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016040

Isabelle
Cindy Lou ✓
claims
American Bay Prop.
- Omineca G mine
of Hazelton

SUPERINTENDENT OF BROKERS

AND

VANCOUVER STOCK EXCHANGE

STATEMENT OF MATERIAL FACTS #136/90
EFFECTIVE DATE: December 17, 1990

93M 047

KINTANA RESOURCES LTD. (formerly Can-Ex Resources Ltd.),
2580-1066 West Hastings Street, Vancouver, B.C., V6E 3X2
Telephone: (604) 682-2269

NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

2800-666 Burrard Street, Vancouver, B.C. V6C 2Z7

ADDRESS OF REGISTERED AND RECORDS OFFICES OF ISSUER

Central Guaranty Trust Company, 800 West Pender Street,
Vancouver, B.C., V6C 2V7

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

OFFERING: 1,200,000 UNITS*

Each Unit consists of One Common Share and Two Series "A" Warrants, two such warrants entitling the holder thereof who exercises such warrants to purchase one additional common share of the Issuer at any time up to the close of business within two years following the Offering Day, during the first year at the Offering Price to be determined in accordance with the rules of the Vancouver Stock Exchange and during the second year at the Offering Price plus 15%.

*The Offering may be increased (by up to 15% or 180,000 Units) to meet oversubscriptions (see "Appointment of Agents").

	Estimated Offering Price (1)	Estimated Commission	Estimated Net Proceeds to be Received by the Issuer (2)
Per Unit	\$0.40	\$0.03	\$0.37
Total	\$480,000	\$36,000	\$444,000

- (1) To be calculated in accordance with the Rules of the Vancouver Stock Exchange and subject to a minimum price of \$0.40 per Unit.
- (2) Before deducting the costs of the Offering estimated to be \$25,000.

AT AN EXTRAORDINARY GENERAL MEETING HELD OCTOBER 31, 1989 SPECIAL RESOLUTIONS WERE ADOPTED TO CHANGE THE ISSUER'S NAME AND CONSOLIDATE ITS SHARE CAPITAL ON A ONE FOR FIVE BASIS TO BECOME EFFECTIVE IMMEDIATELY PRIOR TO THE EFFECTIVE DATE HEREOF. ACCORDINGLY, UNLESS OTHERWISE INDICATED, ALL REFERENCES TO SHARES HEREIN ARE MADE ON A CONSOLIDATED BASIS (SEE ITEM 5 "CORPORATE INFORMATION").

Jan. 10/91

(010111)

ADDITIONAL OFFERING

The Agent has agreed to purchase (the "Guarantee") any of the Units offered hereby for which subscriptions have not been received at the conclusion of the Offering (the "Guarantee"). Any Units acquired by the Agent under the Guarantee will be distributed under this Statement of Material Facts through the facilities of the Vancouver Stock Exchange at the market price at the time of sale (see "Plan of Distribution").

AGENT

PACIFIC INTERNATIONAL SECURITIES INC.
P.O. Box 10015, Pacific Centre
1500 - 700 West Georgia Street
Vancouver, British Columbia
V7Y 1G1

The Issuer is, under the rules of the Exchange, a "Venture Company".

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.

Issuer failed to pay \$12,500 U.S. in property payments due on January 1, 1989 and was declared to be in default on the Knabe Parcel.

By agreement dated February 6, 1989, the Issuer removed the notice of default by agreeing to pay the January 1, 1989 payment of \$12,500 U.S. and to make payments of \$12,500 U.S. on January 1 of each year for five years beginning January 1, 1990; such payments being subject to termination should the Issuer elect to terminate the agreement. On March 7, 1990 the payment date for the January 1, 1989 and January 1, 1990 payments was extended to the earlier of 15 days following receipt of proceeds from this Offering and January 1, 1991. The Issuer intends to make these payments and the payment due January 1, 1991, totalling \$37,500 U.S., out of proceeds from this Offering.

In addition, the Optionors are entitled, after the full purchase price has been paid, to a continuing overriding royalty equal to 2% of the net profits received from the sale or other disposition of minerals won or got from the parcel.

(c) El Tigre Parcel

The title to this parcel is owned by the same persons who own the Knabe parcel (the "Optionors"). By agreement dated June 25, 1986, the Optionors granted to Can-Ex U.S. an option expiring June 24, 2001 entitling Can-Ex U.S. to purchase the parcel for the price of \$3,000,000 U.S. payable as to the first \$10,000 on or before August 25, 1986 (paid) and as to the balance by annual instalments of 15% of the net profits received from the sale or other disposition of minerals won or got from the parcel and 5,000 shares of the Issuer (issued). In addition, the Optionors are entitled, after the full purchase price has been paid, to a continuing overriding royalty equal to 2% of the net profits received from the sale or other disposition of minerals won or got from the parcel.

Big Horn Exploration Program

Exploration programs conducted by the Issuer and by Billiton Minerals (USA) Inc. during January to May, 1988 under its option from the Issuer which terminated August, 1988 consisted of surface and underground mapping and sampling, geochemical and geophysical surveying, trenching, drilling and metallurgical testing. Drilling by Billiton on the El Tigre parcel extended the known area of a near surface, flat lying vein with one hole having a 10 foot intercept from 45-55 feet below surface assaying 0.52 ounces gold per ton. Another hole 600 feet southwest of the vein averaged 0.011 ounces gold per ton from surface to 60 feet of depth in a granitic rock indicating a potential bulk tonnage target. The assay data are from drill hole logs provided to the Issuer by Billiton Minerals (USA) Inc. Gold anomalies in stream sediments, alteration, brecciation and intrusive bodies occur along a trend southwesterly from the El Tigre parcel through the Knabe parcel and onto the Mollie D parcel.

