

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.

MISSION OR OTHER SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

011016

DATED: September 23, 1988

# WESTERRA RESOURCES LTD.

P.O. Box 594  
730 River Parade Road  
Hope, B.C. V0X 1L0

## 400,000 Common Shares

|       | Price to the Public | Agent's Commission | Proceeds to the Issuer* |
|-------|---------------------|--------------------|-------------------------|
| ..... | \$0.35              | \$0.05             | \$0.30                  |
| ..... | \$140,000.00        | \$20,000.00        | \$120,000.00            |

\* In addition to the costs of the issue estimated to be \$19,000.

THE PRICE OF THE SECURITIES OFFERED HEREBY WAS DETERMINED BY NEGOTIATION BETWEEN THE ISSUER AND THE AGENT. A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED AS SPECULATIVE. THERE IS NO MARKET THROUGH WHICH THESE SECURITIES MAY BE SOLD.

THE PURCHASE PRICE OF EACH COMMON SHARE OFFERED HEREBY EXCEEDS THE NET TANGIBLE BOOK VALUE THEREOF AT MAY 31, 1988 BY \$0.22 AFTER GIVING EFFECT TO THIS ISSUE ON A FULLY DILUTED BASIS, INCLUDING THE ISSUANCE OF AN AGGREGATE OF 400,000 SHARES AFTER MAY 31, 1988.

The Vancouver Stock Exchange has conditionally listed the securities being offered pursuant to this Prospectus. Listing is subject to the Company fulfilling all the listing requirements of the Vancouver Stock Exchange on or before April 3, 1989, including prescribed distribution and financial requirements.

All of the properties in which the Issuer has an interest are in the exploration and development stage only and are without a known body of commercial ore. No survey of any of the properties of the Issuer has been made and therefore in accordance with the laws of the jurisdiction in which the properties are situate, their existence and area could be in doubt. See also heading "Risk Factors".

Upon completion of this offering (excluding the exercise of the Agent's Warrant) the issue will represent 25.8% of the shares then outstanding as compared to 67% that will then be owned by the controlling persons, promoters, directors and senior officers of the Issuer and underwriters ("Underwriters"), as defined in Local Policy 3-30 of the Superintendent of Brokers. Refer to the heading "Principal Holders of Securities" herein for details of shares held by directors, promoters and controlling persons and associates of the foregoing. Underwriters have purchased shares of the Issuer at the non-reporting stage.

One or more of the directors of the Issuer has an interest, direct or indirect, in other natural resource companies. Reference should be made to the heading "Directors and Officers" herein for a comment as to the resolution of possible conflicts of interest.

No person is authorized by the Issuer to provide any information or to make any representation other than those contained in this Prospectus in connection with the issue and sale of the securities offered by the Issuer.

This Prospectus also qualifies the issuance of the Agent's Warrant and the Agent is entitled pursuant to the *Securities Act* and its Regulations to sell any shares acquired on the exercise of the Agent's Warrant without further qualification.

We, as Agent, 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" of this Prospectus and subject to the approval of certain legal matters on behalf of the Issuer by Lawrence & Shaw, Vancouver, British Columbia.

### AGENT

### MERIT INVESTMENT CORPORATION

1500 - 625 Howe Street  
Vancouver, B.C. V6C 2T6

EFFECTIVE DATE: October 4, 1988

PROPERTY FILE R.M.

Rawhide Claim Group  
(Rawhide 1, 2, 3 & 4)  
92 I 6511  
SIV  
JS

DESCRIPTION OF BUSINESS AND PROPERTY

The principal business of the Issuer since its incorporation has been to engage in the acquisition and exploration of resource properties and the Issuer intends to continue to do so and, where feasible, to develop and operate resource properties. The Issuer has from the date of incorporation to February 29, 1988 expended \$56,647 in the acquisition, exploration and development of resource properties, in British Columbia.

RAWHIDE 1, 2, 3 AND 4 CLAIM GROUP

The Issuer owns a 100% interest in the Rawhide 1, 2, 3 and 4 Claim Group (the "Claims"). The property consists of Claims 1 through 4 inclusive as follows:

| <u>Name</u> | <u>Record Number</u> | <u>Number of Units</u> | <u>Expiry Date</u> |
|-------------|----------------------|------------------------|--------------------|
| Rawhide 1-4 | 5849 - 5852          | 71                     | August 29, 1989    |

The Claims were acquired by staking by Daniel Cardinal and Randall Lacombe in August 1984, and were subsequently transferred to the Issuer in February 1988 for nominal consideration.

The Claims are located in the Kamloops Mining Division, British Columbia, 85 km north-northwest of Hope, B.C. Access to the Claims is by logging roads up Kwoiek Creek and much of the property is accessible only on foot.

The Rawhide Claims cover several old gold and silver workings which were first documented in 1928 indicating that a short adit and numerous open cuts had already been completed.

Prior to 1929 gold was 'rawhided' from the property using pack horses. It is reported that in the 1960's an attempt was made to drill part of the mineralized zone but was terminated due to an industrial accident.

In 1970, an area immediately to the east was examined by Magnetron Mining Ltd. for the potential of asbestos and instead delineated high quality talc and tremolite mineralization. In 1977 the old gold workings were re-staked by a prospector and subsequently transferred to Aquarius Resources Ltd. which company, together with a joint venture group conducted exploration surveys on the property between 1977 to 1982 outlining coincidental gold, silver and arsenic geochemical soil anomalies extending southwards from the old workings.

In 1982 projects on the Claims were curtailed due to lack of funds and in August 1984 the Claims lapsed.

After the Claims were staked in 1984, systematic prospecting and geological and geophysical surveys were carried out.

The regional setting of the area in and around the Rawhide claim group is a northwest-southeast trending, steeply dipping belt approximately 30 km in length and composed of metasediments and serpentinized ultramafics.

The metasedimentary units are metamorphosed to a lower greenschist facies and predominately consist of phyllite, argillite, lesser greenstone and quartzite and, minor limestone. The metasediments are in fault-contact with a band of ultramafic rocks that are variously altered to serpentine. The fault-contact is prerented by a series of sub-parallelising shear zones in which the serpentine locally has been altered to talcose schist.

A number of mineral occurrences are spatially associated with the serpentine-ultramafic belt noted above and sporadically occur along the length of the belt. At least 5 gold-silver prospects exist and are at various stages of exploration and development. The precious metal prospects are as follows: at the southeast end of the belt are the Hanna claims - Au/Ag; Natch - Au/Ag; near the central portion is the gold Ridge - Au and the Randi - Au/Ag/Cu and at the northwestern portion of the belt is the Rawhide - Au/Ag. Anomalous amounts of Ni, Cu, cobalt and minor asbestos have also been found along portions of this mineral belt. Talc exists in at least three areas along the belt including the Rawhide Claims.

The Claims are underlain by steeply dipping phyllite, argillite and chloritic greenschist in fault-contact with a serpentine-ultramafic band noted above and paralleling the serpentine and hosted in the phyllite and greenschist are at least two sub-parallel, gold-silver and sulphide-bearing silicified structures. The quartz structures have been partly tested by open-cuts, trenches and one short adit (1920's).

The main rock type encountered in the vicinity of the old workings was a dark-grey, finely laminated phyllite and argillaceous phyllite which locally strikes east-southeasterly and dips steeply to the north. An argillaceous phyllite in contact with a pale-greenschist rock tentatively identified as a tuffaceous-chlorite schist is found at the adit entrance.

The host rock at the contact is an iron-rich, siliceous, auriferous bearing quartzite.

The short adit measures approximately 13 m by 1.5 m. A composite sample was obtained from a 2 m trench which showed 0.315 oz/ton gold. The results also showed anomalous amounts of arsenic, molybdenum and mercury. The sample collected consisted predominately of arsenopyrite hosted in a silicified quartzite. The quartzite zone is partially exposed through glacial-cover till and can partly be traced easterly for approximately 250 m along strike. The mineralized quartzite zone averages 2 to 2.5 m wide.

A major north-westerly striking serpentine shear zone is located five hundred meters east of the adit and associated with the serpentine are talc zones and talcose schist. A 1.5 kg composite sample collected from one of the talc zones returned a whole rock analysis of 94% talc. Good potential exists for outlining high quality, commercial grade talc on the claims.

A total of \$54,985 has been spent on this property by third parties by way of geochemical, prospecting and sampling, geological, geophysical, mapping and sampling including \$1,220 spent by Magnetron Mining Ltd., \$18,115 spent by Aquarius Resources Ltd. and \$35,650 spent by Daniel G. Cardinal, a director of the

Issuer. Approximately \$1,300 has been spent on this property by the Issuer and the work consisted of geological evaluation and data processing.

D.R. Cochrane, P.Eng. in his report dated October 9, 1987 and amended report dated July 6, 1988 recommends an initial work program estimated at a cost of approximately \$82,000 consisting of establishing ground control grid, geological mapping, geophysical orientation surveys and ground magnetometer survey, soil geochemical and rock geochemical survey which the Issuer intends to carry out.

Assessment work is required to keep the claims in good standing in accordance with the Mineral Act.

*There is no surface or underground plant or equipment on the property and the proposed program is an exploratory search for ore only.*

### GOLD RIDGE MINERAL CLAIMS

The Issuer owns a 100% interest in the Gold Ridge Mineral Claims (the "Claims") as follows:

| <u>Name</u>      | <u>Record Number</u> | <u>Number of Units</u> | <u>Expiry Date</u> |
|------------------|----------------------|------------------------|--------------------|
| Gold Ridge 1     | 6850                 | 12                     | November 17, 1988  |
| Gold Ridge 2 - 6 | 6851 - 6855          | 20 each                | November 17, 1988  |

The Claims were acquired by staking by Daniel Cardinal and Randall Lacombe in October 1986 and the Claims were subsequently transferred to the Issuer for nominal consideration in February 1988.

