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SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE

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STATEMENT OF MATERIAL FACTS (#72/90)
EFFECTIVE DATE: JULY 23RD, 1990

HANSA INTERNATIONAL RESOURCES LTD. (Formerly Starlight Energy Corporation), #2001-1060 Alberni Street, Vancouver, British Columbia V6E 4K2 (604) 687-2086

NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

430 - 580 Hornby Street, Vancouver, British Columbia V6C 3B6
ADDRESS OF REGISTERED AND RECORDS OFFICE OF THE ISSUER

CENTRAL GUARANTY TRUST COMPANY - 800 West Pender, Vancouver, British Columbia V6C 2V7

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

OFFERING: 1,700,000 post-consolidation Common Shares without nominal or par value.

	Estimated Price to the Public (1)	Estimated Agent's Commission	Estimated Net Proceeds to the Issuer
Per Share	\$ 0.30	\$ 0.04	\$ 0.26
Total	\$510,000.00	\$68,000.00	\$442,000.00 (2)

(1) The actual price to the public will be determined by the Issuer and the Agent in accordance with the rules of the Exchange.

(2) Before deduction of the costs of the issue estimated to be \$20,000.00.

AGENT: GEORGIA PACIFIC SECURITIES CORPORATION
1600 - 555 Burrard Street
Vancouver, B.C. V7X 1S6

THE SECURITIES OFFERED HEREUNDER ARE SPECULATIVE IN NATURE. INFORMATION CONCERNING THE RISKS INVOLVED MAY BE OBTAINED BY REFERENCE TO THIS DOCUMENT. FURTHER CLARIFICATION, IF REQUIRED, MAY BE SOUGHT FROM A BROKER.

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

July 30/90

1. PLAN OF DISTRIBUTION

Offering

Hansa International Resources Ltd. (the "Issuer"), by its Agent, hereby offers (the "Offering") to the public through the facilities of the Vancouver Stock Exchange (the "Exchange"), 1,700,000 Common Shares (the "Shares") at a fixed price not less than \$0.30 per share. The Offering will take place on a day (the "Offering Day") not more than 180 calendar days after the date (the "Effective Date") that this Statement of Material Facts is accepted for filing by the Exchange and the Superintendent of Brokers for British Columbia (the "Superintendent").

The price of the Shares (the "Offering Price") will be determined by the Issuer and the Agent in accordance with the Exchange's rules and policies but will not be less than \$0.30 per share.

A portion of the shares from this Offering may be sold to persons and companies registered for trading in securities in countries other than Canada and the United States of America and any territory or possession thereof, which persons and companies may in turn sell to their clients. In addition, such shares may be sold directly to investors situated outside Canada and the United States and any territory or possession thereof.

Any sales of the Issuer's shares sold outside of Canada will be subject to and conducted in accordance with the securities laws of the countries in which such sales are made.

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

Appointment of Agent

The Issuer by an Agreement dated March 14th, 1990 as amended on June 15th, 1990 (the "Agency Agreement") appointed Georgia Pacific Securities Corporation as its Agent (the "Agent") to offer the Shares to the public.

The Issuer will pay the Agent a commission of 13 1/3% of the selling price of the Shares.

The Agent has agreed to purchase from the Offering any Shares which remain unsubscribed for at the conclusion of the Offering Day.

The Agent is entitled to over allot the Securities of the Issuer in connection with this Offering and in such case, the Issuer has granted to the Agent an option (the "Greenshoe Option") to purchase at the same

price as the net price to the Issuer's treasury of the shares sold pursuant to this Offering, such number of Common Shares of the Issuer being the lesser of 15% of the Offering or the actual number of Shares subscribed for by way of an oversubscription during primary distribution of the securities offered pursuant to the Agency Agreement. The Greenshoe Option shall be exercisable for a period of sixty (60) calendar days after the Offering Day. The number of shares subject to the Greenshoe Option shall be determined as of the date of the conclusion of the Offering Day. Alternatively, the Agent is entitled to cover such over allotment by making purchases of the Issuer's Securities in the open market through the facilities of the Exchange at the market price from time to time.

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

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

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

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

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

The Agent may be considered to be the market makers of the common shares of the Issuer during the period of primary distribution of the Offering and for 60 days thereafter, neither the Agent nor its principals own any Shares of the Issuer and they have no Shares under their control. Subject to the by-laws and rules of the Exchange, the Agent may make purchases and sales of the Shares of the Issuer for the purpose of maintaining an orderly market for the Shares of the Issuer and assisting in the distribution of the offered Shares. The signatories hereto have no knowledge of any other market maker.

2. HOW THE NET PROCEEDS OF THE ISSUER ARE TO BE SPENT

If all securities offered by this Statement of Material Facts are sold, the principal purposes for which the net proceeds are proposed to be spent, together with the proceeds from the purchase of Additional Principal Shares as described in Item 8 of this Statement of Material Facts of \$18,046.87, and in the order of priority, are as follows:

1. To pay the cost of this Statement of Material Facts;	\$ 20,000.00
2. To pay accounts payable to shareholders, directors and former directors, as at June 30, 1990 in the amount of \$285,105 less \$30,000 which is the amount by which one of the shareholders has agreed to defer payment for a period of one year from the completion of this Offering	255,105.00
3. To pay trade accounts payable;	32,753.00
4. To pay a finders fee on the Kalum Property Acquisition;	5,000.00
5. To pay the cost of a work program on the Kalum Property as recommended in the Engineering Report of Robert S. Adamson dated November 23rd, 1988;	78,500.00
6. General corporate purposes;	<u>68,688.87</u>
	<u>\$460,046.87</u>

The proceeds of funds received from the exercise of the Greenshoe Option shall be added to working capital for general corporate purposes.

The Issuer may employ any or all of the working capital received hereby for other business purposes subject to the restrictions contained in the rules and regulations of the Vancouver Stock Exchange.

3. MATERIAL NATURAL RESOURCE PROPERTIES

Summary of Material Mining Properties

Group I Properties for which regulatory approval has

been obtained under this Statement of Material Facts.

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

Group III Other presently held properties upon which the Issuer's acquisition and exploration costs to date exceed \$100,000.00.

Group	Property Name	Issuer's Acquisition and Exploration Costs to Date	Shares Issued to Date	Planned Expenditure from Funds Available upon Completion of the Offering
I	KALUM PROPERTY Skeena Mining Division, B.C.	\$5,000.00	None	\$78,500
	POLESTAR PROPERTY Kamloops Mining Division, B.C.	\$5,000.00	None	0
II	None	None	None	None
III	None	None	None	None

Group I

KALUM PROPERTY
Skeena Mining Division
Province of British Columbia

By an agreement dated February 8th, 1990 as amended on June 29th, 1990 with McLaughlin Explorations Ltd. ("McLaughlin"), the Issuer has an option to acquire up to a 49% undivided interest in and to an option agreement described below (the "McLaughlin Agreement") in consideration for the issue and allotment of 150,000 fully paid and non-assessable shares of the Issuer and the completion of payments for the purpose of carrying out exploration work on the Kalum Property as follows:

(a) 25,000 shares to be issued within 5 days of the approval of this agreement by the Vancouver Stock Exchange (the "approval date") and further installments of 25,000 shares every 180 days thereafter until the total of 150,000 shares has been issued. In the event that the Vancouver Stock Exchange requires that Engineering Reports describing the completion of a program on the property shall be filed and accepted by the Vancouver Stock Exchange which reports shall recommend further work on the property before the issue and allotment of any shares after the initial allotment, the further instalment shall be in the amount of 50,000 shares each which shall be issued within 360 day intervals. The Optionor is empowered to make applications in respect to the issue and allotment of the said shares;

(b) (i) Within 10 business days after the approval of this agreement by the Vancouver Stock Exchange which shall be obtained no later than August 15th, 1990, the Optionee shall provide \$78,500 to carry out an exploration program on the property which shall be carried out before December 1st, 1990;

(b) (ii) On or before March 31st, 1991, the Optionee shall provide a further \$171,500 to carry out an exploration program on the property which shall be carried out on or before December 1st, 1991;

(b) (iii) On or before March 31st, 1992, the Optionee shall provide a further \$250,000 to carry out an exploration program on the property which shall be carried out on or before December 1st, 1992.

McLaughlin shall act as operator in carrying out work on the property. Upon completion of the Issuer carrying out its commitments described above, the Issuer and McLaughlin will enter into a Joint Venture. A finders fee in the amount of \$5,000.00 and 50,000 shares shall be paid to Larry Sostad of 4157 Rosslyn Boulevard, North Vancouver, B.C. for his assistance in the acquisition of the option on the Kalum Property.

McLaughlin Agreement

By an Agreement dated August 15th, 1988, McLaughlin has an Option to acquire a 100% interest, subject to a 2% Net Smelter Return Royalty to the Optionors, in eight located mineral claims (68 units) located in Skeena Mining Division, B.C. described as:

<u>Claim Name</u>	<u>Units</u>	<u>Record No.</u>	<u>Expiry Date</u>
Ken 1	1	31042	May 4, 1997

Ken 2	1	31043	May	4, 1997
Kalum 1	15	3553	September	21, 1997
KF (Kalum Fr)	5	5560	October	16, 1997
K 1	12	6719	June	17, 1992
K 2	16	6780	August	2, 1992
K 3	9	6781	August	2, 1992
AG 1	9	6718	June	17, 1992

from Sandy Luke Loutitt, Fred Loutitt and Cecil Pratt, all of 4022 Benner Street, Terrace, B.C. in consideration for \$40,000.00 and 150,000 shares of the McLaughlin's common stock to be paid and issued and allotted as follows:

(a) \$6,000.00 on execution of the McLaughlin agreement (which has been paid);

(b) On or before 30 days after the shares of McLaughlin commence trading on the Vancouver Stock Exchange (the trading date) the Company shall pay a further \$10,000.00 to the Optionors;

(c) on or before 210 days after the trading date, McLaughlin shall pay a further \$14,000.00 to the Optionors;

(d) On or before 575 days after the trading date, McLaughlin shall pay a further \$10,000.00 to the Optionors;

(e) The Optionors have received Twenty-Five Thousand (25,000) shares;

(f) The Optionors shall receive Forty-One Thousand Six Hundred and Sixty-Six (41,666) shares upon the completion of a work program on the Property and the acceptance by the Office of Superintendent of Brokers or, if the shares of McLaughlin are listed on the Vancouver Stock Exchange, by the Vancouver Stock Exchange of an engineering report describing the said work and recommending further work on the Property and report to be submitted within 210 days of the trading date;

(g) The Optionors shall receive Forty-One Thousand Six Hundred and Sixty-Seven (41,667) shares upon the completion of a further work program on the Property and the acceptance by the Office of Superintendent of Brokers or, if the shares of the Company are listed on the Vancouver Stock Exchange, by the Vancouver Stock Exchange of an engineering report describing the said work and recommending further work on the Property said report to be submitted within 575 days of the trading date;

(h) The Optionors shall receive Forty-One Thousand Six Hundred and Sixty-Seven (41,667) shares upon the completion of a further work program on the Property

and the acceptance by the Officer of Superintendent of Brokers or, if the shares of McLaughlin are listed on the Vancouver Stock Exchange, by the Vancouver Stock Exchange of an engineering report describing the said work and recommending further work on the Property said report to be submitted within 935 days of the trading date;

Upon the property being put into commercial production, the Optionors shall be paid a net smelter return of two (2%) per cent.

The consideration and royalty described above shall be divided 45% to each of Sandy and Fred Loutitt and 10% to Cecil Pratt.

LOCATION AND ACCESS

The Kalum property lies on the north end of Kitsumkalum Lake, approximately 35 kilometres north of Terrace, B.C., the nearest centre of communication and supply.

The highway that connects Terrace with Stewart, B.C. bisects the property. Access from the highway to the east half of the property is facilitated by logging roads.

HISTORY

Gold associated with copper mineralization was initially discovered on the northeastern shore of Kitsumkalum Lake in the early part of the century. By 1914, a shallow shaft had been sunk, two short adits had been driven, and a number of small pits had been cut on the Treadwell No. 2 and Juneau Claims. No further work was evidently done until the 1980's, even though the claims were restaked from time-to-time. In 1931, they were known as the Maloya and Lakeshore Claims; in 1937, the Belway and Rex Claims.

Recent Work

The most recent work completed on the claim block was by J.C. Stephen Explorations for Cannon Explorations Ltd in 1986 and 1987 and by Orequest Consultants Ltd. for McLaughlin Explorations Ltd. in 1988.

In 1986, a study survey was undertaken along the highway and lakeshore; the geology was mapped concurrently on a scale of 1:500. A cut-line grid with lines at 50 metre intervals was established over the extensively forested area east of the highway for geophysical purposes. Magnetometer, VLF electromagnetic,

induced polarization and geochemical surveys were then carried out over the grid.

In 1987, an additional 195 soil samples were collected from the grid. In addition, six diamond drill holes were completed for a total length of 427.6 metres.

In 1988, another magnetometer survey was undertaken. One of the drill holes (87-3) was sampled, essentially at one metre intervals for its full length, and geochemically analyzed for 30 elements and assayed for gold. The average assay of two sets of samples in 87-3 gave values of 0.267 ounces gold per ton over 1.67 metres. Another assay of part of 87-3 gave values of 0.026 ounces gold per ton, 0.08 ounces silver per ton and 0.15 per cent copper over 1.6 metres.

The cost of the "recent work" described above is \$240,094.35.

McLaughlin and the Issuer intend to carry out the program recommended in the report of Robert S. Adamson, P.Eng. dated November 23rd, 1988 (a copy of this report forms part of this Statement of Material Facts). The recommended program consists of diamond drilling at an estimated cost of \$78,500. Four diamond drill holes are proposed with a total estimated footage of 450 metres. The proposed location of these holes is set out on Figure 4 and page 13 of the said Report. Any subsequent phases of work programs will be conducted upon the recommendations of an independent qualified engineer.

There is no surface or underground plant or equipment on the property.

The proposed program is an exploratory search for ore.

THERE ARE NO KNOWN ORE RESERVES ON THIS PROPERTY.

POLESTAR GROUP
Kamloops Mining Division
Province of British Columbia

By an agreement dated November 17th, 1989, the Issuer was granted an option by Larry Sostad of 4157 Rosslyn Boulevard, North Vancouver, B.C. to acquire a 100% undivided interest, subject to a 2 1/2% Net Smelter Return Royalty payable to Mr. Sostad, in the 17 mineral claims described below in consideration for \$20,000.00 and 200,000 fully paid and non-assessable shares of the Issuer's common stock to be paid and issued as follows:

(a) \$5,000.00 on or before November 30th, 1989 (which has been paid);

(b) 50,000 shares upon the approval of this Statement of Material Facts;

(c) a further 50,000 shares and a further \$5,000.00 upon completion of the first phase of a work program on the property and the filing of an Engineering Report accepted by the Vancouver Stock Exchange describing the work program and recommending further work;

(d) a further 50,000 shares and a further \$5,000.00 upon completion of the second phase of a work program on the property and the filing of an Engineering Report accepted by the Vancouver Stock Exchange describing the work program and recommending further work;

(e) a further 50,000 shares and a further \$5,000.00 upon completion of the third phase of a work program on the property and the filing of an Engineering Report accepted by the Vancouver Stock Exchange describing the work program and recommending further work.

The property is described as:

Kamloops Mining Division
Reverted Crown Grant

<u>Claim Name</u>	<u>Record No.</u>	<u>Lot No.</u>	<u>Expiry Date</u>
Polestar	1803	1012	April 13th, 1996

Two Post Claims

<u>Claim Name</u>	<u>Tag No.</u>	<u>Expiry Date</u>
Star #1 - 5 inclusive	60561M to 60566M inclusive	November 12, 1990
Star #6 - 16 inclusive	60568M to 60578M inclusive	November 12, 1990

The property area is approximately 420 hectares.

Location and Access

The property is located between Jamieson Creek to the north and Lanes Creek to the south 20 kilometers due north of Kamloops within the Interior Plateau of the Cordilleran Region of British Columbia.

Access is provided by a paved highway northward along the western side of the North Thompson River for 20 kilometers to the O'Connor Lake road which branches off to the west. This road is taken for four kilometers to O'Connor Lake. The southern limit of O'Connor Lake is covered by the claim group from which numerous logging roads provide favourable access to most of the property. The Polestar showing is within 750 meters of a logging road.

History

The history of mineral exploration in the Kamloops area dates back to the late 1800's and early 1900's when placer gold discoveries led to the discoveries and exploration of lode gold deposits. Some of the earliest discoveries are made in showings covered by the Polestar claim group, and three properties adjacent to Jamieson Creek, a historical placer gold bearing creek. The three properties are the Francis - four km northeast, the Homestake and Molly Gibson - five km northeast, and the Royal Star - six km north of the Polestar property.

In 1919, the Queen Bess Mine Camp 80 km north of the Polestar was developed, followed by construction of a tramway and a 50 ton per day concentrator. About 72 tons of ore was transported to the mill, resulting in the following reported production of concentrates:

<u>Concentrate</u>	<u>Tons</u>	<u>% Lead</u>	<u>oz/ton Silver</u>	<u>Grade % Zinc</u>
Lead	27	40-50	48	12
Zinc	78	7-8	14	48

Mine development at the Queen Bess has been intermittent from 1920 to the recent years.

In the 1920's, significant base metal deposits carrying precious metals were discovered in the regional area between the Queen Bess and the Polestar. These included the Windpass Mine, Gold Hill and numerous other mineral showings.

At the Windpass, a total of 102,996 tons of ore were processed from 1914 to 1944 which yielding 34,456 ounces of gold, 1,719 ounces of silver and 173,959 lbs of copper. The mine was dormant up to the 1980's when electromagnetic and geochemical surveys indicated positive and encouraging responses on the property.

