

THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY ARE OFFERED FOR SALE AND THEREIN ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES.

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NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

PROSPECTUS

DATED: MAY 31, 1988

R.M.

PROPERTY FILE

92 JNE 073, 076

Golden Sidewalk
(orig Down-Hill + Peerless)



manhattan mineral corp.

#935 - 800 West Pender Street
Vancouver, British Columbia
V6C 2V6

OFFERING
Common Shares

	Price to Public	Commission	Net Proceeds to be Received by the Issuer
.....	\$0.75 ⁽¹⁾	\$0.075	\$0.675
.....	\$187,500	\$18,750	\$168,750 ⁽²⁾

(1) The price of the shares has been determined by the Issuer in negotiation with the Agents.

(2) Before deduction of expenses of this issue estimated not to exceed \$25,000.

THE OFFERING HEREIN IS ON A "BEST EFFORTS" BASIS, SUBJECT TO THE AGENTS OBTAINING A MINIMUM SUBSCRIPTION OF 100% OF THE SHARES OFFERED WITHIN 180 DAYS OF THE EFFECTIVE DATE OF THIS PROSPECTUS.

THERE IS CURRENTLY NO MARKET THROUGH WHICH THESE SECURITIES MAY BE SOLD.

AN INVESTMENT IN SHARES OF THE COMPANY MUST BE CONSIDERED SPECULATIVE. SEE "RISK FACTORS" FOR DETAILS OF SUCH MATTERS AS DILUTION, RISKS INHERENT IN MINING, CONFLICTS OF INTEREST AND PERCENTAGES OF SHARES HELD BY PROMOTERS, DIRECTORS, OFFICERS AND SUBSTANTIAL SECURITY HOLDERS.

"UNDERWRITERS", AS DEFINED IN LOCAL POLICY STATEMENT 3-30 OF THE BRITISH COLUMBIA SECURITIES COMMISSION, OWN 67,000 SHARES OF THE ISSUER, PURCHASED AT \$0.25 PER SHARE.

THE VANCOUVER STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED PURSUANT TO THIS PROSPECTUS. LISTING IS SUBJECT TO THE ISSUER FULFILLING ALL THE LISTING REQUIREMENTS OF THE VANCOUVER STOCK EXCHANGE ON OR BEFORE DECEMBER 12, 1988, INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

WE, AS AGENTS, CONDITIONALLY OFFER THESE SECURITIES SUBJECT TO PRIOR SALE, IF, AS AND WHEN ISSUED BY THE ISSUER AND ACCEPTED BY US IN ACCORDANCE WITH THE CONDITIONS CONTAINED IN THE AGENCY AGREEMENT REFERRED TO UNDER "PLAN OF DISTRIBUTION" ON PAGE 19 OF THIS PROSPECTUS.

AGENTS

Brink, Hudson & Lefever Ltd.
1500 - 666 Burrard Street
Vancouver, B.C. V6C 3C4

EFFECTIVE DATE: JUNE 14, 1988

MANHATTAN MINERAL CORP.
PROSPECTUS SUMMARY

The Company

Manhattan Mineral Corp. ("the Issuer"), was incorporated in the Province of British Columbia and has an authorized capital of 20,000,000 common shares of which 1,592,000 shares are issued and outstanding. The Company and its wholly-owned U.S. subsidiary Manhattan Projects (U.S.A.) Inc. ("Manhattan U.S.") are engaged in the business of acquiring, exploring and developing mineral properties and own the property interests described hereafter.

See "Name and Incorporation", "The Business" and "Description of Shares".

Border Mine Property, Arizona

Manhattan U.S. has the option to acquire an undivided 50% interest in 20 unpatented mining claims comprising the Border Mine Property. The Border Mine is a previous gold producer from which 195 tons of ore averaging about 0.9 ounces of gold per ton are known to have been shipped.

A gold/silver mineralized vein is hosted in a fault zone of from 70 to 150 feet wide in the area of the old workings. The zone has been traced along a strike length of 6,000 feet, and anomalous gold values have been recorded over a length of approximately 4,000 feet.

Sampling of old dumps, trenches and outcrops has assayed up to 0.2 oz Au/ton, and 0.05 oz Au/ton across a continuous true width of 40 feet. Other assays of greater than 1 oz Au/ton have been reported.

The report of Sanguinetti Engineering Ltd. prepared for the Issuer states, "An excellent potential exists to develop a gold-silver reserve of near-surface, low grade material within the Border Mine property", and recommends a two phase exploration programme, consisting mostly of drilling, estimated to cost \$70,000 for Phase I and \$150,000 for Phase II.

See "The Border Mine Property".

Golden Sidewalk Property, British Columbia

The Issuer has the option to acquire an undivided 50% interest in 9 located and reverted Crown-granted mineral claims comprising the Golden Sidewalk property.

The claims cover the Peerless and Dauntless prospects, upon which exploratory adits were driven in the late 1930s, and the Alpha and Beta Zones, two gold bearing shear zones discovered during the 1984-85 exploration programme of Warstar Resources Inc.

The Issuer conducted a reverse circulation rotary drilling programme on the property in November 1987 which encountered significant intersections on the Beta Zone, which returned gold values much higher than had previously been found on the property.

See "The Golden Sidewalk Property".

The Issue

The Agents hereby offer 250,000 shares of the Issuer on a best efforts basis at \$0.75 per share for primary distribution to the public through the facilities of the Vancouver Stock Exchange pursuant to the Issuer's conditional listing on that Exchange. The Issuer will net \$0.675 per share for total proceeds of \$187,500 prior to deduction of offering expenses.

See "Plan of Distribution".

Use of Proceeds

The proceeds from this issue will be used to conduct Phase I of the exploration programme recommended by Sanguinetti Engineering Ltd. on the Border Mine property and to provide working capital.

See "Use of Proceeds".

Speculative Aspects

Investment in the shares of the Issuer must be considered speculative due to the nature of the Issuer's business and the present stage of development of its properties. Reference is made to the warnings on the cover of this prospectus, the description of the Issuer's property, and "Risk Factors".