The Claim group is situated about 25 km northwest of Boston Bar, British Columbia in the Pacific Range Mountains of the Coast Range. The southern portion of the Claims are accessible by a recently constructed 4-wheel drive road and the northern section is also accessible by road. Much of the Claims area is accessible only by foot although logging roads are improving road access. Presently, the most efficient access to the northern section of the Claims is by helicopter.

Gold was first discovered on the northern section of the Gold Ridge Claims in 1935 and was reported to have been found associated with massive quartz vein structures. During a property examination by the Issuer in July 1987 several old trenches and open cuts exposing large quartz vein systems were observed.

As early as 1926 - 1927 a diamond drill program was conducted on the Serpentine-Summit claims, the equipment being hauled in by a pack-horse train.

In the late 1940's a CP Railway employee, while prospecting one of the tributaries cutting the claims, found angular float material described as a schistose-quartz rock which hosted a "thin sheet of gold".

REPORT ON THE

RAWHIDE CLAIM GROUP  
(RAWHIDE 1, 2, 3 AND 4)  
(92 I/4)

Latitude 50° 10' N; Longitude 120° 50' W  
Kamloops Mining Division  
(Northwest of Boston Bar, B.C.)

NTS 92I/4

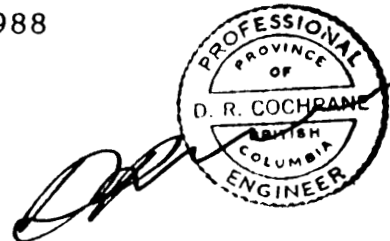
on behalf of

WESTERRA RESOURCES LTD.  
P.O. box 594  
Hope, British Columbia  
VOX 1L0

by

D. R. Cochrane, P. Eng.,  
Vancouver, B.C.

A Revised Report - July 6, 1988



A handwritten signature, likely of the author D. R. Cochrane, located at the bottom right of the page.

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#### APPENDIX

|   |                    |
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| 1 | Assay Certificates |
|---|--------------------|



## 1. INTRODUCTION

- 1.1. The author was retained by WESTERRA RESOURCES LTD. of Hope, British Columbia, Canada, to examine and review available literature on the RAWHIDE GROUP of lode mineral claims. Field work was conducted on September 23, 1987, in the company of Mr. D.G. Cardinal, a principal of WESTERRA.
- 1.2 The RAWHIDE CLAIMS are located some 140 air km (80 miles) north-northeast of the City of Vancouver.
- 1.3 The RAWHIDE GROUP covers an 'old' gold-silver prospect, first staked in the 1920's and again in the late 1970's. The claims also cover an interesting talc occurrence. The author initially conducted surveys in this area in 1978 and 1979.
- 1.4 The author is an independent consulting geological engineer, with no direct or indirect interests in the property or securities held by WESTERRA RESOURCES LTD.



2. SUMMARY AND CONCLUSIONS

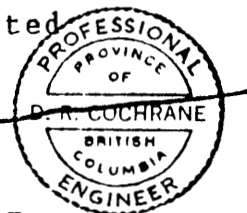

- 2.1 WESTERRA RESOURCES LTD. of Hope, British Columbia, Canada, holds title to the RAWHIDE CLAIMS (Rawhide 1-4) consisting of 71 contiguous claim units covering 1,775 hectares. The claims lie in the Pacific Ranges of the Coast Mountains in mainland southwestern British Columbia.
- 2.2 The RAWHIDE GROUP is situated 140 air kilometers (80 miles) northwest of the city of Vancouver in the Kamloops Mining Division. Map co-ordinates are, latitude 50°10'N and longitude 121°50'W. Access to the claims is north from Hope, on the Trans Canada Highway and along the Fraser River Canyon to Boston Bar. From Boston Bar, northwest to Kwoiek Creek on some 40 km of gravel-logging roads. Alternate facile access is available by helicopter from Hope or Agassiz.
- 2.3 Topography is mountainous and elevations vary from 1,520 meters (5,000 ft) along valleys to a summit of 2,290 meters (7,500 ft) above sea level. Surface exploration can normally be conducted from late June to early October. The Property has an ample water supply and electrical power may be obtained from hydro-electric powerlines 19 km east of the claims. Both the town of Hope and Boston Bar offer all the required services.
- 2.4 Historically, the RAWHIDE CLAIMS cover old workings. The claims were initially known as the Glacier Group. This gold-silver-asbestos prospect is described in the B.C. Minister of Mines Report for 1929 and, in the G.S.C. paper 36-7. It was relocated as the Alpine claims in the late 1970's and more recently as the Rawhide Claims in 1984.
- 2.5 The regional geology is composed of a north-northwesterly trending metasedimentary-volcanic units associated with a belt of serpentized-ultramafic rocks and lenses of talcose-schist. This complex is intruded by stocks and plugs of granodiorite and enclosed on three sides by the Coast Range Intrusives. The southern section is disrupted by the Fraser River fault system. The belt is spatially related to a number of precious metal occurrences.





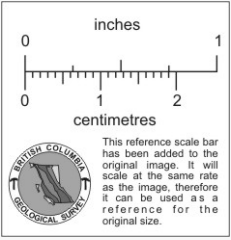
- 2.6 Gold and some silver mineralization found at the old workings is associated with pyrite, magnetite, pyrrhotite, arsenopyrite and minor chalcopyrite in "rusty" silicified zones. The main zone is represented by sulphide, iron-rich quartzite structure and ranges between 1.5 to 2.5m wide along strike. Other less mineralized quartzite structures parallel the main mineralized zone and vary in width from 0.5m to 3m. The mineralization is hosted in steeply dipping phyllites and greenschist. Locally, at the old workings, the structures strike east-southeasterly and are steeply dipping.
- 2.7 Visible gold may be observed in specimens obtained from a short adit and fine visible gold can be panned from the adit dump. Assays obtained from the old trenches have returned as high as 0.338 oz/ton Au across 2m. One of the composite samples collected by the author near the adit assayed at 0.315 oz/ton Au. (See appendix I). A sample of one talc zone lying east of the old gold workings assayed 94% talc (11-6) this and other adjacent talc zones are therefore of economic consideration.
- 2.8 The property is of merit and warrants exploration work. The author recommends an initial program of ground control, geology and geophysics. The estimated cost of the program, over favourable portions of the claims area is \$82,000. Additional funds will be required to more fully develop and explore the Rawhide Claims if the initial phase is successful.

Respectfully submitted



D. R. Cochrane, P. Eng.  
Vancouver, B.C.  
July 6, 1988





**RAWHIDE CLAIM GROUP**

**Figure 1.**

- Location map

**WESTERRA RESOURCES LTD.**

3. LOCATION AND ACCESS

- 3.1 The RAWHIDE CLAIM GROUP is located 40 km (53 miles) north-northwest of the small community of Boston Bar and 85 km north-northwest of the town of Hope. Both communities are located along the Trans Canada Highway. The claims can be reached from Boston Bar by a public access road to Kwoiek Creek for 25 km and another 15 km along logging roads. Currently, the area of interest on the property can best be reached by helicopter from Hope, (25 to 30 minutes of flying time).
- 3.2 The claims are located on the National Topographic Series (NTS) map sheet 92I/4W. The latitude is  $50^{\circ}10'N$  and longitude  $121^{\circ}50'W$ .



4. CLAIMS INFORMATION

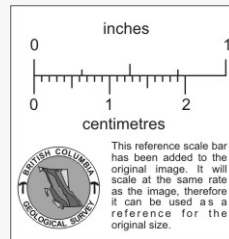
4.1 The RAWHIDE CLAIM GROUP consists of seventy-one (71) contiguous claim units and covers 1,775 hectares (4,863 acres). They are located in the Kamloops Mining Division and the ownership records can be examined at the Government Agent Mining Recorder in Kamloops or at the Sub-Recorder's office in Vancouver.

