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PROPERTY FILE

Kemess 94E021-05

PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN JURISDICTIONS WHERE THEY MAY BE LAWFULLY OFFERED FOR SALE AND ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES.

SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY VIOLATION TO THE CONTRARY IS AN OFFENCE.

JS

DATED: JUNE 13, 1988

EL CONDOR RESOURCES LTD.
(hereinafter called the "Issuer")
1575 - 200 Granville Street
Vancouver, British Columbia
Canada, V6C 1S4

PUBLIC OFFERING

500,000 Common Shares

<u>Shares</u>	<u>Price to Public</u>	<u>Commission</u>	<u>Net Proceeds to be Received by the Issuer</u>
Per Share	\$0.40	\$0.04	\$0.36
Total	\$200,000	\$20,000	\$180,000

THERE IS NO MARKET FOR THE SECURITIES OF THE ISSUER AND THE PRICE PAID TO THE ISSUER WAS ESTABLISHED BY NEGOTIATIONS WITH THE AGENTS.

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED AS SPECULATION. 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 PROPERTY 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 THE HEADING "RISK FACTORS" HEREIN.

THE VANCOUVER STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED PURSUANT TO THIS PROSPECTUS. LISTING IS SUBJECT TO THE COMPANY FULFILLING THE LISTING REQUIREMENTS OF THE EXCHANGE ON OR BEFORE DECEMBER 13, 1988, INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

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.

UPON COMPLETION OF THIS OFFERING THIS ISSUE WILL REPRESENT 29.3% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 56.8% THAT WILL THEN BE OWNED BY THE CONTROLLING PERSONS, PROMOTERS, DIRECTORS AND SENIOR OFFICERS OF THE ISSUER AND ASSOCIATES OF THE AGENTS. REFER TO THE HEADING "PRINCIPAL HOLDERS OF SECURITIES" HEREIN FOR DETAILS OF SHARES HELD BY DIRECTORS, SENIOR OFFICERS, PROMOTERS AND CONTROLLING PERSONS AND ASSOCIATES OF THE AGENTS.

AFTER GIVING EFFECT TO THIS ISSUE, THE OFFERING PRICE TO THE PUBLIC PER COMMON SHARE EXCEEDS THE NET BOOK VALUE PER COMMON SHARE BY \$0.261, REPRESENTING A DILUTION OF 65.25%. REFER TO THE HEADING "RISK FACTORS" HEREIN FOR DETAILS.

ONE OR MORE OF THE DIRECTORS OF THE ISSUER HAS OR MAY HAVE AN INTEREST DIRECT OR INDIRECT, IN OTHER NATURAL RESOURCE COMPANY REFERENCE SHOULD BE MADE TO "DIRECTORS AND OFFICERS" FOR FURTHER PARTICULARS.

THIS PROSPECTUS ALSO QUALIFIES FOR SALE TO THE PUBLIC AT THE MARKET PRICE FOR THE SHARES AT THE TIME OF SALE ANY SHARES OF THE ISSUER WHICH THE AGENTS MAY ACQUIRE PURSUANT TO THE AGENTS' WARRANTS. REFERENCE SHOULD BE MADE TO "PLAN OF DISTRIBUTION" HEREIN.

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" IN THIS PROSPECTUS.

AGENTS

YORKTON SECURITIES INC.
Suite 1400, 609 Granville Street
Vancouver, British Columbia
V7Y 1G5

CONTINENTAL CARLISLE DOUGLAS
#1000 - 1055 Dunsmuir Street
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EFFECTIVE DATE: June 16, 1988

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- A. AUDITED FINANCIAL STATEMENTS AS AT MAY 31, 1987
TOGETHER WITH REPORT OF AUDITORS

 - B. AUDITED FINANCIAL STATEMENTS AS AT DECEMBER 31, 1987
TOGETHER WITH REPORT OF AUDITORS

 - C. SUMMARY REPORT OF MINOREX CONSULTING LTD., DATED JULY 8, 1987,
ON THE KEMESS PROPERTY, OMINECA MINING DIVISION, BRITISH COLUMBIA
- CERTIFICATES

(i)

PROSPECTUS SUMMARY

The following summary is qualified by the more detailed information contained in this Prospectus.

- THE COMPANY:** EL CONDOR RESOURCES LTD. (the "Issuer") was incorporated under the British Columbia Company Act on August 13, 1986, and the principal business of the Issuer is a natural resource company, engaged principally in the acquisition, exploration and development of natural resource properties.
- ISSUE:** 500,000 common shares (the "Shares").
- PRICE:** \$0.40 per share.
- AGENTS:** Yorkton Securities Inc. and Continental Carlisle Douglas (the "Agents") have agreed to act as agents for the Issuer in connection with the offering of the Shares and in consideration therefor will receive a commission of \$0.04 per share. Each Agent has guaranteed to sell 250,000 shares for a total of 500,000 shares and to purchase any of their proportionate allotment of such Shares which remain unsubscribed for at the conclusion of the Offering. The Agents will each receive a Brokers' Warrant entitling them to purchase up to 62,500 common shares of the Issuer for a total of 125,000 shares at \$0.4675 per share at any time up to the close of business one year from the Offering Day.
- USE OF PROCEEDS:** The net proceeds from the sale of the Shares will amount to \$180,000 after deducting the Agents' commission. Pursuant to a Geological Geochemical and Geophysical Report dated July 8, 1987 as prepared by Minorex Consulting Ltd. of Kamloops, B.C., the Issuer expects to undertake an exploration program on the Property, being a Stage 1 program in the amount of \$100,000.
- RISK FACTORS:** An investment in the Shares involves a high degree of risk due to the speculative nature of the business of the Issuer and the present stage of its development. See "Risk Factors" for a discussion of certain factors which could affect the business of the Issuer.

SHARE OFFERING AND PLAN OF DISTRIBUTION

Offering

The Issuer by its Agents hereby offers (the "Offering") to the public through the facilities of the Vancouver Stock Exchange (the "Exchange") 500,000 shares (the "Shares") of the Issuer at a price of \$0.40 per share (the "Offering Price"). The Offering will be made in accordance with the rules and policies of the Exchange and on a day (the "Offering Day") determined by the Agents and the Issuer, with the consent of the Exchange, within a period of 180 days from the date (the "Effective Date") upon which the shares of the Issuer are conditionally listed on the Exchange.

Appointment of Agents

The Issuer, by an Agency Agreement dated July 15, 1987, and amended by agreements dated October 15, 1987, February 29, 1988 and April 30, 1988 (collectively called the "Agency Agreement"), appointed the following as its agents (the "Agents") to offer the Shares through the facilities of the Exchange as follows:

<u>Name of Agent</u>	<u>Participation</u>
Yorkton Securities Inc.	250,000 shares
Continental Carlisle Douglas	250,000 shares

The Agents will receive a commission of \$0.04 per share.

The Agents have agreed to purchase any shares allotted to them as set out above not sold at the conclusion of the Offering.