THE FOREGOING IS A SUMMARY ONLY AND SHOULD BE READ IN CONJUNCTION WITH THE MORE DETAILED INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS.

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NAME AND INCORPORATION

The Issuer was incorporated on January 22, 1987 under the Company Act of British Columbia by the registration of its memorandum and articles. The address of the head office of the Issuer is 935 - 800 West Pender Street, Vancouver, British Columbia V6C 2V6, and the address of the registered office is 1303 Walnut Street, Vancouver, British Columbia V6J 3R2.

The Issuer's wholly-owned U.S. subsidiary, Manhattan Projects (U.S.A.) Inc. ("Manhattan U.S."), was incorporated on January 15, 1988, under the laws of the State of Nevada. The address of the principal office of Manhattan U.S. is 675 Fairview Drive, Suite 207, Carson City, Nevada, U.S.A. 89701.

THE BUSINESS

The Issuer and Manhattan U.S. are engaged in the acquisition, exploration and development of mineral properties and hold the properties herein described.

THE BORDER MINE PROPERTY

Acquisition

By agreement dated August 4, 1987, between the Issuer and Fischer-Watt Gold Co., Inc., of 114 Tucker Street, Suite 7, Kingman, Arizona ("Fischer-Watt"), the Issuer acquired the option to earn an undivided 50% interest in the Border Mine property. To exercise the option, the following payments and property expenditures are required:

- a) the payment to Fischer-Watt of \$5,000 U.S., which has been paid;
- b) the payment to Fischer-Watt of \$10,000 U.S. on or before August 4, 1988;
- c) on or before August 4, 1988, the expenditure of \$40,000 U.S. in exploration work or the incurrence of at least 3,000 feet of drilling on the property, at the Issuer's election. In the event that the Issuer fails to do either of the foregoing by the required date, the Issuer may nonetheless maintain the option in good standing by paying to Fischer-Watt the difference between \$40,000 U.S. and the amount actually expended on the property to August 4, 1988;

- d) the payment to Fischer-Watt of \$5,000 U.S. on or before February 4, 1989; and
- e) the expenditure of a total of \$150,000 in exploration work on the property on or before August 4, 1989, such amount to include all monies expended by the Issuer pursuant to paragraph (c).

In the event that the Issuer shall maintain the option in good standing beyond February 4, 1989, by making the payment referred to in paragraph (d) but shall fail to earn an interest in the property by failing to make the expenditures referred to in paragraph (e), the Issuer shall forthwith make a default payment to Fischer-Watt in the sum of \$5,000 U.S.

Upon the Issuer earning a 50% interest in the property in accordance with the foregoing, the parties have agreed to enter into a joint venture agreement for the ongoing exploration and development of the property. The joint venture agreement will provide for the dilution of either party's interest in the event of a failure to contribute pro rata to joint venture expenditures, provided however that if the interest of either party is reduced below a certain point, that party's only remaining interest shall be a royalty equal to 4% of net smelter returns.

By agreement dated January 15, 1988, the Issuer assigned its interest in the foregoing agreement to Manhattan U.S.

The Issuer retained Michael H. Sanguinetti, P.Eng., of Sanguinetti Engineering Ltd. to sample and generally evaluate the property and to prepare an evaluation report. The resulting report, dated November 6, 1987 (the "Sanguinetti Report"), is summarized in the following:

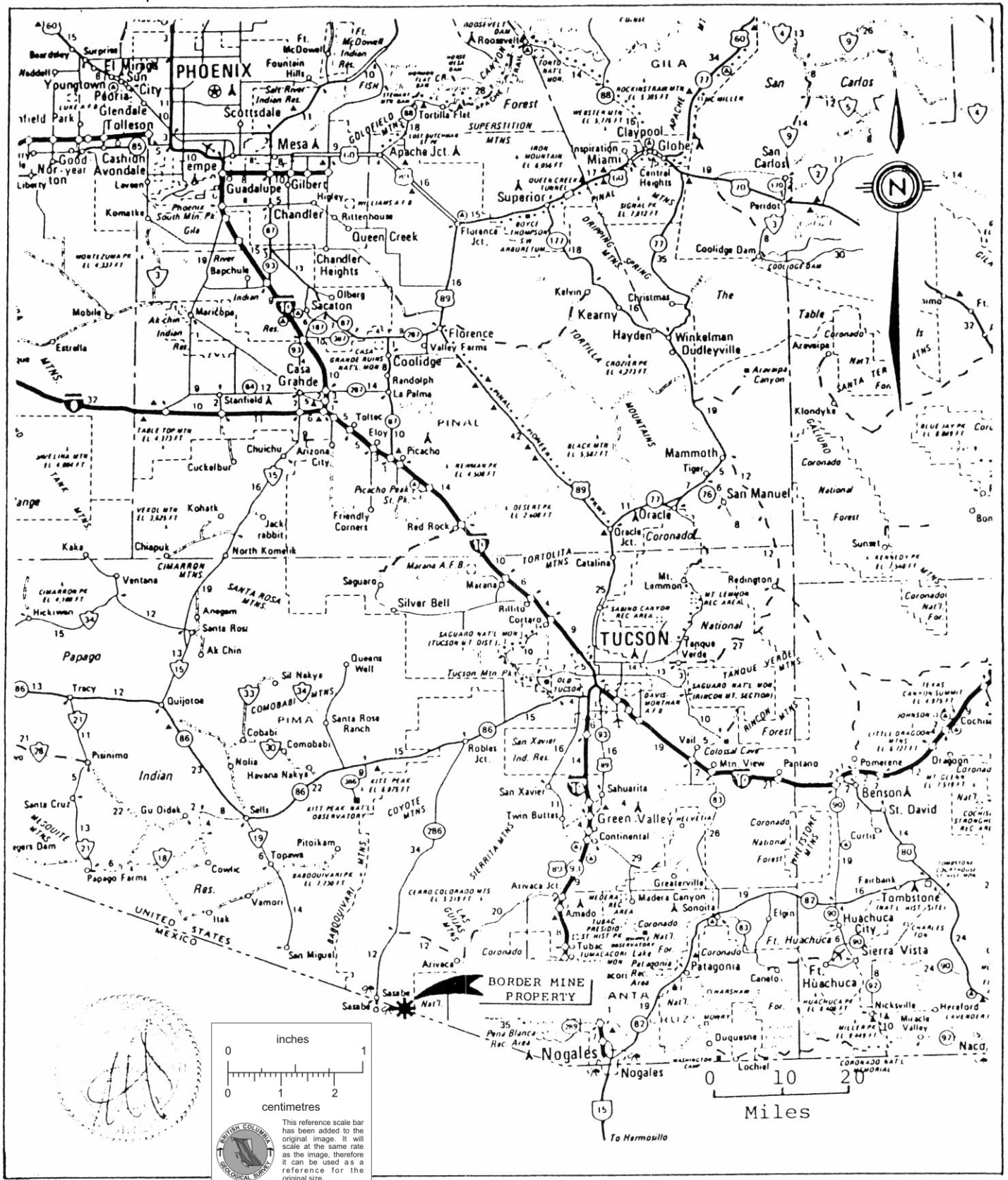
Description, Location and Access

The Border Mine property is comprised of 20 unpatented lode mining claims covering approximately 400 acres.

The claims are located in Pima County, about 60 miles south-southwest of Tucson, Arizona in the Arivaca Mining District.

Access from paved highway is by four-wheel drive vehicle over four miles of graded dirt road and four miles of unimproved dirt road.

The property is situated at the north end of the Cerro del Fresnal. Topography is moderately rugged. Elevations range from 3,700 feet to 4,480 feet above sea level. The mineralized zone extends along small foothills with about 200 feet of relief (elevations of 3,800 to 4,000 feet ASL). Steeper hills with



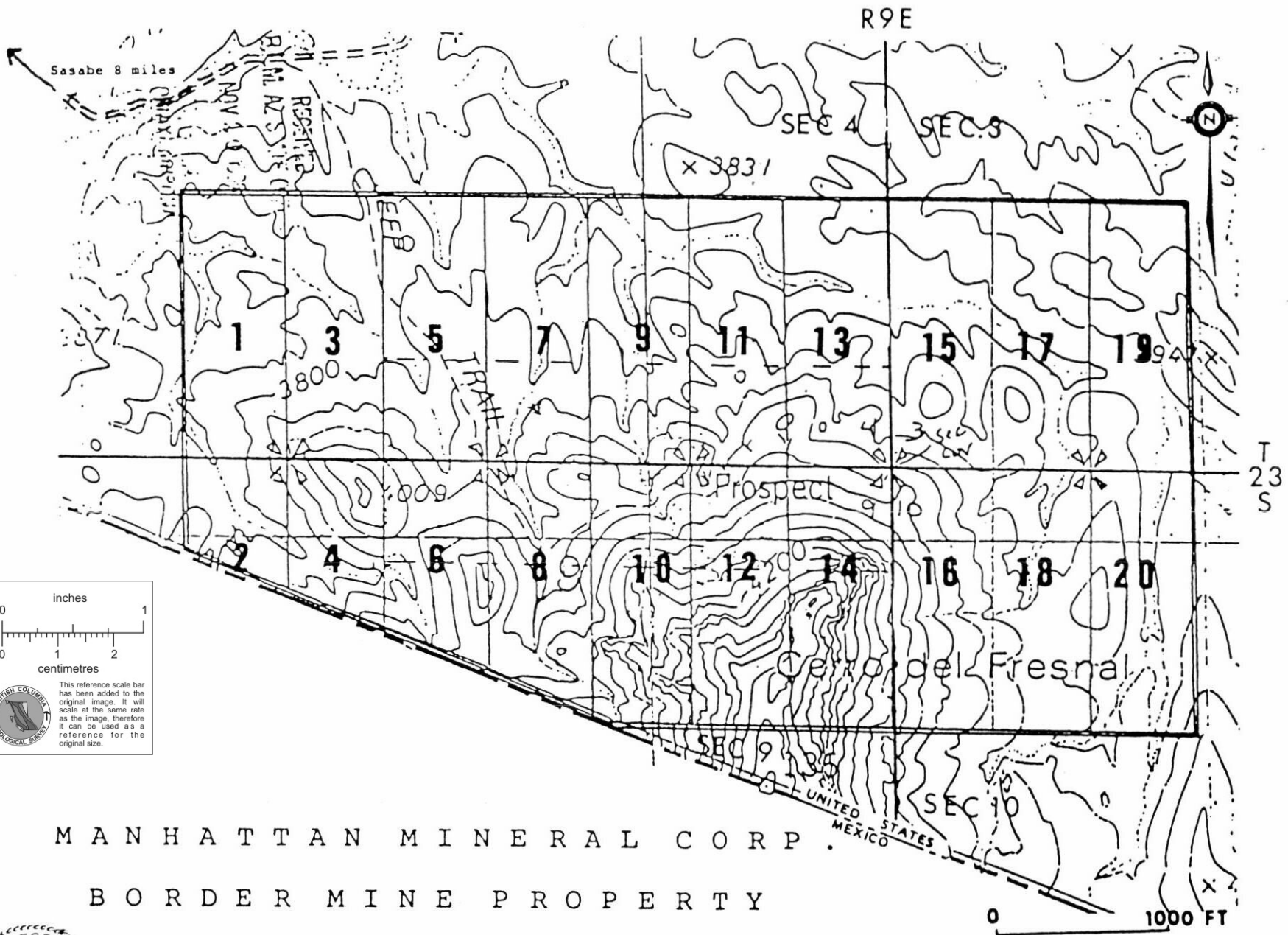
MANHATTAN MINERAL CORP.

BORDER MINE PROPERTY

Pima County, Arizona

LOCATION MAP

FIGURE 1



MANHATTAN MINERAL CORP.

BORDER MINE PROPERTY

Pima County, Arizona

CLAIM MAP

FIGURE 2

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centimetres
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vertical cliffs and up to 500 feet of relief are on the south side. Vegetation consists of small bushes, shrubs, grasses and various cacti. Potential water supply would be from wells drilled along the valley floor, about three miles to the north of the showing.

