAM & JEFF CLAIMS	
KAMLOOPS MINING DIVISION, B.C. NTS: 91 1	
PERCUSSION AND DIAMOND DRILLING GRID AND ALTERATION ZONES	
BY: B.PRICE, CONSULTING GEOLOGIST	
DATE: NOVEMBER, 1987	FIGURE: 8

260°

SAMPLES 46086 Gully
46087-91 Adit Dump. (Cinnabar + Tetrahedrite).

84005/473 W

Adit

	As	Sb	Hg	Au
# 46086	181 ppm	16 ppm	19,000 ppb	5 ppb
# 46087 (vein in adit)	41 ppm	39 ppm	3.3 ppm	5 ppb

- LAKE LEVEL

DDH 85-1. (38895) 260°/-42°
91.5m.

Vein 0.55m
w. Cinnabar.

3.5 ppm Hg, 140 ppb Au.

Vein 0.50m.

Vein 1cm. Au - 5ppb, Hg - 100ppm.

hematite
altn.

- 50m

RED-BROWN BASALT BX

- 100m

Porphyritic Dyke.

Vein 0.30m

quartz-eye Dyke

GRAY GREEN BASALT BX

0.30m vein

1.5m vein

0 10 20m

- 200m

0.30m vein + alteration.

FIGURE 9

DDH 85-2 (38896).
225m. 260°/-75°

EMERALD STAR MINING

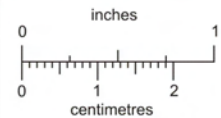
DRILL SECTION

KAM/JEFF CLAIMS

COPPER CREEK, KAMLOOPS M.D.

Barry Price

- 250m



This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.

to basalt or ultramafic units. Without orientation surveys, the magnetometer appears to have little merit on the property.

Induced polarization surveys in 1983 and 1984 revealed weak chargeabilities correlated on some lines with weak resistivity anomalies, which may correlate with clay alteration in zones which have elevated mercury values. Although resistivity surveys have proven useful in many epithermal deposits, insufficient data and lack of data from wider arrays limits the interpretation of data from the Kam property.

Geophysical surveys may prove useful on the property; orientation surveys over the known alteration zones would be worthwhile. Resistivity surveys using EM-16R or dipole-dipole arrays would be likely the most useful tool for finding clay alteration zones with which siliceous zones with gold potential are generally associated.

DISCUSSION:

The drilling done to date has tested only a small vertical extent, and negligible lateral extent of only one alteration zone.

Because of the large size of the claim block, and great continuity of the vein-faults, the drilling cannot be said to have written off the gold potential of the property. Without surface trenching on the vein-faults and alteration zones, drilling at this stage was premature for property evaluation, however, it did contribute to geological knowledge of the property. Examination of the previous geochemical analyses (ICP) reveals that results have been inconsistent and probably unreliable for Antimony and

Barium, (two elements in the "epithermal suite". Gold analyses (Atomic Absorption) had a limit of detection of 5 ppb, casting some doubt on the accuracy of analyses in the 10-20 ppb range. On consultation with a geochemist, other methods, such as neutron activation should be considered, and for rock assays, methods which use large splits, and examination of coarse fractions for metallics has proven worthwhile on other epithermal precious metals properties. For future geochemical programs, the bulk of the elements analyzed by ICP are superfluous, and reduction of the number of elements to Au, Ag, As, Sb, Cu, Ba, and possibly Mo and Pb, will simplify understanding of the data.

One or more major deep faults are suspected or mapped in the Ashcroft conglomerates (Figure 5). As the mercury showings are not confined to the Nicola volcanics, but also occur within the Ashcroft sediments (Cockfield, 1948), the large area of Eagle Hill, which has not been prospected, must be considered a target, to be explored by soil and rock geochemical sampling. If one were looking for an epithermal "McLaughlin" type mercury-gold deposit, the graben area might be an obvious target. Detailed exploration around the intrusive rocks on the property may reveal more conventional "Porphyry"-related mineralization.

