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Geological Survey Branch
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VANCOUVER STOCK EXCHANGE
BRITISH COLUMBIA, CANADA

FILING STATEMENT

(# 36/91)

Section #3, Accepted July 11, 1991

EL CONDOR RESOURCES LTD. (herein the "Amalgamated Company") (Prior to the Amalgamation being COVENANT RESOURCES LTD. and EL CONDOR RESOURCES LTD.)

NAME OF COMPANY

1020 - 800 West Pender Street, Vancouver, British Columbia, V6C 2V6 Telephone: 684-6365

HEAD OFFICE ADDRESS AND TELEPHONE NUMBER OF COMPANY

MONTREAL TRUST COMPANY OF CANADA
2nd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9

NAME AND ADDRESS OF COMPANY'S REGISTRAR AND TRANSFER AGENT

The Vancouver Stock Exchange has not in any way passed upon the merits of the securities or the Company. The information contained in this Filing Statement has been supplied to the Exchange by the Company and the Exchange has relied upon this information in accepting the Filing Statement.

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

1. STATEMENT OF MATERIAL CHANGES OF THE AFFAIRS OF THE COMPANY

A. Amalgamation

Covenant Resources Ltd. ("Covenant") entered into an amalgamation agreement dated for reference April 5, 1991 as modified and executed May 21, 1991 with El Condor Resources Ltd. ("El Condor") whereby Covenant and El Condor agreed to amalgamate under sections 271 to 276 of the Company Act of British Columbia and continue as one company with the name El Condor Resources Ltd. (hereinafter the "Amalgamated Company"). Both Covenant and El Condor were listed on the Vancouver Stock Exchange. The Amalgamated Company will succeed to all of the assets and liabilities of the Company and El Condor. The following are the material terms of the amalgamation agreement:

- (a) each shareholder of Covenant will receive one share of the Amalgamated Company for each share of Covenant held;
- (b) each shareholder of El Condor will receive one share of the Amalgamated Company for each share of El Condor held;
- (c) the first directors and officers of the Amalgamated Company shall be as follows:
 - (i) Robert A. Dickinson - President, Chief Financial Officer and Director;
 - (ii) Douglas B. Forster - Secretary and Director;
 - (iii) Jeffrey P. Franzen - Project Manager and Director;
 - (iv) Robert G. Hunter - Chairman of the Board, Chief Executive Officer and Director;
 - (v) Harold H.G. Forzley - Director;
 - (vi) Ronald W. Thiessen - Director;
 - (vii) David J. Copeland - Vice-President Explorations and Director;
 - (viii) Aziz Shariff - Director.

Pursuant to the Company Act Section 274, the amalgamation agreement was approved by at least three-quarters of the members of El Condor and Covenant at extraordinary general shareholders' meetings held on June 24, 1991. The amalgamation will combine the management and assets of Covenant and El Condor allowing Covenant's shareholders to participate in the Kemess gold copper project in north-central British Columbia and El Condor shareholders to benefit from access to the capital, management and promotional resources of Covenant's management team. The amalgamation agreement also provides for the constitution of an executive committee comprised of Robert Hunter, Robert Dickinson and Ronald Thiessen to be maintained until June 30, 1992 as well as the maintenance of a technical office at the

current offices of El Condor where David J. Copeland shall maintain his position of Vice-President Exploration until June 30, 1992. The amalgamation provided for funding by Covenant for planning, commissioning and implementing exploration work to be done on the Kemess properties up to the closing of the amalgamation. El Condor had issued two convertible debentures securing the loans made by Covenant (see item 1C). Upon the effective date of the amalgamation, the inter-corporate indebtedness disappeared. The Amalgamated Company has the following shares issued and outstanding:

To Covenant shareholders	2,693,403
To El Condor shareholders	5,406,828
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Total	8,100,231

The Amalgamated Company has 1,363,809 other dilutive securities (see Item 7) excluding obligations under material property option contracts.

The Amalgamated Company's shareholders will be participating in the Kemess mineral properties which cover a disseminated gold-copper system in north-central British Columbia. Early stage exploration work within the contiguous 67 square kilometers of mineral claims has identified four centers of mineralization, each of which has the potential to contain large scale, bulk tonnage gold copper deposits.