History

The earliest records of work on the Border Mine property date from the period 1930 to 1941 when there was intermittent production from shallow workings. Approximately 195 tons of ore were shipped averaging about 0.9 oz Au/t with some lead and copper. In 1939 about 50 tons of tungsten ore were shipped. The workings consisted of two shafts (70 feet and 50 feet deep of which the 70 feet one is caved), several prospect pits and long trenches. Old reports provided by Fischer-Watt refer to a "... decided high grade enrichment along the hanging wall averaging 20 feet in width ... at an average value per ton of \$10.00 ..." (approx. 0.285 oz/Au/ton) and an "... additional 70 feet width of lower grade ore ... at an average value of \$4.00 per ton ..." (approx. 0.114 oz/Au/ton).

More recent work by Fischer-Watt has included preliminary geological mapping, biogeochemical sampling (of mesquite bushes), rock geochemistry and two bulldozer trenches across the zone in the vicinity of the two old shafts.

Geology, Mineralization and Sampling

The Arivaca Mining District is in an area underlain by Mesozoic sediments, overlying Cretaceous volcanics and intruded by Laramide granitic intrusives. Mineral deposits in southern Pima County generally consist of irregular, lensing quartz or quartz-calcite veins containing spotty gold, silver and base metal mineralization; surface enrichment is common. Overburden cover is extensive, however, the presence of Laramide intrusives, favourable structure and a zonal arrangement of mineralization are incentives for exploration using detailed geological mapping and geochemical sampling.

On the claims, a weathered and oxidized quartz-calcite stockwork vein, mineralized with free gold and silver chlorides (?), is hosted within a northeast trending, 70 to 150 foot wide shear-fault zone. This has been described as a low sulphide epithermal system. This fault trends N50°E to N70°E and dips 55° to 80° to the south. It separates a wide band of light grey rhyolite (or siliceous dacite) on the footwall side from andesite on the hanging wall. A dark grey andesite tuff breccia lies farther to the north of the rhyolite and to the southeast.

Geological mapping and geochemical sampling by N.A. Degerstrom, Inc., Nord Resources Ltd. and Fischer-Watt have traced anomalous gold values in the zone for over 4,000 feet along strike while the structure itself has been mapped for over 6,000 feet. Values of greater than 0.01 oz/ton gold over true sampled widths in excess of 70 feet along a strike length of 1,500 feet have been reported in the vicinity of the old workings. Prior to the completion of two bulldozer trenches in August, 1987, continuous sampling across the whole zone was not possible due to limited outcrop. Sampling conducted in 1985 by Fischer-Watt over a continuous true width of 40 feet graded 0.05 oz/ton gold.

The results of rock geochemical sampling are very irregular but provide a definite anomalous trace of the Border Mine structure over a strike length of approximately 4,000 feet. Previous high grade samples have been reported to be over 1 oz/ton Au, however all sampling by Fisher-Watt and Sanguinetti returned values of less than 0.2 oz/ton Au.

Sanguinetti collected a total of 10 samples for assay during the course of his examination, as follows:

<u>Sample No.</u>	<u>Width (ft)</u>	<u>Type</u>	<u>Au oz/t</u>	<u>Ag oz/t</u>
1	-	grab	0.055	0.62
2	10	chip	0.007	0.03
3	12	chip	0.020	0.08
4	13	chip	0.070	0.89
5	-	grab	0.054	0.60
6	25	channel	0.003	0.03
7	20	channel	0.006	0.09
8	10	channel	0.002	<0.02
9	-	grab	0.004	0.09
10	-	grab	0.144	0.27

Minor limonite and very few sulphides were observed except for a strong limonitic section in the eastern bulldozer trench. No free gold was seen. The higher results are indicative of the reported "high grade enrichment" reported in the earlier reports.

A total of 46 samples of mesquite bushes were sampled by Fischer-Watt during August, 1986. These were collected in the vicinity of the shafts and also along the structure. Samples were ashed and the ashes analyzed for gold, silver, copper and zinc. These results are inconclusive. The sample results from bulldozer trenching indicate an enriched zone across 130 feet in the east trench. Only 35 feet of the zone was exposed in the west trench. Average gold values in each trench are 0.016 oz/ton across 130 feet in the east trench and 0.002 oz/ton across 35 feet in the west trenches. The west trench exposed only a small portion of the structure. Two enriched sections occur in the

east trench: 0.037 oz/t across 15 feet from 15' to 40' (high value of 0.084) and 0.060 oz/ton across 15 feet from 50' to 65' (high value 0.130 oz/ton) with the combined section of 40 feet from 25' to 65' averaging 0.037 oz/ton gold.

Three channel samples collected by Sanguinetti from the east trench returned values of .003, .006 and .002 oz/ton gold across 25, 20 and 10 feet respectively. These results are comparable to those of Fischer-Watt.

Exploration Potential

The potential exists to develop a gold-silver reserve in the order of 1 to 2 million tons of near surface, low grade material within the Border Mine property. Initial sampling has returned low grade values in the order of 0.03 to 0.07 oz gold per ton extending across widths of 40 to 70 feet. The zone has been explored to a depth of 70 feet in one shaft and sampled on surface over an approximate length of 4,000 feet. Mapping and reconnaissance sampling have indicated a length of almost 6,000 feet. Outcrop is limited and no drilling has yet been conducted on the property.

Early reports describe a 20 foot wide high grade zone and a 70 foot wide low grade zone, the extrapolated grades of which are 0.285 oz/t and 0.114 oz/ton gold for the high grade and the low grade sections respectively. Shipments reported by the Arizona Bureau of Mines between 1930 and 1941 note an average of 0.9 oz/t gold which would substantiate the presence of the higher grade section.

A program of reverse circulation drilling would define the width and strike length of the zone and provide a measure of the grade of mineralization beneath the fractured and weathered surface.

Recommendations

A two-phase, success-contingent exploration program is recommended to test the near surface, low grade gold potential of the Border Mine property. Phase I would concentrate on the central area in the vicinity of the old shafts where preliminary work by Fischer-Watt and others has located significant low grade gold mineralization. This work would consist primarily of drilling. Phase II of the program would continue the evaluation of the zone by drilling. In addition, initial metallurgical testing would be initiated.

Phase I

- a. complete detailed geological mapping of the claims.