4.2 The pertinent claims data is as follows:

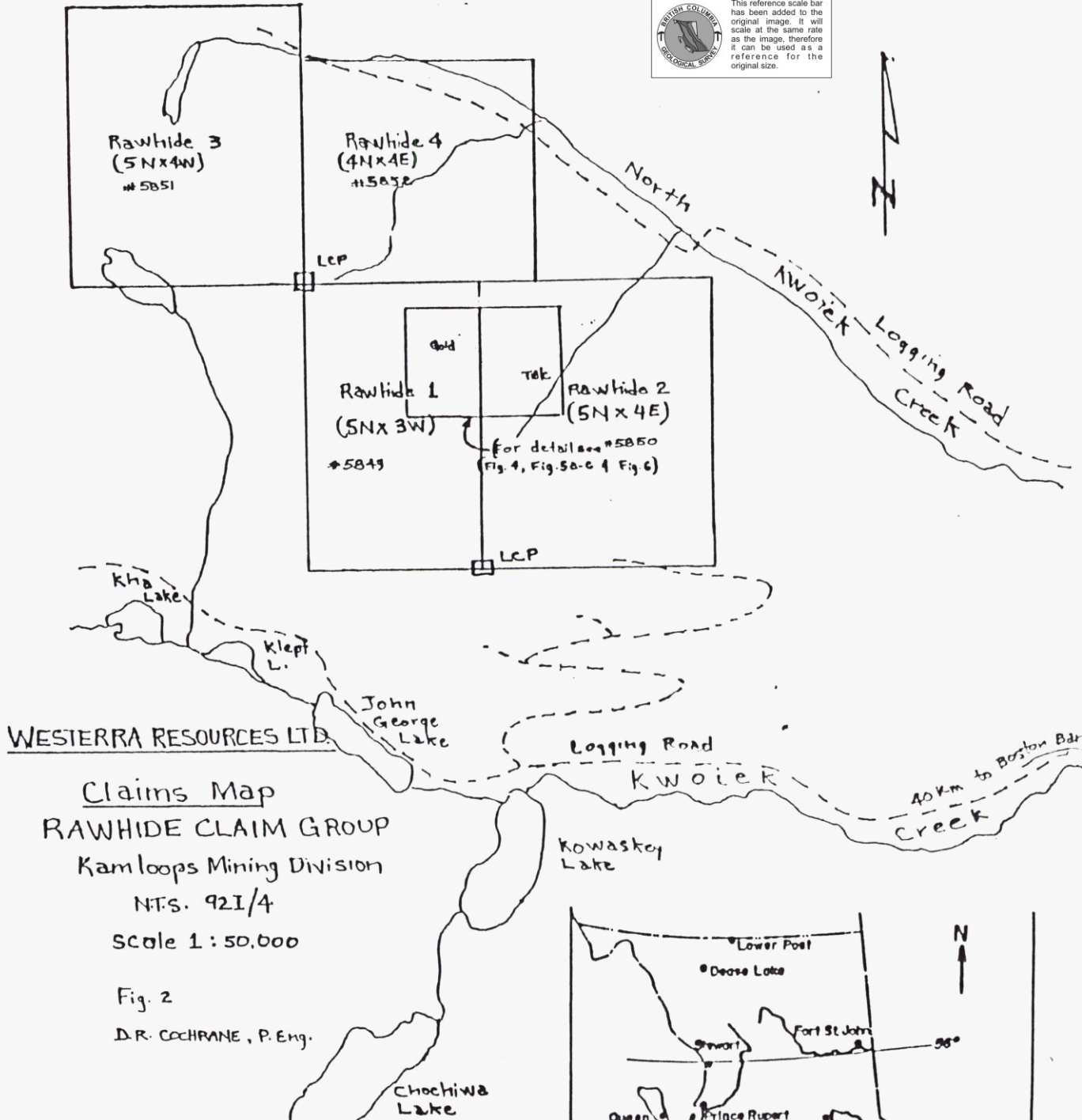
| CLAIM NAME | RECORD NO. | NO. OF UNITS | RECORDED DATE | EXPIRY DATE |
|------------|------------|--------------|---------------|-------------|
| Rawhide 1  | 5849       | 15           | 08/28/84      | 08/28/88    |
| Rawhide 2  | 5850       | 20           | 08/28/84      | 08/28/88    |
| Rawhide 3  | 5851       | 20           | 08/28/84      | 08/28/88    |
| Rawhide 4  | 5852       | 16           | 08/28/84      | 08/28/88    |

Title to the claims was transferred to WESTERRA RESOURCES LTD. in February, 1988 from D. G. Cardinal, a principal of WESTERRA.





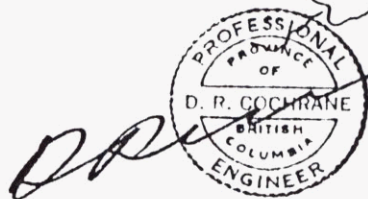
Antimony  
+  
Mountain



WESTERRA RESOURCES LTD.

Claims Map  
**RAWHIDE CLAIM GROUP**  
 Kamloops Mining Division  
 N.T.S. 92I/4  
 Scale 1 : 50,000

Fig. 2  
 D.R. COCHRANE, P. Eng.



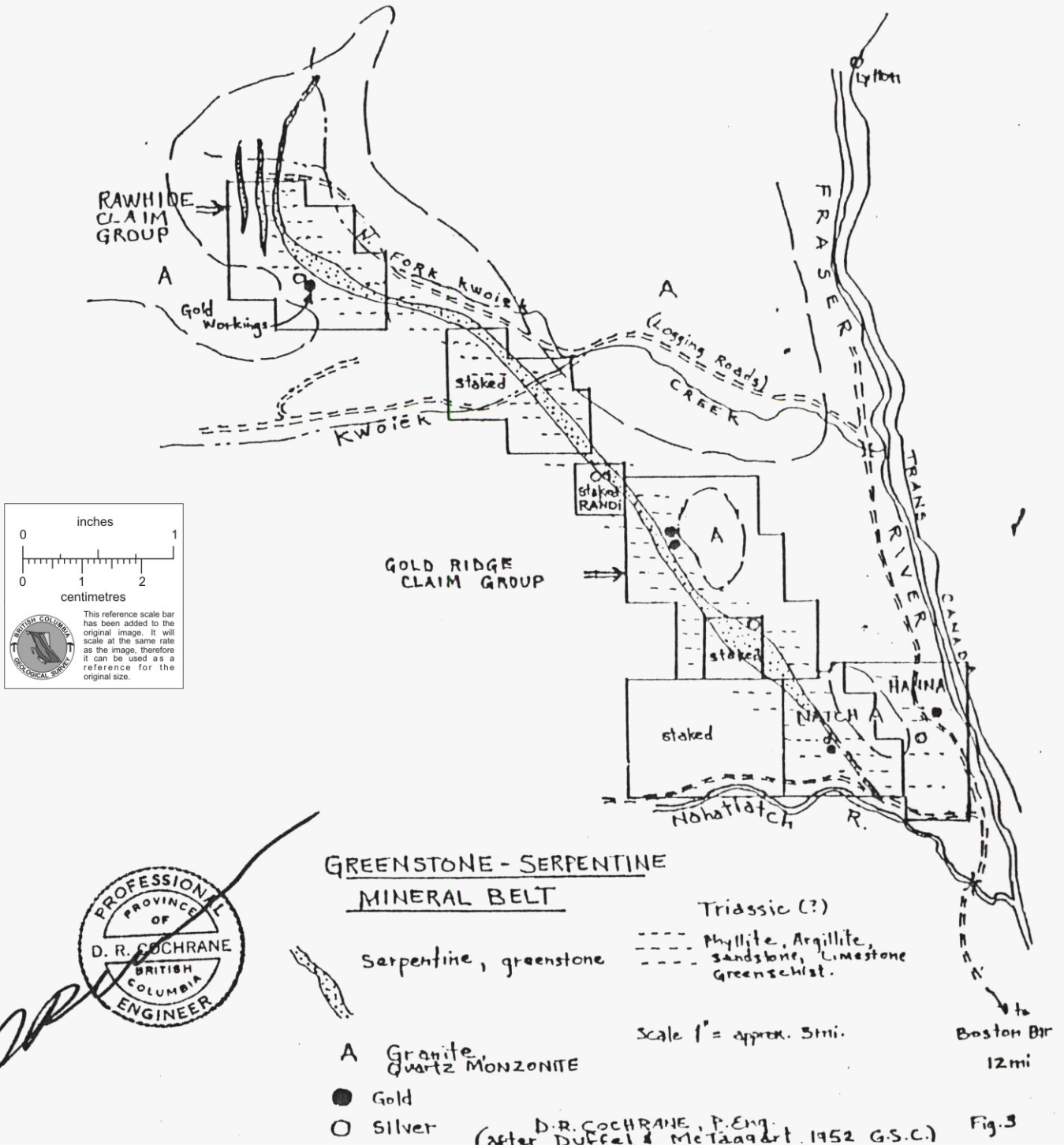
British Columbia · CANADA

5. AVAILABLE RESOURCES AND INFRASTRUCTURE

- 5.1 The property is situated in the coastal mountains of southwestern British Columbia, along part of the Pacific Ranges. The topography on the property ranges from 1,520 m along creek valleys to peaks of 2,290 m. Good exploration conditions generally prevail from about late June to early October.
- 5.2 For any future development on the RAWHIDE CLAIMS, the required resources are easily accessible including ample water supply in the area and electrical power from the hydro-powerlines which run along the Fraser River Canyon, 19 km east of the claims. The Trans Canada Highway, and both the CP and CN rail-lines also run along the Canyon. Boston Bar has a lumber mill and supplies finished lumber products to the various industries. The town of Hope has all the required amenities, with its main source of economy supported by tourism and logging. Mining, in the past has also served as an important economic base for the town.



# REGIONAL GEOLOGY



6. HISTORY OF PROPERTY

- 6.1 The RAWHIDE CLAIMS cover several old gold and silver workings which were first recorded in 1929 in the B.C. Minister of Mines Report (10.10). The work was also documented in 1935 by the Geological Survey of Canada (H.C. Horwood, Preliminary Report on the Nahatlatch Region, G.S.C. Paper 36-7). The B. C. Minister of Mines, reports that in 1929 a 13 m adit and numerous open-cuts had already been completed.
- 6.2 A prospector, Mr. G. Beyko (now retired) informed D. Cardinal, that prior to 1929, gold was rawhided from the claims using pack horses. A horse trail can still be observed above the tree line which at one time led to Keefers, a former trading post, located along the Fraser River. Mr. Beyko also reported to D. Cardinal that in the mid 1960's, an attempt was made to drill the mineralized zone. The drilling was terminated shortly after it commenced when a helicopter, supporting the project crashed on site. Remnants of the helicopter can still be seen.
- 6.3 In 1970, an area immediately to the east of the old workings was examined by Magnetron Mining Ltd. for the potential of asbestos (J.S. Vincent, Aug. 24, 1970, Geological Report on the Asbesto Group - Assessment Report #2536). The surveys instead, delineated high quality talc and tremolite mineralization.
- 6.4 In 1977, the old gold workings were restaked by G. Beyko from Surrey, B.C. and subsequently transferred to Aquarius Resources Ltd. Between 1977 and 1982, Aquarius conducted exploration surveys on the property. These surveys outlined coincidental gold, silver and arsenic geochemical anomalies extending southeasterly from the old workings (Cochrane Consultants Ltd., Aug. 27, 1979, Assessment Report on Geological and Geochemical Work on the Alpine Glacier Group).
- 6.5 In 1982, projects on the claims were curtailed due to lack of funds and in August 1984, the claims lapsed. During the same month the ground was restaked as the RAWHIDE CLAIMS and subsequently transferred to D. Cardinal. Between 1984 and 1987, D. Cardinal privately conducted systematic reconnaissance prospecting, geological and limited geophysical surveys.
- 6.6 In February, 1988, the claims were transferred to WESTERRA RESOURCES LTD.; WESTERRA currently holds title to 100% of the claims.