The Kemess north mineral zone consisting of the claims New Kemess 1-3, Du 2, Nek 1-4, Lake 1 and 2, and La 1-8 encompasses a claim area of 4,675 hectares. 35 Diamond drill holes totalling 5,197 meters have outlined porphyry-style copper-gold mineralization over an area of 2,500 meters by 700 meters and to a depth of 125 meters. This mineralization has been traced on surface over 1,000 meters to the west and remains open to the north, south and east. Geological reserves at Kemess north total approximately 75,000,000 tonnes at an average grade of 0.5% copper equivalent.

At Kemess south mineral zone, comprised of the claims Ron 4, Du and Sem 1 covering a claim area of 1,400 hectares, 26 diamond drill holes and 11 rotary drill holes totalling 6,100 meters in conjunction with surface surveys have outlined a geological reserve of 75,000,000 tonnes at an average grade of 0.28% copper and 0.62 grams gold per tonne. The Kemess south deposit has an average thickness of 135 meters and is open to extension in three directions. The deposit is well suited for low cost, open pit development.

The Kemess west mineral zone comprised of the claims Ron 10 and 11 and Rat 1-3 covers a total claim area of 1,475 hectares. Preliminary surface sampling has outlined a zone of gold-copper mineralization with grades of up to 0.30% copper and 0.67 grams

gold per tonne. Further mapping and sampling are required to determine the extent of this zone.

At Kemess east mineral zone, prospecting has identified fracture controlled copper mineralization in altered volcanic rocks. The surface sampling returned assays of up to 0.30 grams gold per tonne and 0.30% copper. Further exploration work is required to assess this zone.

Exploration expenditures on the Kemess property to date total \$1.8 million. Further exploration on the properties in 1991 is planned, and will include surface surveys and diamond drilling at an estimated cost of \$3.5 million.

Location and Access

The Kemess properties are located at Latitude 57° 22'N and Longitude 126° 45' W in north-central British Columbia. The Omineca Mining Road passes within 12 km of the properties and provides direct road access to the communities of MacKenzie and Ft. St. James, some 350 km to the south. The Omineca Mining Road is a main line industrial road along which goods and supplies are transported by highway-type, semi-trailer trucks to the nearby 450 tonnes per day Cheni Gold Mine. The Kemess North and South properties are connected to the Omineca Mining Road by four-wheel drive access roads which, if required, can be easily extended to other regions of the Kemess Properties. The Sturdee airstrip is 40 road km north of the Kemess Properties and is serviced three times per week by scheduled aircraft originating in Smithers, British Columbia. The B.C. Rail Ltd. railway line terminates some 80 km west of the properties. A connector road between the railhead and the properties is feasible and would facilitate commercial development of the Kemess Properties.

History

Over the past 23 years, the Kemess Properties have been explored by a number of different operators.

Kemess Property Work History

<u>Operator</u>	<u>Year</u>	<u>Mineral Zone</u>
Kennco Explorations (Western) Ltd.	1967 - 1971	North Kemess
Cominco Ltd.	1968 - 1977	West Kemess
Getty Mines Ltd.	1975 - 1976	North Kemess
Pacific Ridge Resources Ltd.	1984	South Kemess
St. Philips Resources Inc.	1988	South Kemess

Each of these companies carried out surface work programs and limited diamond and/or rotary drilling.

El Condor first explored the Kemess area following signing of a 1986 option agreement with Kennco Explorations (Western) Limited on the North Kemess property. The first El Condor work program was based on a re-interpretation of existing geologic data which indicated significant potential for large-scale, disseminated gold-copper deposits not unlike the Mt. Milligan gold-copper deposit located near McKenzie, British Columbia. This same concept was later applied to South Kemess and resulted in the signing of an option agreement with St. Philips Resources Inc. in 1990. Additional claims were acquired in 1990 and 1991 in order to cover a 4 km wide by 12 km long gold-copper system with multiple mineralized zones.

Regional Geology

The Kemess properties are located in the southern Toodoggone epithermal gold-silver district. This district is underlain by a northwest-trending belt of Paleozoic to Tertiary sedimentary, volcanic and intrusive rocks. The Kemess gold-copper mineralized zones are spatially associated with Jurassic stocks which intrude these layered rocks. This geologic setting is similar to that of the Quesnel Trough which is host to a number of important disseminated gold-copper deposits including Mt. Milligan, Afton, Fish Lake and Copper Mountain.