Zonation of elements, with mercury at the top of the hydrothermal system, might be present in this area, but the great lateral and vertical distances (along the major faults), along which mercury, arsenic and antimony occur, does not provide

encouragement for rapid zonation along strike or at depth. Careful prospecting and channel sampling of the existing veins may reveal areas along the structures that have concentrations of gold. In addition, other structures or alteration zones may be found in areas that have not yet been prospected. Zones of concentrated chalcedonic veining or breccia infilling are considered favorable. Large clay alteration zones should be prospected thoroughly, and green, chrome or vanadium-rich micas in silica, carbonate alteration, as yet undiscovered on the property would also be a favorable indicator.

The presence of gold-silver mineralization associated with copper, lead and zinc and tungsten in broad shear zones in Nicola volcanics at Stump Lake and at Swakum mountain may indicate that mercury at high levels with tetrahedrite, and possibly stibnite, may zone at depth to gold-silver and base-metal assemblages. Alternatively, zonation may be to copper-gold porphyries, such as are present in the Nicola elsewhere. (Mercury showings occur above copper-gold-molybdenum at the Beekeeper property in the Horsefly area.

Large areas on the western side of this large property remain virtually unexplored. Considering the presence of mercury showings and favorable gold geochemistry nearby on the Ren claims, northwesterly-trending linear stream valleys which may represent additional fault traces, that can be prospected for veins or alteration zones.

CONCLUSIONS:

The writer concludes that the Kam/Jeff property represents a worthwhile prospect, for the following reasons:

1). The property is large (266 units); exploration has concentrated on the southern portion of the claim block. Large areas with favorable rock types have yet to be prospected or sampled geochemically.

2) Additional showings present on Eagle Hill have yet to be investigated.

3). Geochemical anomalies at the contact between Nicola volcanics and Ashcroft conglomerates have yet to be followed up.

4). Rough gold grains are present in soil and till, and the source, according to M. Milner, consulting geologist and geomorphologist, is believed to be within 1-2 kilometers. Percussion drilling, confined to two fences of holes along the roads, did not locate the source of gold.

5). Intrusive rocks are present in the Sabiston Lake area, with associated rock geochemical anomalies for arsenic and gold in rock. The intrusions, younger than the Ashcroft conglomerates, if not a source of gold, may have provided a heat source for the circulation of hydrothermal solutions.

6). Strong regional faults, with associated hydrothermal alteration, veining and mineralization, cross the entire property as part of a belt extending from Criss Creek, from which placer gold has been produced, to Tunkwa Lake, where exploration for precious metals is being pursued.

7) Element suites in the mineralized areas (Hg, Sb, As, Cu, Ag.) are suggestive of epithermal mineralization of probable Tertiary age. Precious metal deposits a short distance to the north (Vidette) have been mined, and epithermal prospects in the same area are currently being explored.

8). The Kamloops Lake area has no infrastructure problems; supplies and services are within 1 hour driving time; secondary roads allow access to all parts of the property; and exploration can be done most of the year.

RECOMMENDATIONS:

It is recommended that additional exploration be done on the property to determine the source of abundant angular gold grains in the till. The program should include a prospecting examination of the whole property, concurrent with geological mapping, soil and rock sampling. Additional heavy mineral sampling is suggested.

Detailed soil-sampling and back-hoe trenching should be done in the vicinity of the heavy mineral anomalies. Rock exposures on the west side of Sabiston Valley, on Eagle Hill, in Carabine Creek valley, and north of Sabiston Lake should be prospected thoroughly. No systematic soil survey has been done on the property. Orientation should be done over the more important showings, then soil sampling on a reconnaissance basis initiated on the grid. Augering soils may help alleviate problems with barren till.

Grid extensions should be cut westward from the existing baseline to provide continuity of mapping. Orientation of VLF-EM or Resistivity surveys on the known vein zones can be done quickly and will be effective in comprehension of previous geophysical results.