Placer gold deposits were worked on Jamieson Creek in the 1860's. In Geology and Mineral Deposits of

Nicola Map - Area Memoir 249, W.E. Cockfield who was the author, describes the placer work as:

"...reported to have yielded good returns, but attempts to reach bedrock in the valley bottom failed because of the flow of water encountered. A dredge was installed about 1900 on a property that included the lower part of Jamieson Creek and about 1 1/2 miles of the North Thompson River upstream from Jamieson Creek. The dredge worked for 2 months of 1901 with unsatisfactory results. It is stated that the gold occurred in the form of bar deposits, which are unsuitable of dredging."

The first report of workings on the Polestar reverted crown grant of the Polestar claim group was mentioned in 1913 as a ..."50 foot incline shaft follows a quartz vein" and "About 100 feet northerly along the strike are two trenches". The showing has been the subject of investigations since discovery to the present, however, there appears to have been minimal to no extensive exploration to determine the potential vertical or horizontal extent of the exposed mineralization.

A report on the property dated November 20th, 1989 (which forms part of this Statement of Material Facts) has been prepared by Laurence Sookochoff, P.Eng. This report stated that:

"A two stage exploration program is recommended to center around the mineralized Polestar quartz zone to initially superficially delineate the Polestar quartz zone and to locate any other mineral zones that may be associated with the zone.

The first stage should consist of a localized geochemical survey to detect any near surface mineralization and an EM survey to aid in the geological interpretation of the geochemical results and to detect potential massive sulphide zones.

The second stage would be contingent on the results of the first stage and could consist of either detailed surveys to delineate indicated mineral zones or to expand the surveys over the property."

Stage 1 has an estimated cost of \$30,000. Stage 2 has an estimated cost of \$70,000. The Issuer does not intend to carry out the proposed program at this time.

The Issuer has not expended any monies on exploring the property at the present time other than the cost of preparing a report on the property. The Issuer does not intend to carry out Stage 1 of the recommended program at this time.

THE PROPERTY HAS NO KNOWN ORE RESERVES.

Group II

None.

Group III

None.

FORMER PROPERTY

CAM #1 MINERAL CLAIM
Revelstoke Mining Division
Province of British Columbia

By an agreement dated December 20th, 1988, the Issuer agreed to acquire the Cam #1 (record #2562) mineral claim located in Revelstoke Mining Division, Province of British Columbia from 734006 Holding Co. Ltd. of 1907 - 808 Nelson Street Vancouver, B.C. in consideration for 100,000 freely tradable shares of Starlight Energy Corporation (which were issued and allotted) and \$25,000.00 payable on or before December 31st, 1989. The cash part of this consideration was not paid. Subsequently, the agreement was terminated. The Issuer no longer has any interest in this mineral claim and has been relieved from making the cash payment. Lidia Bencic of 1907 - 808 Nelson Street, Vancouver, B.C. is the principal shareholder of 734006 Holding Co. Ltd., a private company at arms-length from the Issuer.

RISK FACTORS

The shares offered by this Statement of Material Facts must be considered speculative, generally because of the nature of the Issuer's business. In particular:

The purpose of the present Offering is to raise funds to carry out exploration with the objective of establishing ore reserves of commercial tonnage and grade. If the Issuer's exploration programs are successful, additional funds will be required for the development of the ore body and to place it in commercial production. The only sources of future funds presently available to the Issuer are the sale of equity capital or the offering by the Issuer of an interest in its property

to be earned by another party or parties carrying out further exploration or development thereof.

Exploration for minerals is a speculative venture necessarily involving some substantial risk. There is no certainty that the expenditure to be made by the Issuer in the acquisition and exploration of the interests described herein will result in discoveries of further commercial quantities of ore.

Source exploration and development is a speculative business and involves a high degree of risk. The marketability of natural resources which may be acquired or discovered by the Issuer will be affected by numerous factors beyond the control of the Issuer. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, governmental regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Issuer not receiving an adequate return on invested capital.

Mining operation 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 material, adverse effect on the Issuer's financial position.

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

Part of the Issuer's property consists of recorded mineral claims which have not been surveyed, and therefore, the precise area and location of such claims may be in doubt.

4. PARTICULARS OF NON RESOURCE ASSETS

None.

5. CORPORATE INFORMATION

The Issuer was incorporated in British Columbia on August 24th, 1979 by Memorandum and Articles of

Association under the name Bounty Resources Inc. On April 29th, 1982 it changed its name to Starlight Energy Corporation and consolidated its common stock on the basis of one share of Starlight Energy Corporation for each three shares of Bounty Resources Inc. On the effective date of this Statement of Material Facts, the Issuer changed its name to Hansa International Resources Ltd. and consolidated its common stock on the basis of one share of Hansa International Resources Ltd. for each three and one-half shares of Starlight Energy Corporation.

The authorized capital of the Issuer consists of Ten Million (10,000,000) shares without par value of which 782,629 shares have been issued as fully paid and non-assessable as at the Effective Date of this Statement of Material Facts (these shares are the shares which are will be outstanding after consolidation prior to the surrender of 107,142 escrowed shares for cancellation and the issue and allotment of 515,625 additional principal shares as described under the heading Item 8 of this Statement of Material Facts). All shares of the Issuer rank equally as to voting and there are no special preference, conversion or redemption rights attached to any of the shares of the Issuer. No shares of the Issuer have been issued since the date of the financial statements included in this Statement.

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

<u>Name and Address</u>	<u>Occupation</u>	<u>No. of Shares Beneficially Owned</u>
BARRIE JANTZEN * #2001 - 1060 Alberni Street Vancouver, B.C. PRESIDENT AND DIRECTOR	Self-Employed Investor; 1969 to 1985; Corporate Manager, Invpacoro S.A. 1985 to Present; Presi- dent Starlight Energy Corporation (the Is- suer) 1989 to Present	Nil
JAN EWALD VAN DIJK #1409 - 6611 Minoru Boulevard Richmond, B.C. SECRETARY AND DIRECTOR	Investment Banker Pan Pacific Group 1986 to Present; President of Spectrum Holidays Inc. 1982-1986	225,000 ** Escrow, Direct

LAARA ROBBIN JANTZEN * 3780 Marine Drive Belcarra, B.C. DIRECTOR	Business Manager, Dueck on Marine 1989 to Pre- sent	290,625 ** Escrow, Direct
JOHN MARTIN NEUFELD * 9860 Seacastle Drive Richmond, B.C. DIRECTOR	Self-Employed Contrac- tor 1962 to Present	63,000 Free, Direct

* Member of Audit Committee.

** These shares will be issued after the approval by the Vancouver Stock Exchange of the Statement of Material Facts.

None of the directors and officers are directors or officers of any other reporting company.

During the past year, no person has held or exercised directors and employees stock options.

For management services during the past 12 months, Jacine Levan, a former director and officer, will receive \$11,000.00. Management fees totalling \$16,500.00 are payable to Invpacoro S.A. for the services of Barrie Jantzen. Invpacoro S.A. is wholly owned by Jose Pablo Glores Barahona of San Jose, Costa Rica. Mr. Jantzen is employed by Invpacoro S.A. as a manager.

To the best of the knowledge of the management of the Company, no person has more than 10% of the Company's issued shares save and except Jacine Levan who owns 107,142 shares which are being surrendered to the treasury for cancellation.

7. OPTIONS TO PURCHASE SECURITIES OF THE ISSUER

None.

8. SECURITIES OF THE ISSUER HELD IN ESCROW OR IN POOL OR SUBJECT TO HOLD PROVISIONS

107,142 shares of the Issuer are held in escrow by Central Guaranty Trust Company, 800 West Pender Street,

Vancouver, B.C. subject to the orders of the Vancouver Stock Exchange. These shares are being surrendered and will be cancelled. Subsequently, the Issuer intends to issue and allot 515,625 additional principal shares. These shares will be issued as follows:

Laara Jantzen	-	290,625 shares
Jan Van Dijk	-	225,000 shares

The escrow agreement will provide that if the Issuer is successful as a consequence of the efforts of the principals or anyone of them, the principals holding escrow shares will be entitled to a release of the shares from the said agreement in accordance with the general policies of the Exchange. Any of the escrow shares not released at a date five years from the execution date of the agreement shall be subject to cancellation forthwith. The escrow restrictions provide that the share may not be traded nor dealt with in any manner whatsoever without the prior written consent of the Exchange.

9. PARTICULARS OF ANY OTHER MATERIAL FACTS

Neither the Issuer nor its properties are subject to any proceedings nor are there any actions or proceedings contemplated by the Issuer at this time.

The material contracts described in this Statement of Material Facts and technical reports referred to in Items 3 and 4 may be examined by any members of the public at 430 - 580 Hornby Street, Vancouver, B.C. between the hours of 9:00 a.m. and 12:00 noon on business days during the period of primary distribution of the securities offered hereby and for sixty (60) days after completion of the primary distribution.

10. STATUTORY RIGHTS OF RESCISSION

The British Columbia Securities Act provides purchasers with the right to rescind a contract for the purchase of securities where the Statement of Material Facts and any existing amendments thereto either contain a misrepresentation or are not delivered to the purchaser before delivery of the written confirmation of sale. For further information concerning these rights and the time limits within which they must be exercised, refer to Sections 66, 114, 118 and 124 of the Securities Act, or consult a lawyer.

ORCAN MINERAL ASSOCIATES LTD.
CONSULTING ENGINEERS

SUITE 1417 - 409 GRANVILLE STREET
VANCOUVER, CANADA V6C 1T2
TELEPHONE (604) 682-3722

McLaughlin Explorations Ltd.
Vancouver, B.C.

SUMMARY REPORT
on the
KALUM PROPERTY
Kitsumkalum Lake, B.C.

Skeena Mining Division
NTS 1031/15
54°47'N Lat.; 128°46'W Long.

November 23, 1988

Robert S. Adamson, P.Eng.

Consultant

Vancouver, Canada

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APPENDIX

Geochemical/Assay Certificate

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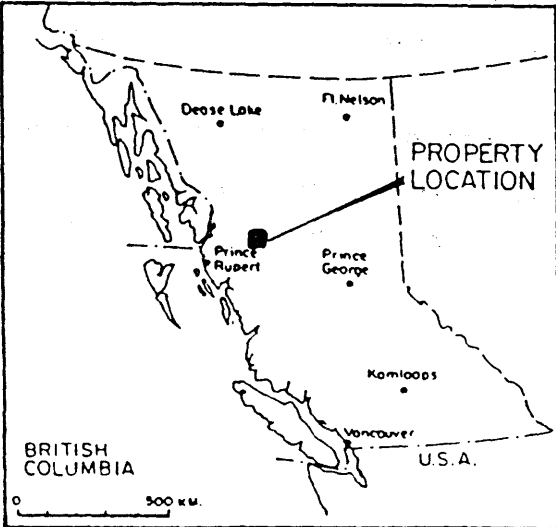
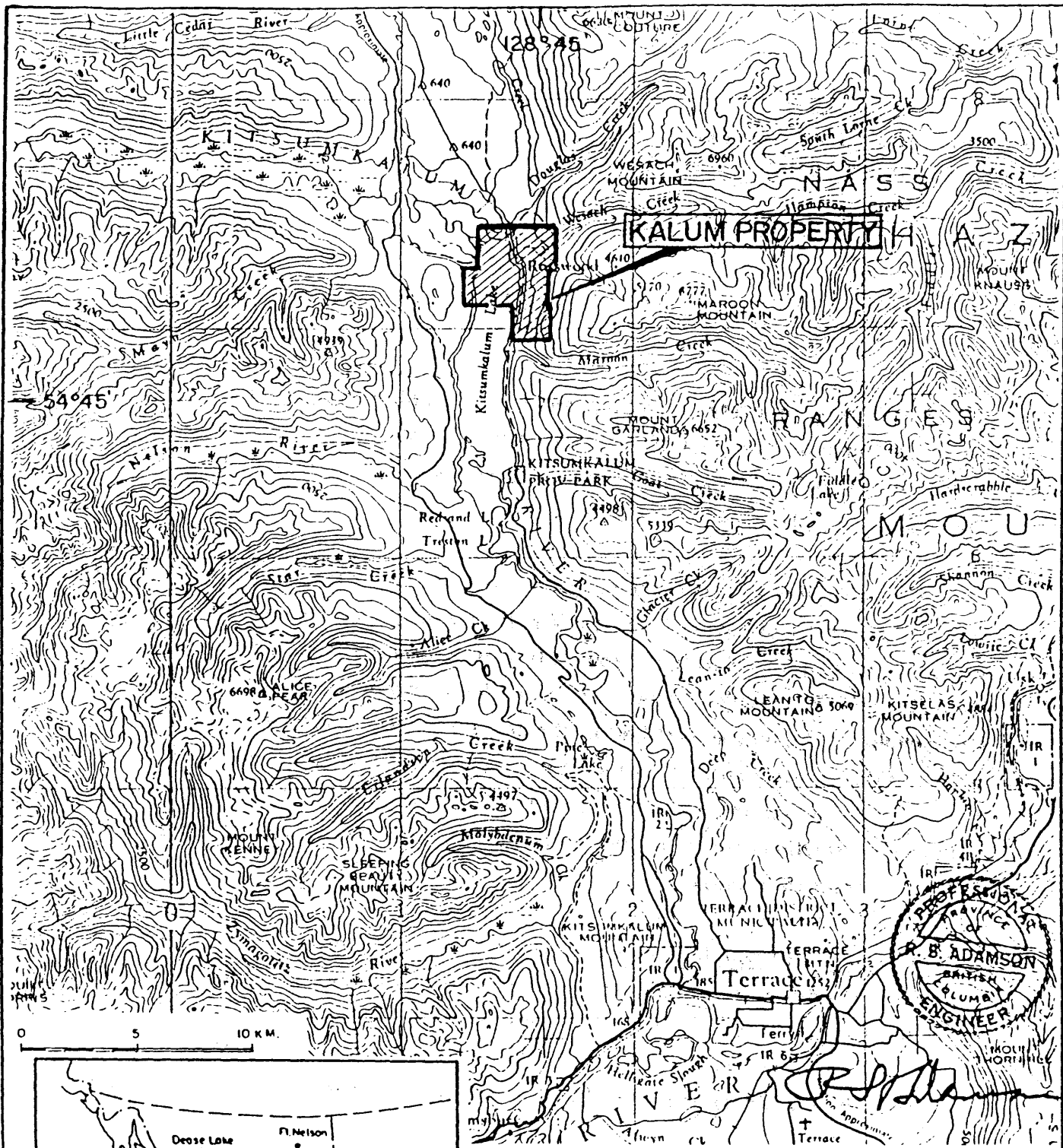
SUMMARY

The Kalum property, a gold prospect, is located on Kitsumkalum Lake 35 kilometres north of Terrace, B.C. Recent exploration work undertaken on the property comprised geological mapping, geochemical soil surveys, geophysical surveys, and diamond drilling (six holes, 427.6 metres).

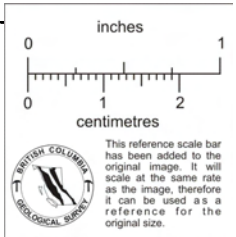
The geological setting in the region consists of Late Jurassic to Early Cretaceous sedimentary rocks overlying Early to Middle Jurassic meta-sedimentary and meta-volcanic rocks of the Hazelton Group intruded by granitic rocks of the Coast Range Batholith. A north striking fault zone of regional magnitude is believed to underlie Kitsumkalum Lake on the west half of the property. Interbedded greenstone, schistose tuffs and shales, striking east-northeast and dipping moderately to the north, occur on the east half of the property. Copper mineralization, commonly carrying significant gold values, usually occurs with quartz, mainly along foliation planes in andesitic flows within the greenstone units.

Diamond drill hole 87-3 intersected potentially economic gold values with copper over a true width of 1.9 metres in one of two parallel andesitic greenstone horizons. This intercept appears to correlate with copper mineralization, albeit without encouraging gold values, in drill hole 87-4 located 160 metres along strike and uphill to the east. The remaining four holes failed to intersect mineralization of importance.

Additional diamond drilling is warranted to trace the significant gold intercept along strike, and eventually down dip, and to prospect the two greenstone horizons for similar mineralization. Four drill holes with a total length of 450 metres are proposed. The estimated cost of the program is \$78,500.



ORCAN MINERAL ASSOCIATES LTD. CONSULTANTS VANCOUVER, CANADA	
MacLAUGHLIN EXPLORATION INC.	
KALUM PROPERTY	
LOCATION MAP	
KITSUMKALUM LAKE, B.C.	N.T.S. 1031-15
SCALE 1:250,000	NOV. 1988 FIG. 1



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INTRODUCTION

Orcan Mineral Associates Ltd. has been requested by McLaughlin Explorations Ltd. to review the available technical data and to prepare a report on its Kalum property, a gold prospect located in the Skeena Mining District of British Columbia. The writer examined the property on July 11, 1988, accompanied by Mr. Seamus Young, president of McLaughlin Explorations Ltd.

Location and Access (54°47'N. Lat.; 128°46' W. Long.)