Kemess North

The Kemess North property consists of 187 mineral claim units covering approximately 4,675 hectares. The New Kemess 1 and 2 mineral claims were first located by Kennco Explorations (Western) Limited in the early 1960's. Between 1967 and 1971 Kennco carried out exploration programs to test for porphyry copper mineralization at North Kemess. This work included surface surveys and six diamond drill holes totalling 232 m. All of the drill holes intersected significant copper mineralization; however, none of the holes were assayed for gold. Getty Mines Ltd. then optioned the claims from Kennco and completed further exploration surveys and 2,065 m of drilling in 12 diamond drill holes. These holes returned significant copper mineralization and expanded the limits of the known mineralized zone. Getty returned the property to Kennco in 1976.

In 1986 El Condor optioned the property from Kennco and has since completed a number of systematic and extensive work programs on the claims. Exploration work completed to date includes geophysical and geochemical surveys, bulldozer trenching and 2,900 m of core drilling in 17 drill holes. Mineralization typically occurs as disseminations and fracture-fillings of auriferous chalcopyrite, bornite and pyrite in altered volcanic rocks and ranges in grade from 0.21% copper to 0.41% copper and 0.25 grams gold per tonne to 14.21 grams gold per tonne. The mineralized zones have been traced on surface over a distance of 2,600 m.

Mineralization at Kemess North has been divided into three zones based on differences in alteration and geology. The eastern-most zone has been drill tested over an area of 500 m by 700 m. This work has outlined a geologic reserve of approximately 75 million tonnes at an average copper equivalent grade of 0.50%. This mineralization is open in all directions and has been traced by surface work over an additional 1,000 m to the west. Mineralization is contained in intensely altered Takla volcanics (augite porphyry, feldspar porphyry, basaltic flows and tuffs) which are in turn intruded by apophyses and dykes of dioritic to syenitic composition. Alteration is characterized by a quartz-sericite assemblage that partially, and in some cases completely, obliterates primary textures. Mineralization consists of chalcopyrite, magnetite and bornite. Disseminated pyrite occurs in amounts ranging from 0.5% to 5% of rock volume. Drilling results demonstrate that both gold and copper have very good vertical and horizontal continuity with little variation other than a slight increase in grade with depth. Management of the Amalgamated Company is of the view that further drilling will significantly increase the size of the mineralized zone.

The second zone is located 1,000 m west of the first zone. It is underlain by Takla volcanics that are bordered by a large granodiorite to quartz monzonite intrusion. Alteration is potassium feldspar overprinted by quartz stockwork veining, epidote-calcite and epidote-feldspar veinlets. Magnetite is prevalent within the quartz stockwork areas. Sulphide mineralization consists of pyrite and chalcopyrite. This zone is enriched in gold relative to copper with drill holes returning gold values of up to 0.4 grams per tonne over 184 m. Work programs have evaluated only a small portion of this zone which is contained within large coincident soil geochemical and induced polarization geophysical anomalies.

The third zone at Kemess North was discovered in 1990 and is located along the southeastern limb of the sulphide system. Preliminary mapping and sampling have identified chalcopyrite and pyrite in veins and veinlets within altered Takla basalts. Mineralization has been traced over a surface length of approximately 300 m.

Since 1986, El Condor had spent approximately \$995,000 on exploration at Kemess North. As of January 1st, 1990 El Condor had earned a 60% interest in the property. The remaining 40% was purchased from Kennco on May 23rd, 1991.

Planned 1991 exploration of Kemess North will proceed on a number of fronts including extensive detailed induced polarization geophysical surveys, trenching, geologic mapping, and detailed litho-geochemistry. Proposed diamond drilling programs will continue to explore the first zone and will begin to test the second zone. Estimated cost of the Kemess North exploration program for 1991 is approximately \$1,000,000.

Kemess West

Kemess West consists of 59 mineral claim units and covers approximately 1,475 hectares.

Mineral claims at Kemess West were first located by Cominco Ltd. in the late 1960s. Cominco completed surface surveys and in 1970 drilled two diamond drill holes, both of which intersected copper mineralization. In 1974, Craigmont Mines Ltd. optioned the property and completed an induced polarization geophysical survey. The property was returned to Cominco who then undertook further geochemical and geologic surveys and completed four diamond drill holes. The claims were subsequently acquired by D.L. Cooke and Arcanna Industries Corp. El Condor acquired the Cooke and Arcanna Options in August, 1990 and had since re-evaluated the existing data and completed limited geologic mapping and rock and drill core sampling programs.