Anomalous areas may be followed up with backhoe trenching and detailed channel or panel sampling. The use of a "CutQuik" diamond saw will facilitate sampling, and a chisel-point plugger drill is invaluable in rapid sample collection.

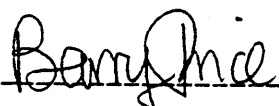
Percussion drilling of major anomalies, using angle holes (45 -60 degrees) up to 250 feet deep is recommended for targets with corresponding mercury +/- arsenic +/- antimony +/- gold targets.

Diamond drilling should be done to test depth potential of those zones which show potential from surface exploration and percussion drilling. Under the joint venture agreement with Canadian Nickel Company Ltd., Emerald Star Mining Exploration Ltd. must commence a program of drilling in 1987 to retain their interest in the property.

A suggested exploration budget for the initial phases of exploration of the property is presented on the following page. It may be worthwhile to seek a joint-venture partner for the project.

Subsequent stages will be recommended if results of stage I are considered favorable.

respectfully submitted



Barry J. Price, M.Sc.

Consulting Geologist.

November 1, 1986.



SUGGESTED EXPLORATION BUDGET:
KAM-JEFF CLAIMS, KAMLOOPS M.D.

STAGE 1: (APRIL-JUNE 1987)

Purchase of Air Photos,	\$100.00
Preparation of base maps, Drafting, Reproduction	\$1,500.00
Geological mapping, 1 man x 30 days x \$250/day	7,500.00
Grid preparation 4 men x 15 days x \$125/day	7,500.00
Soil sampling, 4 men x 15 days x \$125/day	7,500.00
VLF-EM 1 man x 15 days x \$200/day	3,000.00
Trenching, (Backhoe) 10 days x \$500/day	5,000.00
Rock sampling, 200 x \$ 15/ea	3,000.00
Geochemical analyses, 2,000 x \$12.50 ea	25,000.00
Vehicle rental, 2 x \$75/day x 30 days	4,500.00
Camp rental, 1 month	\$1,000.00
Food, supplies etc. 150 man days x \$30/day	4,500.00
	=====
Subtotal	\$70,350.00

STAGE 1B: PERCUSSION DRILLING: (JULY 1987)

Percussion drilling: 1000 m @ \$23/m	\$23,000.00
Sample analysis 700 @ \$7.50	5,250.00
Assay follow-up 200 @ \$18.50	3,700.00
Geologist and helper \$375 x 15 days	5,625.00
Camp, food, etc. 60 man days	3,000.00
Vehicle rentals 15 days x \$75/day	1,125.00
	=====
Subtotal	41,700.00

STAGE 1C: DIAMOND DRILLING: (SEPTEMBER, 1987)

BQ Diamond drilling, 500 meters @ \$96/meter. (All inclusive)	48,000.00
Geological supervision, 15 days @\$250/day	3,750.00
Summary reports, drafting etc	5,000.00
	=====
Subtotal	56,750.00
	=====

TOTAL OF ABOVE

168,800.00

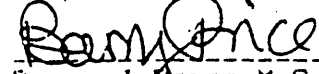
FILING WORK ON ABOVE

8,440.00

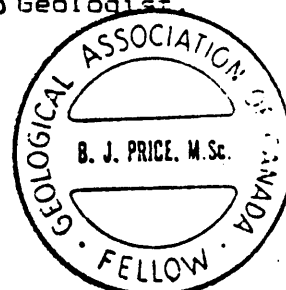
TOTAL BUDGETED COST OF PHASE 1A-1C

177,240.00

respectfully submitted.



Barry J. Price, M. Sc., FGAC.
Consulting Geologist



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APPENDIX I
CERTIFICATES

CERTIFICATE OF BARRY J. PRICE, M.Sc.

I, Barry J. Price, with business address at 3447 W.7th Avenue, Vancouver, B.C. do hereby certify that:

1) I am a Consulting Geologist registered with the Geological Association of Canada as a Fellow and I am entitled to use their seal, which has been affixed to this report. I am a member of the Canadian Institute of Mining, the Society of Exploration Geologists, and several other professional organizations.