The Issuer has requested its engineering consultant, Sawyer Consultants Inc., to prepare a progress report on the work carried out on the property to date and a copy of that report dated August 8, 1990 (the "Report") is attached to and forms a part of this Statement of Material Facts. The Report indicates that the results of work carried out to date have been encouraging and that the Big Horn Property warrants further exploration. Accordingly, a two-stage work program has been recommended. Stage one, to be carried out at an estimated cost of \$150,000 with proceeds from this Offering, is to consist of detailed geological mapping and geochemical rock chip sampling and a reverse circulation drilling program. Stage two of the recommended program is contingent upon favourable stage one results and is estimated to cost \$250,000.

The Big Horn Property has no known ore reserves and the program recommended in the Report is an exploratory search for ore.

Group III

AMERICAN BOY PROPERTY

This property originally consisted of 29 contiguous mineral claims located in the Omineca Mining Division of the Province of British Columbia, approximately six miles northeast of Hazelton. Twenty-five of the claims were acquired pursuant to an Agreement dated September 30, 1982 from Tri-Con. In consideration for these 25 claims the Issuer reimbursed Tri-Con \$25,165 for its out-of-pocket expenses and agreed to pay Tri-Con a 5% net smelter return. Four of the claims were acquired from Cumo Resources Ltd., which is at arm's length to the Issuer. The Issuer has expended a total of \$354,700 in respect of exploration on the property to date including geochemical and geophysical surveys followed by trenching and drilling of selected targets on various parts of the original property. While silver and gold-bearing veins were discovered, they were considered by the Issuer's contractors and consultants to be uneconomic, except for those located on the Janelle and Cindy Lou claims. The Issuer intends to maintain only these two claims until such time as silver prices warrant further work on the property. The Janelle and Cindy Lou claims, which are subject to a 5% net smelter return payable to Tri-Con, have no known ore reserves.

RISK FACTORS

The Units offered hereby must be considered speculative, generally because of the nature of the Issuer's business. In particular:

1. The purpose of the present offering is to raise funds to carry out further exploration with the objective of establishing ore of commercial tonnage and grade. If the Issuer's exploration programs are successful, additional

funds will be required for the development of economic ore bodies and to place them in commercial production. The only source of future funds presently available to the Issuer is through the sale of equity capital and third party financing arrangements. The only alternative for the financing of further exploration would be the offering by the Issuer of an interest in its properties to be earned by another party or parties carrying out further exploration or development thereof, which is not presently contemplated.

2. Exploration for minerals is a speculative venture necessarily involving substantial risk. There is no certainty the expenditures to be made by the Issuer in the acquisition of the interests described herein will result in discoveries of commercial quantities of ore.
3. The mining industry, in general, is intensively competitive and there is no assurance that even if commercial quantities of ore are discovered, a ready market will exist for sale of same. Factors beyond the control of the Issuer may affect the marketability of any substances discovered.
4. While the Issuer has obtained the usual industry standard title reports with respect to its properties, these should not be considered as guarantees of title. The properties may be subject to prior unregistered agreements or transfers or native land claims, and title may be affected by undetected defects.
5. The Issuer's mining properties have not been surveyed and, therefore, the precise locations and areas of the properties may be in doubt.
6. Mining exploration involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not eliminate. While the rewards if an ore body is discovered can be substantial, there is no assurance that sufficient quantities of the minerals will be discovered to justify production. There is no assurance that any property owned by the Issuer or in which it has interests will reach the production stage. The marketability of minerals that may be discovered by the Issuer will be affected by factors beyond its control. These factors include market fluctuations in the price of the minerals and metals, the proximity and capacity of mining facilities and processing equipment, possible claims of native peoples and government regulations (including regulations relating to prices, royalties, production limit, mineral importing and exports and environmental and agricultural protection). The offset of these factors cannot be accurately predicted. At the present time, the Issuer has no producing properties.

7. Hazards, such as unusual or unexpected formations or other geological conditions, are involved in exploring for any developing mineral deposits. The Issuer may be subject to liability for pollution or other hazards which cannot be insured against or which the Issuer may elect not to insure due to high premium costs or other reasons. The payment of such liabilities could result in severe loss to the Issuer.
8. The construction, set-up and exploitation of a mine, including the construction of a mining installation, require, in general, the respecting of applicable legislation concerning the environment, as well as the obtaining of a land-use permit, a water permit and similar authorizations issued by various government agencies. In particular, these statutes impose severe standards on the mining industry in order to reduce or eliminate the effects of residues generated by mining operations. As a result, the study of mines and their installations, as well as the conduct of mining operations in general, are subject to the constraints stipulated in these statutes. The Issuer may be asked to compensate those who suffer loss or damage due to its mining activities and it may be subject to penalties if found guilty under these statutes.
9. The Agent's guarantee to purchase any of the securities which have not been sold at the conclusion of the Offering may not apply to securities in respect of which a purchaser exercises his right under the Securities Act (British Columbia) to withdraw from the purchase of such securities within two days of the receipt or deemed receipt of this Statement of Material Facts. If this were to occur, the Issuer may not receive sufficient funds to meet its financial requirements as set out under "How the Net Proceeds of the Issuer are to be Spent" or to meet the financial requirements of the Exchange to permit its Series "A" Warrants to be called for trading.

4. PARTICULARS OF NON-RESOURCE ASSETS

The Issuer is not presently engaged in, nor does it have any present intention to engage, in whole or in part, in a business other than the exploration and development of natural resources properties.

5. CORPORATE INFORMATION

The Issuer was incorporated on September 20, 1982 under the name Can-Ex Resources Ltd. by registration of Memorandum and Articles pursuant to the laws of the Province of British Columbia. At the