- b. conduct reconnaissance geochemical soil sampling across the zone, to define any zones of enrichment in the overburden covered sections.
- c. conduct reverse circulation drilling along 1,500 feet of the zone of known surface mineralization (allow 3,000 feet).

Phase II

Contingent upon the success of Phase I in defining a zone of low grade mineralization, initial metallurgical testing should be undertaken to determine the economic viability of leaching this material. Further reverse circulation drilling should be conducted to define the mineralization indicated in Phase I and to extend it along strike: allow 6,000 feet.

Estimated Cost of Recommended Exploration Program

Phase I

Program: Permitting
Grid preparation (5,000 ft)
Geochemical sampling (100 samples)
Geological mapping
Reverse circulation drilling (3,000 ft)

Estimated Field Duration: allow 3 weeks

Estimated Cost:

Geologist, supervision	\$	4,000
Professional services: 5 days @ \$400/d		2,000
Reverse circulation drilling: 3,000 ft including mob/demob, board and lodging, sampling, site preparation @ \$12.00/ft		36,000

General Expenses:

Assays, 250 for Au, Ag @ \$15.00	\$3,750	
Analyses, 250 for Au, Ag @ \$8.00	2,000	
Travel	1,000	
Lodging, food	1,500	
Field supplies	500	
Freight express	500	
Miscellaneous expenses	<u>3,750</u>	<u>13,000</u>

Sub-total .		55,000
Allowance for U.S. Exchange		<u>15,000</u>

Total Phase I		\$ 70,000
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Phase II

Program: Permitting
Metallurgical testing
Reverse circulation drilling (6,000 ft)

Estimated Field Duration: 1.5 months

Estimated Costs:

Salaries

Geology, supervision, 2 months	\$8,000	
Assistant, 1 month	<u>2,000</u>	\$ 10,000

Fees

Professional services, 10 days @ \$400/d		4,000
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Reverse Circulation Drilling

6,000 feet, including, mob-demob, board and lodging, sampling at \$12.00/ft		72,000
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Metallurgical Testing

Sampling, basic tests, allow		10,000
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General Expenses:

Assays and analyses	\$10,000	
Travel	1,500	
Lodging, food	3,000	
Field supplies	1,000	
Freight, express	500	
Miscellaneous	3,000	
Drafting, report preparation	<u>4,000</u>	23,000

Sub-total		119,000
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Allowance for U.S. Exchange		<u>31,000</u>
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Total Phase II		\$ 150,000
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TOTAL PHASES I AND II		<u>\$ 220,000</u>
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Additional Information

The Issuer has commenced the Phase I exploration programme recommended by the Sanguinetti Report and to date has expended approximately \$10,800. An additional 53 claims have been staked to the northwest of the original claim block but have not yet been recorded.

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

THE PROPERTY IS WITHOUT A KNOWN BODY OF COMMERCIAL ORE, AND THE PROPOSED PROGRAMME IS AN EXPLORATORY SEARCH FOR ORE.

THE SANGUINETTI REPORT IS AVAILABLE FOR INSPECTION AT THE BUSINESS OFFICE OF THE ISSUER, 935 - 800 WEST PENDER STREET, VANCOUVER, BRITISH COLUMBIA, V6C 2V6, DURING NORMAL BUSINESS HOURS WHILE PRIMARY DISTRIBUTION OF THE SHARES OFFERED HEREUNDER IS IN PROGRESS AND FOR 30 DAYS THEREAFTER.

Potential investors are encouraged to review the full report.

THE GOLDEN SIDEWALK PROPERTY

By agreement dated September 30, 1987, between the Issuer and Warstar Resources Inc., a reporting company listed on the Vancouver Stock Exchange, of 935 - 800 West Pender Street, Vancouver, British Columbia ("Warstar"), the Issuer acquired the option to earn up to an individed 50% interest in the Golden Sidewalk property. To earn the 50% interest, the Issuer must expend a total of \$500,000 on the property, on or before September 30, 1990. In the event that the Issuer does not expend at least \$200,000 by that date it shall earn no interest. However, if the Issuer expends at least \$200,000 but less than \$500,000, the Issuer shall have earned that percentage of a 50% interest that is equivalent to the percentage portion of \$500,000 actually expended by the Issuer.

The key claim in the property, the Golden Sidewalk claim, was acquired by Warstar under an agreement with another company, which agreement provided for the payment to that other company of \$500,000 by September 30, 1989. The written agreement has been lost and the company from which Warstar acquired the claim has since been struck from the British Columbia Register of Companies, with the result that its residual interest in the Golden Sidewalk claim has escheated to the Crown in Right of the Province of British Columbia. This situation creates some uncertainty as to the ability of Warstar to obtain unimpeachable title to the claim, although the claim is now registered in the name of Warstar.

The Issuer and Warstar intend to take action to cure title if the results of exploration prior to September 30, 1989 indicate that such action is warranted. Based on discussions with their legal advisors, and those of Warstar, the Issuer believes that title to the Golden Sidewalk claim can be perfected by the payment of the \$500,000 under the original agreement. However, if for any reason title cannot be perfected, the Golden Sidewalk claim may be lost.

In the event that payment of the aforesaid \$500,000 becomes necessary but is not, for whatever reason, made by Warstar, it may be made by the Issuer in which event such payment may be applied by the Issuer either against the \$500,000 to be incurred to earn its 50% interest in the property, as aforesaid, or to dilute the property interest of Warstar pursuant to the joint venture agreement to be entered into between the parties.

Upon the Issuer earning an interest in the property, in accordance with the foregoing, the parties have agreed to enter into a joint venture agreement for the ongoing exploration and development of the property. The joint venture agreement will provide for the dilution of either party's interest in the event of a failure to contribute pro rata to joint venture expenditures, provided however that once a party's interest has been diluted to 10%, that interest shall convert to a royalty of 2% of net smelter returns. The royalty will terminate once the sum of \$1,000,000 has been paid pursuant thereto.

Dennis L. Higgs, the President of the Issuer, is the President and a director of Warstar. Bo S. Mortil, a director of the Issuer, is a director and shareholder of Warstar.