2) I hold a B.Sc. (Honors) Degree in Geology (1965) and a M.Sc. in Geology (1972), both from the University of British Columbia., Vancouver, B.C.

3) I have practised my profession as a geologist continuously since 1965, having worked in Canada, The United States of America, Mexico, and the Republic of the Phillipines, for a number of large and small companies and consulting firms, including Manex Mining Ltd., J.R.Woodcock and Associates, Archer Cathro and Associates and P.A.Christopher and Associates.

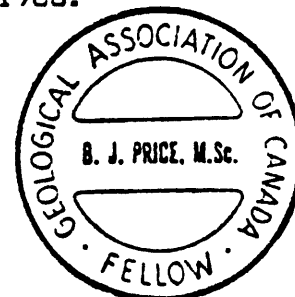
4) I have based this report on available geological data on the property and adjacent properties and mineral deposits, and on my personal knowledge of the property and the area, accumulated since 1971. In September 1986 I briefly inspected the property.

5) I have no interest in the claims described in the report nor in the securities of Emerald Star Mining Explorations Ltd., and will receive only normal consulting fees for the preparation of this report.

7) I consent to the use of this report by Emerald Star Mining Explorations Ltd. for whatever purposes they deem necessary.

Barry Price

Barry James Price, M.Sc.
Consulting Geologist.
November 1, 1986.

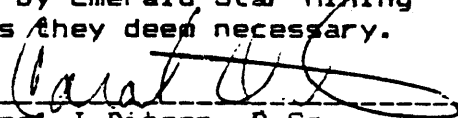


APPENDIX 1

CERTIFICATE
CAROL I. DITSON, B.Sc.

I, Carol Isobel Ditson, of 202, 1910 West Sixth Avenue, Vancouver, B.C., do hereby certify that:

- 1) I hold a B.Sc. (1985) degree in Geology from the University of British Columbia.
- 2) I have been actively involved in mineral exploration in British Columbia since 1979.
- 3) I have no direct or indirect interest in the property or securities of Emerald Star Mining Explorations Ltd., nor do I expect to receive any.
- 4) I have based this report on a review of available geologic data and information obtained from a property investigation conducted by co-author B.J.Price, M.Sc.
- 5) I consent to the use of this report by Emerald Star Mining Explorations Ltd. for whatever purposes they deem necessary.



Carol I Ditson, B.Sc.
November 1, 1986

LETTER OF RELEASE

3447 W.7th. Avenue,
Vancouver, B.C.,
V6R 1W2
November 1, 1986

EMERALD STAR MINING EXPLORATIONS LTD.
Ste.106 - 525 Seymour Street,
Vancouver, B.C.,
V6B 3H9

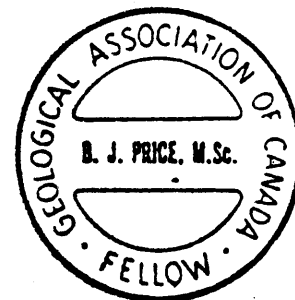
Dear Sir or Madam,

I, Barry James Price, M.Sc., F.G.A.C. hereby consent to the use of my report on the Kam and Jeff claims in the vicinity of Copper Creek on Kamloops Lake, Kamloops Mining Division, dated November 1, 1986 in any Filing Statement, Statement of Material Facts, or Prospectus to be issued by your company.

Dated at Vancouver, B.C. this 1st day of November, 1986.