7. GEOLOGY

A Regional Geology

- 7.1 A northwest-southeast trending, steeply dipping belt approximately 30 km in length and composed of metasediments and serpentized ultramafics, forms the regional geological setting of the RAWHIDE GROUP.
- 7.2 The metasedimentary units are metamorphosed to a lower greenschist facies and predominately consist of phyllite, argillite, lesser greenstone and quartzite and, minor limestone. The metasediments are in fault-contact with a band of ultramafic rocks that are variously altered to serpentine. The fault-contact is represented by a series of sub-parallelising shear zones in which the serpentine locally has been altered to talcose schist.
- 7.3 The metamorphic complex is tentatively dated as Triassic or earlier (Duffel & McTaggart, 1952, Ashcroft Map Area, G.S.C. Memoir 262). The complex has subsequently been intruded by coast range granodiorite of Lower Cretaceous age.
- 7.4 A number of mineral occurrences are spatially associated with the serpentine-ultramafic belt noted above. The mineral occurrences sporadically occur along the length of the belt. At least 5 gold-silver prospects exist (see Fig. 3), and are at various stages of exploration and development. Briefly, the precious metal prospects are as follows: at southeast end of the belt are the Hanna claims - Au/Ag; Natch - Au/Ag; near the central portion is the Gold Ridge - Au and the Randi - Au/Ag/Cu and; at the northwestern portion of the belt is the RAWHIDE - Au/Ag. Anomalous amounts of Ni, Cu, cobalt and minor asbestos have also been found along portions of this mineral belt. Talc exists in at least three areas along the belt including the RAWHIDE CLAIMS.



B. Property Geology and Mineralization

7.6 The claims are underlain by steeply dipping phyllite, argillite and chloritic greenschist in fault-contact with a serpentine-ultramafic band noted above. paralleling the serpentine and hosted in the phyllite and greenschist are at least two sub-parallel, gold-silver and sulphide-bearing silicified structures. The quartz structures have been partly tested by open-cuts, trenches and one short adit (1920's).

7.7 In the vicinity of the old workings, the main rock type encountered was a dark-grey, finely laminated phyllite and argillaceous phyllite which locally strikes east-southeasterly and dips steeply to the north. At the adit entrance is an argillaceous phyllite in contact with a pale-greenschist rock tentatively identified as a tuffaceous-chlorite schist (Fig. 4).

7.8 The host rock at the contact is an iron-rich, siliceous, auriferous bearing quartzite. The zone is described by D. Cardinal as follows: "...The iron-bearing formation is represented by a silicified, chlorite-actinolite schist and quartzite hosting disseminated magnetite, garnet, phyrrotite, pyrite and abundant arsenopyrite. The quartzite has a granular, sugar-textured appearance which suggests a sedimentary origin, subsequently metamorphosed to an iron-rich, auriferous-bearing skarn".

7.9 The short adit measures approximately 13 m by 1.5 m (See inset, Fig 4). A composite sample (R2 9/23-2) obtained from a 2 m trench directly above the adit by the author returned an encouraging 0.315 oz/ton gold. The results also show anomalous amounts of arsenic, molybdenum and mercury which may be useful as pathfinder elements on the property. The sample collected consisted predominately of arsenopyrite hosted in a silicified quartzite. The quartzite zone is partially exposed through glacial-cover till and can partly be traced easterly for some 250 m along strike. The mineralized quartzite zone averages 2 to 2.5 m wide (Fig. 4).

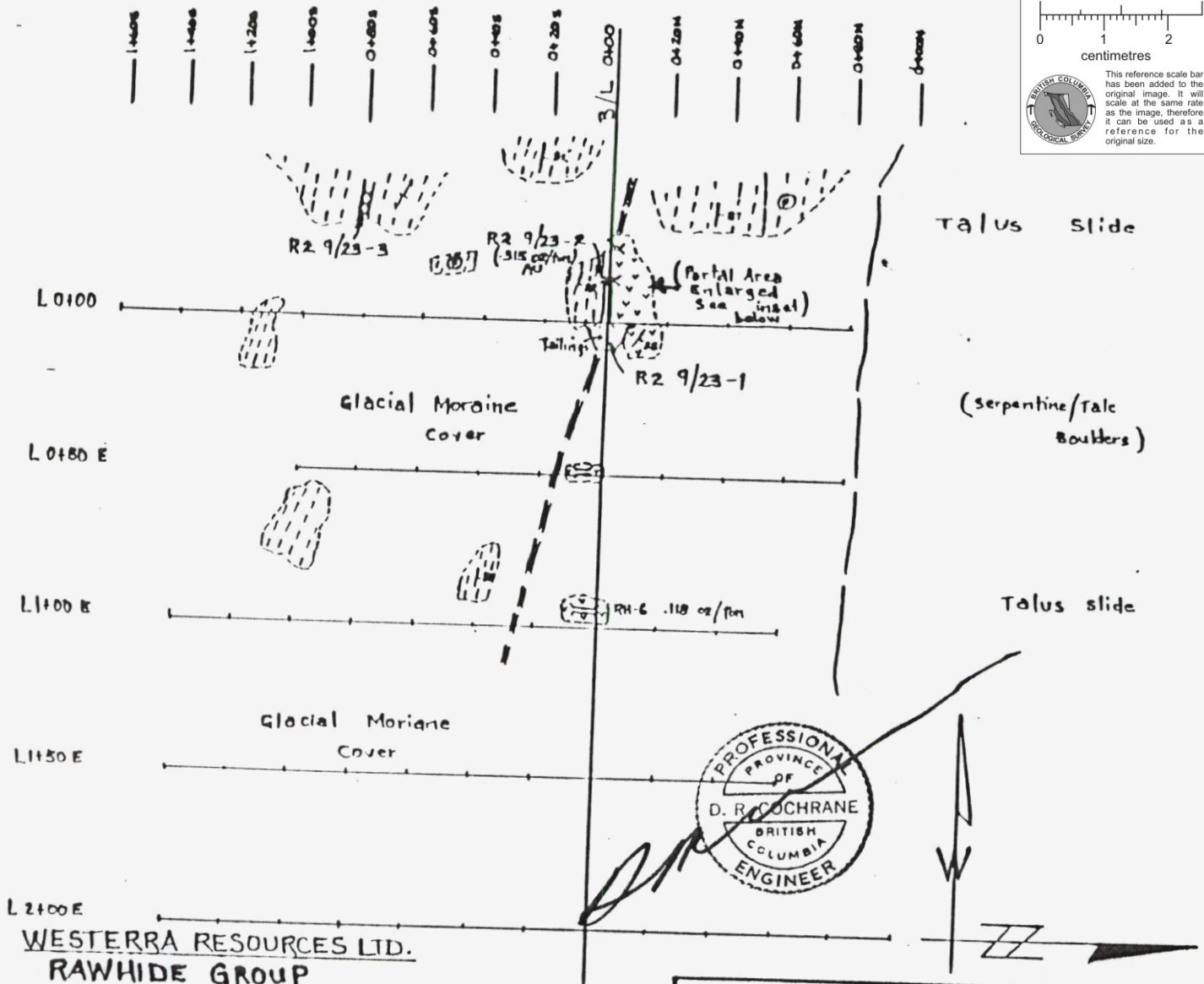
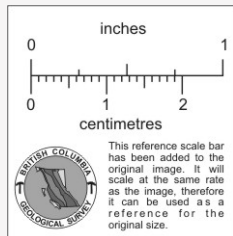


7.10

Five hundred (500) meters east of the adit is a major north-westerly striking serpentine shear zone. Associated with the serpentine are talc zones and talcose schist. A 1.5 kg composite sample collected by D. Cardinal from one of the talc zones returned a whole rock analysis of 94% talc. Good potential exists for outlining high quality, commercial grade talc on the claims. It is also interesting to note that currently, there are no talc producers in Western Canada although the demand for talc in the pulp and paper industry is growing (Ministry of Energy, Mines and Pet. Res., Open File 1988-19, Talc and Phrophyllite in British Columbia).



FIGURE 4



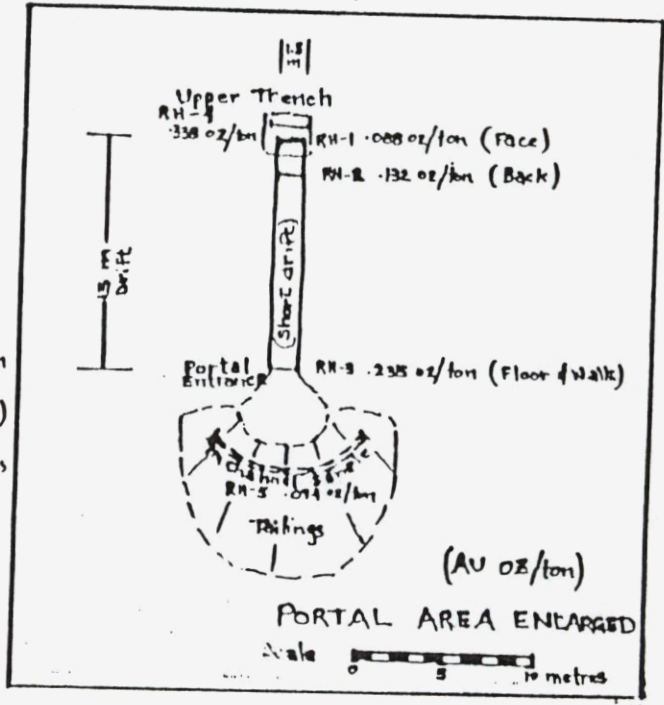
WESTERRA RESOURCES LTD.  
**RAWHIDE GROUP**  
 Kamloops Mining Division  
 N.T.S. 92 I/4