In consideration therefor, the Agents have been granted non-transferable share purchase warrants (the "Brokers' Warrants") entitling each Agent to purchase up to 62,500 shares of the Issuer for a total of 125,000 shares at any time up to the close of business one year from the Offering Day at a price of \$0.4675 per share.

The proceeds from the sale of the Shares, less the Agents' commissions and expenses, will be paid to the Issuer within five (5) business days following the Offering Day.

The Brokers' Warrants will contain, among other things, anti-dilution provisions and provisions for appropriate adjustment of the class, number and price of shares issuable pursuant to any exercise thereof upon the occurrence of certain events including any subdivision, consolidation or reclassification of the shares or the payment of stock dividends.

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

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

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

Those persons having an interest, directly or indirectly, of over 5% in Yorkton Securities Inc. are A.B. Van Stone; S. Vorberg; F. Glustra; D. Risling; and M. Black.

The Directors, Officers and other insiders of the Issuer may purchase Shares from this Offering.

An application has been made to conditionally list the Shares being offered herein on the Vancouver Stock Exchange. Listing is subject to the Company fulfilling the listing requirements of the Exchange.

This Prospectus also qualifies the distribution by the Issuer to the Agents of the Brokers' Warrants.

RISK FACTORS

The securities offered hereby are considered speculative due to the nature of the Issuer's business and the present stage of its development. A prospective investor should consider carefully the following factors:

1. There is no known body of ore on the Issuer's mineral properties. 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 an economic ore body and to place it in commercial production. The only source of future funds presently available to the Issuer is through the sale of equity capital. The only alternative for the financing of further exploration would be the offering by the Issuer of an interest in its property to be earned by another party or parties carrying out further exploration or development thereof, which is not presently contemplated.
2. There is no established market for the shares of the Issuer.
3. Exploration for minerals is a speculative venture necessarily involving some substantial risk. There is no certainty that 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.
4. The mining industry in general is intensely competitive and there is no assurance that even if commercial quantities of ore are discovered, a ready market will exist for the sale of

same. Factors beyond the control of the Issuer may affect the marketability of any substances discovered, which factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, importing and exporting, of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Issuer not receiving an adequate return on invested capital.

5. The existence of title opinions should not be construed to suggest that the Issuer has good and marketable title to all of the properties described in this Prospectus. The Issuer follows usual industry practice in obtaining title opinions with respect to its properties. In the event tht the Issuer is unable to obtain a title opinion with respect to any of its properties prior to the filing of this Prospectus, the Issuer undertakes not to spend any of the funds received from this Offering in developing any of its properties unless and until satisfactory title has been obtained.
6. The Issuer's properties consisting of recorded mineral claims have not been surveyed and therefore, the precise location of these properties may be in doubt.
7. The Issuer has not paid any dividends since the date of its incorporation and it is not anticipated that the Issuer will declare dividends in the near future.
8. The securities being offered by this Prospectus represent 29.3% of the shares that will be issued and outstanding after the completion of the Offering compared to 56.8% of the shares that will be held by promoters, directors, officers and associates of the Agents.
9. Assuming the Issuance of 500,000 shares the Offering Price per share exceeds the net book value per common share by \$0.261, determined as follows:

Net book value before distribution;	\$ 77,831
Increase in net tangible book value attributable to the issue of common shares;	\$180,000
Net book value after the distribution;	\$237,831
Net book value per share after distribution and estimated costs of this issue of \$20,000;	\$0.139
Dilution of subscribers per share;	\$0.261
Percentage of dilution in relation to the Offering Price.	65.25%

USE OF PROCEEDS

The net proceeds to be derived by the Issuer from the sale of the securities being offered hereby is \$119,613, after taking into account the Agents' commission of \$20,000 and the working capital deficiency of the Issuer of \$60,387 as at May 24, 1988. The principal purposes for which the net proceeds are to be spent, in order of priority, are as follows:

(a)	to pay expenses of this issue (including legal, audit and printing)	\$ 20,000
(b)	to complete Phase I of the exploration program on the Kemess Property recommended in the Report of Minorex Consulting Ltd. dated July 8, 1987	\$ 50,000
(c)	to provide reserve for working capital and general administrative expenses	<u>\$ 49,613</u>
	TOTAL:	\$119,613

Any proceeds received by the Issuer from the exercise of the Brokers' Warrants will be added to working capital. No funds raised from this Offering shall be directed to any other use without the written recommendation of an independent qualified engineer.

In the event of any material change in the affairs of the Issuer during the primary distribution of the Shares offered by this Prospectus, an amendment of this Prospectus will be filed. Following completion of the primary distribution of the shares offered by this Prospectus, shareholders will be notified of changes in the affairs of the Issuer in accordance with the requirements of the appropriate regulatory authorities..

No part of the proceeds will be used to invest, underwrite or trade in securities other than those that qualify as investments in which trust funds may be invested under the laws of the jurisdiction in which securities offered by this Prospectus may be lawfully sold. Should the Issuer propose to use the proceeds to acquire non-trustee type securities after initial distribution of the securities offered by this Prospectus, approval of the shareholders must first be obtained, and prior disclosure must be made to the securities regulatory bodies having jurisdiction over the sale of the securities.

SHARE AND LOAN CAPITAL STRUCTURE

Designation of Security	Authorized Capital	Amount Outstanding At May 31/87	Outstanding as of the date of this Prospectus	Amount Out- standing on Completion of Offering
Common Shares	10,000,000	965,000	1,207,000	1,707,000

Notes:

1. As at December 31, 1987, the Issuer has a deficit of \$43,919.
2. The Agents hold warrants entitling them to purchase 125,000 shares in the Issuer, see "SHARE OFFERING AND PLAN OF DISTRIBUTION". The Issuer has also granted options to purchase 170,700 shares to certain directors and an employee, see "OPTIONS TO PURCHASE SECURITIES".
3. The number of shares outstanding as of December 31, 1987 include the 20,000 shares issued as a finder's fee which are subject to regulatory approval, see "Shares Issued for Finder's Fee".

NAME AND INCORPORATION

The full name of the Issuer is EL CONDOR RESOURCES LTD. The Issuer was incorporated by registration of Memorandum and Articles under the British Columbia Company Act on August 13, 1986. The registered office of the Issuer is situated at 1700 - 401 West Georgia Street, Vancouver, British Columbia, V6B 5A1.

DESCRIPTION OF BUSINESS

The Issuer is a natural resource company engaged in the acquisition, exploration and development of mineral properties. The Issuer owns or has interest in the properties described under the heading "Property of the Issuer" and intends to seek and acquire additional properties worthy of exploration and development.

By an Option Agreement dated as of the 2nd day of December, 1986, and amended by a letter agreement dated August 25, 1987 (collectively called the "Option Agreement") between the Issuer and Kennco Explorations (Western) Ltd. ("Kennco") of Suite 1609 - 8 King Street East, Toronto, Ontario, M5C 1B5, the Issuer was granted an option to acquire a 60% undivided interest in Kennco's mineral claims described as the New Kemess #1 Record Number 43 and New Kemess #2 Record Number 44, consisting of approximately 38 Units, located in the Toodoggone River area, Omenica Mining Division in the Province of British Columbia, sheet 94E/2 (the "Property").