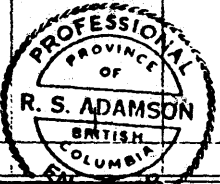
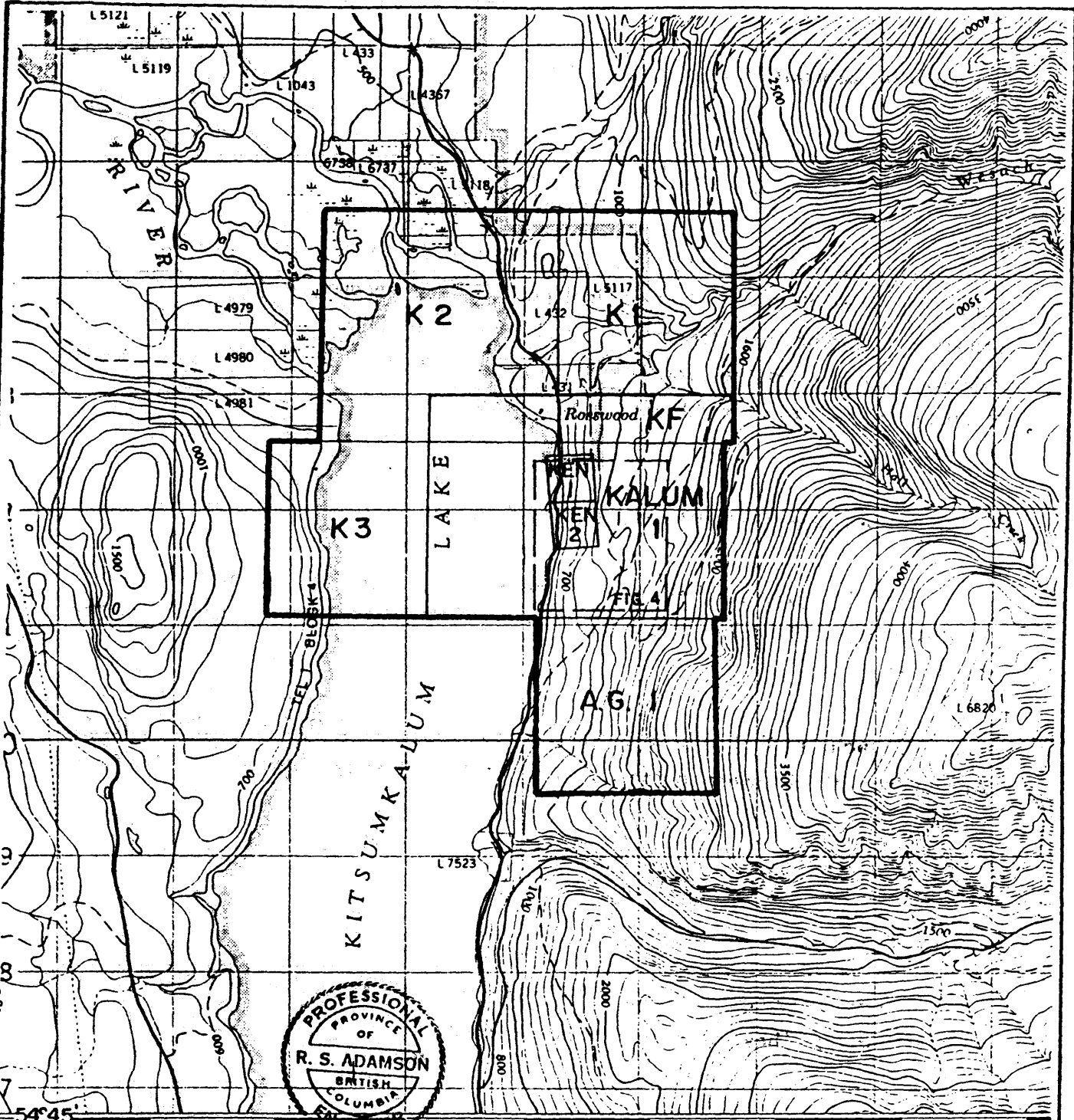
The Kalum property lies on the north end of Kitsumkalum Lake, approximately 35 kilometres north of Terrace, B.C., the nearest centre of communication and supply (Figure 1).

The highway that connects Terrace with Stewart, B.C. bisects the property. Access from the highway to the east half of the property is facilitated by logging roads.

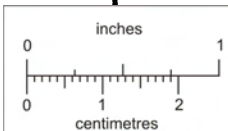
Property

The property comprises eight located mineral claims collectively containing 68 units (Figure 2). They are enumerated as follows:

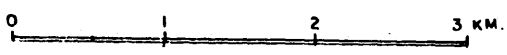
<u>Claim Name</u>	<u>Units</u>	<u>Record Number</u>	<u>Expiry Date</u>
Ken 1	1	31042	May 4, 1997
Ken 2	1	31043	May 5, 1997
Kalum 1	15	3553	Sept. 21, 1997
KF (Kalum Fr.)	5	5560	Oct. 16, 1997
K 1	12	6719	Aug. 2, 1992
K 2	16	6780	Aug. 2, 1992
K 3	9	6781	Aug. 2, 1992
AG 1	9	6718	June 17, 1992



R. S. Adamson



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ORCAN MINERAL ASSOCIATES LTD. CONSULTANTS VANCOUVER, CANADA	
MacLAUGHLIN EXPLORATION INC.	
KALUM PROPERTY	
PROPERTY MAP	
KITSUMKALUM LAKE, B. C.	
SCALE 1:50,000	N.T.S. 1031-15
NOV. 1988	FIG. 2

McLaughlin Explorations has an option to purchase a 100 per cent working interest in the property, subject only to a two per cent net smelter interest to the property vendors.

The western half of the property is underlain by Kitsumkalum Lake. Elevations on the eastern half range from 150 metres ASL at lake level to 600 metres at the eastern edge of the property. Along the lake shore the slope is relatively steep, only broken sharply by the highway. Progressing eastward up the hill, the topography moderates. Outcrops on the steep slope are numerous, but are rare in the heavy timber on the upland east of the highway.

History

Gold associated with copper mineralization was initially discovered on the northeastern shore of Kitsumkalum Lake in the early part of the century. By 1914, a shallow shaft had been sunk, two short adits had been driven, and a number of small pits had been cut on the Treadwell No. 2 and Juneau Claims. No further work was evidently done until the 1980's, even though the claims were restaked from time to time. In 1931, they were known as the Maloya and Lakeshore Claims; in 1937, the Belway and Rex Claims.

In 1981, Weymark Engineering carried out rock and soil sampling on the property (now the Ken 1 and Ken 2 claims) for Silver Standard Mines. In 1983, Gerle Gold Ltd. undertook geological mapping and magnetometer surveying as well as bulldozer trenching on the road cut above the old workings. In 1984, Cominco Ltd. carried out an extensive geochemical soil survey over the now enlarged property. In 1985, modest rock and soil sampling was undertaken locally by the property owners.

Recent Work

The most recent work completed on the claim block was by J.C. Stephen Explorations for Cannon Exploration Ltd. in 1986 and 1987, and by Orequest Consultants Ltd. for McLaughlin Explorations Ltd. in 1988.

In 1986, a stadia survey was undertaken along the highway and lakeshore; the geology was mapped concurrently on a scale of 1:500. A cut-line grid with lines at 50 metre intervals was established over the extensively forested area east of the highway for geophysical purposes. Magnetometer, VLF electromagnetic, induced polarization, and geochemical surveys were then carried out over the grid.

In 1987, an additional 195 soil samples were collected from the grid. In addition, six diamond drill holes were completed for a total length of 427.6 metres.

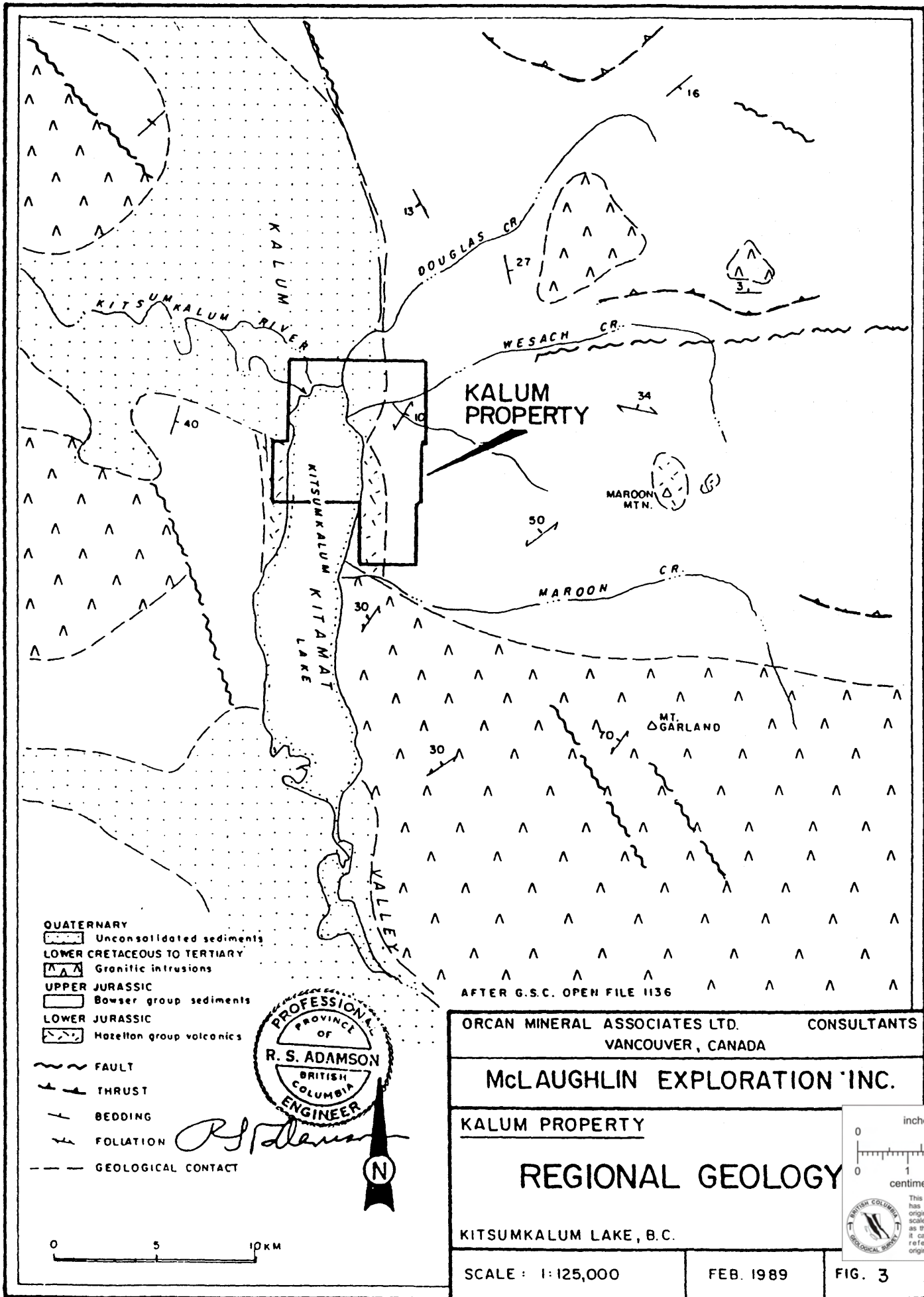
In 1988, another magnetometer survey was undertaken. One of the drill holes (87-3) was sampled, essentially at one metre intervals for its full length, and geochemically analyzed for 30 elements and assayed for gold.

GEOLOGICAL SETTING

Regional Geology

The Kalum property lies astride the most prominent topographic feature in the Terrace-Kitimat area, referred to by Duffel and Souther (1964) as the Kalum-Kitimat Valley. It extends north from Kitimat at the head of Kitimat Arm, through Terrace on the Skeena River, through Kitsumkalum Lake, and extending beyond, possibly as far as the Nass River. The Valley is believed to represent the surface expression of a major fault structure. Hot spring activity in the valley trough at Lakelse Lake between Kitimat and Terrace and a recent lava flow a short distance north of Kitsumkalum Lake indicate the structure remains active.

Sedimentary rocks of Jura-Cretaceous age (Bowser Group) are the most common in the Kitsumkalum Lake region, occupying both sides of the Kalum-Kitimat Valley. This assemblage comprises siltstone, argillite, greywacke, and conglomerate. In general, it is broadly folded along east to northeast axes.



Lower to Middle Jurassic age rocks of the Hazelton Group unconformably underlie the above sedimentary sequence. Occurring primarily as a window within the Kalum-Kitimat trench, the Group consists mainly of andesitic flows, breccia, and tuff with lesser rhyolite, dacite, greywacke, and argillite.

The above rocks are intruded by granodiorite stocks of the Coast Range Batholith, most of which are as young as Early Tertiary.

Property Geology

The west half of the Kalum property is largely occupied by Kitsumkalum Lake. The Kalum-Kitimat regional fault system is believed to lie beneath the lake, extending northward beneath the overburden covered valley. On the west shore of the lake, volcanic rocks of the Hazelton Group outcrop (on K 3 mineral claim).

On the east half of the property, outcrops are mainly limited to the lakeshore and road cuts on the highway. The outcrops consist of volcanic and sedimentary rocks of either the Hazelton Group or lowermost Bowser Group. Progressing uphill and eastward on the property, the topography flattens and no outcrops are exposed. However, in drill hole 87-5 (Figure 4), younger sedimentary rocks of the Bowser Group occur.

The geology, exposed in outcrop and projected eastward by magnetic interpretation, consists of an assemblage of greenstones and schistose tuffs and shales. This package strikes east-northeast and dips moderately to the north.

Greenstone comprises andesite flows, diorite, and gneiss which was likely derived from a coarse tuff. These units exhibit a strongly positive magnetic signature. The distribution of greenstone is indicated on Figures 5 and 7. To the north and south, the relatively bland magnetic field probably reflects underlying sedimentary strata.

The schistose units consist primarily of shales with interbedded fine grained waterlain tuff, commonly altered to sericite schist, and minor greywacke and graphitic phyllite.

A pronounced foliation, subparallel to bedding, is generally pervasive in the meta-sedimentary rocks; in the greenstone, although common, it is not as strong nor as widespread. The meta-sedimentary units are tightly folded locally, whereas the greenstone units, essentially much more massive in character, display little folding. Faulting evidently is not common; however, near the south adit portal, a northwesterly striking, steeply dipping fault is visible. The magnetic survey indicates the greenstone bodies may be terminated on the east by a northerly striking structure that passes near drill hole 87-5. Shearing, much more common in the greenstone, appears to occur mainly near contacts with the less friable schist. Frequently, the shears are parallel to the northerly dipping contacts.

MINERAL OCCURRENCES

Mineralization on the Kalum property consists primarily of finely disseminated bornite with minor chalcopyrite and rare pyrite associated with quartz, epidote, chlorite, and hematite. On surface, mineralization is recognized principally as malachite associated with quartz seams, stringers, and veinlets. The occurrence of free gold has been noted in a number of reports. The mineralization occurs mainly along foliation planes, most commonly in andesitic host rocks. Some mineralization occurs along fractures.

There are a number of small copper occurrences exposed in outcrops below the highway along the east side of Kitsumkalum Lake. Most were sampled by E.E. Lambert (1986) and assayed for gold, silver, and copper. They tend to be clustered in three areas: the North Adit zones, the Road zone, and the South Adit zone. The first two were investigated by diamond drilling in 1987.

North Adit Zones

Two mineralized zones are evident in the North Adit area. Both appear to strike east-northeast and dip moderately north, essentially conformable with the stratigraphy in the area.

The 'upper' zone is visible in an old shaft or pit. A 1914 Minister of Mines Report shows an assay of 0.42 ounces gold per ton and 0.5 ounces silver per ton across eight feet, from a sample "taken from as deep a point as could be reached" from a shaft sunk below lake level. Mineralization was described as "free gold in quartz veins parallel to cleavage planes in schist." Two caved shafts or pits now occur in the vicinity, both of which would likely be flooded during spring run-off. A chip sample taken by E.E. Lambert (1986) of a rusty quartz vein in the northernmost pit assayed 0.233 ounces gold per ton, 0.36 ounces silver per ton, and 0.75 per cent copper over eight centimetres. A specimen sample of silicified volcanic rock collected by an Orequest Consultants' geologist in 1988 from the same pit assayed 0.244 ounces gold per ton. This zone was tested by drill hole 87-3 in 1987.

A 'lower' zone of malachite staining in thin quartz seams parallelling foliation or shear planes outcrops near the portal of the North Adit. The southernmost pit occurs near this showing as does a number of mineralized boulders. A specimen sample collected from the boulders by E.E. Lambert (1986) assayed 0.256 ounces gold per ton, 0.74 ounces silver per ton, and 1.64 per cent copper. The North Adit, 13 metres in length, contains a winze four metres from the portal, which indicates the adit was collared north of the 'lower' zone extension to the east. The 'lower' zone, occurring in sheared andesite near the contact with thinly laminated tuff, strikes east-northeast and apparently dips moderately to the north.

South Adit Zone

The South Adit lies 110 metres south-southeast of the North Adit (Figure 4). The adit is approximately 14 metres in length. It evidently follows a shear that strikes east-northeast and dips 30 degrees to the north. A small dump of mineralized boulders lies on the beach nearby.

E.D. Kindle (1937) reports that "a representative grab sample of this ore tested by the Mines Branch in Ottawa assayed 0.24 ounces gold per ton and 0.34 ounces silver per ton, and another sample submitted in 1931 assayed 0.24 ounces gold per ton and 0.6 ounces silver per ton." A selected sample of dump material taken by E.E. Lambert

(1986) assayed 0.296 ounces gold per ton, 0.85 ounces silver per ton, and 1.05 per cent copper. Two selected samples collected in 1988 from the dump by an Orequest Consultants' geologist assayed 0.066 and 0.175 ounces gold per ton. A rusty zone in outcrop located 14 metres south of the adit was sampled by E.E. Lambert (1986). It assayed 0.176 ounces gold per ton, 0.67 ounces silver per ton, and 0.39 per cent copper over 17 centimetres.

Road Zone

The main Road showing, originally discovered during road construction in 1983, is no longer visible, except possibly as a silicified zone on the shoulder of the highway. Belik (1983) describes the occurrence as follows: "bornite and chalcopyrite associated with quartz, epidote and specular hematite occur in a hard, dark grey, magnetite rich, silicified gneiss; epidote bands and laminations locally are present". He further describes the mineralized zone as being "1.0 to 1.2 metres in width, paralleling bedding (which strikes east northeast and dips 20 degrees to the north) and having an average grade of 0.07 ounces gold per ton."

A selected sample from boulders evidently derived from the road showing and now displayed on the hillside above the lake was collected by E.E. Lambert (1986). It assayed 0.224 ounces gold per ton, 0.96 ounces silver per ton and 1.22 per cent copper. The host rock is described as a metatuff.

GEOCHEMISTRY

Two geochemical soil surveys were undertaken on the property, in 1984 by Cominco Ltd. and in 1987 by J.C. Stephen Explorations for Cannon Exploration Ltd. The extent of these surveys is show on Figure 4.