Kemess West is underlain by a series of monzonite and feldspar porphyritic dykes and sills that intrude Takla volcanic rocks. Mineralization is present in outcrop over a length of 1,300 m. In drill core chalcopyrite and magnetite are seen to occur along hairline fractures while pyrite is present throughout the area as fracture-fillings and disseminations. Analysis of drill core returned copper values in the range of 0.2% to 0.3%. The host rocks display strong potassic and chloritic alteration as well as silicification. A large geochemical soil anomaly is coincident with an extensive geophysical induced polarization anomaly. This 1974 induced polarization survey outlined six anomalous zones. These anomalies trend northwest, southeast and are aligned with the general trend of mineralization at Kemess South which is approximately 2,500 m away.

Exploration expenditures on Kemess West to date total approximately \$12,000. The proposed 1991 program of \$400,000 will consist of detailed geologic mapping, litho-geochemistry, IP geophysical surveys, trenching and diamond drilling.

Kemess South

Kemess South consists of 56 mineral claim units totalling 1,400 hectares. The Sem 1 mineral claims (16 units) is under option from D.L. Cooke; the Du and Ron 4 mineral claims (40 units) are under option from St. Philips Resources Inc.

Mineral claims were first located at Kemess South in the early 1980's in response to increasing exploration activity elsewhere in the Toodoggone gold-silver district. Geochemical soil surveys at the property identified a subtle gold and copper anomaly. The anomaly was drill tested by Pacific Ridge Resources Ltd. in 1984 and by St. Philips Resources Inc. in 1988 with 4 diamond drill holes and 11 rotary holes, respectively. El Condor optioned the property from St. Philips in July, 1990 and immediately initiated

a 22 hole drilling program to test the property. This work outlined a geologic reserve of 75 million tonnes at an average grade of 0.28% copper and 0.62 grams gold per tonne.

El Condor's exploration program has identified a large, near surface, flat-lying monzonite intrusive that is host to gold-copper mineralization. The mineralized zone remains open to extension but appears to be weakening to the east and may be bounded by volcanics on the north. The monzonite, as seen in vertical drill holes, has a thickness of 30 to 147 m and has been traced laterally over an area of 400 m by 600 m. Footwall volcanic and sedimentary rocks are less well mineralized than the monzonite intrusive which is host to a porphyry-style alteration assemblage. The monzonite is enriched in potassium feldspar with a late sericitic overprint on the feldspar alteration. This overprint has been so intense that in places no potassium feldspar remains. Quartz stockworks are present throughout, ranging from a few percent of rock volume to as much as 30%. Mineralization consists of chalcopyrite, bornite, magnetite and pyrite. Chalcopyrite occurs as disseminations and stockworks ranging from trace amounts to approximately 5% of rock volume. Pyrite occurs as disseminations and as hairline fracture-fillings in both volcanic rocks and monzonite.

The 1990 El Condor work program on the Ron 4 and Du claims was completed at a cost of approximately \$740,000. A further expenditure of \$360,000 is required for the Amalgamated Company to earn an undivided 60% interest in the property. In 1991, the Amalgamated Company plans to carry out a work program consisting of detailed induced polarization and magnetometer surveys, detailed mapping and sampling, and approximately 8,000 m of diamond drilling. The estimated cost of the program is \$2,000,000. Approximately \$1,640,000 of the planned 1991 expenditures would be shared by the Amalgamated Company (60%) and St. Philips (40%) on a joint venture basis. The terms and conditions of a joint venture operating agreement under which these funds would be spent on the property has been tabled but not yet agreed to.

Pursuant to the amalgamation, the Amalgamated Company has assumed the following liabilities associated with the Kemess properties.

1. Cooke Option

Pursuant to an agreement dated August 10, 1990 between El Condor and David L. Cooke, El Condor was granted the right to acquire all title and interest in and to the Rat 1 and Sem 1 mineral claims and reserves to Cooke a royalty. The payments that must be made to Cooke by the Amalgamated Company to acquire the claims are:

- (a) \$20,000 on or before August 31, 1991;
- (b) \$30,000 on or before August 31, 1992;
- (c) \$40,000 on or before August 31, 1993;

- (d) 50,000 common shares of the Amalgamated Company on or before August 31, 1994.