PROPERTY GEOLOGY and MINERALIZATION

Legend:

- Rock outcrop
- Fissile Argillite-Phyllite  
Finds Laminated
- Greenstone, tuffaceous-chlorite schist
- Fossiliferous
- Iron formation - Contact skarn  
Silification, magnetite, pyrite, garnet  
Oseropyrite, pyrrhotite, actinolite schist
- Inferred
- Foliation
- strike & dip of bedding

- Fig. 4
- Portal
  - open-cut
  - RH-1 sample station  
Au in oz/ton  
(samples by D.G. Cardinal)
  - R2 9/23-1 to 3  
Composite Samples  
by D.R. COCHRANE



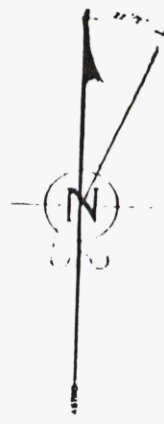
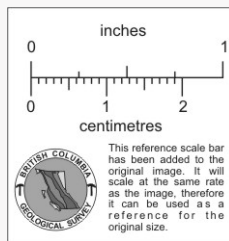
D.R. COCHRANE, P. Eng.  
 (after D.G. Cardinal, 1987)

8. SUMMARY OF PREVIOUS WORK AND RESULTS

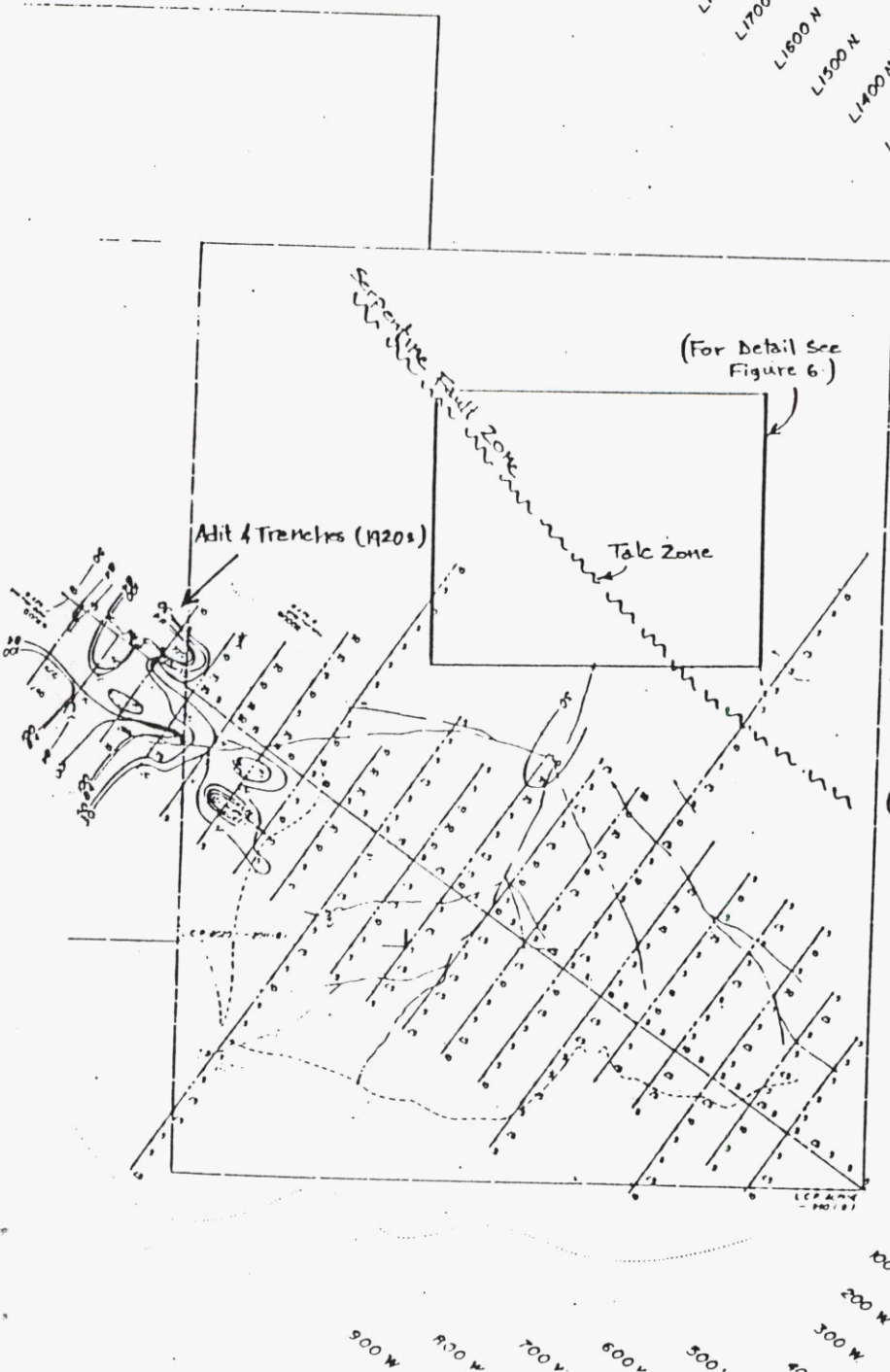
- 8.1 The data summarized below is from available assessment reports, personal communications with D.G. Cardinal and from the author's knowledge and experience on the property.
- 8.2 The geochemical surveys conducted by Aquarius Resources in 1978 and 1979 on the property (formerly the Alpine claims), delineated coincident gold, arsenic and silver anomalies trending southeastward (Fig. 5a, 5b and 5c). Strong gold, arsenic and silver geochemical anomalies occur in the vicinity of the old workings. An interesting silver anomaly was also outlined about 450 m southeast of the workings. This anomaly has yet to be followed-up by additional sampling or tested by trenching.
- 8.3 Subsequent work conducted by D. Cardinal (1986 and 1987), included sampling of the short adit, the adit dump and a trench (upper trench) directly above the adit (Fig. 4 - enlarged). Three rock chip samples were collected from the adit numbered RH-1 to 3 across an average width of 1.5 m. Gold assays ranged between 0.088 oz/ton to 0.235 oz/ton. RH-4 was collected from the upper trench, a rock chip sample across 2 m returned an assay of 0.338 oz/ton Au. A 7 m channel sample, RH-5 was collected from the adit dump and assayed 0.094 oz/ton Au.
- 8.4 During the property examination the author obtained 3 composite rock samples from the old workings, numbered R2 9/23-1 to 9/23-3 (Fig. 4). The highest value was from R2 9/23-2 which assayed at 0.315 oz/ton Au, collected from the upper trench. This assay correlates closely with Cardinal's previous sampling. All of the above rock samples were collected from the sulphide, iron-rich quartzite structure.
- 8.5 In 1987, D. Cardinal conducted reconnaissance mapping surveys some 500 m east of the workings noted above, along a serpentine fault zone (Fig. 6). The mapping outlined a talcose body which based on visual examination, appears to consist of at least three different types of talc or qualities of talc. The poorest quality is a massive, dark-green talcose serpentine. The second type is a talcose-schist, sandy-brown to cream in color and contains minor quartz, magnetite and iron carbonate. It is believed to be marginal in quality and probably would contain 40% to 60% talc.



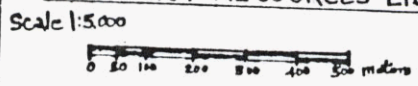
FIGURE 54



L2100 N  
L2000 N  
L1900 N  
L1800 N  
L1700 N  
L1600 N  
L1500 N  
L1400 N  
L1300 N  
L1200 N  
L1100 N  
L1000 N  
L900 N  
L800 N  
L700 N  
L600 N  
L500 N  
L400 N  
L300 N  
L200 N  
L100 N