Samples were analyzed for copper, silver, and gold by Cominco and for 30 elements plus gold by Cannon Explorations. Other than for copper and gold, no

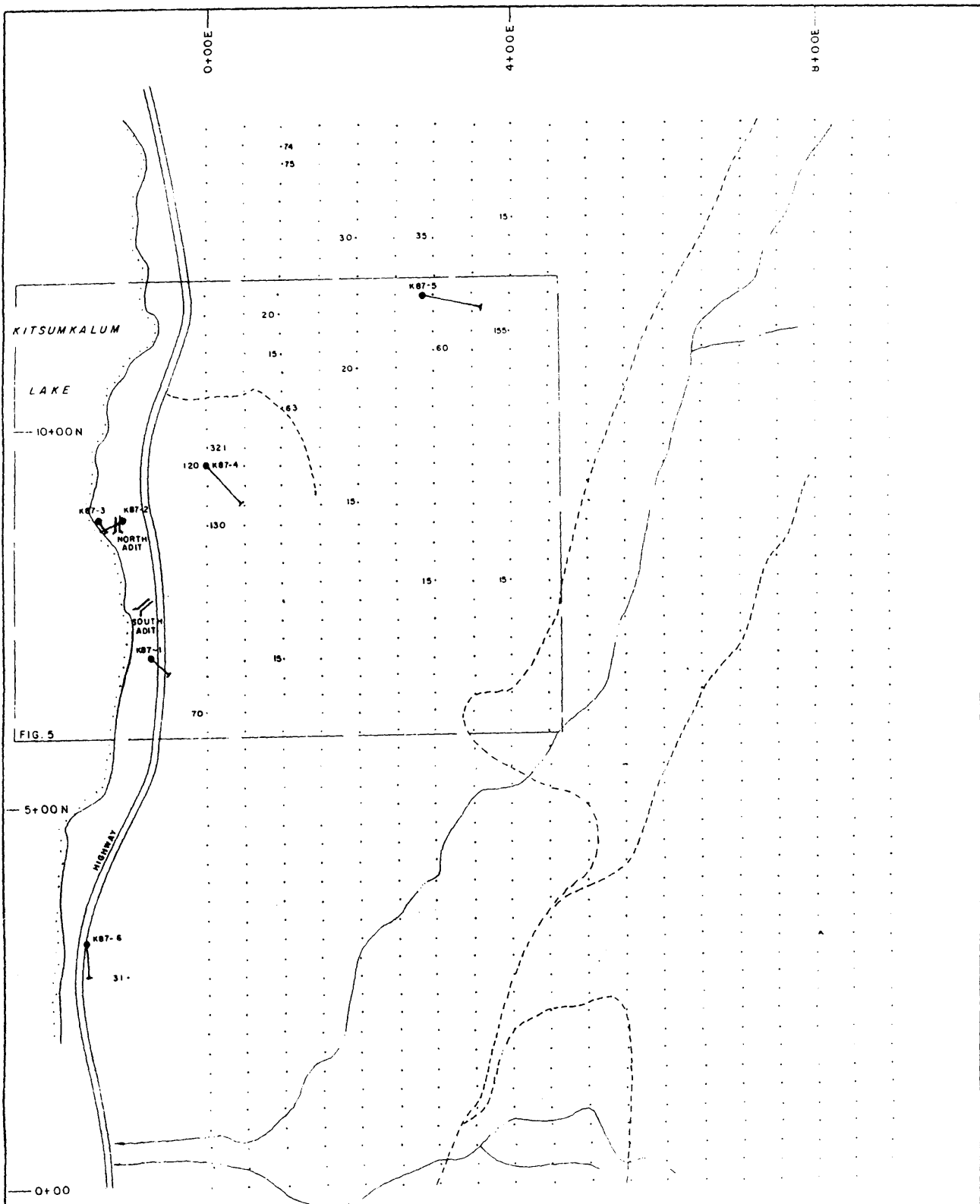
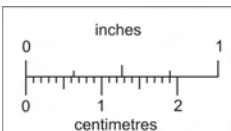


FIG. 5

LEGEND

- Au ppb (Only > 15 ppb are plotted)
- 21 - 74 - Cu ppm (" > 60 ppm " " ")
- Soil sample location
- Drill hole



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K. S. Adamson



0 100 200 METRES

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VANCOUVER, CANADA

MacLAUGHLIN EXPLORATION INC.

KALUM PROPERTY

SOIL GEOCHEMISTRY

KITSUMKALUM LAKE, B.C.

M.T.S. 1031-15

significant anomalous values occur. Only anomalous values above 60 ppm copper and 15 ppb gold are plotted on Figure 4.

It is evident the anomalous values are few and erratically distributed. There is an indication, however, that the anomalous values are spatially associated with the underlying greenstone units.

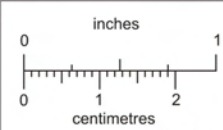
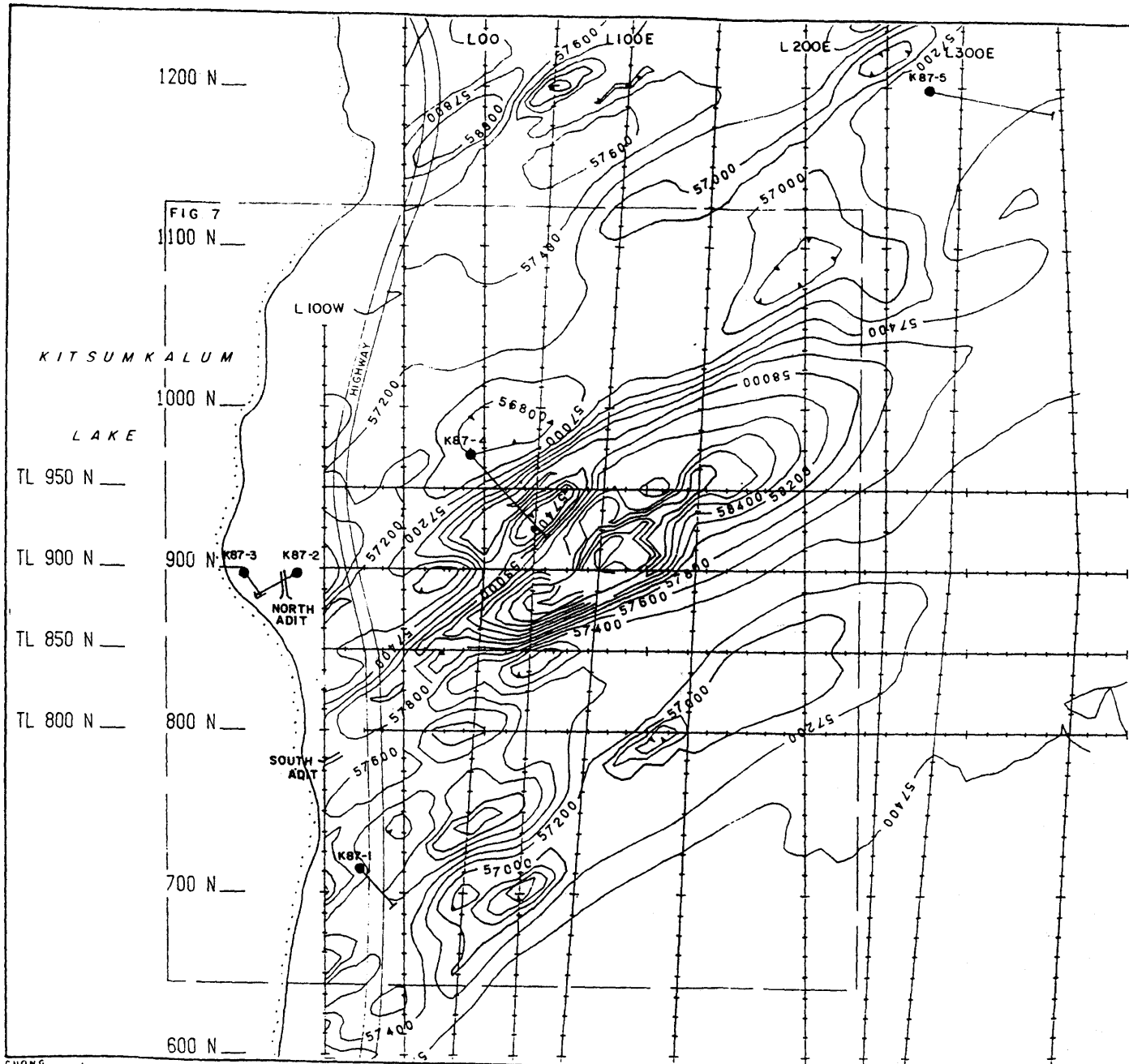
GEOPHYSICS

In 1986, three geophysical surveys were implemented over the cut-line grid along lines spaced at 50 metre intervals by J.C. Stephen Explorations. The surveys comprised magnetic, VLF electromagnetic, and induced polarization techniques. Lambert and Stephen (1986) concluded, "The geophysical surveys conducted on the property have revealed several anomalies of distinctly different types which warrant close investigation. In addition to individual anomalies, these surveys appear to indicate a major north to north east trending structure which may be of importance in localizing mineralization depending on the age relationships." Geophysical Results of the 1986 program are shown on Maps IV - XIII.

In 1988, a second magnetometer survey was undertaken by McLaughlin Explorations.

Magnetometer Surveys

The magnetic surveys outlined a broad, east northeast-trending belt of anomalous positive magnetism in the northwest section of the grid (Figure 5). The belt, approximately 600 metres in width, extends eastward for approximately 500 metres before terminating. The belt is cored by a more strongly anomalous band approximately 100 metres in width. This band projects southwestward to the North Adit area.



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.

LEGEND

- DRILL HOLE
- ADIT
- CONTOURS AT 200 GAMMAS INTERV



R. S. Adamson



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ORCAN MINERAL ASSOCIATES LTD. CONSU VANCOUVER, CANADA	
MacLAUGHLIN EXPLORATION	
KALUM PROPERTY	
MAGNETIC SURVEY	
KITSUMKALUM LAKE, B.C.	N.T.
SCALE 1:2500	NOV. 1988
	FIG.

In general, bands of positive magnetic relief are interpreted to reflect underlying greenstone units, whereas those of low magnetic signature probably indicate rocks of sedimentary origin. The strong magnetic anomaly may represent either intrusive units (diorite) within the greenstone sequence, or simply an increase in magnetite unique to that particular volcanic event.

Induced Polarization Survey

The induced polarization survey was undertaken essentially to identify potential concentrations of sulphide mineralization.

Two IP anomalies were outlined. One occurs on lines 200 E to 500 E between 400 N and 600 N on the grid, some distance south of the presently known mineralized area on the property. The other occurs on lines 200 E to 400 E, approximately 500 metres northeast of the North Adit.

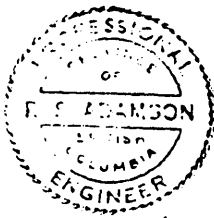
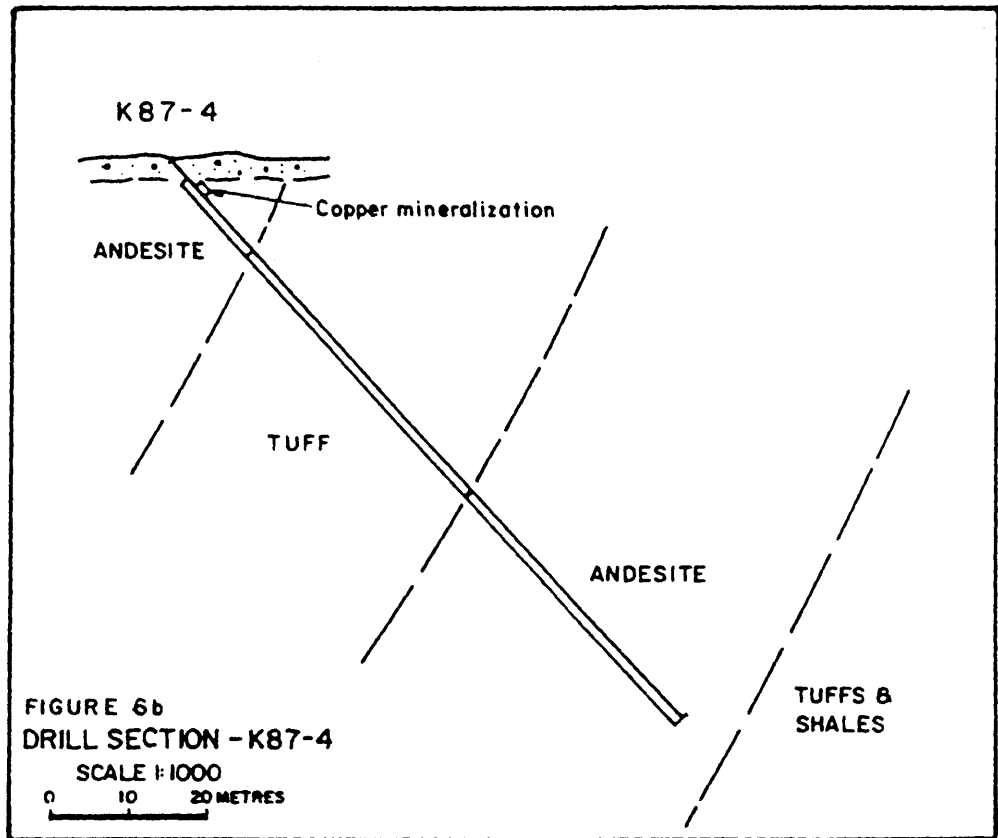
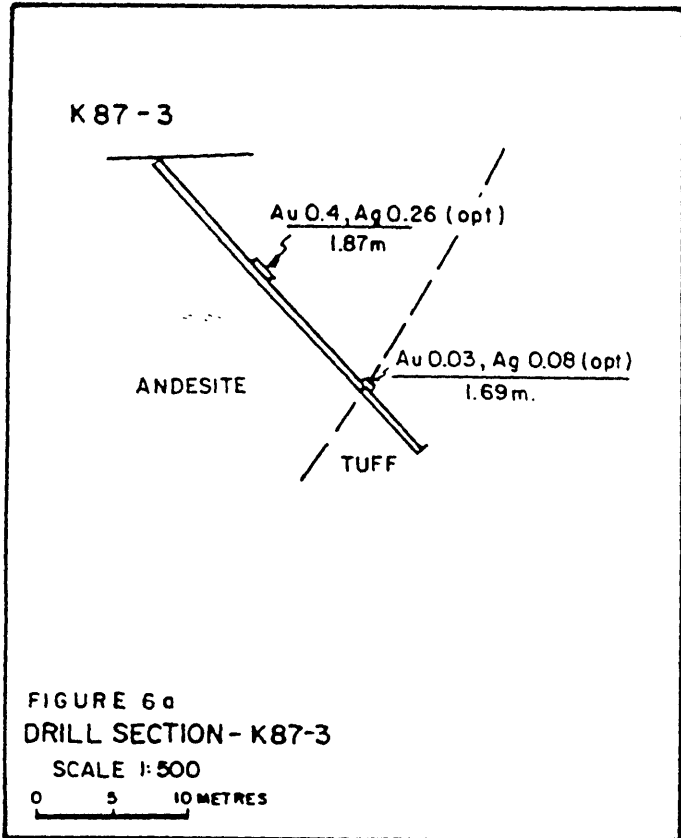
The cause of both anomalies remains unknown, although the latter was apparently tested by diamond drilling (DH 87-5). Sulphide content is relatively low in the known mineral occurrences, hence mineralization of economic interest may not necessarily be detectable by induced polarization techniques.

VLF Electromagnetic Survey

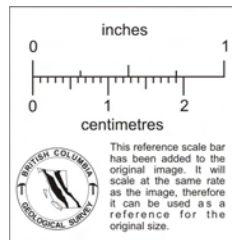
Implementation of a VLF electromagnetic survey was intended to identify larger structural features on the grid.

The survey indicated few significant anomalous trends. Only one weakly anomalous lineament occurs that may disrupt the general east northeast magnetic trend. This feature strikes north northeast, apparently passing near drill hole 87-5.

CHONG



F. S. Adamson



ORCAN MINERAL ASSOCIATES LTD. CONSULTANTS
VANCOUVER, CANADA

MacLAUGHLIN EXPLORATION INC.

KALUM PROPERTY

DRILL HOLE SECTIONS
K87 - 3 and 4

KITSUMKALUM LAKE, B.C.

N.T.S. 1031-19

SCALE AS SHOWN

NOV. 1988

FIG. 6

DIAMOND DRILLING

Six core holes were drilled on the property in 1987 under the direction of J.C. Stephen Explorations Ltd. The total length drilled was 427.6 metres. The core was logged by Mr. H.J. Awmack, P.Eng. The holes were located as shown on Figures 4, 5, and 7.

Drill hole 87-1 (drilled at -60 degrees for 63.1 metres) was collared to test the down dip extension of the Road Zone. The hole intersected andesite to 19.8 metres (sheared from 15.7 metres), laminated tuff to 57.0 metres, and then andesite to the end of the hole. Weakly disseminated malachite occurs in a quartz-chlorite shear from 47.6 to 48.5 metres. Gold, silver, and copper assays over this interval were 0.07 ounces gold per ton, 0.72 ounces silver per ton, and 0.05 per cent copper.