Kennco has granted an option to the Issuer to earn an undivided 60% interest in and to the Property. In order to exercise this option the Issuer must incur the following exploration expenditures within the stated period of time:

- (a) Between January 1, 1987 and July 31, 1988 (an extension from December 31, 1987):
\$100,000 (Cdn) must be expended on exploration and development;
- (b) Between January 1, 1988 and December 31, 1988:
\$250,000 (Cdn) must be expended on exploration and development;
- (c) Between January 1, 1989 and December 31, 1989:
\$200,000 (Cdn) must be expended on exploration and development.

At the end of the fourth year of the Option Agreement, Kennco has the right to maintain its 40% interest in the Property by participating proportionally thereafter on a joint venture basis with the Issuer in the exploration, development and operation of the Property.

If Kennco elects to participate as a joint venture partner, Kennco may elect to discontinue in the joint venture at the end of each succeeding calendar year.

If at any time Kennco elects not to participate in the joint venture, Kennco shall be entitled to a 4% Net Smelter Return Royalty Interest in the Property.

In the event the Issuer exercises its option and thereby obtains an undivided 60% interest in and to the Claims held by Kennco and a decision is made by the parties to undertake Commercial Production of the Property then both the Issuer and Kennco will be repaid all funds advanced by them to the joint venture from the proceeds of Commercial Production in the proportion to the funds advanced by each party.

PROPERTY OF THE ISSUER

Location and Access

The Property is situated 7 kilometres east of Thutade Lake and 3.5 kilometres south of Antycelley Creek; 265 kilometres north of Smithers or 425 kilometres northwest of Prince George, in northcentral British Columbia. Its geographic coordinates are 57° 04' North latitude by 126° 44' West longitude (N.T.S.94E/2).

Access is possible by fixed-wing aircraft from Smithers to the Sturdee airstrip which services much of the Toodoggone area and the Baker (Chappelle) Mine. It is approximately 265 kilometres from Smithers to the Sturdee airstrip and 26 kilometres by helicopter from this gravel airstrip to the Property. Alternatively, one can drive from Fort St. James north to Johansen Lake, a distance of 400 kilometres on the 'Mining Development' road. From Johansen Lake, it is approximately 70 kilometres north by helicopter to the Property. In addition, the British Columbia Railway right of way passes 72 kilometres south of the Property.

Float plane access to Duncan Lake, from either Smithers or Johansen Lake, and then hiking to the Property is most difficult because there is 1,300 feet of relief of thick vegetation between the lake and the centre of the Property.

Property and Ownership

The Property is located in the Omineca Mining Division of northcentral British Columbia. It is comprised of two M.G.S. mineral claims, totalling 38 units. All pertinent claim data are summarized in the following table:

<u>Claim Name</u>	<u>Record No.</u>	<u>Units</u>	<u>Record Date</u>	<u>Expiry Date</u>	<u>Registered Owner</u>
New Kemmess #1	43	18	Jul 11/75	1993	Kennco
New Kemmess #2	44	20	Jul 11/75	1993	Kennco

In July, 1975, Getty Mines Ltd. abandoned the original twopost Kemess mineral claims and relocated the present M.G.S. mineral claims to more efficiently cover the known mineralization (Abandonment NO. 180, Smithers). Their 1975 and 1976 exploration work was applied for assessment credit to maintain the claim group (Kemess Group #4120, Dec. 11, 1975) in good standing until its expiration in 1987.

The Issuer has expended \$129,216 on the Property and the Gold Commissioner in the Omineca Mining Division has accepted and registered a report of the work carried out on the Property which has resulted in the mineral claims being in good standing until July 11, 1993.

Physiography

The claims cover the north-facing slopes and highlands east of Duncan Lake. These highlands are part of the Omineca Mountains of the Swannell Range. Elevations within the claims range from 1,400 meters (4,593 feet) to 1,932 metres (6,339 feet) A.M.S.L.

The climate is moderate with temperatures ranging from -40 degrees C. and +25 degrees C. Precipitation is usually moderate. The snowpack usually thaws by late June, and the field season may extend until mid to late September.

The topography is moderately rugged, but there is a series of very steep east-west cirque cliffs situated centrally within the claims. The most westerly cirque contains an alpine rock glacier which appears to be still active. Most of the Property is above treeline where the vegetation is scrub balsam and low juniper.

Geologic Setting

The Toodoggone map-area, N.T.S. 94E, has been the subject of several geological studies by various government geologists. These studies include those of Panteleyev (1983 and 1982) and T.G. Schroeter (1981). D.B. Forester studied the geology, petrology and precious-metal mineralization of the Toodoggone River area; and R.M. Cann mapped and dated the various lithologic units underlying the Property.

The Toodoggone area lies within the eastern margin of the intermontane Belt. The oldest rocks exposed are Proterozoic metasedimentary equivalents of the Ingenika Group. These rocks are unconformably overlain by volcanic and sedimentary units of the Permian Asitka Group. The Asitka Group is in turn overlain by Upper Triassic basaltic to andesitic flows, volcanoclastics and minor limestone belonging to the Talka Group (Monger, 1977).

The Talka Group is overlain by volcanoclastic rocks of the Lower Jurassic Hazelton Group (Tipper and Richards, 1976) and by rhyolitic to dacitic flows, intrusives, and volcanoclastics known as the 'Toodoggone' volcanics of Early Jurassic age. Further to the west, Cretaceous to Eocene (?) sediments overlie the volcanic strata (Gabrielse et al, 1980)

The Lower Jurassic to Cretaceous Omineca Intrusions of quartz monzonitic and granodioritic composition have intruded the older strata in the central and eastern portions of the region. Some syenomonzonite bodies and quartz feldspar porphyry dykes may be feeder structures to the Toodoggone rocks.

The stratigraphy trends northwesterly and commonly dips gently westward with a westerly younging direction. Numerous thrust and transcurrent faults displace the various lithologies.

History

Placer gold was discovered at the mouth of McConnell Creek, 30 kilometres northeast of Johansen Lake, in 1899. A short lived gold rush occurred as a result of this discovery in 1907.

In the 1930's Emil Bronlund of Cominco reportedly prospected the Thutade and Duncan Lakes area. No claims were recorded at the present property location but Cominco did patent four claims covering some lead-zinc mineralization, 3 kilometres west of the Property (Stevenson, 1969).

In 1966, Kennco Explorations (Western) Limited carried out a regional silt geochemical survey of the region which included those streams draining the claims. The following year Kennco staked 100 mineral claims covering the Kemess gossan.

The exploration work by Kennco in 1968 included: silt, soil and rock geochemical sampling, geological mapping (1:9,600), and X-ray diamond drilling which totalled 51 metres (168 feet) for two holes. Subsequent drilling by Kennco included four X-ray holes totalling 127 metres (418 feet) in 1969, and two X-ray holes totalling 54 metres (178 feet) in 1971. The core recovery from most of this drilling was reported to be very poor to nil (Stevenson, 1969 and Cann, 1976). None of the Kennco drill core is present on the Property.