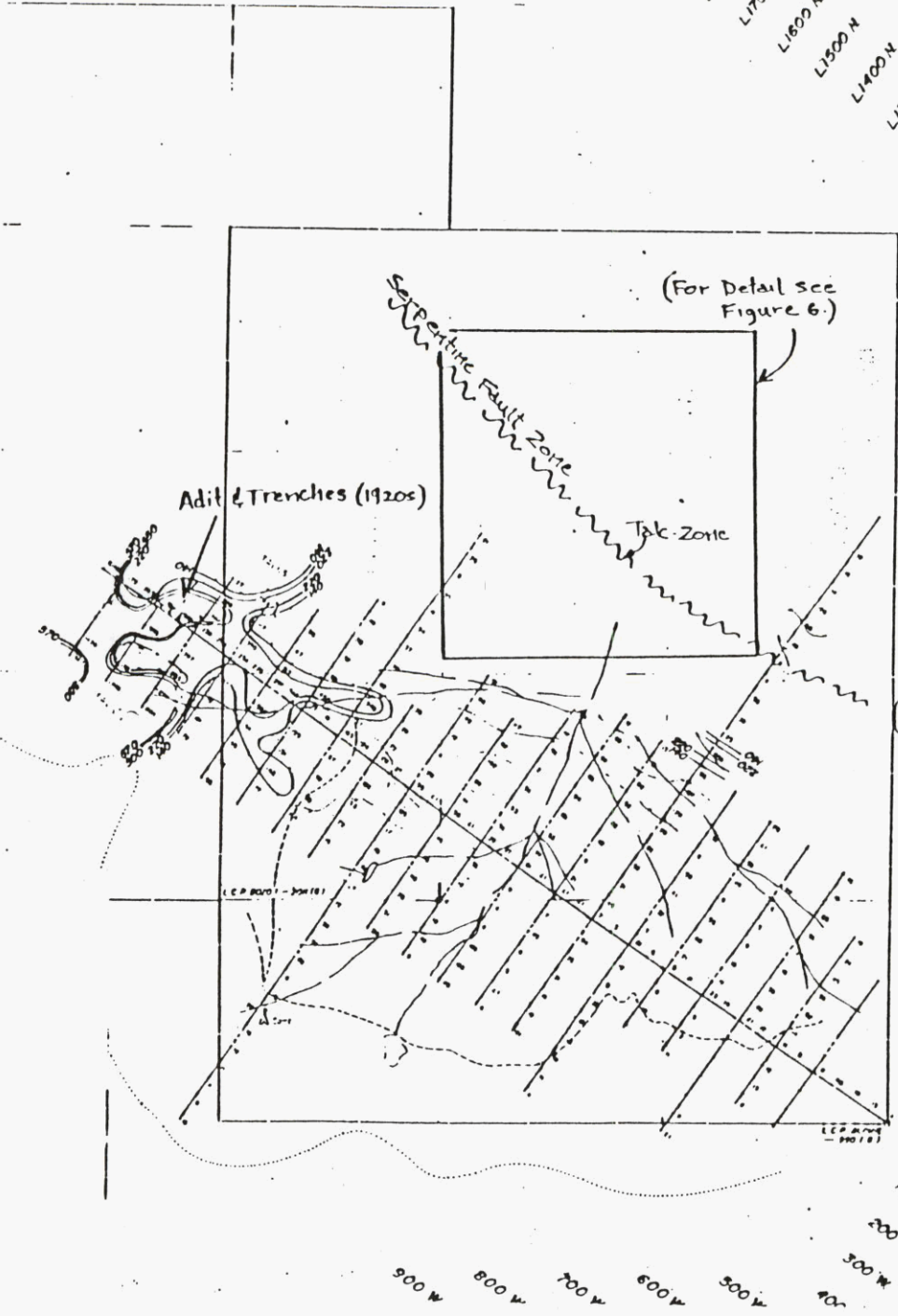
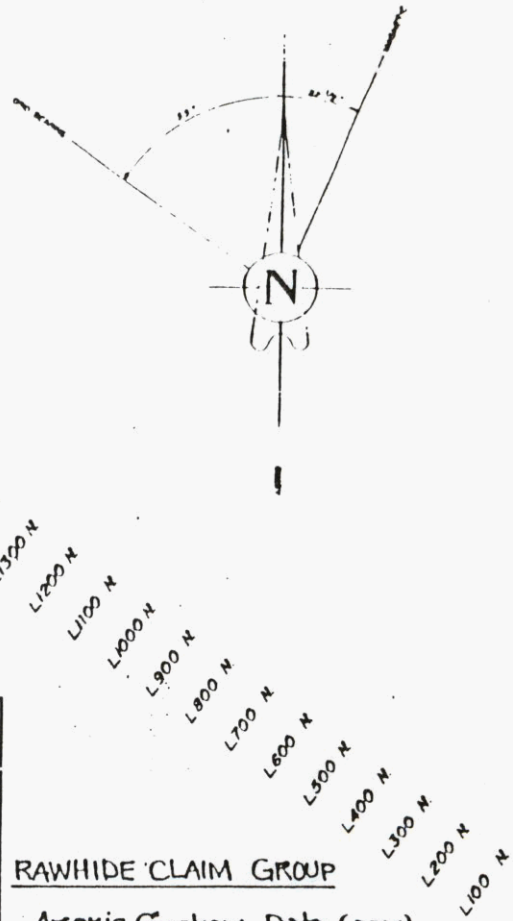
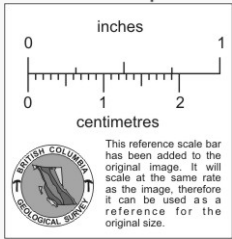
RAWHIDE CLAIM GROUP  
Gold Geochem Data (ppb)  
Kamloops M. D.  
NTS 92 I/4  
WESTERRA RESOURCES LTD.



D. R. COCHRANE July, 1988 Fig. 54  
(Data from COCHRANE CONSULTANTS LIMITED  
& AQUARIUS RESOURCES LTD. 1979  
Alpine Assessment Report)



FIGURE 5B



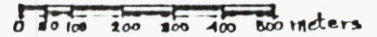
RAWHIDE CLAIM GROUP

Arsenic Geochem Data (ppm)

Kamloops M.D.

NFS 921/4

WESTERRA RESOURCES LTD.



D.R. COCHRANE July, 1988 Fig. 5b  
 Data From Cochrane Consultants Limited,  
 Aquarius Resources Ltd.  
 Alpine Assessment, M.T.P.

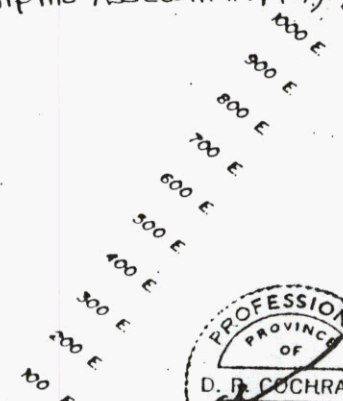
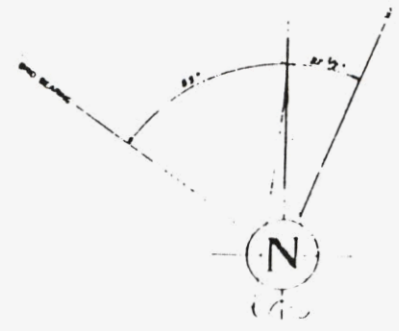
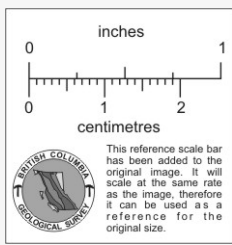
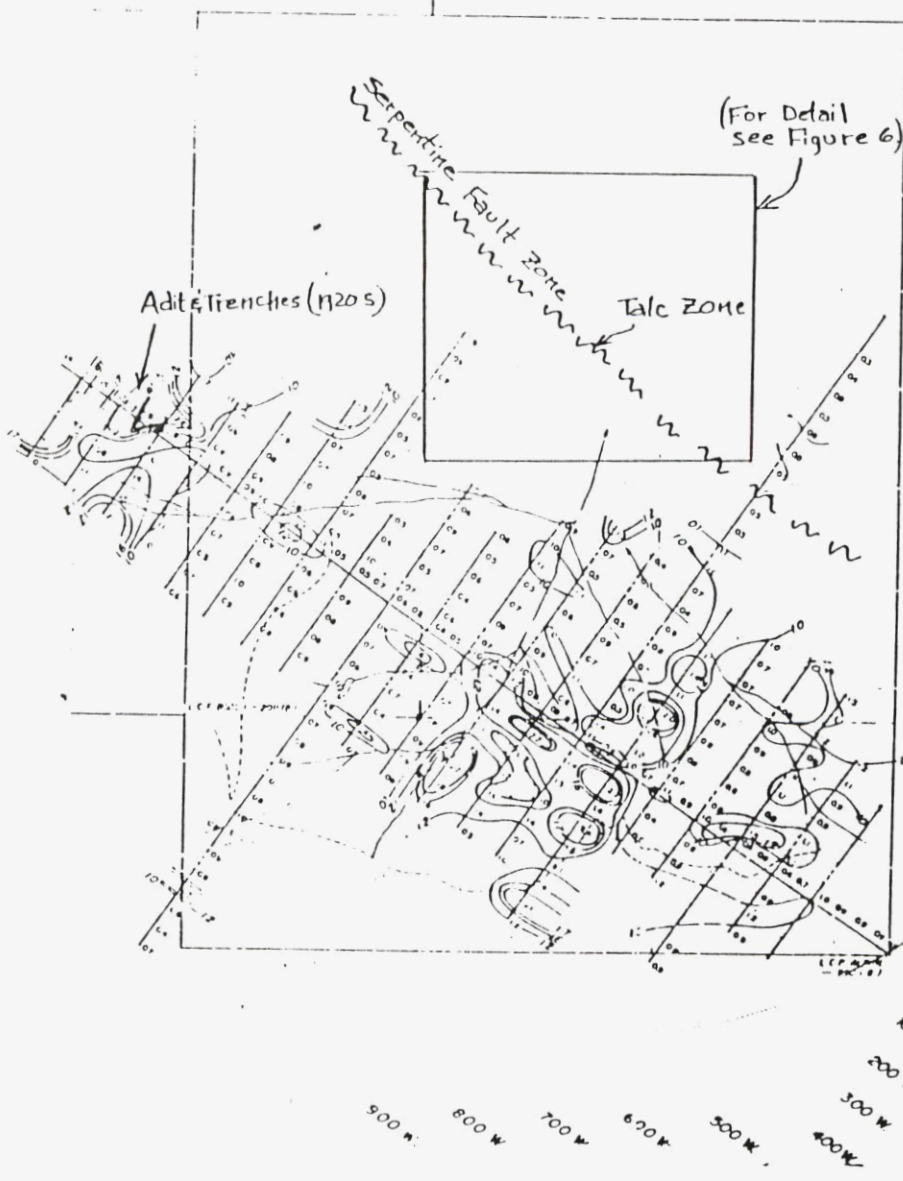


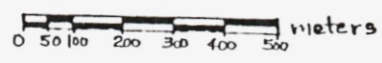
FIGURE 5-C



L2100 N  
L2000 N  
L1900 N  
L1800 N  
L1700 N  
L1600 N  
L1500 N  
L1400 N  
L1300 N  
L1200 N  
L1100 N  
L1000 N  
L900 N  
L800 N  
L700 N  
L600 N  
L500 N  
L400 N  
L300 N  
L200 N



RAWHIDE CLAIM GROUP  
Silver Geochem Data (ppm)<sup>100</sup>  
Kamloops M.D.  
NTS 92I/A  
WESTERRA RESOURCES LTD.  
scale 1:5,000



D.R. COCHRANE  
(Data from Cochrane Consultants Limited,  
Aquarius Resources Ltd.  
Alpine Assessment Report, 1979)