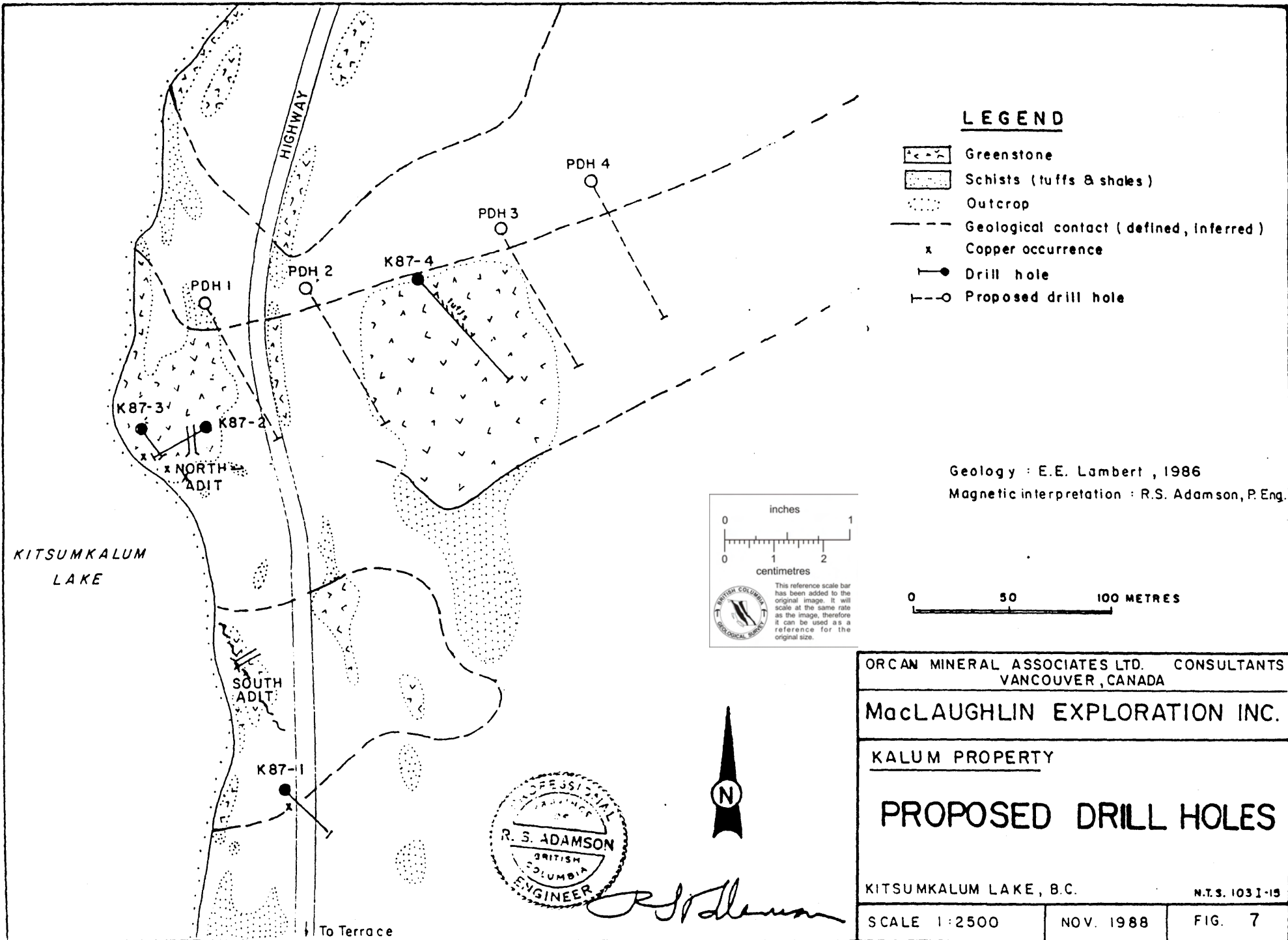
Drill hole 87-2 (dip -47 degrees, length 43.6 metres) was located to investigate mineralization in the caved shaft and a north-trending fracture zone that is visible in the North Adit. The hole intersected andesite and basalt (?) to 16.8 metres, andesite to 42.0 metres, and laminated tuff to the end of the hole. Very weakly disseminated malachite occurs sporadically over short intervals. The best assay was 0.106 ounces gold per ton, 0.24 ounces silver per ton, and 0.35 per cent copper from 27.9 to 28.3 metres.

Drill hole 87-3 (-47 degrees, 26.2 metres) was located to test mineralization beneath the caved shaft. The hole intersected andesite to 21.0 metres followed by sericitic tuff to the end of the hole (Figure 6a). It was abandoned in severely squeezed ground. The mineralization exposed in the caved shaft ('upper' North Adit zone) was intersected from 9.3 to 11.2 metres. Comprising a narrow quartz vein flanked by malachite on fractures and foliation planes, the 1.9-metre intercept assayed 0.4 ounces gold per ton and 0.26 ounces silver per ton. A check sample of the other half of the core taken by G.L. Ven Huizen, P.Eng., assayed 0.093 ounces gold per ton over 1.45 metres (see Appendix). The average assay of the two sets of samples is 0.267 ounces gold per ton over 1.67 metres. Near the base of the andesite unit, rare malachite and bornite associated with magnetite, epidote, and silicification occur from 16.9 to 18.5 metres ('lower' North Adit zone?). This interval assayed 0.026 ounces gold per ton, 0.08 ounces silver per ton, and 0.15 per cent copper.

Drill hole 87-4 (-47 degrees, 100.9 metres) was spotted to test an unmineralized, milky white quartz vein which occurs near two anomalous soil samples (Figure 4). The hole intersected andesite to 17.5 metres, laminated tuff to 60.3 metres, and then mainly andesite to the end of the hole. The hole was ultimately abandoned after encountering intense shearing from 98.7 metres. Malachite and bornite associated with quartz and epidote were intersected from 5.3 to 7.7 metres. The best assay in this interval was 0.01 ounces gold per ton, 0.28 ounces silver per ton, and 0.59 per cent copper over 0.94 metres. In spite of its clearly uneconomic assay value, the most significant feature of this intercept is that the mineralized zone lies 9.8 metres up the 'stratigraphic' section from the andesite tuff contact (Figure 6b). This compares with the high grade intercept in drill hole 87-3 which also lies 9.8 metres up the section from what appears to be the same contact. On the other hand, there is no copper mineralization near the base of the upper andesite unit in this hole that might be analagous to the 'lower' North Adit zone in drill hole 87-3.

Drill hole 87-5 (-47 degrees, 121.9 metres) was located to test a combined chargeability-resistivity high situated near a hypothetical fault. Rocks encountered throughout the hole were primarily siltstone interbedded with minor bands of conglomerate and greywacke. A narrow acidic dyke occurs at 84 metres. Two relatively thin beds of andesite tuff are also present. These rocks are interpreted to be younger than the volcanic-sedimentary sequence that outcrops on the lake shore and road cut. There was little to account for the chargeability-resistivity anomaly. Pyrite is rare and when visible is less than one per cent.

Drill hole 87-6 (-47 degrees, 71.9 metres) was collared to investigate a chalcopyrite-magnetite-pyrite bearing quartz vein occurrence exposed in a road cut. Laminated tuffs were intersected throughout. The vein zone was intersected from 12.2 to 15.0 metres, but core recovery was very poor (35 per cent). The best assay from the mineralized interval was 0.04 ounces gold per ton, 0.07 ounces silver per ton, and 0.08 per cent copper over 1.8 metres.



CONCLUSIONS

Significant gold values occur on the Kalum property, associated always with quartz impregnation and copper mineralization. Although copper mineralization occurs in both volcanic and sedimentary rocks, it preferentially concentrates on foliation planes, and to a lesser extent along shears, in the andesite. It consequently tends to exhibit a stratiform character, as the foliation and shearing in the volcanic rocks generally parallel flow banding as well as bedding in the flanking tuffaceous units. Continuity of copper mineralization, if not necessarily with significant associated gold values, is therefore implied.

There are two strongly prospective greenstone (andesite) horizons occurring over a stratigraphic width of approximately 110 metres as shown on Figure 6b, and supported by the magnetic survey results. The magnetic signature indicates these units can be traced along strike for in excess of 400 metres. To the east, they may continue beneath younger rocks; to the west they should extend beneath the lake, at least until they meet the Kalum-Kitimat Fault Zone.

The vein zone intersected in drill hole 87-3 carries potentially economic gold values across a mineable width. There is good geological evidence to indicate the mineralized zone continues 160 metres easterly as far as drill hole 87-4. Additional diamond drilling is warranted to further investigate this zone. Drilling between the two holes should indicate whether a potential ore shoot exists eastward from drill hole 87-3. Drilling eastward beyond drill hole 87-4 should indicate whether a second potential ore shoot occurs on the prospective structure.

Recommendations

Four diamond drill holes are proposed, located essentially as shown on Figure 7. All should be drilled at -47 degrees to the south southeast. Each should be long enough to cut through both andesite horizons. The total estimated footage is 450 metres. Should proposed drill hole No. 3 results be marginal, drill hole No. 4 should be located on the lake shore (at low water period) if possible, or vertically at the site of drill hole 87-3 to test the zone at a greater depth.

Estimated Costs

The cost of the four-hole drill program is estimated to be:

1. Diamond Drilling (4 holes - 450 metres)		\$ 42,500
Contract: 450 @ \$90/metre	\$ 40,500	
Bulldozer	<u>2,000</u>	
2. Geology & Supervision		11,900
33 days @ \$300/day	9,900	
Labour	<u>2,000</u>	
3. Maintenance		4,250
50 man days @ \$85/man day		
4. Transportation		1,500
Vehicle Rental		
5. Field Support		5,000
Assays, Freight, Travel, Fees, etc.		
6. Project Management & Report		5,000
7. Contingencies (approx. 12%)		<u>8,350</u>
		<u>\$ 78,500</u>



Respectfully submitted,
ORCAN MINERAL ASSOCIATES LTD.

A handwritten signature in cursive script, appearing to read "R. S. Adamson".

Robert S. Adamson, P.Eng.

REFERENCES

1. Belik, G. (1983): "Geological and Geochemical Report on the Kalum Group".
2. Duffel, S. and Souther, J.G. (1964): "Geology of Terrace Map-Area, British Columbia"; Memoir 329, Geological Survey of Canada (p 74).
3. Howell, W.A. et al (May 15, 1987): "Diamond Drilling and Geochemical Report on the Kalum No. 1, Ken No. 1, and Ken No. 2 Claims"; J. C. Stephen Explorations Ltd. for Cannon Exploration Ltd.
4. Kindle, E.D. (1937): "Mineral Resources of Terrace Area, Coast District, British Columbia"; Memoir 205, Geological Survey of Canada (pp 14-15).
5. Lambert, E.E. and Stephen, J.C. (Nov. 17, 1986): "Geological, Geophysical Report on the Kalum No. 1, Ken No. 1, and Ken No. 2 Claims"; J. C. Stephen Explorations Ltd. for Cannon Exploration Ltd.
6. _____ (1984): "Assessment Report on Geochemical Soil Sampling on the Kalum Property"; for Cominco Ltd.
7. Annual Reports, Minister of Mines, British Columbia: 1914 (p 105), 1918 (p 49), 1927 (p 63), 1931 (p 36).

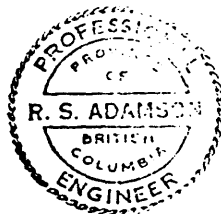
ORCAN MINERAL ASSOCIATES LTD.
CONSULTING ENGINEERS

SUITE 1417 - 409 GRANVILLE STREET
VANCOUVER, CANADA V6C 1T2
TELEPHONE (604) 662-3722

CERTIFICATE

I, Robert S. Adamson, with business and residential addresses in Vancouver, British Columbia, do hereby certify that:

1. I am a consulting geological engineer.
2. I am a graduate of the University of British Columbia, (B.A. Sc. in Geological Engineering, 1957).
3. I am a registered Professional Engineer of the Province of British Columbia.
4. From 1957 until 1967, I was engaged in mineral exploration in Canada for a number of companies. Positions included Senior Geologist, Chief Geologist, and Vice-President, Exploration. Since 1967 I have been practising as a consulting geological engineer and, in this capacity, have examined and reported on numerous mineral properties in Africa, Europe, and North and South America.
5. I examined the Kalum property on July 11, 1988.
6. I have not received, directly or indirectly, nor do I expect to receive any interest, direct or indirect, in the property of McLaughlin Explorations Ltd. or any affiliate thereof, nor do I beneficially own, directly or indirectly, any securities of McLaughlin Explorations Ltd. or any affiliate thereof.



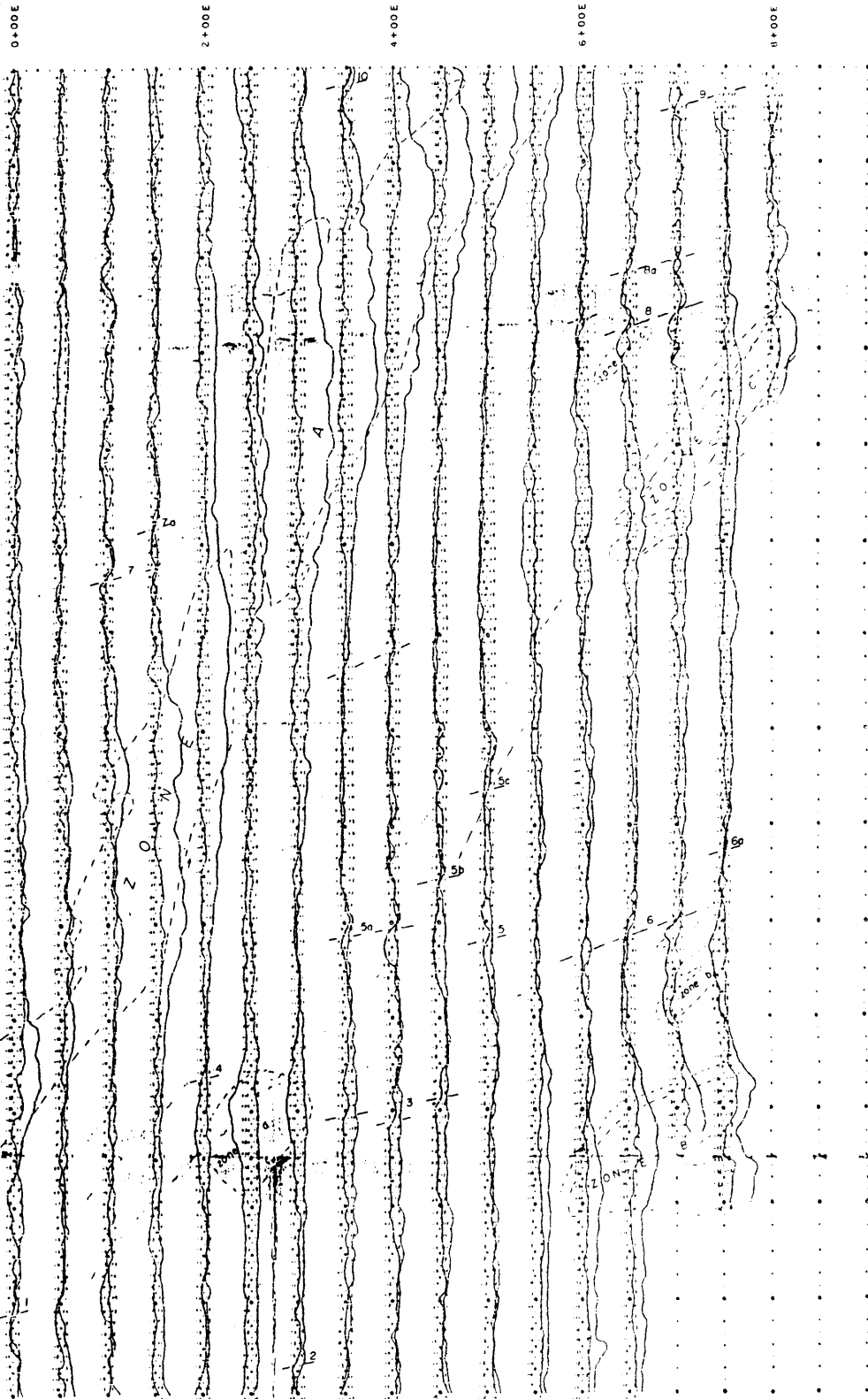
Vancouver, Canada

Respectfully submitted,

A handwritten signature in black ink, appearing to read "R. S. Adamson". The signature is written in a cursive style and is positioned above a horizontal line.

Robert S. Adamson, B.A.Sc., P.Eng.

NORTHERN BOUNDARY OF CLAIM



KITSUM KALUM LAKE

NORTH ADIT
SOUTH ADIT

14+00N.B.L.