The Amalgamated Company is also required to make the following expenditures on the claims:

- (a) \$40,000 on the Rat 1 mineral claim before August 31, 1991;
- (b) \$40,000 on the Sem 1 mineral claim before August 31, 1991; and
- (c) aggregate expenditures on the Kemess west of \$500,000 before August 31, 1994.

At this time, the option is in good standing and the Amalgamated Company has spent \$11,741 on the Rat 1 and Sem 1 mineral claims to the 28th of February, 1991.

Cooke reserves a royalty of 2.5% of net smelter returns in respect of each of the Rat 1 mineral claim and the Sem 1 mineral claim. The Cooke option provides the Amalgamated Company may buy each royalty for \$1,000,000. However, on delivery of the shares prescribed by the Cooke option, the Amalgamated Company will designate a mineral claim in respect of which the shares are delivered. This designation will reduce the purchase price of the net smelter return on that mineral claim to \$500,000 and reduce the royalty to 1.25% of net smelter returns. The Amalgamated Company may also deliver, any time before August 31, 1994, a further 50,000 common shares in respect of the other mineral claim and the purchase price and the amount of the royalty will be reduced to \$500,000 and 1.25% of net smelter returns respectively. There is no impediment on assignment of the Cooke option by the Amalgamated Company.

2. Arcanna Option

Pursuant to an option agreement dated August 10, 1990 between Arcanna Industries Corp. and El Condor Resources Ltd., El Condor acquired the right to all right, title and interest in and to the Ron 10 and Ron 11 claims. The payments required by the Amalgamated Company to acquire the claims are:

- (a) \$10,000 on or before August 3, 1991;
- (b) \$10,000 on or before August 3, 1992; and
- (c) delivery of 30,000 shares of the Amalgamated Company on or before August 31, 1993.

The Arcanna option is in good standing and there is no royalty reserved by Arcanna and no impediment to the assignment of the Arcanna option by the Amalgamated Company.

3. St. Philips Option

Pursuant to an option agreement dated July 3, 1990 between St. Philips Resources Inc. ("St. Philips") and Stork Ventures Ltd. ("Stork") as optioners and El Condor as optionee St. Philips and Stork granted to El Condor an option to acquire an undivided 60% interest in the Kemess south (St. Philips holds a 75% interest and Stork a 25% interest in the mineral claims comprising the Kemess South). El Condor has paid St. Philips \$30,000 and Stork \$10,000 to date. St. Philips option provides for the following payments to be made by the Amalgamated Company:

- (a) to St. Philips \$37,000 and to Stork \$12,500 on September 10, 1991; and
- (b) to St. Philips \$52,500 and to Stork \$17,500 on September 10, 1992.

The Amalgamated Company is also required to make aggregate minimum exploration expenditures on the Kemess south of \$1.1 million on or before September 10, 1993 with \$250,000 expenditures to be made before September 10, 1991, \$500,000 before September 10, 1992 and the balance before September 10, 1993. El Condor had made expenditures of \$740,271 to February 28, 1991. On acquisition of its 60% interest, the Amalgamated Company is to constitute a joint venture with St. Philips and Stork.

B. Acquisition of Kemess Property

Pursuant to an agreement dated May 9, 1991, El Condor purchased all of Kennecott Canada Inc.'s interest in the Kemess Property in the Toadoggone River Area, Omineca Mining Division, British Columbia for \$3,500,000 paid in installments of \$350,000 on May 10, 1991 and the balance on May 23, 1991. The Kemess Properties are further described in item 1A hereto. The price was determined by arm's length negotiations. The acquisition funds were borrowed (see Item C below).

C. Convertible Debenture

Covenant had issued a convertible debenture in the principal amount of \$3.5 million to three of the Company's principal shareholders, Douglas B. Forster, Robert G. Hunter and the United Mineral Services Limited (wholly-owned by Robert A. Dickinson). Each of the foregoing individuals is also a director of the Amalgamated Company. The debenture bears interest at the rate of prime plus 2% and is due on demand on September 30, 1991.