Getty Mines, Limited optioned the property in 1975. Their initial exploration work included: photogrammetric topographic mapping (1:4,800), relocation of the mineral claims, 'fill-in' soil geochemical sampling, geological mapping (1:4,800), and diamond drilling (5 NQ and BQ holes totalling 589 metres or 1,932 feet). In 1976, Getty diamond drilled seven NQ-and BQ-core holes totalling 1,476 metres (4,842 feet). All of this drilling was located within the Central Cirque area near Kennco's drill sites. The option agreement between Getty and Kennco was terminated in 1976 or 1977, and there is no other reported exploration.

Discussion of Previous Exploration Results

The original Kemess mineral claims were staked by Kennco Explorations in December, 1967 to cover several copper and molybdenum silt geochemical anomalies. In 1968, their exploration work discovered that a zone of disseminated pyrite mineralization, approximately 610 metres (2,000 feet) by 3,353 metres (11,000 feet), is hosted by intensely fractured and silicified andesite, and that sericite and laumontite are associated with the pyrite. Epidote alteration occurs near its periphery. Within the pyrite zone, copper mineralization is indicated over a length of 1,829 metres (6,000 feet) with a width of 366 metres (1,200 feet). Silt samples from small drainages along the zone contained 600 to 4,800 p.p.m. copper, 10 to 285 p.p.m. molybdenum, and 2.0 to 4.0 p.p.m. silver. Two 25.6-metre (84-foot) AX diamond drill holes at the east end of this zone averaged 0.21% copper, 0.007% molybdenum and 0.07 oz./ton silver; and 0.27% copper, 0.02% molybdenum and 0.08 oz./ton silver (Stevenson, 1969).

The geological results indicated that: andesite of the Triassic Talkla Group is intruded by a dioritic stock of the Omineca Intrusions, as well as stocks of younger syenite porphyry, quartz monzonite porphyry and leucogranodiorite porphyry; and elongate body of quartz monzonite porphyry occurs parallel to the major fault zone which strikes 070 degrees and dips -30 degrees northward over a length of 3 kilometres; and there seemed to be a genetic relationship between the mineralization and the quartz monzonite porphyry intrusion (Stevenson, 1969).

The results of the 1969 and 1971 diamond drilling programs are not available so it is not known whether this later drilling intersected any substantial mineralization. Nevertheless, it is evident from the history of the Property that Kennco did regard the copper-molybdenum mineralization with interest since they retained the mineral claims in good standing.

1986 Exploration Program

The 1986 program was supervised by Mr. J.D. Blanchflower, F.G.A.C. of Minorex Consulting Ltd. It included: the establishment of a survey control grid (14.1 line-km), prospecting (1:2,500, 4 square km), relogging and resampling of diamond drill core (147 core samples), soil geochemical sampling (351 samples), surface lithochemical sampling (33 samples), and geophysical surveying (ground magnetics, 14.1 line-km). The field work, including mobilization and demobilization, was carried out over a 16-day period from September 3 to 18, 1986. The report and accompanying plans were prepared after all the analytical and geostatistical results were received.

Mr. Blanchflower prospected the central portion of the Property, relogged the core from Getty Mines' 1975 and 1976 drilling programmes, and collected the surface lithochemical samples. Mr. Dwayne Windsor, an experienced geotechnician employed by Tarnex Geoservices, established the survey control grid and conducted the ground magnetics survey.

The results of their exploration may be found in pages 18 through 33 of the Minorex Consulting Ltd. report attached as Appendix C to this Prospectus.

CONCLUSIONS:

The Minorex Consulting Ltd. report concludes that further exploration is definitely warranted for the following reasons:

1. The Property is located within one of the most interesting and active exploration camps in the Province.
2. The alteration and mineralization are spatially, and probably genetically, related to calc-alkaline stocks and dykes which intrude a roof pendant of Takla Group volcanics. This setting is very similar to a number of known copper-molybdenum and gold-copper deposits.

3. Past exploration attempted to test the known porphyry copper-molybdenum mineralization but ignored, or did not recognize, the precious-metal potential of the Property.
4. The quartz-sericite-pyrite alteration zone at the East Cirque has been mapped for 700 metres in an east-northeasterly direction and 500 metres in a north-northwesterly direction.
5. A 300 by 200-metre coincident gold and molybdenum soil geochemical anomaly is situated along the exposed western edge of the quartz-sericite-pyrite alteration zone.
6. Lithogeochemical samples from the bedrock within the gold and molybdenum soil geochemical anomaly all show elevated gold and silver values.

COST ESTIMATES

The following work is recommended to test the precious-metal potential of the Property.

1. Conduct electromagnetics (VLF-EM) and induced polarization (time domain, dipole-dipole array) surveys.
2. Test the exploration results with diamond drilling.
3. Contingent upon the success of the above, delineate the mineralization with diamond drilling for reserve estimation.

Stage I

Geophysical surveying during the diamond drilling program (VLF-EM and IP).	\$ 8,500.00
Diamond drilling - 550 metres of NQ drilling @ an "All In" cost of \$150.00 per metre, including: helicopter support, site prep, drilling costs, supervision, sampling, assaying and reporting.	\$ 82,500.00
Contingency (approximately 10%)	<u>\$ 9,000.00</u>
Estimated Cost of Stage I	\$100,000.00

Stage II

Diamond drilling - 1,200 metres of NQ drilling @ an "All In" cost of \$150.00 per metre, including: helicopter support, site prep, drilling costs, supervision, sampling, assaying and reporting.	\$180,000.00
Contingency (approximately 10%)	<u>\$ 20,000.00</u>
Estimated Cost of Stage II	\$200,000.00

Total Estimated Cost of Stages I and II

\$300,000.00

1987 Exploration Program

The 1987 program consisted of detailed prospecting, lithogeochemical sampling, geological field review and a geophysical IP survey. C.E.C. Engineering Ltd., a company in which the President of the Issuer, David Copeland, is a shareholder, carried out the program at a cost of \$82,207. Areas of interest were found to occur in the west cirque, the drainage south of the west cirque, the ridge areas between the central and east cirque and the main drainage south of the east cirque.

Some 371 lithogeochemical samples were collected and analysed. A very strong gold anomaly occurs in the vicinity of Line 106E+00E and 104N and contains a very high single 14,210 parts per billion value. These values are found in highly altered and fractured fragmental volcanics near the contact of the feldspar porphyry. A second zone occurs along Line 107+00E and between 97N and 98N and is from highly altered augite porphyries. The third anomaly occurs between Lines 105+00E and 106+00E at 97N and is in the silicified augite porphyry.

Silver and copper are associated with the anomalous gold zones. Lead and zinc occur in anomalous values at Line 107+00E where anomalous gold and silver are found, but the other anomalous values occur as single point highs scattered around. Molybdenum is associated with the gold and is anomalous on its own at Line 107+00E and stations 101N and 102N. Arsenic occurs in anomalous amounts between Lines 1003+00E and 105+00E at 97N.

In summary, this work reinforces earlier soils work and expands the known anomalous zones.