10+00N

5+00N

0+00

0+00E

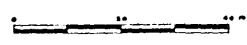
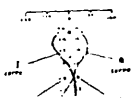
2+00E

4+00E

6+00E

8+00E

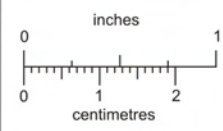
TERRACE



INSTRUMENT: GEONICS EM 18

TRANSMITTER: CUTLER, MAINE (MAA)

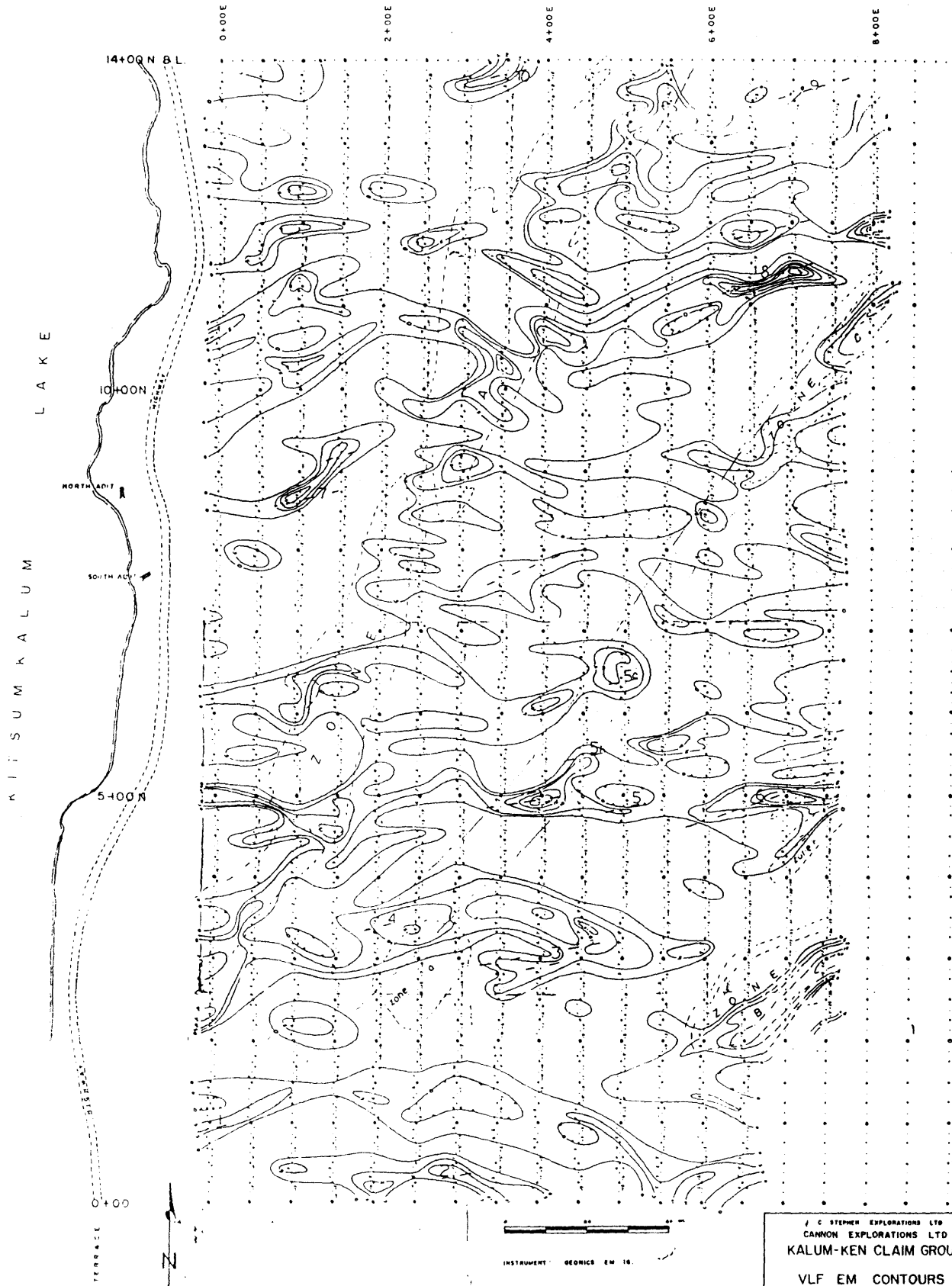
J. C. STEPHEN EXPLORATIONS LTD
 CANNON EXPLORATIONS LTD
 KALUM-KEN CLAIM GROUP
 VLF EM PROFILES



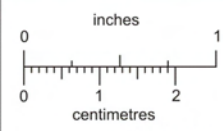
BRITISH COLUMBIA GEOLOGICAL SURVEY

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NORTHERN BOUNDARY OF CLAIM



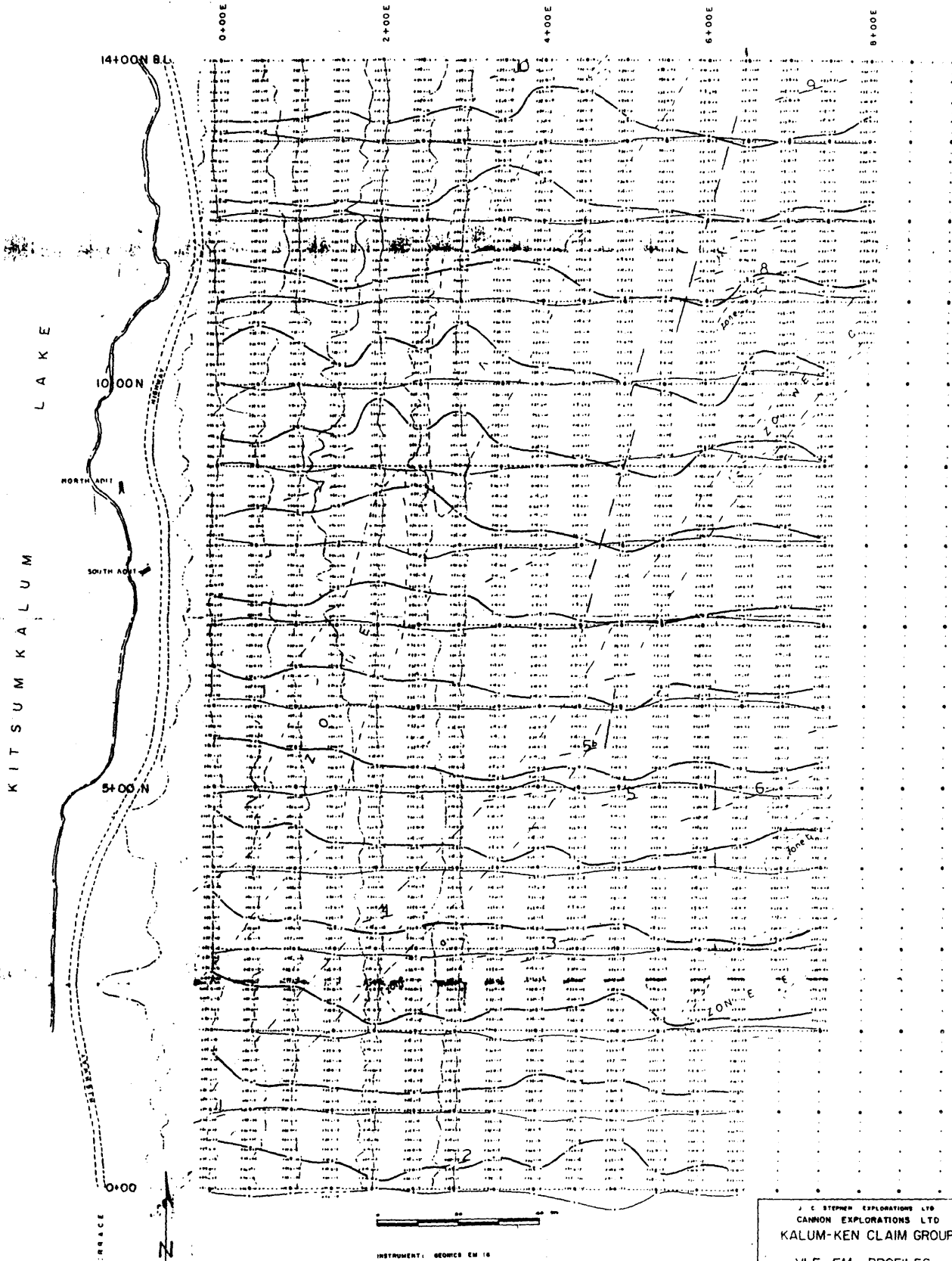
J C STEPHEN EXPLORATIONS LTD
 CANNON EXPLORATIONS LTD
 KALUM-KEN CLAIM GROUP
 VLF EM CONTOURS



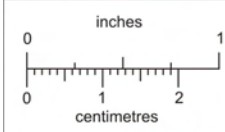
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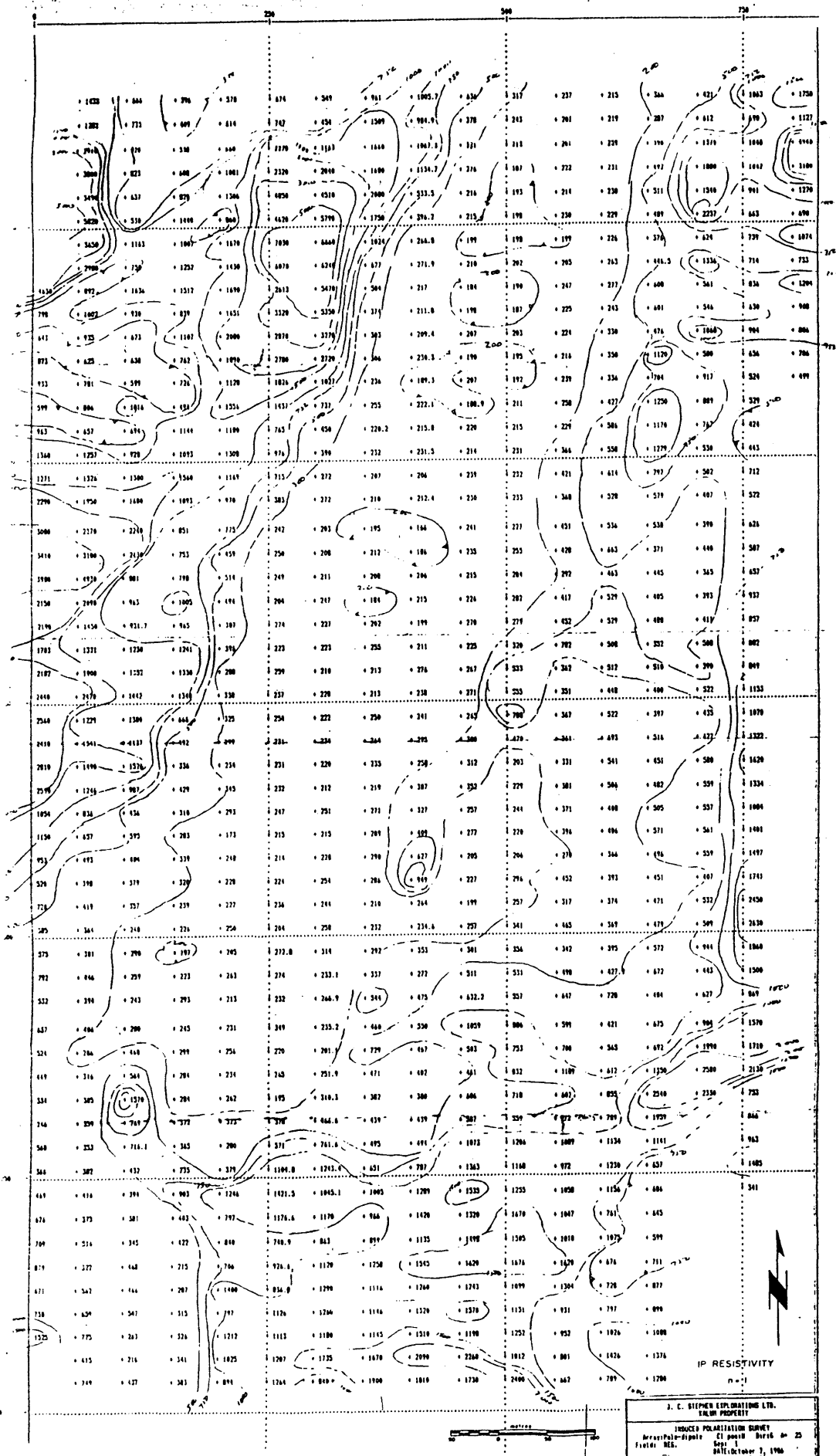
NORTHERN BOUNDARY OF CLAIM



J. C. STEPHEN EXPLORATIONS LTD
CANNON EXPLORATIONS LTD
KALUM-KEN CLAIM GROUP
VLF EM PROFILES

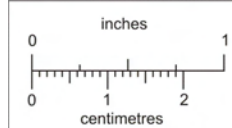


BRITISH COLUMBIA
GEOLOGICAL SURVEY
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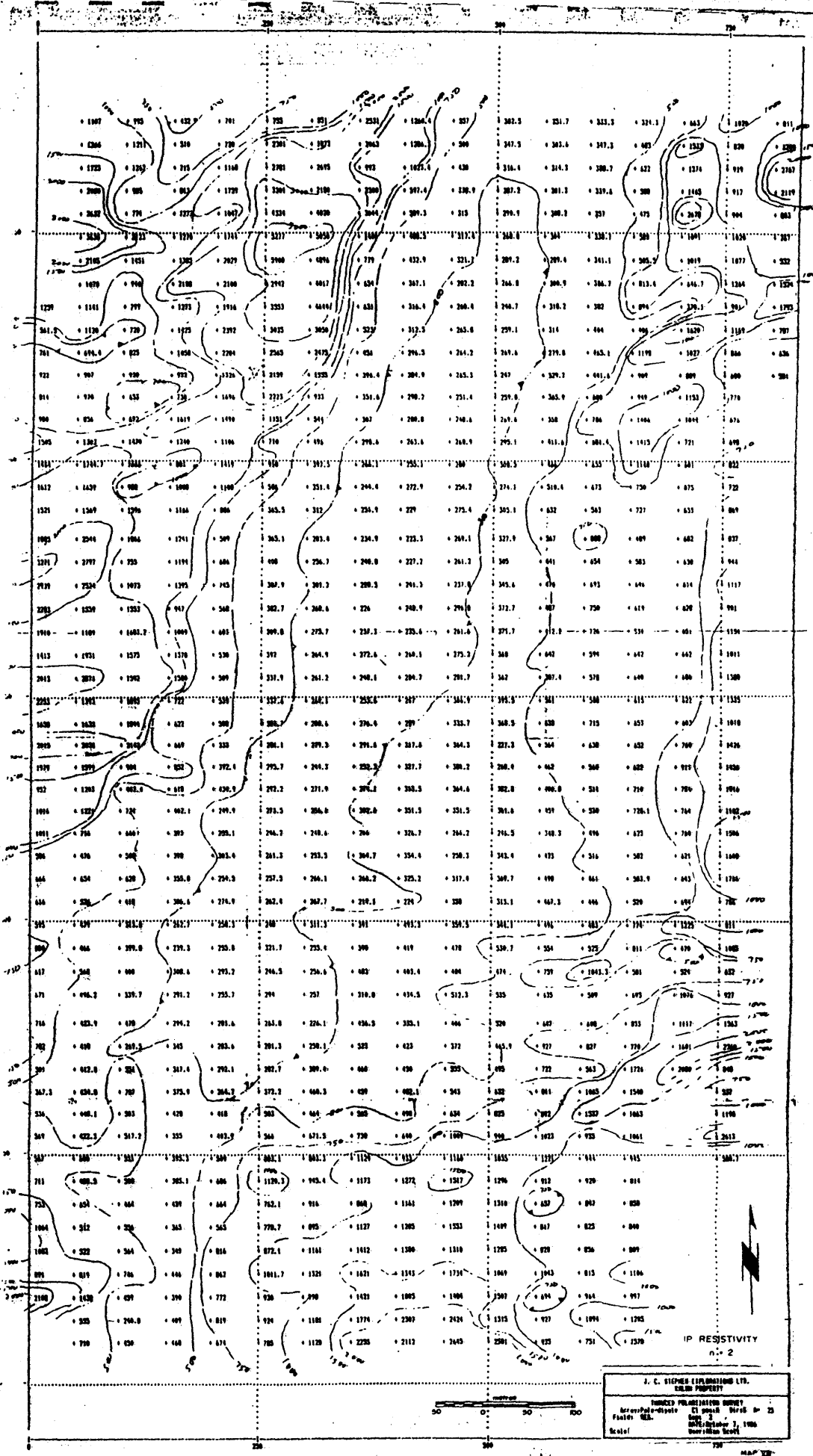


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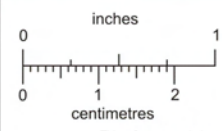
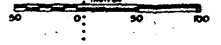
J. C. SIMPSON EXPLORATIONS LTD.
SALMON PROSPECT
INDUCED POLARIZATION SURVEY
Area: Polaris Point, C.T. 10001, Block # 25
Field: RES. Sp. 1
Date: October 7, 1966
Scale: 1:5000



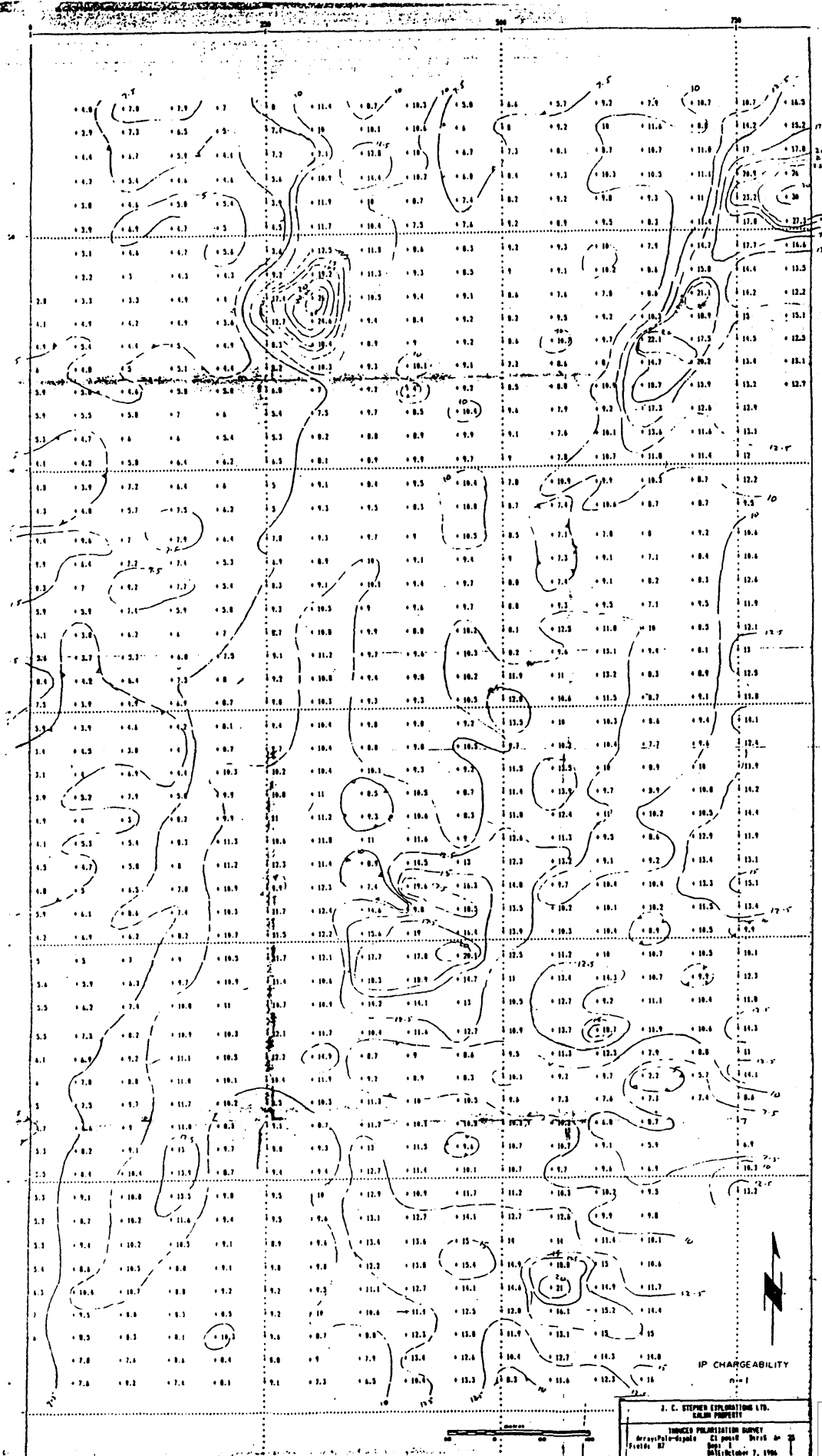
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J. C. SIMES LABORATIONS LTD.
 SOIL PROPERTY
 INDEXED POLYMERIZATION UNIT
 4000-100-1000
 Field No. 11
 Date: September 7, 1966
 Location: (British Columbia)