The debenture was issued in consideration of the advance of \$3.5 million to Covenant by the aforesaid debentureholders (each as to 1/3) which funds were then advanced to El Condor in order to enable El Condor to purchase all of Kennecott Canada Inc.'s interest in certain Kemess properties as described above. El Condor in turn

issued convertible debentures for \$3,500,000 and \$600,000 pursuant to agreements dated May 13, 1991 to secure the \$3,500,000 loan from Covenant and further advances made from Covenant to El Condor prior to the amalgamation. The debentures granted by El Condor represent intercorporate indebtedness which disappeared pursuant to the amalgamation. The debenture granted by Covenant is secured by all the assets of the Amalgamated Company. The principal amount of the debenture is convertible into common shares of the Amalgamated Company at the rate of \$2.50 per share converted. This price represents an average trading price of El Condor at the time of the agreement to advance funds to El Condor. Each debentureholder has received a bonus of 75,000 shares of the Amalgamated Company for making the loan.

The shareholders of Covenant ratified the issuance of the debenture at the extraordinary general meeting held June 24, 1991.

2. FINANCIAL INFORMATION

The pro forma balance sheets included in the information circular prepared in connection with the June 24, 1991 extraordinary general meetings of El Condor and Covenant indicates the working capital for the Amalgamated Company at March 31, 1991 to be approximately \$572,439.

3. MATERIAL NATURAL RESOURCES PROPERTIES

See Item 1 for disclosure regarding the Kemess Property.

Native Son Mineral Claims, Lillooet Mining Division

The Amalgamated Company owns a 100% interest in four mineral claims comprising the 58 Unit Native Son mineral claims located in the Lillooet Mining Division, British Columbia pursuant to an agreement dated for reference May 1, 1988 with New Global Resources Ltd. The property is located approximately 200 kilometers north of Vancouver and approximately 20 kilometres northwest of the town of Gold Bridge, which is in the center of the historic Bridge River gold mining district. From Gold Bridge, a logging road comes within two miles of the property's southern boundary. Access from that point is by foot or by helicopter with helicopter service available in Pemberton.

The property has a history of development dating back to the 1920's. The property as it now exists was staked and a 100% interest sold to the Company in 1987. In 1987 and 1988 Covenant hired New Global Resources Ltd. to carry out detailed geological mapping in the vicinity of old workings on the known mineralized zone. They also carried out rock sampling, prospecting and geological mapping on other parts of the property and collected soil and silt samples from various points.

Mineralization on the property occurs predominately as gold-bearing massive to disseminated arsenopyrite and pyrite with minor chalcopyrite and pyrrhodite in a gangue of quartz with occasional tourmaline (schorlite), calcite and sphene. Scorodite occurs as a weathering residual of the massive arsenopyrite. The best documented mineralized showing found on the property to date is a lens shaped mass approximately 80 feet by 10 feet in dimension. Gold values from samples of the showing ranged from 0.022 ounces per ton to 0.129 ounces per ton. Adjacent to the mineralized mass, a main disseminated zone of mineralization outcrops along the creek banks over an area having a vertical range of 230 feet, a width of 722 feet and a length of 164 feet. Exploration work indicates that this zone of mineralization occurs intermittently over a much larger zone with good potential for the occurrence of large tonnage, lower grade gold deposits.

The Native Son claims are the subject of a September, 1988 report by W.H. Thorpe, F.G.A.C. (the "Thorpe Report") a copy of which is available for inspection at Covenant's registered and records office.

To date, Covenant has expended \$635,989 on exploration of the Property. The Thorpe Report recommends a two phase exploration program aggregating \$300,000.

Diadem Mineral Claims, Vancouver Mining Division

The Amalgamated Company is the beneficial owner of the Diadem Three and Four Mineral Claims, staked on behalf of Covenant by New Global Resources Ltd. Part of the Diadem Three over-lap pre-existing claims owned by Fury Exploration Ltd. and R. Schmidt. The Diadem 3 and 4 mineral claims total 22 units and are located some 35 kilometers northeast of Powell River, British Columbia. Terrain is rugged with elevations ranging to 1700 meters. The lower, southern portion is serviced by logging roads with helicopter support required to access the northern part of the property.

Straddling the Diadem 3 and 4 claim boundary is a showing designated as the LR Showing which is a gossanous outcrop of sulphides in argillite. The exposed sulphides consist of 5% to 10% iron sulphides with traces of zinc. A two meter sample taken by Anaconda in 1983 averaged 2590 ppm Cu, 12 ppm Pb, greater than 10,000 ppm Zn, and 2.2 ppm Ag.

The LR showing is a mineralized area requiring additional prospecting both across and along the strike of the formation in search of a massive sulphide target. During 1990 Covenant determined that a portion of the property was not essential to the Diadem Mineral Claims and allowed the Diadem 1 and 2 claims totalling 36 units to lapse.