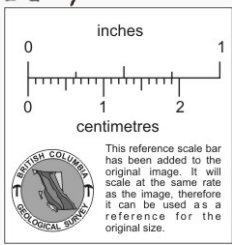
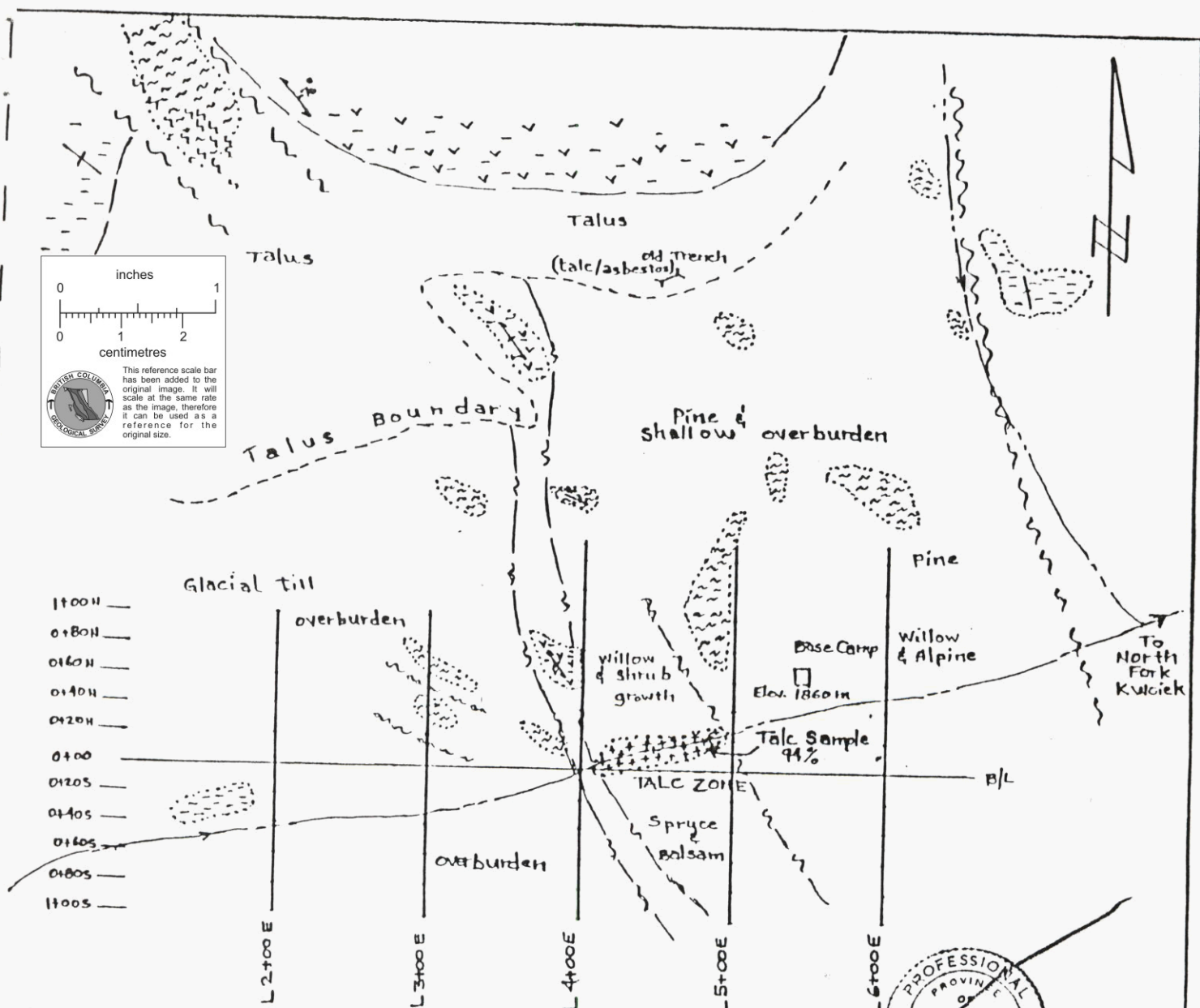
Fig. 5c.  
1000 E  
900 E  
800 E  
700 E  
600 E  
500 E  
400 E  
300 E  
200 E  
100 E  
BL  
100 W  
200 W  
300 W  
400 W  
500 W  
600 W  
700 W  
800 W  
900 W





8.6 The third type of talc is of high quality. It is light-green to greenish-white in color, very soft, with a greasy feel and when crushed to powdered form, is paper-white in color with soft texture. A composite, 1.5 kg sample collected by D. Cardinal for whole rock analysis returned a combined grade of 94.48% talc. The size and extent of the talc zone is yet to be determined, but the talc zone outcrops along a small stream and is exposed for at least 40 to 60 m. It is obvious that further mapping and sampling is required in this area to define the size and grade of the talc zone. Additional mapping along the serpentine fault may outline other similar qualities of talc.

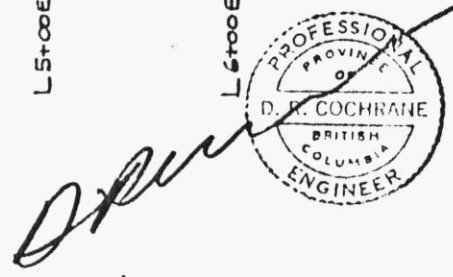




**LEGEND:**

- Greenstone schist
- Phyllite, Argillite
- Pink-Light Brown Talc & Serpentinized Talc  
Siliceous - Iron Carbonate Talc  
Minor Pyrite & Magnetite
- Talc, Light Green, Greenish White Talc zone

- Foliation, Dip direction & verticle
- Glacial striae, Direction of ice movement
- strike-dip of bedding, verticle
- Fault, Fault Contact
- Beltrock outcrop



WESTERRA RESOURCES LTD.

**RAWHIDE CLAIMS**

Geology and Talc Mineralization

Kamloops Mining Division  
N.T.S. 921/A

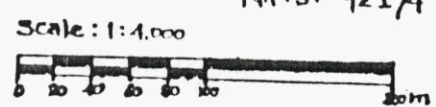


Fig. 8.

D. R. COCHRANE, P. Eng.  
(after D.G. Cardinal, 1987)  
ASSESSMENT REPORT

9. RECOMMENDATIONS AND COST ESTIMATES

The RAWHIDE CLAIMS cover an auriferous-bearing quartz structure that warrants further exploration. In addition, the claims cover a major serpentine fault structure which hosts associated talc zones. From the preliminary surveys the talc zones show good economic potential.

It is therefore recommended that WESTERRA RESOURCES LTD. conduct a systematic exploration program designed to define both the auriferous-bearing structure(s) and potential talc zones on the property. The recommended initial program should consist of grid surveys, geological mapping, geochemical-geophysical surveys, sampling and prospecting.

|     | Recommended work   | Estimated Cost    |
|-----|--|-------------------|
| 9.1 | Re-establish ground control grid, tie in old workings, claim posts etc. (minimum of 50 line miles @ \$250/line mile) | \$12,500.00       |
| 9.2 | Geological mapping/prospecting (including sampling & assays)   | 10,000.00         |
| 9.3 | Geophysical orientation surveys (ground magnetometer over grid)  | 15,000.00         |
| 9.4 | Geochemical soil and rock surveys  | 20,000.00         |
| 9.5 | Transportation/Communications  | 10,000.00         |
| 9.6 | Consulting/supervision   | 6,000.00          |
| 9.7 | Contingencies @ 12%  | 8,500.00          |
|     | Total for Initial Phase  | <hr/> \$82,000.00 |



Should the initial phase of follow-up work prove successful, additional funds will be required to more fully develop and explore the RAWHIDE CLAIMS.

Respectfully submitted



D.R. Cochrane, P. Eng.  
Consulting Engineer  
July 6, 1988  
Vancouver, B.C.





10. CERTIFICATE AND PERMISSION FOR USE

I Donald Robert Cochrane of the City of Vancouver, British Columbia, do hereby certify that:

- 10.1 I am a consulting geological engineer with an office at 701-675 W. Hastings St., Vancouver, B.C. V6B 1N2.
- 10.2 I am a graduate of the University of Toronto (1962) with a degree in Applied Geology (B.A. Sc.) and a graduate of Queen's University at Kingston Ontario (1964), with a degree in Geological Sciences (Engineering) (M.Sc. Eng.).
- 10.3 I have practised my profession continuously since graduation and have been previously employed by such companies as Noranda Exploration, Quebec Cartier Mines and Meridian Exploration Syndicate. I have been in private independent practice since 1969.
- 10.4 I am a member in good standing of the Association of Professional Engineers in the Provinces of Ontario, Saskatchewan, Alberta, British Columbia and the Yukon Territory; and member of the Registered Professional Engineers and Land Surveyors, State of Nevada (#6274).
- 10.5 The accompanying report is based on my personal examinations of the property under consideration on September 23, 1987, and on references cited in section 11 of this report.
- 10.6 I have no interest, either direct or indirect, in the property or securities of the property or company under discussion nor do I expect to receive or acquire any such interests.
- 10.7 This certificate constitutes my permission for use of this report in any official or unofficial communications the company may have, provided the context of the report is maintained.

Dated at Vancouver, Canada, this 6th day of  1988.

  
D. R. Cochrane, P. 



11. BIBLIOGRAPHY

- 11.1 Boyle, R.W., (1979), The Geochemistry of Gold and Its Deposits, G.S.C. Bull. 280.
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- 11.10 Cochrane, D.R., (1978), Assessment Report on the Alpine Claim, B.C. Dept. of Mines Report No. 6854.
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- 11.12 B.C. Report of the Minister of Mines, 1929, pp C237 & C238.