A "time domain" induced polarization survey was carried out on the Property and was concentrated in the east cirque area. The data obtained in this area indicated an increase in mineralization from east to west. A south-north trend is also indicated with a definite increase in chargeability values at 101+50N on Line 110+00E with the southern contact progressing slightly north while travelling east.

Work in the 60's and 70's by Kennco and Getty began to outline chalcopyrite and pyrite mineralization in a series of silicified fractures and veinlets in the quartz monzonite and in the adjacent andesite porphyry flows.

The current work and observations have established that this mineralized setting is somewhat different from the typical Toodoggone mineralization in that it appears to be lower in the postulated hydrothermal model for the district. In fact this setting is very similar to the newly recognized porphyry gold systems such as the Cariboo - Bell or the much larger OK Tedi deposit in Papua New Guinea.

There is no surface or underground plant or equipment on the Property

and the property is without a known body of commercial ore and the proposed program is an exploratory search for ore.

INCORPORATION WITHIN ONE YEAR - PRELIMINARY EXPENSES

As set out in the audited financial statements of the Issuer for the period ending December 31, 1987, as attached hereto, the following preliminary expenses were incurred by the Issuer since its incorporation on August 13, 1986:

(a)	Deferred exploration, development and other expenses	\$129,216.00
(b)	Acquisition of resource properties for cash	\$ 5,000.00
(c)	Administrative expenses, including incorporation expenses	\$ 43,919.00

The Issuer estimates that future administrative expenses, excluding "Executive Compensation", will be approximately \$3,000.00 per month.

PROMOTERS

Pursuant to the definition of "promoter" in the Securities Act of the Province of British Columbia, John H. Bunn and David J. Copeland are the promoters of the Issuer in that they took an active part in the organization or reorganization of the Issuer or own in excess of 10% of the issued shares of the Issuer.

David J. Copeland purchased 750,000 escrowed shares at a price of \$0.01 per share which shares are held in escrow pursuant to the terms of an escrow agreement dated June 24, 1987. A Company in which David Copeland is a shareholder received \$9,000.00 in consulting fees and is owed a further \$21,102.00 in consulting fees and \$32,682.00 for costs incurred.

Reference is made to the heading "Options to Purchase Securities" for details of stock options granted to certain directors and employees of the Issuer. Reference is also made to the heading "Executive Compensation".

ISSUANCE OF SHARES

The authorized capital of the Issuer consists of 10,000,000 common shares without par value.

The securities offered by this Prospectus are common shares of the Issuer. Each common share of the Issuer ranks equally as to dividends, voting rights, participation in assets and in all other respects. Each common share carries one vote per share at meetings of the shareholders of the Issuer. There are no indentures or agreements limiting the payment of dividends and there are no conversion rights, special liquidation rights, preemptive rights or subscription rights attached to the common shares. The shares presently issued are not

subject to any calls or assessments and the shares offered under this Prospectus will not be subject to any calls or assessments.

DIVIDEND POLICY

No dividends have been paid on any shares of the Issuer since the date of incorporation nor is it intended to pay a dividend on any of its shares in the immediate future.

DIRECTORS AND OFFICERS

The following are the full names, home addresses, positions with the Issuer and principal occupations within the preceding five years of all of the directors and officers of the Issuer:

Name, Address and Position with Issuer	Principal Occupation for the Past Five Years
JOHN HENRY BUNN * 4173 Fairway Place North Vancouver, B.C. V7G 1Y8 Secretary, Chief Financial Officer and Director	President of Petro Flame International Resources Ltd.; Director of DFI Ventures Ltd; Self- employed Businessman May 1986 to March 1987; involved with the fishing industry 1969 to 1984; Self- employed fisherman from 1978 to 1982.
DAVID JAMES COPELAND 3626 West 1st Avenue Vancouver, B.C. V6R 1H1 President, Chief Executive Officer and Director	President of Coastal Mountain Engineering Ltd., a private consulting firm; Professional Engineer from 1979 to present; Director of Lincoln Resources Ltd. (a reporting company).
RICHARD NEIL McKERRACHER* 1525 Kilmer Place North Vancouver, B.C. V7K 1R5 Director	President and Chief Executive Officer of General Sea Harvest Corporation, a public company; Director of Confederation Capital Ltd., a venture capital financial and management company; former President of Pacific Aqua Foods Ltd., a public company; former Partner of Thorne Riddell, Vancouver, (now Thorne Ernst & Whinney).

WILLIAM QUON *
211 - 265 East 15th Avenue
Vancouver, B.C.
V5T 4K4
Director

Part owner of Pony's
Cabaret of Vancouver;
private investor since 1983
Bachelor of Commerce degree
from University of British
Columbia - 1979.

* Denotes members of the Audit Committee.

Certain of the directors of the Issuer also serve as directors of other companies involved in natural resource development. Accordingly, it may occur that certain natural resource properties will be offered to both the Issuer and such other companies and that the Issuer and such other companies will be participating in the same properties. In order to avoid the possible conflict of interest which may arise between the directors' duties to the Issuer and their duties to the other companies on whose Boards they serve, the directors and officers have agreed to the following:

- (a) Participation in natural resource prospects offered to the directors will be allocated between the various companies on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate; and
- (b) Prospects formulated by or through the other companies in which the directors and officers are involved will not be offered to the Issuer except on the same or better terms than the basis on which they are offered to third party participants and no commissions or other consideration will be paid to such directors and officers.

EXECUTIVE COMPENSATION

The Issuer has two executive officers. As at December 31, 1987 the Issuer had paid the sum of \$10,700.00 to an executive officer in consideration for that officer managing the affairs of the Issuer. Pursuant to an agreement dated June 24, 1987 between the Issuer and John H. Bunn, one of the executive officers, the Issuer agreed to pay \$2,000.00 per month as remuneration for managing the affairs of the Issuer for a period of one year continuing thereafter year to year unless terminated.

There has been no other executive compensation paid by the Issuer.

OPTIONS TO PURCHASE SECURITIES

By agreements dated February 16, 1988, options to purchase securities of the Issuer have been granted to three (3) directors and one employee in the aggregate amount of 170,700 shares. The options are exercisable at a price of \$0.40 per share for a period of five (5) years from the Effective Date of this Prospectus.

<u>Name of Optionee</u>	<u>No. of Shares</u>
John H. Bunn	85,350 (Employee)
David Copeland	58,570 (Director)
Richard Neil McKerracher	13,390 (Director)
William Quon	13,390 (Director)

ESCROWED SHARES

<u>Designation of Class</u>	<u>No. of Shares held in Escrow</u>	<u>Percentage of Issued Shares</u>
Common Shares	750,000	62.1%

As at the date of this Prospectus 750,000 common shares without par value of the Issuer are held in escrow by National Trust, 666 Burrard Street, Vancouver, British Columbia, V6C 2Z9, subject to the direction or determination of the Superintendent of Brokers for British Columbia (the "Superintendent") prior to listing of the Issuer's shares on the Vancouver Stock Exchange (the "Exchange"); and, after listing, to the direction of the Exchange.