In October and November of 1987 the Issuer carried out a programme of reverse circulation rotary drilling on the property and retained Chris J. Sampson, P.Eng. of Sampson Engineering Inc. to prepare a report based on the results of that programme. The report, dated December 18, 1987, (the "Sampson Report") is summarized in the following:

Description, Location and Access

The Golden Sidewalk property comprises nine located and reverted Crown granted mineral claims covering approximately 1,551 acres.

The claims straddle the road between Tyaughton and Carpenter Lakes, 10 kilometres east of Goldbridge, British Columbia.

Access to the property from either Goldbridge (10 km west) or Lillooet (96 km east) is readily gained by way of a gravel highway which runs along the north side of Carpenter Lake.

History

Historically the property comprised two separate prospects, the Peerless located in the northwest corner of the property and the Dauntless located in the southeast corner of the property. The prospects were discovered during the prospecting boom in the Bridge River in the 1930s and adits were driven in

MANHATTAN MINERALS INC.

GOLDEN SIDEWALK PROPERTY

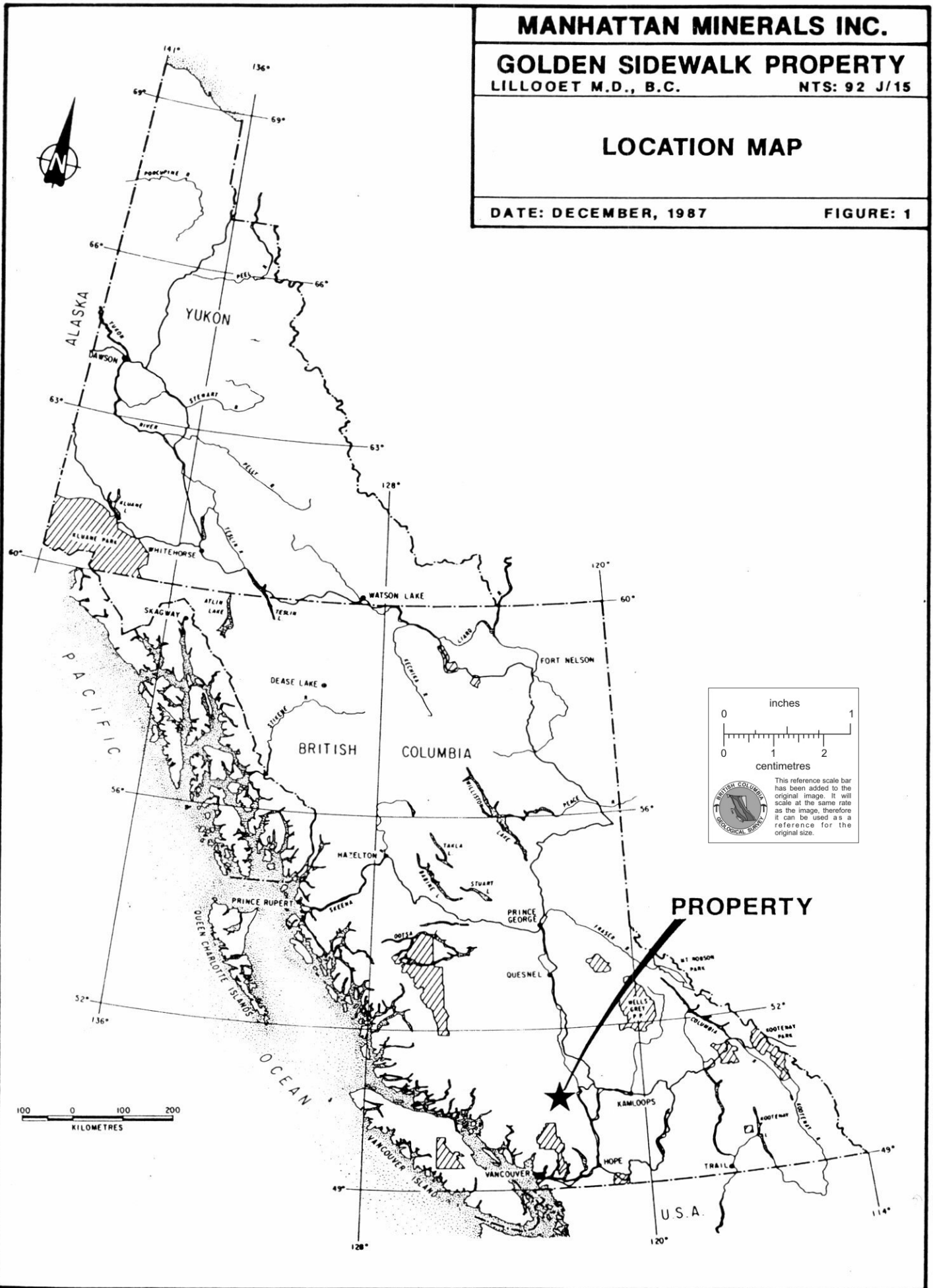
LILLOOET M.D., B.C.