Samples collected by Covenant from the upper adits yielded 0.82% copper, 0.72% lead, 15.22% zinc, 156.0 grams/ton silver and 1.53

grams per ton gold across 3 meters. Lower adit samples contained 0.21% copper, 0.39% lead, 0.46% zinc and 86.1 grams/ton silver and 1.37 grams/ton gold across 2.5 meters.

The property is the subject of a report by W.H. Thorpe, F.G.A.C. dated September, 1989 and revised November, 1989, (the "Thorpe Report") which is available for inspection at Covenant's registered and records office.

To date, Covenant has expended \$47,160 on the property.

4. PARTICULARS OF NON-RESOURCE ASSETS

The Amalgamated Company has no material non-resource assets.

5. CORPORATE INFORMATION

The Amalgamated Company was amalgamated under the laws of the Province of British Columbia pursuant to a Certificate of Amalgamation issued by the Registrar of Companies on July 15, 1991 under the name El Condor Resources Ltd.

Covenant Resources Ltd. was incorporated under the laws of the Province of British Columbia on February 10, 1989 pursuant to a certificate of incorporation issued by the Registrar of Companies.

El Condor Resources Ltd. was incorporated under the laws of the Province of British Columbia on August 13, 1986 pursuant to a certificate of incorporation issued by the Registrar of Companies.

The authorized capital of the Amalgamated Company consists of 100,000,000 common shares without par value. There are 8,100,231 common shares issued and outstanding as at July 15, 1991. Each common share entitles the holder thereof to one (1) vote at a shareholders meeting. All common shares rank equally.

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

<u>Name and Residence</u>	<u>Position</u>	<u>No. of Shares of the Company owned directly or indirectly</u>	<u>Occupation</u>
ROBERT ALLAN DICKINSON, MSc. Lions Bay, B.C.	President, Chief Financial Officer and Director	222,500 free- trading 155,000 escrow*	Mining Executive, President of Taseko Mines Limited and Pacific Sentinel Gold Corp.

ROBERT G. HUNTER Coquitlam, B.C.	Chairman of the Board, Chief Financial Officer and Director	188,950 free- trading 120,000 escrow	Mining Executive; Chairman, Taseko Mines Limited and Pacific Sentinel Gold Corp.
JEFFREY P. FRANZEN, P.Eng. North Vancouver, B.C.	Project Manager and Director	188,950 free- trading 120,000 escrow	Geological Engineer; President, Franzen Mineral Engineering Ltd.; Director, Taseko Mines Limited and Pacific Sentinel Gold Corp.
DOUGLAS BURTON FORSTER, MSc. West Vancouver, B.C.	Secretary and Director	218,500 free- trading 155,000 escrow	Geologist; Vice-President, Pacific Sentinel Gold Corp; Director, Taseko Mines Limited and Pacific Sentinel Gold Corp.
HAROLD FORZLEY, C.A. Vancouver, B.C.	Director	353,235 free- trading 102,941 escrow (see item 9)	Chartered Accountant; Vice-President and Secretary, North Coast Industries Ltd., Romulus Resources Ltd., Casamiro Resource Corp. and El Condor Resources Ltd.
RONALD THIESSEN, C.A. Vancouver, B.C.	Director	560,517 free- trading 102,941 escrow (see item 9)	Chartered Accountant; President, North Coast Industries Ltd., Romulus Resources Ltd. and Casamiro Resource Corp.
DAVID COPELAND, P.Eng. Vancouver, B.C.	Vice-President of Exploration and Director	556,850 free- trading 56,618 escrow (see item 9)	Geological Engineer; President, El Condor Resources Ltd., CEC Engineering Ltd. and Coastal Mountain Engineering & Management Ltd.
AZIZ SHARIFF, F.C.A. Surrey, UK	Director	100,000 escrow	Financial Consultant

* Held through United Mineral Services Ltd.

The signatories hereto are unaware of any person who owns directly or indirectly more than 10% of the issued and outstanding shares of the Amalgamated Company other than the Western Canada Depository Trust Company, a clearing house, whose beneficial shareholders are not known to the management of the Amalgamated Company.

During the most recently completed financial year being December 31, 1990 no management fees were paid to the executive officers by Covenant. During the most recently completed financial year there