The escrow restrictions provide that the shares held in escrow may not be traded in, dealt with in any manner whatsoever or released, nor may the Issuer, its transfer agent or an escrow holder make any transfer or record any trading of shares without the consent of the Superintendent (prior to listing of the Issuer's shares on the Exchange) or the Exchange (after listing).

The escrow arrangements also provide, among other matters,

- (a) for a pro-rata release of shares at the discretion of the appropriate regulatory authorities based upon a formula acceptable to the Superintendent;
- (b) for the consent of the appropriate regulatory authority to effect a transfer of registration of such shares held within escrow to succeeding principals; and
- (c) that any escrow shares not released at the end of ten (10) years from the date of issuance by the Superintendent of a receipt for a prospectus relating to the Issuer's first primary distribution to the public shall be cancelled.

The complete text of the escrow agreement is available for inspection at the registered office of the Issuer, Suite 1700 - 401 West Georgia Street, Vancouver, British Columbia.

POOLED SHARES

There are no shares of the Issuer held in pool.

PRINCIPAL HOLDERS OF SECURITIES

As at the date of this Prospectus, the following are particulars of the holders of 10% or more of the issued shares of the Issuer:

<u>Name and Address</u>	<u>Designation of Class</u>	<u>Type of Ownership</u>	<u>No. of Shares</u>	<u>Percentage of Issued Shares</u>
David Copeland 3626 West 1st Avenue Vancouver, B.C.	Common	Direct/ Beneficial	830,000	68.8%

PRIOR SALES

Shares Issued for Cash:

The following is a summary of the shares issued and allotted for cash by the Issuer during the period from its incorporation on August 13, 1986 to the date of this Prospectus:

<u>Number of Shares</u>	<u>Date Sold</u>	<u>Price per Share</u>	<u>Commissions Paid</u>	<u>Net Cash Received</u>
750,000	May/87	\$0.01	Nil	\$ 7,500.00
437,000	August/86 to June/87	\$0.25	Nil	\$109,250.00

Note:

130,000 of the shares issued at \$0.25 are flow through shares which permit the subscribers to claim Canadian Exploration Expenses as described in subparagraph 66.1(6)(a)(iii) of the Income Tax Act of Canada.

Shares Issued for Property:

There have been no shares of the Issuer issued for property.

Shares Issued for Finder's Fee:

Mr. Robert A. Dickinson of United Mineral Services Ltd. is to receive subject to regulatory approval 20,000 shares of the Issuer at a deemed value of \$0.25 per share as a finder's fee in bringing to David J. Copeland's attention the availability of the Property.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The directors and officers of the Issuer have no other interest in any material transactions in which the Issuer has participated or intends to participate at this time, other than the management agreement dated June 24, 1987 between the Issuer and John H. Bunn as described under the heading "Executive Compensation" herein.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Issuer are DeVisser & Company, Chartered Accountants, of 201 - 960 Richards Street, Vancouver, British Columbia.

The transfer agent and registrar of the Issuer is National Trust, of 666 Burrard Street, Vancouver, British Columbia, V6C 2Z9.

LEGAL PROCEEDINGS

There are no legal proceedings pursuant to which the Company is a party nor to the knowledge of the signatories hereto are any such proceedings known to be contemplated.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

No Director or Senior Officer of the Company is or has been indebted to the Company at any time during the last completed financial year.

MATERIAL CONTRACTS

Incentive Stock Option Agreements dated February 16, 1988, refer to the heading "Options to Purchase Securities".

Escrow Agreement dated June 24, 1987, refer to the heading "Escrowed Shares".

Management Agreement dated June 24, 1987, refer to the heading "Executive Compensation".

Option Agreement dated December 2, 1986, between the Issuer and Kennco Explorations (Western) Ltd., refer to heading "Description of Business".

Letter Agreement dated August 25, 1987, refer to the heading "Description of Business".

Agency Agreement dated July 15, 1987, refer to the heading "Plan of Distribution".

Amended Agency Offering Agreement dated February 29, 1988, refer to the heading "Plan of Distribution".

There are no material contracts except as disclosed in this Prospectus, or entered into in the ordinary course of the Issuer's business, all of which may be inspected at the registered and records office of the Issuer at Suite 2600, 1066 West Hastings Street, Vancouver B.C. during normal business hours while primary distribution of the shares offered hereunder is in progress and for the period of thirty (30) days thereafter.

OTHER MATERIAL FACTS

There are no other material facts relating to the securities to be offered that have not been disclosed in the foregoing times.

STATUTORY RIGHTS OF RESCISSION AND WITHDRAWAL

The Securities Act provides a purchaser with a right to withdraw from an agreement to purchase securities within two business days after receipt or deemed receipt of a prospectus and further provides a purchaser with remedies for rescission or damages where the prospectus and any amendment contains a material misrepresentation or is not delivered to the purchaser prior to delivery of the written confirmation of sale or prior to midnight on the second business day after entering into the agreement, but such remedies must be exercised by the purchaser within the time limit prescribed. For further information concerning these rights and the time limits within which they must be exercised the purchaser should refer to Sections 66, 114, 118 and 124 of the Securities Act or consult a lawyer.

APPENDIX A

**Audited Financial Statements as at May 31, 1987
together with report of auditors**

EL CONDOR RESOURCES LTD.

FINANCIAL STATEMENTS

MAY 31, 1987

DE VISSER & COMPANY
CHARTERED ACCOUNTANTS

PETER J. DE VISSER, C.A. LTD.

201 - 960 RICHARDS STREET
VANCOUVER, B.C. CANADA
V6B 3C1

TEL: (604) 687-5447
FAX: (604) 687-6737

AUDITORS' REPORT

To the directors of El Condor Resources Ltd.

We have examined the balance sheet of El Condor Resources Ltd. as at May 31, 1987 and the statements of loss and deficit and changes in financial position for the period from incorporation on August 13, 1986 to May 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at May 31, 1987 and the results of its operations and the changes in its financial position for the period from incorporation on August 13, 1986 to May 31, 1987 in accordance with generally accepted accounting principles applied on a consistent basis.



Vancouver, B.C.
June 16, 1987, except for
Note 8 which is May 24, 1988

EL CONDOR RESOURCES LTD.

BALANCE SHEET

MAY 31, 1987

	\$
A S S E T S	
CURRENT	
Cash	304
MINERAL PROPERTIES (note 3)	57,009
	<hr/>
	57,313
	<hr/> <hr/>
L I A B I L I T I E S	
CURRENT	
Accounts payable	2,250
Due to related party (note 6)	2,815
	<hr/>
	5,065
	<hr/>
S H A R E H O L D E R S ' E Q U I T Y	
SHARE CAPITAL (note 4)	61,250
DEFICIT	9,002
	<hr/>
	52,248
	<hr/>
	57,313
	<hr/> <hr/>

APPROVED BY THE DIRECTORS:

Bill Zorn
LJ Lopez

The accompanying notes are an integral part of these financial statements

EL CONDOR RESOURCES LTD.