APPENDIX I  
ASSAY CERTIFICATES



CARDINAL GEOCONSULTING LTD. PROJECT - RAWHIDE FILE # 86-2557

PAGE 2

| SAMPLE# | Mo  | Cu  | Pb  | Zn  | Ag  | Ni  | Co  | Mn  | Fe   | As    | U   | Au  | Th  | Sr  | Cd  | Sb  | Bi  | V   | Ca  | P    | La  | Cr  | Mg  | Ba  | Ti  | B   | Al   | Na  | K   | W   | AuII  | PtIII | PdIII |
|---------|-----|-----|-----|-----|-----|-----|-----|-----|------|-------|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|-----|-----|-----|-----|-----|-----|------|-----|-----|-----|-------|-------|-------|
|         | PPM | PPM | PPM | PPM | PPM | PPM | PPM | PPM | %    | PPM   | PPM | PPM | PPM | PPM | PPM | PPM | PPM | PPM | %   | %    | PPM | PPM | %   | PPM | %   | PPM | %    | %   | %   | PPM | PPB   | PPB   | PPB   |
| RH-4    | 13  | 95  | 11  | 23  | 1.6 | 48  | 9   | 469 | 4.86 | 14880 | 5   | 8   | 1   | 5   | 1   | 26  | 3   | 47  | .08 | .030 | 3   | 2   | .06 | 6   | .01 | 9   | .14  | .02 | .03 | 1   | 11494 | 3     | 4     |
| RH-5    | 6   | 111 | 11  | 84  | .8  | 36  | 15  | 552 | 7.49 | 4265  | 5   | 4   | 1   | 9   | 1   | 5   | 2   | 142 | .22 | .067 | 3   | 79  | .78 | 91  | .06 | 9   | 1.49 | .05 | .25 | 1   | 3245  | 3     | 3     |

11494 = 0.338 oz/ton

3245 = 0.094 oz/ton





ACME ANALYTICAL LABORATORIES LTD.  
852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6  
PHONE 253-3158 DATA LINE 251-1011

DATE RECEIVED: SEPT 9 1986

DATE REPORT MAILED: *Sept 17/86*

### GEOCHEMICAL ICP ANALYSIS

.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 LEACH IS PARTIAL FOR MN.FE.CA.P.CR.MG.BA.TI.B.AL.NA.K.W.SI.ZR.CE.SM.Y.NB AND TA. AU DETECTION LIMIT BY ICP IS 3 PPM.

- SAMPLE TYPE: ROCK CHIPS AU\* ANALYSIS BY AA FROM 10 GRAM SAMPLE.

ASSAYER: *D. Toye* DEAN TOYE. CERTIFIED B.C. ASSAYER.

CARDINAL GEOCONSULTING LTD. PROJECT-RAWHIDE FILE# 86-2557

PAGE 1

| SAMPLE#    | Cu<br>PFM | Ag<br>PFM | Au*<br>PPB |   |      |        |    |
|------------|-----------|-----------|------------|---|------|--------|----|
| RH-1       | 361       | .8        | 3100       | ≡ | .068 | oz/ton | AU |
| RH-2       | 249       | 1.5       | 4490 ✓     | ≡ | .132 | "      | "  |
| RH-3       | 205       | 1.6       | 8100 ✓     | ≡ | .235 | "      | "  |
| RH-6       | 30        | 1.7       | 3990 ✓     | ≡ | .116 | "      | "  |
| STD C/AU-R | 57        | 7.1       | 530        |   |      |        |    |

✓ Assay required for correct result

Bondar-Clegg & Company Ltd.  
 6 Pemberton Ave.  
 North Vancouver, B.C.  
 Canada V7P 2R5  
 Phone: (604) 983 0681  
 Fax: 04 352667



# BONDAR-CLEGG

Geochemical  
 Lab Report

REPORT: 127-1279 ( COMPLETE )

REFERENCE INFO:

CLIENT: MR. DAN CARDINAL  
 PROJECT: RAWHIDE

SUPPLIED BY: DAN CARDINAL  
 DATE PRINTED: 3-APR-87

| ORDER | ELEMENT                  | NUMBER OF ANALYSES | LOWER DETECTION LIMIT | EXTRACTION        | METHOD      |
|-------|--------------------------|--------------------|-----------------------|-------------------|-------------|
| 1     | Al2O3 Alumina (Al2O3)    | 1                  | 0.01 PCT              | MULT ACID TOT DIG | D.C. Plasma |
| 2     | CaO Calcium (CaO)        | 1                  | 0.01 PCT              | MULT ACID TOT DIG | D.C. Plasma |
| 3     | Fe2O3 Ferric Iron        | 1                  | 0.01 PCT              | MULT ACID TOT DIG | D.C. Plasma |
| 4     | FeO Ferrous Iron         | 1                  | 0.01 PCT              | HF-H2SO4-HCL      | Titrimetric |
| 5     | K2O Potassium (K2O)      | 1                  | 0.01 PCT              | MULT ACID TOT DIG | D.C. Plasma |
| 6     | LOI Loss On Ignition     | 1                  | 0.01 PCT              |                   | Gravimetric |
| 7     | MgO Magnesium (MgO)      | 1                  | 0.01 PCT              | MULT ACID TOT DIG | D.C. Plasma |
| 8     | MnO Manganese (MnO)      | 1                  | 0.01 PCT              | MULT ACID TOT DIG | D.C. Plasma |
| 9     | Na2O Sodium (Na2O)       | 1                  | 0.01 PCT              | MULT ACID TOT DIG | D.C. Plasma |
| 10    | P2O5 Phosphorous (P2O5)  | 1                  | 0.01 PCT              | MULT ACID TOT DIG | D.C. Plasma |
| 11    | SiO2 Silica              | 1                  | 0.01 PCT              | MULT ACID TOT DIG | D.C. Plasma |
| 12    | TiO2 Titanium (TiO2)     | 1                  | 0.01 PCT              | MULT ACID TOT DIG | D.C. Plasma |
| 13    | Totals Whole Rock Totals | 1                  | 0.01 PCT              |                   |             |
| 14    | CO2 Carbon Dioxide       | 1                  | 0.01 PCT              |                   | Leco        |
| 15    | MOIST % MOISTURE CONTENT | 1                  | 0.01 PCT              |                   | Gravimetric |

| SAMPLE TYPES       | NUMBER | SIZE FRACTIONS | NUMBER | SAMPLE PREPARATIONS   | NUMBER |
|--------------------|--------|----------------|--------|-----------------------|--------|
| R ROCK OR BED ROCK | 1      | 2 -150         | 1      | CRUSH, FULVERIZE -150 | 1      |

REPORT COPIES TO: MR. D. CARDINAL

INVOICE TO: MR. D. CARDINAL

Bondar-Clegg & Company Ltd.  
 130 Pemberton Ave.  
 North Vancouver, B.C.  
 Canada V7P 2R5  
 phone: (604) 985-0681  
 fax: 04-352667



Geochemical  
 Lab Report

REPORT: 127-1279

PROJECT: FAWNIRE

PAGE: 1A

| SAMPLE NUMBER | ELEMENT UNITS | Al2O3 FCI | CaO FCI | Fe2O3 FCI | FeO FCI | K2O FCI | LOI FCI | H2O FCI | P2O5 FCI | MgO FCI | TiO2 FCI | SiO2 FCI |
|---------------|---------------|-----------|---------|-----------|---------|---------|---------|---------|----------|---------|----------|----------|
| R2 RH-87-1    |               | 0.71      | 0.03    | <0.01     | 5.53    | <0.01   | 4.39    | 34.33   | 0.02     | <0.01   | <0.01    | 56.16    |

↓  
 ~ 4% H2O  
 (+ S & C)

MgO 34.33 %  
 SiO2 56.16 %  
 H2O ~ 4.0 %  
 = total ~ 94.48 %

Bondar-Geog & Company Ltd.  
 130 Pemberton Ave.  
 North Vancouver, B.C.  
 Canada V7P 2R5  
 phone: (604) 985-0681  
 telex: 04-352667



Geochemical  
 Lab Report

REPORT: 127-8090 ( COMPLETE )

REFERENCE INFO:

CLIENT: COCHRANE CONSULTANTS LIMITED  
 PROJECT: DC 14

SUBMITTED BY: D.R. COCHRANE  
 DATE PRINTED: 19-OCT-87

| ORDER | ELEMENT              | NUMBER OF ANALYSES | LOWER DETECTION LIMIT | EXTRACTION         | METHOD         |
|-------|----------------------|--------------------|-----------------------|--------------------|----------------|
| 1     | Au 30g Gold 30 grams | 3                  | 5 PPB                 | FIRE-ASSAY         | Fire Assay AA  |
| 2     | Mo Molybdenum        | 3                  | 1 PPM                 | HNO3-HCL HOT EXTR. | PLASMA         |
| 3     | Ag Silver            | 3                  | 0.5 PPM               | HNO3-HCL HOT EXTR. | PLASMA         |
| 4     | As Arsenic           | 3                  | 5 PPM                 | HNO3-HCL HOT EXTR. | PLASMA         |
| 5     | Hg Mercury           | 3                  | 5 PPB                 | HNO3-HCL HOT EXTR. | Cold Vapour AA |
| 6     | Tl Thallium          | 3                  | 1 PPM                 | HNO3-HCL HOT EXTR. | PLASMA         |
| 7     | Sb Antimony          | 3                  | 5 PPM                 | HNO3-HCL HOT EXTR. | PLASMA         |

| SAMPLE TYPES       | NUMBER | SIZE FRACTIONS | NUMBER | SAMPLE PREPARATIONS  | NUMBER |
|--------------------|--------|----------------|--------|----------------------|--------|
| R ROCK OR BED ROCK | 3      | 2 -150         | 3      | CRUSH,PULVERIZE -150 | 3      |

REMARKS: ASSAY OF HIGH Au TO FOLLOW ON 1627-8090

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INVOICE TO: MR. D. R. COCHRANE