Barry Price

Barry James Price, M.Sc., F.G.A.C.
Consulting Geologist



LETTER OF RELEASE

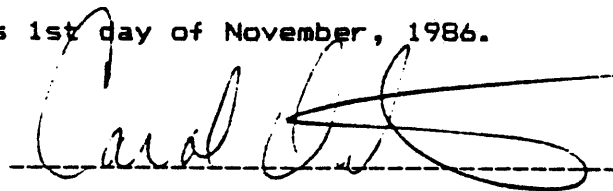
3447 W.7th. Avenue,
Vancouver, B.C.,
V6R 1W2
November 1, 1986

EMERALD STAR MINING EXPLORATIONS LTD.,
Ste.106 - 525 Seymour Street,
Vancouver, B.C.,
V6B 3H9

Dear Sir or Madam,

I, Carol I Ditson, B.Sc. hereby consent to the use of my report on the Kam and Jeff claims in the vicinity of Copper Creek on Kamloops Lake, Kamloops Mining Division, dated November 1, 1986 in any Filing Statement, Statement of Material Facts, or Prospectus to be issued by your company.

Dated at Vancouver, B.C. this 1st day of November, 1986.

A handwritten signature in cursive script, appearing to read "Carol I. Ditson", is written over a horizontal dashed line.

Carol I. Ditson, B.Sc.
Consulting Geologist

APPENDIX II
Economics of Mercury Deposits

The main ore-mineral of mercury deposits is Cinnabar, red mercuric sulphide, HgS , which contains about 86 % by weight of mercury. Less commonly, mercury occurs as Metacinnabar, a black mercuric sulphide with the same composition. Native mercury may be present in some deposits. Rarely, mercury is present in Calomel, (Hg_2Cl_2), or oxychlorides Terlinguaite, or Eglestonite; selenide Tiemannite ($HgSe$); mercury-antimony sulphide - Livingstonite, ($HgS \cdot 2Sb_2S_3$); or mercurian Tetrahedrite, a copper antimony sulphide.

Mercury is sold in flasks of 76 pounds capacity. Major producers are U.S.S.R., Spain, Algeria and U.S.A. who account for 78% of total mine production (1985). Total production in 1985 was 188,400 flasks. World reserves at that time were estimated at 17 million flasks. World demand and prices decreased 15% in 1985; U.S. consumption was 49,000 flasks.

Current (Apr. 1986) price was \$260-275 U.S. per flask. This gives a price of approximately \$360-380 (Canadian) per flask, or \$4.75-5.00 per pound of mercury.

The McDermitt Mercury mine in northern Nevada and adjacent Oregon, is currently the only operating mercury mine in North America, with yearly production of 15,000 flasks projected in 1986 and about 5 years reserves of 1,200,000 tons with grade 6.17 lbs per ton, (0.31%)

The only recently productive mine in British Columbia was the Pinchi Lake mercury mine owned by Cominco Ltd., where production ceased in 1976. Initial production during the war years was as high as 1,200 tons per day, and from 1940-44 approximately 4,000,000 pounds of mercury (52,600 flasks) were produced from ore estimated to grade 0.50 to 0.75 percent mercury. (GSC Memoir 252, p. 167). Larger orebodies at Pinchi Lake were probably in excess of 100,000 tons with grades of 5 to 15 lbs per ton (0.25% to 0.75%).

Reserves at Pinchi Lake are reported to be 1,200,000 tons with 6.4 lbs/ton (1975), equivalent to 98,000 flasks. (MIR Bull. 198)

EMPIRE MERCURY:

The property, situated northeast of Goldbridge, B.C., and explored in 1976 by Sovereign Metals Corp., reserves are quoted at 700,000 tons with 1.1 lb/ton mercury, (CMJ, Nov 1969, p.11), too low grade at present mercury prices.

SILVERQUICK:

The Silverquick Mine, situated in the same general area as the Empire Mine, is reported to have proven 390,000 tons averaging 2 lb/ton mercury, (Northern Miner, 25/09/69).