NTS: 92 J/15

LOCATION MAP

DATE: DECEMBER, 1987

FIGURE: 1

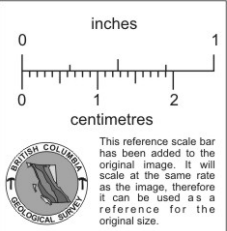
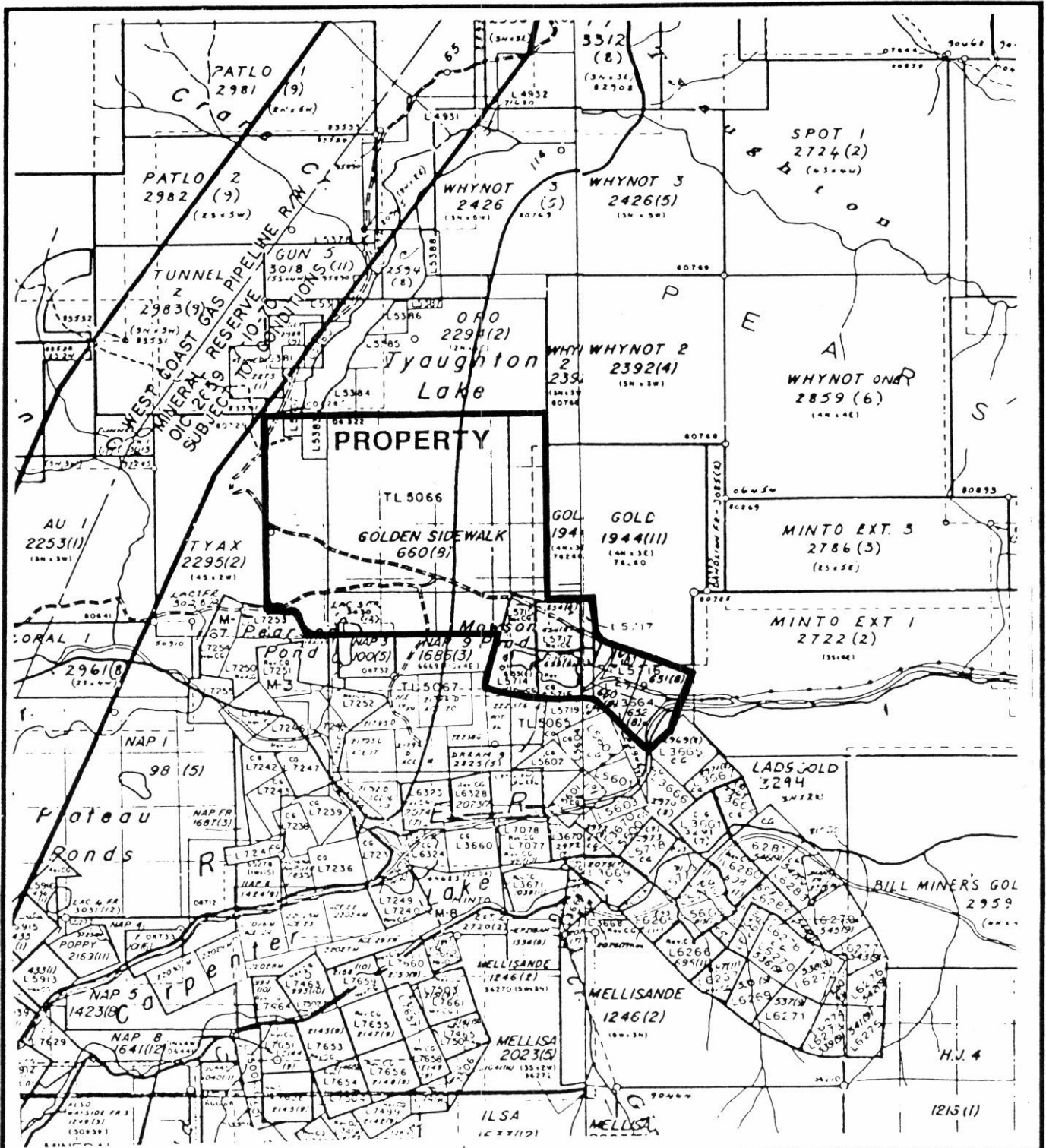


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KILOMETRES

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inches
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PROPERTY



MANHATTAN MINERALS INC.
 GOLDEN SIDEWALK PROPERTY
 LILLOOET MINING DIVISION, B.C. NTS: 92 J/15

CLAIM MAP

C.J.SAMPSON, P.Eng.

DATE: DECEMBER, 1987

the late 1930s to explore both prospects. The history of the prospects has been as follows:

Peerless Prospect

- 1937: Earliest reference to the prospect (1937 B.C. Department of Mining Report) indicates that it was found during the prospecting boom in the Bridge River area in the early thirties. The report gives a good description of the adit (originally known as the lower adit) and the other trenches and inclined shaft).
- 1975: Thunder Creek mines cleaned out the adit and attempted to locate the inclined shaft. No work was reported and the claims lapsed. The area was restaked by P. Polischuk for Dawson Logging & Construction.
- 1978: Dawson Logging carried out a program of line cutting and bulldozer trenching.
- 1980: Dawson Logging carried out VLF EM geochemical soil sampling and geological mapping on the property.
- 1983: Warstar Resources Ltd.'s drilling programme explored the Peerless vein by four holes.

Dauntless Prospect

- 1935-36: The Reward Mining Company drove the existing adit on the vein. It was subsequently sampled by B.C. Department of Mines staff.
- 1960: Paul Polischuk sampled the vein in the adit.
- 1964: Sherwin F. Kelly further sampled the vein and recommended a program of diamond drilling, geology and geophysics.
- 1965: At least parts of Kelly's recommendations were carried out by the owners of the property, San Doh Mines, since in his report of March 1965 Jos Sullivan mentions that during a visit to the property, he examined drill core from holes 1 and 2 and took further check samples from the vein.
- 1973: Sherwin Kelly again examined the property. Kelly did further sampling in the adit and recommended a program of diamond drilling.

- 1975: Ashcroft Resources Ltd., successors to Rainbow Lake Explorations, carried out a program of sampling and diamond drilling of three holes.
- 1983: Warstar Resources Ltd.'s drilling programme explored the Dauntless vein by three holes.

During the summer of 1984, Warstar Resources ran a 100 metre spaced line grid across the entire property and carried out a programme of geological mapping and geochemical soil sampling which located several strong arsenic, antimony, lead, zinc and gold anomalies in the northwest quarter of the property.

A programme of bulldozer trenching in December 1984 discovered two mineralized gold bearing shear zones, designated the Alpha and Beta Zone.

In June 1985 Warstar conducted a backhoe trenching programme to extend and deepen the bulldozer trenches. This managed to expose the two zones over greater widths and strike length but was eventually limited by overburden thickness too deep for backhoe excavation.

In September 1985, Warstar drilled 8 short diamond drill holes totalling 525.7 metres of which five holes explored the Alpha Zone and three holes explored the Beta Zone.

Geology

The property is underlain by cherts, cherty argillites, argillites and greenstones of the Bridge River group rocks, which form the host rocks for former producing gold mines elsewhere in the area.

As previously stated, the original discoveries of economic interest on the property were the Dauntless and Peerless veins which were explored by adits driven in the mid 30s and have since been the subject of several sampling programmes.