STATEMENT OF LOSS AND DEFICIT

FOR THE PERIOD FROM INCORPORATION ON AUGUST 13, 1986 TO
MAY 31, 1987

	\$
EXPENSES	
Consulting	1,250
Office Administration	372
Legal and audit	4,180
Management fees	3,200
	<hr/>
OPERATING LOSS FOR THE PERIOD	9,002
DEFICIT - BEGINNING OF PERIOD	-
	<hr/>
DEFICIT - END OF PERIOD	9,002
	<hr/> <hr/>

The accompanying notes are an integral part of these
financial statements

EL CONDOR RESOURCES LTD.

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE PERIOD FROM INCORPORATION ON AUGUST 13, 1986 TO
MAY 31, 1987

	\$
CASH PROVIDED BY (USED FOR):	
OPERATING ACTIVITIES	
Operating loss for the period	(9,002)
Add non-cash working capital items	
Accounts payable	2,250
Due to related parties	2,815
	<hr/>
	(3,937)
	<hr/>
INVESTING ACTIVITIES	
Mineral properties	(52,009)
	<hr/>
FINANCING ACTIVITIES	
Share capital allotted - net of 20,000 shares at an ascribed value of \$5,000 to acquire mineral properties	56,250
	<hr/>
CASH PROVIDED DURING THE PERIOD	304
CASH - BEGINNING OF PERIOD	-
	<hr/>
CASH - END OF PERIOD	304
	<hr/> <hr/>

The accompanying notes are an integral part of these
financial statements

EL CONDOR RESOURCES LTD.

NOTES TO THE FINANCIAL STATEMENTS

MAY 31, 1987

1. NATURE AND CONTINUANCE OF OPERATIONS

The company is currently in the exploratory stage of development of its mineral properties. The underlying value of the mineral properties and their related deferred costs are entirely dependent upon the existence of economic mineral reserves.

These financial statements are prepared on a going concern basis, which implies that the company will continue realizing its assets and discharging its liabilities in the normal course of business. The company has a working capital deficiency of \$4,761 at May 31, 1987 and the ability of the company to continue as a going concern is dependent upon the company renegotiating its present indebtedness and arranging adequate additional financing in order to bring its properties into profitable production (note 8).

2. SIGNIFICANT ACCOUNTING POLICIES

Mineral Properties

The cost of acquisition, exploration and development of mineral properties are deferred until the properties to which they relate are placed into production, are written off in total when the property is abandoned or sold or are written down when it is apparent all costs ultimately will not be recoverable. Cost includes the cash consideration and the fair market value of shares as they are issued, if any, on the acquisition of mineral properties.

Earnings per Share

Earnings per share has not been calculated as it is not considered meaningful at this stage of the company's operations.

Income Taxes

The company has earned resource related deductions totalling approximately \$24,297 net of reductions renounced under flow through share issues, and incurred taxable losses of \$9,002, which are available to be offset against future taxable income. No benefit for these losses and deductions have been reflected in these financial statements.

The company has issued 130,000 shares under flow through share agreements whereby the subscriber acquires the shares and obtains the benefits of tax deductions aggregating \$43,225 which are given up by the company.

3. MINERAL PROPERTIES

	\$
Cost of mineral properties includes:	
Mineral claim acquisition costs	
Cash paid	5,000
Finder's fee - 20,000 shares at 25¢ per share	5,000
	10,000
Exploration and development	
Engineering fees	17,400
Mapping and sampling	8,200
Drafting	2,468
Lodging, equipment rentals and miscellaneous	7,517
Assaying	6,334
Helicopter and transportation	5,090
	47,009
	57,009
New Kemess Claims	
Toodoggone River Area	
Omenica Mining Division	
British Columbia	

The company has an option to acquire a 60% interest in 38 units of mineral claims owned by Kennco Explorations, (Western) Ltd., ("Kennco") by expending the following sums in exploration work.

	\$	
100,000		Prior to July 31, 1988
250,000		January 1, 1988 to December 31, 1988
200,000		January 1, 1989 to December 31, 1989
	550,000	

After completion of the work commitment, the company can enter into a 60/40 joint venture with Kennco, or if Kennco chooses not to participate, Kennco will revert to a 4% net smelter royalty. The company has agreed to pay a finder's fee of \$5,000 and to issue 20,000 common shares at an ascribed value of 25¢ per share, subject to regulatory approval (note 4).

4. SHARE CAPITAL

Authorized share capital consists of 10,000,000 common shares without par value.

	Number of Shares	\$
Allotted during the period		
For cash at 1¢ per share	750,000	7,500
For cash at 25¢ per share	195,000	48,750
For finder's fee for New Kemess claims at an ascribed value of 25¢ per share (subject to regulatory approval)	20,000	5,000
	<hr/>	<hr/>
Allotted at May 31, 1987	965,000	61,250
	<hr/>	<hr/>

The company has allotted 750,000 shares which are to be held in escrow and may not be traded prior to receiving regulatory approval.

Refer to notes 7 and 8.

5. INCORPORATION

The company was incorporated on August 13, 1986 under the British Columbia Company Act.

6. RELATED PARTY TRANSACTIONS

A company owned by a director received \$9,000 in consulting engineering fees and is owed \$2,815 for costs incurred. A director received \$3,200 for management services.

7. SUBSEQUENT EVENT

Stock options were granted, subject to regulatory and shareholder approval, to employees and directors for 170,700 shares exercisable at a price of \$0.40 per share for a period of 5 years from the effective date of the company's prospectus (note 8).

The company has allotted and received subscriptions for 235,000 shares at a price of 25¢ per share.

8. PUBLIC SHARE OFFERING

The company is proposing to offer to the public in British Columbia its first public offering of 500,000 common shares at a price of 40¢ per share to net the company \$180,000 after commission expenses. The company's agents have agreed to purchase any shares not sold at the conclusion of the offering, and in consideration have been granted non-transferrable share purchase warrants entitling them to purchase up to 125,000 shares within 12 months from the offering day at a price of \$0.4675 per share.

APPENDIX B

**Audited Financial Statements as at December 31, 1987
together with report of auditors**

EL CONDOR RESOURCES LTD.

FINANCIAL STATEMENTS

DECEMBER 31, 1987

MAY 31, 1987

DE VISSER & COMPANY
CHARTERED ACCOUNTANTS

PETER J. DE VISSER, C.A. LTD.

201 - 960 RICHARDS STREET
VANCOUVER, B.C. CANADA
V6B 3C1

TEL: (604) 687-5447
FAX: (604) 687-6737

AUDITORS' REPORT

To the directors of El Condor Resources Ltd.

We have examined the balance sheets of El Condor Resources Ltd. as at December 31, 1987 and May 31, 1987 and the statements of loss and deficit and changes in financial position for the seven month period ended December 31, 1987 and for the period from incorporation on August 13, 1986 to May 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1987 and May 31, 1987 and the results of its operations and the changes in its financial position for the seven month period ended December 31, 1987 and for the period from incorporation on August 13, 1986 to May 31, 1987 in accordance with generally accepted accounting principles applied on a consistent basis.