LEGEND FOR FIGURE 6Bonaparte Mapsheet 92P

MAP NO.	DEPOSIT	COMMODITIES
50	AJS (Rave)	Mo, Cu
85	Hamilton Creek	Au, Ag, Cu
86	Vidette	Au, Ag, Cu
87	Savona Gold (Last Chance)	Au, Ag
88	Shelly (Missing Link)	Cu
89	Telluric (Curtis)	Au
91	Bull Moose	Ag, Au
92	Moon	Ag, Au
93	Sherwood	Volcanic Ash
94	Snohoosh Lk A	Volcanic Ash
95	Skookum Lk. c	Volcanic Ash
96	Deadman River	Diatomite
97	North Snohoosh Lk	Diatomite
127	Vid 27	Au, Ag, Cu
<u>Ashcroft Mapsheet 92 I</u>		
23	Afton, Pothook	Cu, Au
24	Copper King	Cu, Au, Ag
25	Glen Iron	Fe, P
31	Hilltop	Cu
32	Maxine, North Star, OK	Cu, Ag
33	Tenderfoot	Cu, Ag.
35	Ches, Mersey?	Pb, Zn, Mo, Ag, Cu
36	Copper Creek, Yellowjacket	Hg
55	KL	Cu
56	Bo, Crik, Alf, Diamond	Cu, Pb, Zn, Mo, Ag.
57	Copper Creek North	Hg
58	Lee, Hardie Hill	Hg
59	Sabiston Flats, Independent	Hg
60	Jane, Plaza, Rose M	Hg
61	Davis, S+T, Ren	Hg, Cu, Ag
62	Last Chance	Hg, Ag, Cu
63	Criss Creek, Mac	Hg, Sb, Cu, Ag
64	Brosseau	Hg
65	Hurdy	Hg
70	Hansen	Hg
71	TC-Spur, DRG	Mo, Cu
76	Lake 2	Sodium Sulphate
77	Lake 1	Sodium Sulphate
80	Carabine Creek	Gypsum
81	Red Lake	Diatomite
104	Criss Creek	Placer Au
106	Tranquille R	Placer Au
109	JO, MM	Cu
113	Afton Dominion	Cu
114	Bruce	Cu
117	Pod	Cu
119	Led 74	Cu
129	Art, Colin, Pat	Mo, Au, Ag, Pb, Zn
122	Led 31	Cu, Mo

SUMMARY LETTER REPORT - 1987 WORK PROGRAM

KAM AND JEFF PROSPECT

(Kam 3,4,15-24 and Jeff 1-6 Mineral Claims)

Sabiston Creek, Kamloops Mining Division.

EMERALD STAR MINING EXPLORATION LTD.

SUITE 106 - 525 SEYMOUR STREET, VANCOUVER, B.C.

V6B 3H9 689-2746

by:

BARRY J. PRICE, M.SC., F.G.A.C.

Consulting Geologist

3347 West 7th. Avenue

Vancouver, B.C.

V6R 1W2 733-6902

NOVEMBER 25, 1987

Barry Price



3447 West 7th Ave.,

Vancouver, B.C.,

November 25, 1987

EMERALD STAR MINING EXPLORATION LTD.

SUITE 106 - 525 SEYMOUR STREET,

VANCOUVER, B.C.

LETTER SUMMARY REPORT - 1987 EXPLORATION PROGRAM:

INTRODUCTION:

The Kam property, situated on Sabiston Creek, on the north shore of Kamloops Lake includes the Kam claims, 12 claims totalling 202 units and the Jeff claims, 6 two-post claims, included within the Kam claim block. The claims are owned by Canadian Nickel Company Ltd, and Emerald Star Mining Explorations Ltd. may earn a 50 % interest in the claims by making certain exploration expenditures, beyond which the claims will be explored under a joint-venture agreement.

HISTORY:

Around the turn of the century, the property was explored for mercury; numerous mercury prospects occur in a belt extending northwestward from Tunkwa Lake, south of Savona B.C. to Criss Creek, north of the Kam property. Placer gold was produced from Criss Creek and Deadman River, north and west of the Kam property, and Tranquille Creek to the east.

GEOLOGY:

The property is situated in a northwesterly-trending feature known as the Quesnel Trough, filled mainly with mafic to ultramafic Nicola Group volcanics, of late Triassic age, and characterized by gold deposits on the margins and copper-gold porphyry deposits within the central part. Numerous mercury deposits in the Kamloops lake area are associated with north-west trending faults such as the Sabiston Fault, thought to be an extension or a splay of the Pinchi Fault, which hosted British Columbias most productive mercury deposit farther north near Fort St. James.