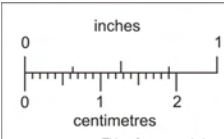
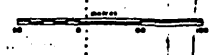


BRITISH COLUMBIA
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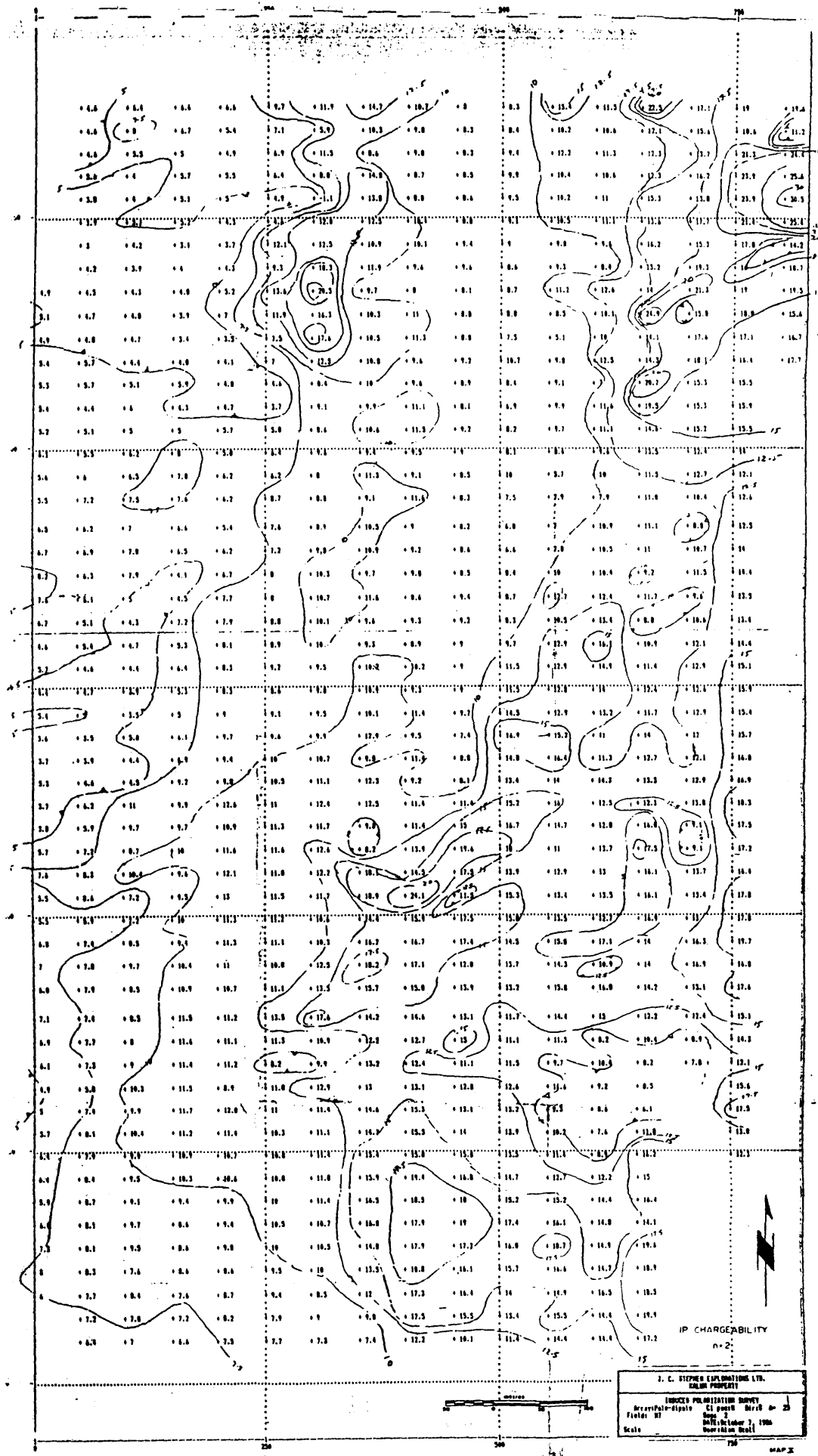


IP CHARGEABILITY
mV

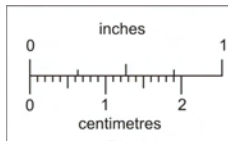
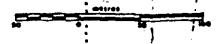
J. C. STEPHEN EXPLORATIONS LTD.
LALOR PROPERTY
INDUCED POLARIZATION SURVEY
Grassy Point - Lalore
Field No. 1
Date: October 7, 1966
Derrick Hill



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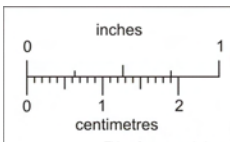
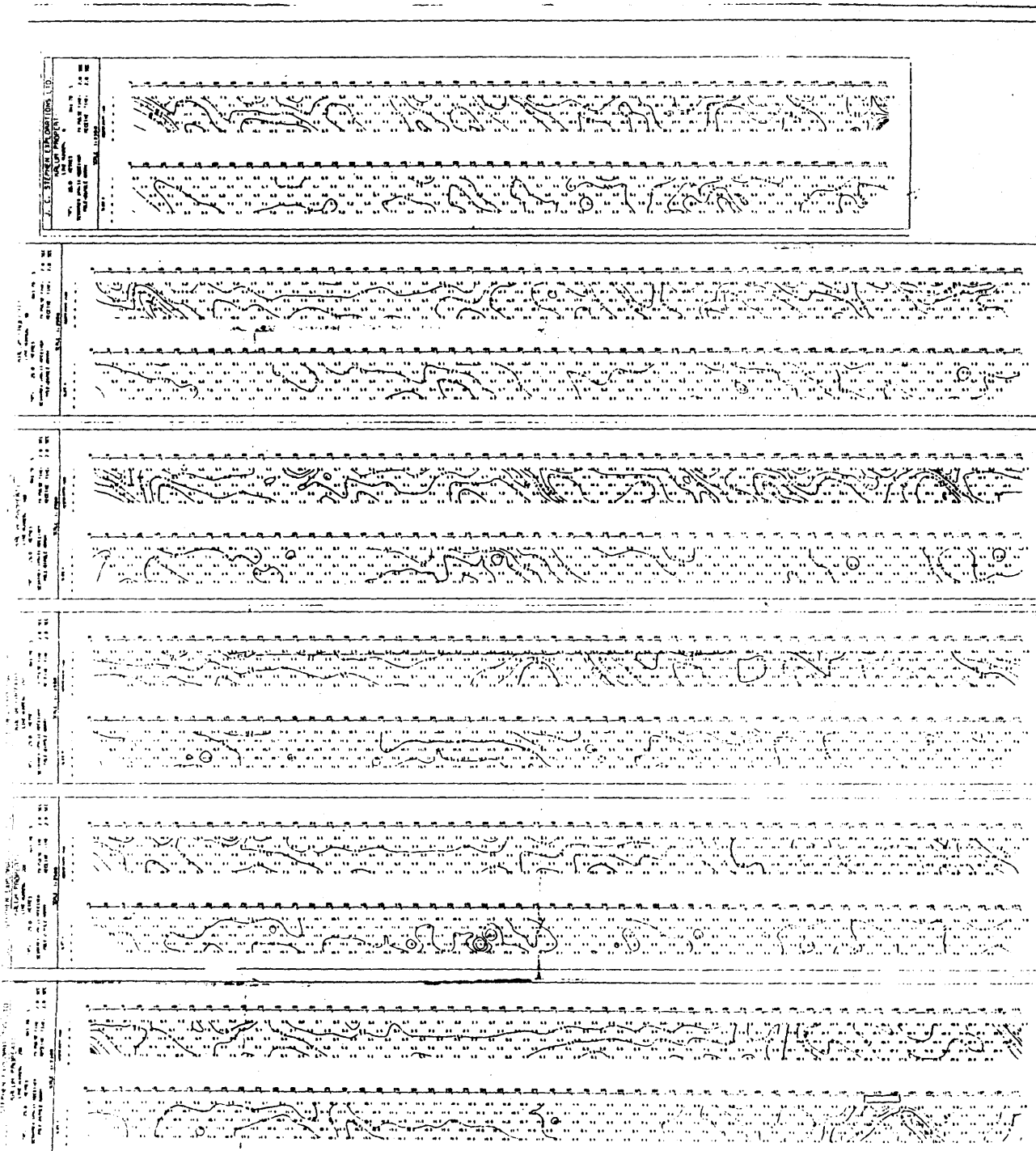


J. C. STEPHEN EXPLORATIONS LTD.
 LALAM PROPERTY
 INDUCED POLARIZATION SURVEY
 Near Pato-dipato Cl post N. 25
 Field 17
 Date October 2, 1960
 Maurice Gault
 Scale



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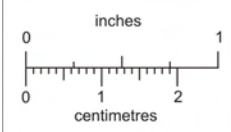
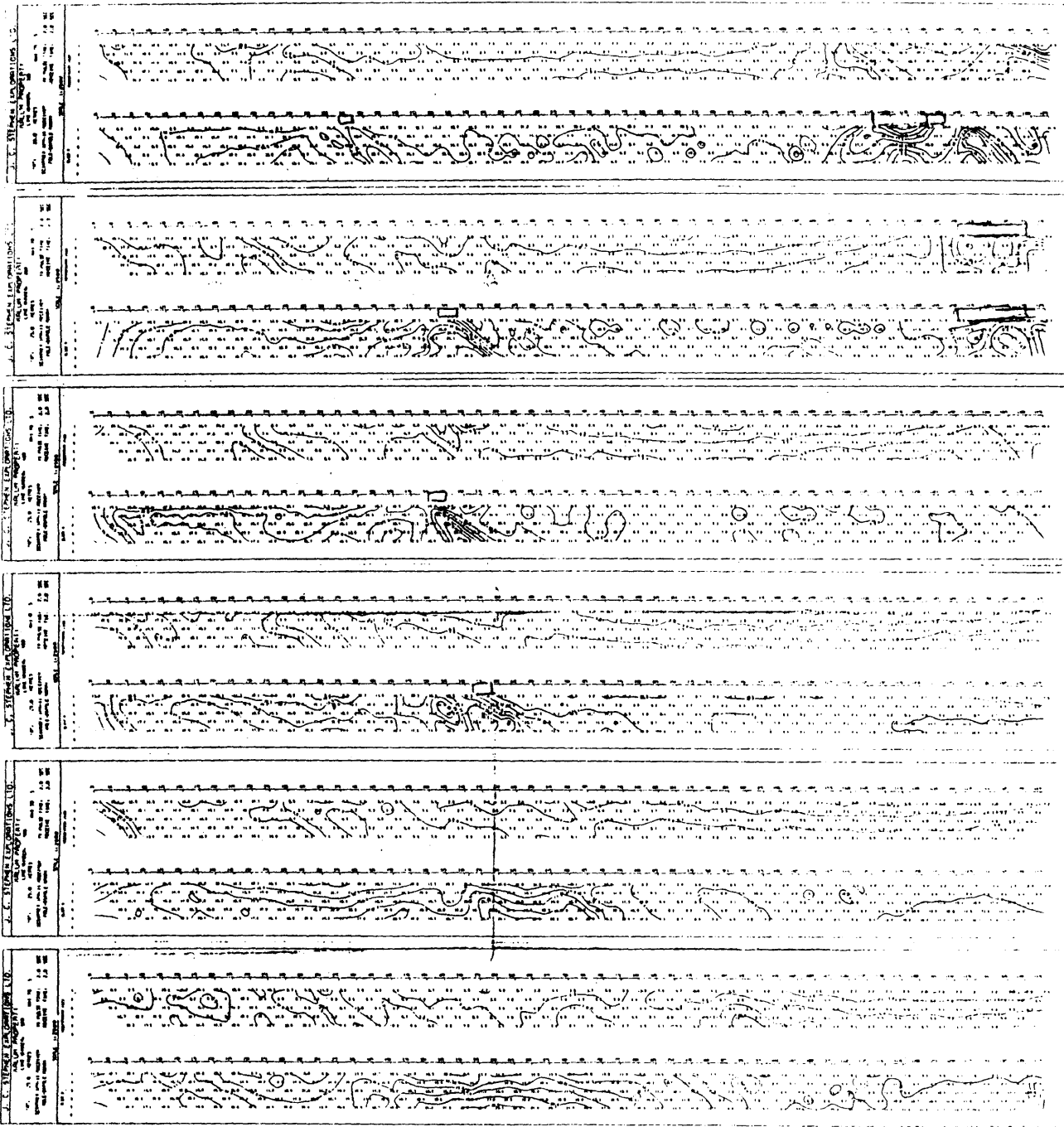




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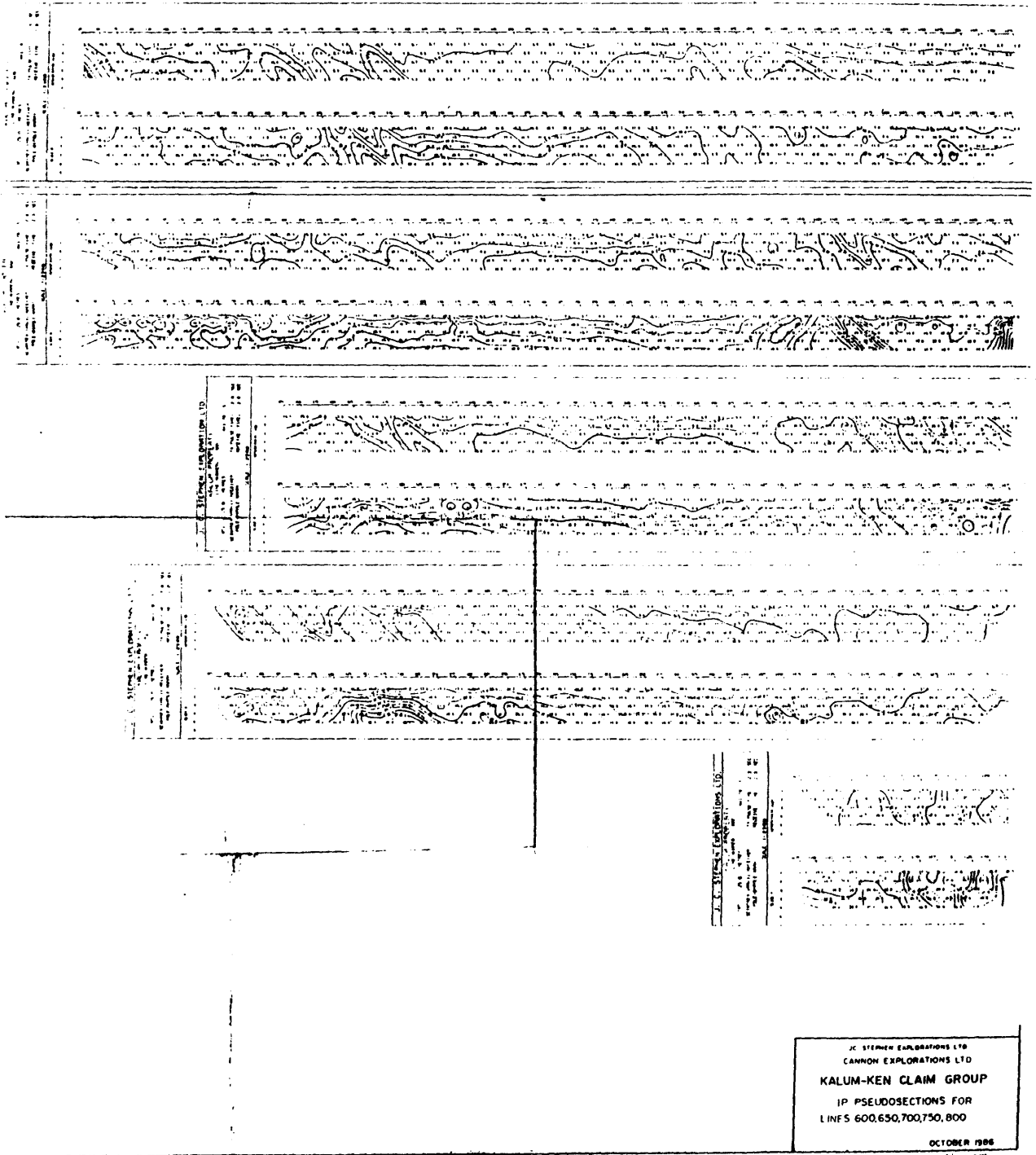


J.C. STEPHEN EXPLORATIONS LTD
 CANNON EXPLORATIONS LTD
KALUM-KEN CLAIM GROUP
 IP PSEUDOSECTIONS FOR
 LINES 0, 50, 100, 150, 200, 250
 OCTOBER 1988
 HAD VI

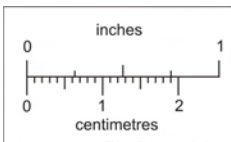


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J.C. STEVEN EXPLORATIONS LTD
 CANNON EXPLORATIONS LTD
KALUM-KEN CLAIM GROUP
 IP PSEUDOSECTIONS FOR
 LINES 300, 350, 400, 450, 500, 550
 OCTOBER 1988



J.C. STEPHEN EXPLORATIONS LTD
 CANNON EXPLORATIONS LTD
KALUM-KEN CLAIM GROUP
 IP PSEUDOSECTIONS FOR
 LINES 600,650,700,750,800
 OCTOBER 1986
 MAP 22



This reference scale bar
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 scale at the same rate
 as the image, therefore
 it can be used as a
 reference for the
 original size.