The Dauntless vein, which is three metres wide at the adit portal, strikes 055°, dips 80°NW and shows sharp, slickensided contacts with the country rocks, indicating that it is located in a fault structure. The vein crosscuts the local sequence, and wall rocks are thus either argillite, greenstone (andesite) or both. Access to the 75 metre adit is not longer possible due to caving of the portal area.

Where seen at the portal and in drill holes, the vein consists of quartz-calcite with arsenopyrite, pyrite, stibnite and variable gold and silver values. Previous mapping and

sampling indicates that the vein pinches out and values decline to only trace amounts to the southwest along the adit.

The Peerless vein is 0.3 to 0.5 metres wide, strikes 045° and dips NW at 50°-80°. It also shows slickensided, sharp, fractured contacts with the country rock which vary from argillite to greenstone (andesite), indicating that the vein is situated in a fault which cross cuts the local flat lying sequence. The vein consists of quartz, calcite, ankerite with pyrite, sphalerite, galena and variable gold-silver values.

The Alpha Zone is situated in a 20 metre wide shear zone in massive green and purple volcanics. It strikes N80E, dips vertically and carries extensive disseminated pyrite, and lenses of massive pyrite, galena and sphalerite up to 30 centimetres thick. A one metre channel sample across the zone taken from the original bulldozer trench assayed 0.293 oz/ton Au and 0.26 oz/ton Ag. Further sampling from the backhoe trenching gave 0.347 oz/ton Au and 0.41 oz/ton Ag from a one metre channel sample across the zone.

The Beta Zone was not exposed over its full width due to bedrock depths at both ends of the backhoe trenches being beyond the digging range of a backhoe. The zone strikes NE/SW and dips 30°-50°NW. It is bounded on the hanging wall side by a three to five centimetre wide, rusty shear which shows well-developed slickensides and graphite. The footwall side was not exposed because the bedrock surface slopes off too steeply and is beyond digging range.

Results of 1985 and 1987 Drilling Programmes

In September 1985 Warstar Resources drilled 8 short diamond holes totalling 525.75 metres to explore the two zones along strike and down dip. Hole 85-1 intersected mineralization from 51.11 to 51.18 metres which assayed 0.747 oz/ton Au and 0.51 oz/ton Ag. Hole 85-2 intersected mineralization from 35.0 to 36.0 metres which assayed 0.122 oz/ton Au and 0.12 oz/ton Ag. Both holes were on the Alpha Zone.

The three holes drilled on the Beta Zone intersected mineralization but only low gold values were present.

During November 1987, Manhattan Minerals drilled 22 reverse circulation rotary drill holes totalling 2226.5 metres of which holes 87-1 to 87-6, 87-10, and 87-15 to 87-18 were on the Alpha Zone, holes 87-7 to 87-9 and 87-11 to 87-14 were on the Beta Zone, holes 87-19 and 87-20 were on the Peerless vein and holes 87-21 and 87-22 were on the Dauntless vein.

The rotary drilling did not improve the overall grade of the Alpha Zone. The highest values obtained (hole 87-8, 140-145 ft 0.30 oz/ton Ag and 0.122 oz/ton Au, hole 87-17,

260-265 ft 0.17 oz/ton Ag and 0.306 oz/ton Au, and hole 87-18, 230-235 ft 0.09 oz/ton Ag and 0.152 oz/ton Au are comparable to those obtained in the 1985 drill programme. Assay values obtained from the Peerless and Dauntless drill holes were also substantially below ore grade.

The intersections obtained from the Beta Zone are, however, very significant. The gold grades encountered are substantially higher than values from the original trench samples. In particular hole 87-8 intersected mineralization from 65 to 70 feet which assayed 5.86 oz/ton Ag and 1.700 oz/ton Au, and hole 87-9 intersected mineralization from 170 to 175 feet which assayed 0.36 oz/ton Ag and 1.129 oz/ton Au, which gold values are much higher than had previously been found on the Golden Sidewalk property.

There is apparent continuity of the zone between holes 87-8, 9, 12 and 14 and the structure remains open down dip to the west.

The Beta Zone may have a hanging wall and footwall vein, as is typical of gold systems in the Bridge River area and many other vein gold districts (e.g. the Motherlode system of California). This would explain the lower intersection in some of the holes. The geology of the zone is not as yet understood; rotary drill cuttings are not as informative as drill core.

Recommendations

Phase I

1. A new grid with a one kilometre east-west baseline (approximately along the present line 2N) and 50 metre spaced north-south lines should be cut and surveyed in the north quarter of the Golden Sidewalk claim. All outcrop, trenches, drill holes and workings should be tied into the new grid.
2. A programme of 914 metres of NQ diameter diamond drilling should be conducted to explore the Beta Zone to the west.

Phase II

3. Contingent upon successful results in Phase 1, a further programme of 3,000 metres of drilling should be done to further explore the Beta Zone and Alpha Zone.

Cost Estimates

Phase 1

1. Grid cutting and surveying: 20 kms at \$500/km	\$ 10,000
2. 3,000 ft (914 m) of NQ diamond drilling at \$24/ft (\$79/m)	72,000
3. Analyses and assays	3,000
4. Field supervision: geologist & assistant, 15 days at \$400/d	6,000
5. Food and accommodation: 15 days @ \$100/d	1,500
6. Truck rental	1,000
7. Freight, field supplies, etc.	500
8. Report preparation, etc.	<u>6,000</u>
Total Phase I	\$ 100,000

Phase II (Contingent upon success in Phase I)

1. 10,000 ft/3,000 m of NQ diameter drilling @ \$24/ft (\$79/m)	\$ 240,000
2. Analyses and assays: 500 at \$12 each and 200 at \$20 each	10,000
3. Field supervision: geologist & assistant, 50 days @ \$400/d	20,000
4. Food and accommodation: 50 days at \$100/d	5,000
5. Truck rental	3,000
6. Freight, field supplies, etc.	2,000
7. Report preparation, etc.	<u>10,000</u>
Total Phase II	\$ <u>300,000</u>
TOTAL PHASE I & II	\$ <u><u>400,000</u></u>