1982-1985 EXPLORATION (CANICO):

On the Kam property, Canadian Nickel Company has expended at least \$140,000 from 1982 to 1985 in the search for epithermal precious metal deposits associated with the extensive silica - carbonate alteration zones along major faults. Angular gold particles occur in till on the property, and are believed to have originated within 2 km. Percussion drilling and two diamond drill holes have not defined the source of the gold.

A total of 1132 soil and rock samples (1109 soils and 23 rocks), were taken by the writer, Geologists Carol I Ditson, B.Sc., Les Demczuk, (M.Sc.Equiv.) and sampler P.Boldon, between May 23 and June 10, 1987. The samples were taken along an extensive road system and on four separate small reconnaissance style grids. Samples were analysed for 30 elements by Vangeochem Labs Ltd., using ICP analytical method. Results for copper, silver, arsenic, antimony, mercury and gold are shown on a series of maps which accompany the August 23 assessment report.

On the road systems, soil samples taken at 50 meter intervals indicate large areas of moderately anomalous copper (100-200 ppm), with smaller areas where silver is weakly anomalous. These areas do not coincide. Weak arsenic and antimony anomalies are, however coincident.

Four geochemical grids all have large diffuse soil anomalies with moderate to high mercury. The anomalies coincide with silica carbonate altered serpentized ultramafics along northwest fault zones. Copper anomalies of lesser extent and magnitude have scattered weakly to moderately anomalous arsenic. Gold values on the grids vary from 0 to 30 ppb. Values from 20-30 ppb are considered weakly anomalous. The most coherent gold-mercury anomalies occur along a linear zone following the baselines in the two grids in the central map area, on trend from the zone drilled by Canico.

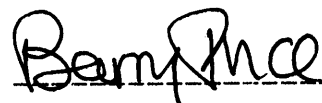
Of the Phase I budget recommended in the November 1986 report, which amounted to \$70,350.00, a total of \$31,896.35 was expended

in field costs and costs of the assessment report and maps.

A summary of expenditures to date accompanies this report.

The results from the partial completion of Phase 1 confirm the linear mercury-arsenic-antimony-gold anomaly and do not materially change the recommendations made in the 1986 qualifying report. It is recommended that the balance of Phase 1 funds be spent as outlined in the original budget.

respectfully submitted



Barry Price, M.Sc.

Consulting Geologist.

November 25, 1987.



1987 EXPLORATION EXPENDITURES
Emerald Star Mining Explorations Ltd.
Kam and Jeff Claims

<u>Consulting Fees:</u> B.Price, M.Sc.	
Field work: May 20-24, 5 days @ 350/day	\$1,750.00
Report Preparation, Administration etc, 5 days	\$1,750.00
Management Fee	1,031.25
Office work	\$ 700.00
	=====
Subtotal	\$5,231.25
<u>Geology, Grid work, sampling:</u>	
L.Demczuk, Geologist, 15 days @ \$225/day	3,375.00
C.Ditson, Geologist, 14 days @ \$150/day	2,100.00
P.Bolden, Sampler, 14 days @ \$100/day	1,400.00
	=====
Subtotal	\$6,875.00
<u>Disbursements:</u>	
Air Photos (H.Hamilton)	95.86
Vehicle Rentals:	1,190.00
Rentals, food, accommodation etc:	2,098.45
Geochemical analyses:	14,029.35
Drafting:	1,517.46
Reproduction:	349.61
Service Charge on Disbursements:	459.37
Word Processing:	50.00
	=====
Subtotal	\$19,790.10
TOTAL EXPENDITURES Phase I	\$31,896.35
Budgeted Amount; Phase 1	70,350.00
	=====
Balance left to Expend	[38,453.65]

Respectfully submitted

Barry Price
Barry Price, M.Sc.
Consulting Geologist
November 25, 1987