ORCAN MINERAL ASSOCIATES LTD.

APPENDIX

Geochemical/Assay Certificate

GEOCHEMICAL/ASSAY CERTIFICATE

ICP - .500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEG.C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.
 THIS TRACE IS PARTIAL FOR NY FE SR CA P LA CR NG BA TI B V AND LIMITED FOR NA K AND AL. NO DETECTION LIMIT BY ICP IS 3 PPM.
 - SAMPLE TYPE: Core AU** BY FIRE ASSAY FROM 1 A.T.

DATE RECEIVED: OCT 5 1988

DATE REPORT MAILED: Oct 11/88

ASSAYER: C. Leong D. TOYE OR C. LEONG, CERTIFIED B.C. ASSAYERS

DRILL HOLE 87-3

MCLAUGHLIN EXPLORATION File # 88-4998

KALUM PROPERTY

SAMPLE#	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	Al	D	Au	Tb	Sr	Cd	Sb	Bi	V	Ca	P	La	Cr	Mg	Ba	Ti	B	Al	Na	K	V	Au**
	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	%	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	PPM	%	%	PPM	PPM	%	PPM	%	PPM	%	%	%	PPM	OZ/T
K 0917	2	102	13	30	.4	64	14	194	2.76	12	5	ND	1	121	1	2	2	65	2.26	.031	2	119	1.45	11	.10	2	4.26	.24	.02	6	.001
K 0918	1	56	3	34	.3	76	17	205	2.91	9	5	ND	1	145	1	2	3	63	2.35	.031	2	125	1.78	11	.10	2	4.76	.24	.01	7	.001
K 0919	1	16	5	35	.4	88	17	254	3.16	2	8	ND	1	122	1	2	3	62	1.87	.031	2	129	1.96	15	.10	2	4.14	.09	.02	1	.001
K 0920	1	33	8	47	.3	130	24	342	3.09	3	5	ND	1	74	1	3	4	58	1.10	.032	2	244	2.77	37	.10	2	4.26	.04	.03	3	.001
K 0921	1	72	2	56	.4	123	24	417	3.72	2	8	ND	1	36	1	2	4	61	.71	.027	2	220	2.99	16	.11	4	3.28	.02	.02	1	.001
K 0922	1	94	2	44	.3	82	16	366	2.55	3	10	ND	1	56	1	2	2	55	1.19	.020	2	101	1.72	6	.12	2	2.18	.01	.02	1	.001
K 0923	1	70	5	38	.5	89	16	289	2.40	3	10	ND	1	68	1	2	2	44	1.31	.031	2	133	1.95	15	.11	2	3.12	.05	.05	1	.001
K 0924	1	104	5	39	.5	110	20	310	3.26	4	5	ND	1	71	1	2	2	61	1.29	.029	2	198	2.42	23	.10	2	3.51	.05	.07	1	.001
K 0925	1	1172	8	36	1.3	117	21	293	3.31	10	5	ND	1	79	1	2	2	60	1.94	.033	2	217	2.22	21	.07	2	4.18	.18	.07	5	.021
K 0926	1	3269	10	41	4.5	117	21	327	3.02	6	5	ND	1	41	1	2	2	72	1.34	.034	2	241	2.35	49	.14	2	3.09	.05	.44	5	.052
K 0927	10	17100	13	13	30.5	12	5	247	2.00	31	5	24	1	4	1	2	59	23	.22	.001	2	22	.34	1	.01	3	1.29	.01	.01	6	.597
K 0928	1	1914	9	43	2.3	121	23	394	3.16	7	5	ND	1	32	1	2	4	62	1.06	.037	2	261	2.55	31	.11	3	3.16	.08	.21	5	.679
K 0929	1	129	3	24	.4	79	14	203	2.34	3	5	ND	1	36	1	3	2	42	.77	.038	2	142	1.55	7	.06	2	2.03	.08	.02	3	.005
K 0930	1	64	10	29	.1	76	15	258	2.85	2	5	ND	1	58	1	2	3	61	1.12	.039	2	149	1.57	15	.09	2	2.39	.12	.04	2	.001
K 0931	1	25	2	25	.1	68	17	340	3.27	3	5	ND	1	19	1	2	3	61	.51	.028	2	170	2.27	5	.07	2	2.03	.05	.01	1	.001
K 0932	1	547	2	32	1.1	69	16	344	3.89	2	5	ND	1	9	1	2	2	38	.54	.045	2	134	1.31	6	.12	2	1.21	.04	.01	1	.004
K 0933	1	56	6	37	.2	90	18	482	4.14	2	5	ND	1	11	1	2	2	94	.53	.040	2	189	1.58	1	.08	2	1.56	.05	.02	1	.001
K 0934	1	205	2	36	.5	84	17	518	3.13	5	5	ND	1	10	1	2	2	62	.56	.043	2	181	1.80	1	.08	2	1.54	.04	.02	1	.001
K 0935	1	644	2	34	1.0	81	18	573	3.81	2	5	ND	1	22	1	2	2	110	.63	.035	2	180	1.38	18	.14	2	1.51	.08	.44	1	.011
K 0936	1	174	2	27	.4	67	14	494	2.42	4	5	ND	1	11	1	2	2	63	.71	.041	2	133	1.16	10	.13	2	1.14	.06	.20	1	.003
K 0937	1	106	2	34	.2	82	19	563	2.81	3	5	ND	1	10	1	2	2	69	.56	.045	2	168	1.57	14	.10	2	1.50	.04	.21	1	.002
K 0938	1	1392	2	32	3.0	64	14	659	2.63	2	5	ND	1	14	1	2	2	79	1.02	.036	2	127	1.38	14	.10	2	1.75	.07	.09	1	.031
K 0939	1	152	7	66	.1	19	11	483	2.95	6	5	ND	1	47	1	2	2	67	1.18	.068	2	36	1.03	94	.08	3	2.72	.12	.14	2	.001
K 0940	1	9	8	73	.1	17	12	414	3.65	2	5	ND	1	11	1	3	2	52	.42	.108	3	27	.95	45	.08	5	1.18	.04	.03	1	.001
STD C	19	61	39	132	7.0	68	30	1023	4.16	39	21	7	39	50	19	17	25	61	.49	.095	41	56	.53	173	.07	32	2.04	.06	.13	11	.

1.45
metals

ASSAY REQUIRED FOR CORRECT RESULT -

STARLIGHT ENERGY CORPORATION

31 MARCH 1990



STARLIGHT ENERGY CORPORATION

**INDEX TO FINANCIAL STATEMENTS
31 MARCH 1990**

Notice to Reader

Interim Balance Sheet

Interim Statement of Loss and Deficit

**Interim Statement of Changes in Financial
Position**

DUNWOODY & COMPANY



Internationally
DUNWOODY ROBSON McGLADREY & PULLEN
Chartered Accountants
One Bentall Centre
300 - 505 Burrard Street
Vancouver, B.C. Canada V7X 1T1
Telephone: (604) 688-5421 Fax: (604) 681-3147

NOTICE TO READER

We have compiled the Interim Balance Sheet of Starlight Energy Corporation as at 31 March 1990 and the Interim Statements of Loss and Deficit and Changes in Financial Position for the period then ended from information provided by management. We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Readers are cautioned that these statements may not be appropriate for their purposes.

Vancouver, British Columbia
26 April 1990

Dunwoody & Company
CHARTERED ACCOUNTANTS

STARLIGHT ENERGY CORPORATION
INTERIM BALANCE SHEET
As At 31 March 1990 (Unaudited - see Notice to Reader)

	1990	1989
ASSETS		
CURRENT		
Cash	\$ -	\$ -
MINERAL PROPERTIES AND DEFERRED EXPENDITURES	7,500	34,000
OFFICE FURNITURE AND EQUIPMENT	331	439
	<u>\$ 7,831</u>	<u>\$ 34,439</u>

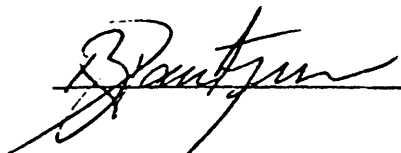
LIABILITIES


CURRENT		
Bank overdraft	\$ 2,997	\$ -
Accounts payable and accruals	32,895	88,689
DUE TO SHAREHOLDERS	260,922	93,431
	<u>296,814</u>	<u>182,120</u>

SHAREHOLDERS' DEFICIENCY

SHARE CAPITAL	1,234,413	1,234,413
DEFICIT	(1,523,396)	(1,382,094)
	(288,983)	(147,681)
	<u>\$ 7,831</u>	<u>\$ 34,439</u>

Approved on behalf of the Board:

 Director

 Director

STARLIGHT ENERGY CORPORATION**INTERIM STATEMENT OF LOSS AND DEFICIT***For the Nine Month Period Ended 31 March 1990 (Unaudited - see Notice to Reader)*

	1990	1989
EXPENSES		
Consulting	\$ 13,000	\$ 4,500
Depreciation	59	49
Interest expense and bank charges	32,662	14,295
Licenses and fees	7,406	1,610
Management fees	6,000	9,000
Office and printing	1,620	24
Professional fees	2,700	3,550
Rent and utilities	7,813	600
Travel and promotion	1,000	314
Telepone and fax	686	300
LOSS BEFORE OTHER ITEM	72,946	34,242
Other item		
Properties abandoned and written down	9,000	3
NET LOSS FOR THE YEAR	81,946	34,245
Deficit, beginning of year	1,441,450	1,347,849
DEFICIT, END OF YEAR	\$1,523,396	\$1,382,09
LOSS PER SHARE	\$0.03	\$0.01



STARLIGHT ENERGY CORPORATION
INTERIM STATEMENT OF CHANGES IN FINANCIAL POSITION
For the Nine Month Period Ended 31 March 1990 (Unaudited - see Notice to Reader)

	1990	1989
CASH PROVIDED (USED) BY:		
OPERATING ACTIVITIES		
Operations		
Net loss for the year	\$(81,946)	\$(34,245)
Items not involving cash		
Depreciation	59	49
Properties abandoned and written down	9,000	3
	<u>(72,887)</u>	<u>(34,193)</u>
Changes in non-cash working capital balance		
Accounts payable	(2,293)	48,432
Due to shareholders	79,683	10,705
	<u>4,503</u>	<u>24,944</u>
FINANCING ACTIVITIES		
Shares issued	<u>-</u>	<u>9,000</u>
INVESTING ACTIVITIES		
Purchase of mineral properties	(5,000)	(34,000)
Deferred expenditures	(2,500)	-
	<u>(7,500)</u>	<u>(34,000)</u>
Cash, beginning of year	-	56
BANK OVERDRAFT, END OF YEAR	\$ (2,997)	\$ -

STARLIGHT ENERGY CORPORATION

30 JUNE 1989



STARLIGHT ENERGY CORPORATION

**INDEX TO FINANCIAL STATEMENTS
30 JUNE 1989**

Auditors' Report

Balance Sheet

Statement of Loss and Deficit

Statement of Changes in Financial Position

Notes to Financial Statements



DUNWOODY & COMPANY

Internationally
DUNWOODY ROBSON McGLADREY & PULLEN
Chartered Accountants
P.O. Box 49272, Four Bentall Centre
Suite 1800, 1055 Dunsmuir Street
Vancouver, B.C. Canada V7X 1C5
Telephone: (604) 688-5421 Fax: (604) 681-3147

AUDITORS' REPORT

**TO THE SHAREHOLDERS
STARLIGHT ENERGY CORPORATION**

We have examined the Balance Sheet of Starlight Energy Corporation as at 30 June 1989 and the Statements of Loss and Deficit and Changes in Financial Position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Company as at 30 June 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The comparative figures were reported upon by other auditors.

Vancouver, British Columbia
3 November 1989

Dunwoody & Company
CHARTERED ACCOUNTANTS

STARLIGHT ENERGY CORPORATION

BALANCE SHEET

As At 30 June 1989

	1989	1988
ASSETS		
CURRENT		
Cash	\$ -	\$ 56
MINERAL PROPERTY, note 2	9,000	-
OIL AND GAS INTERESTS, at cost less write - down for reduction in value	-	3
OFFICE FURNITURE AND EQUIPMENT, note 3	390	488
	<u>\$ 9,390</u>	<u>\$ 547</u>
LIABILITIES		
CURRENT		
Accounts payable and accruals	\$ 35,188	\$ 23,910
DUE TO SHAREHOLDERS, note 5	181,239	99,073
	<u>216,427</u>	<u>122,983</u>
SHAREHOLDERS' DEFICIENCY		
SHARE CAPITAL, note 4	1,234,413	1,225,413
DEFICIT	(1,441,450)	(1,347,849)
	<u>(207,037)</u>	<u>(122,436)</u>
	<u>\$ 9,390</u>	<u>\$ 547</u>

SIGNIFICANT ACCOUNTING POLICIES, note 1

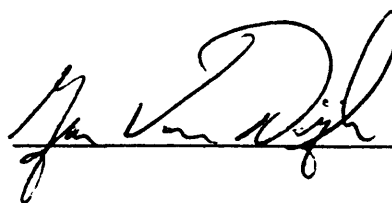
RELATED PARTY TRANSACTIONS, note 5

INCOME TAXES, note 6

Approved on behalf of the Board:



Director



Director



STARLIGHT ENERGY CORPORATION
STATEMENT OF LOSS AND DEFICIT
For the Year Ended 30 June 1989

	1989	1988
EXPENSES		
Accounting and audit	\$ 4,900	\$ 2,400
Advertising and promotion	296	1,158
Bank charges and interest	35,161	16,499
Consulting fee	12,000	6,200
Depreciation	98	122
Filing and listing fees	2,048	1,144
Legal	2,000	1,000
Management fees	12,000	12,000
Office	827	862
Rent	14,218	2,400
Telephone	2,385	-
Transfer agent	2,730	3,415
Travel and promotion	4,935	75
	<u>93,598</u>	<u>47,275</u>
Loss before other items	93,598	47,275
Other items		
Properties abandoned and written down	3	208,654
Provision for loss on receivables	-	14,958
	<u>3</u>	<u>223,612</u>
NET LOSS FOR THE YEAR	93,601	270,887
Deficit, beginning of year	1,347,849	1,076,962
DEFICIT, END OF YEAR	\$1,441,450	\$1,347,849
LOSS PER SHARE	\$ 0.03	\$ 0.10

5. RELATED PARTY TRANSACTIONS

- (a) During the year, the company paid management fees of \$12,000 (30 June 1988 - \$12,000) to one of the directors of the company.
- (b) During the year, the company accrued interest expense on shareholder loans in the amount of \$35,133 which remains payable at year end.
- (c) The company was charged consulting fees of \$12,000 (30 June 1988 - \$6,000) by a company controlled by one of the shareholders.

6. INCOME TAXES

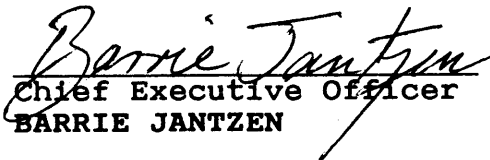
The loss carry forward for income tax purposes amounts to \$551,834. The tax benefits related to this loss carry forward have not been recognized in the financial statements and expire as follows:

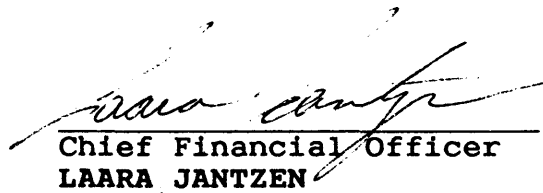
1990	-	\$ 93,601
1991	-	\$113,311
1992	-	\$104,687
1993	-	\$ 57,322
1994	-	\$ 28,253
1995	-	\$ 62,110
1996	-	\$ 92,550

CERTIFICATE OF THE DIRECTORS AND PROMOTERS
OF THE ISSUER

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

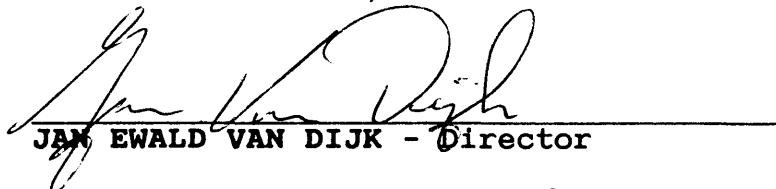
DATED July 9² 1990

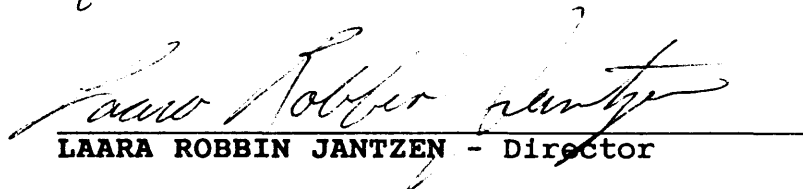

Chief Executive Officer
BARRIE JANTZEN


Chief Financial Officer
LAARA JANTZEN

On behalf of the Board of Directors:


BARRIE JANTZEN - Director


JAN EWALD VAN DIJK - Director


LAARA ROBBIN JANTZEN - Director


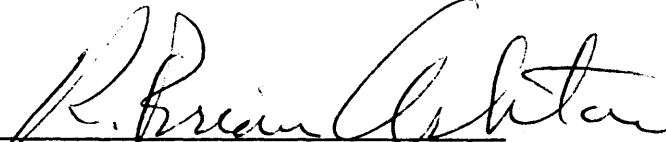

JOHN MARTIN NEUFELD - Director

CERTIFICATE OF THE UNDERWRITER

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

DATED: JULY 9TH 1990

GEORGIA PACIFIC SECURITIES CORPORATION

Per:  
K.C. Kem R. Brian Ashton