Vancouver, B.C.
February 2, 1988, except for
Note 8 which is May 24, 1988

EL CONDOR RESOURCES LTD.

BALANCE SHEETS

	December 31, 1987	May 31, 1987
	\$	\$
A S S E T S		
CURRENT		
Cash	1,399	304
MINERAL PROPERTIES (note 3)	139,216	57,009
	<u>140,615</u>	<u>57,313</u>
L I A B I L I T I E S		
CURRENT		
Accounts payable	1,000	2,250
Due to related party (note 6)	61,784	2,815
	<u>62,784</u>	<u>5,065</u>
S H A R E H O L D E R S ' E Q U I T Y		
SHARE CAPITAL (note 4)	121,750	61,250
DEFICIT	43,919	9,002
	<u>77,831</u>	<u>52,248</u>
	<u>140,615</u>	<u>57,313</u>

APPROVED BY THE DIRECTORS:

Bill Moran
D. Lopez

EL CONDOR RESOURCES LTD.

STATEMENTS OF LOSS AND DEFICIT

	For the Seven Month Period Ended December 31, 1987	From Incorporation on August 13, 1986 to May 31, 1987
	\$	\$
EXPENSES		
Consulting	-	1,250
Office Administration	7,483	372
Legal and audit	10,579	4,180
Management fees	9,500	3,200
Trust and stock exchange fees	7,355	-
	<hr/>	<hr/>
LOSS FOR THE PERIOD	34,917	9,002
DEFICIT - BEGINNING OF PERIOD	9,002	-
	<hr/>	<hr/>
DEFICIT - END OF PERIOD	43,919	9,002
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of these
financial statements

EL CONDOR RESOURCES LTD.

STATEMENTS OF CHANGES IN FINANCIAL POSITION

	For the Seven Month Period Ended December 31, 1987	From Incorporation on August 13, 1986 to May 31, 1987
	\$	\$
CASH PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Operating loss for the period	(34,917)	(9,002)
Add non-cash working capital items		
Accounts payable	(1,250)	2,250
Due to related parties	58,969	2,815
	<hr/>	<hr/>
	22,802	(3,937)
	<hr/>	<hr/>
INVESTING ACTIVITIES		
Mineral properties	(82,207)	(52,009)
	<hr/>	<hr/>
FINANCING ACTIVITIES		
Share capital allotted (May 31, 1987 - net of 20,000 shares at an ascribed value of \$5,000 to acquire mineral properties)	60,500	56,250
	<hr/>	<hr/>
CASH PROVIDED DURING THE PERIOD	1,095	304
CASH - BEGINNING OF PERIOD	304	-
	<hr/>	<hr/>
CASH - END OF PERIOD	1,399	304
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of these
financial statements

EL CONDOR RESOURCES LTD.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1987

1. NATURE AND CONTINUANCE OF OPERATIONS

The company is currently in the exploratory stage of development of its mineral properties. The underlying value of the mineral properties and their related deferred costs are entirely dependent upon the existence of economic mineral reserves.

These financial statements are prepared on a going concern basis, which implies that the company will continue realizing its assets and discharging its liabilities in the normal course of business. The company has a working capital deficiency of \$61,385 at December 31, 1987 and \$4,761 at May 31, 1987. The ability of the company to continue as a going concern is dependent upon the company renegotiating its present indebtedness and arranging adequate additional financing in order to bring its properties into profitable production (note 8).

2. SIGNIFICANT ACCOUNTING POLICIES

Mineral Properties

The cost of acquisition, exploration and development of mineral properties are deferred until the properties to which they relate are placed into production, are written off in total when the property is abandoned or sold or are written down when it is apparent all costs ultimately will not be recoverable. Cost includes the cash consideration and the fair market value of shares as they are issued, if any, on the acquisition of mineral properties.

Earnings per Share

Earnings per share has not been calculated as it is not considered meaningful at this stage of the company's operations.

Income Taxes

The company has earned resource related deductions totalling approximately \$133,632 net of reductions renounced under flow through share issues, and incurred taxable losses of \$43,919, which are available to be offset against future taxable income. No benefit for these losses and deductions have been reflected in these financial statements.

The company has issued 130,000 shares under flow through share agreements whereby the subscriber acquires the shares and obtains the benefits of tax deductions aggregating \$43,225 which are given up by the company.

3. MINERAL PROPERTIES

	December 31, 1987	May 31, 1987
	\$	\$
Cost of mineral properties includes:		
Mineral claim acquisition costs		
Cash paid	5,000	5,000
Finder's fee - 20,000 shares at 25¢ per share	5,000	5,000
	<hr/>	<hr/>
	10,000	10,000
	<hr/>	<hr/>
Exploration and development		
Engineering fees	64,625	17,400
Mapping and sampling	8,326	8,200
Drafting	2,468	2,468
Lodging, equipment rentals and miscellaneous	22,603	7,517
Assaying	12,386	6,334
Helicopter and transportation	18,808	5,090
	<hr/>	<hr/>
	129,216	47,009
	<hr/>	<hr/>
	139,216	57,009
	<hr/> <hr/>	<hr/> <hr/>

New Kemess Claims
Toodoggone River Area
Omenica Mining Division
British Columbia

The company has an option to acquire a 60% interest in 38 units of mineral claims owned by Kennco Explorations, (Western) Ltd., ("Kennco") by expending the following sums in exploration work.

\$

100,000	Prior to July 31, 1988
250,000	January 1, 1988 to December 31, 1988
200,000	January 1, 1989 to December 31, 1989

550,000

After completion of the work commitment, the company can enter into a 60/40 joint venture with Kennco, or if Kennco chooses not to participate, Kennco will revert to a 4% net smelter royalty. The company has agreed to pay a finder's fee of \$5,000 and to issue 20,000 common shares at an ascribed value of 25¢ per share, subject to regulatory approval (note 4).

4. SHARE CAPITAL

Authorized share capital consists of 10,000,000 common shares without par value.

	Number of Shares	\$
Allotted during the period		
For cash at 1¢ per share	750,000	7,500
For cash at 25¢ per share	195,000	48,750
For finder's fee for New Kemess claims at an ascribed value of 25¢ per share (subject to regulatory approval)	20,000	5,000
	<hr/>	<hr/>
Allotted at May 31, 1987	965,000	61,250
For cash at 25¢ per share	242,000	60,500
	<hr/>	<hr/>
Allotted at December 31, 1987	<u>1,207,000</u>	<u>121,750</u>

The company has allotted 750,000 shares which are to be held in escrow and may not be traded prior to receiving regulatory approval.

Refer to notes 7 and 8.

5. INCORPORATION

The company was incorporated on August 13, 1986 under the British Columbia Company Act.

6. RELATED PARTY TRANSACTIONS

Directors of the company and a private company controlled by one of them received \$19,700 in management and geological consulting fees and are owed \$21,102. A director is owed \$8,000 for working capital advances made to the company and a private company controlled by him is owed \$32,682 for expenses incurred on behalf of the company.

These advances are unsecured and non interest bearing.

7. SUBSEQUENT EVENT

Stock options were granted, subject to regulatory and shareholder approval, to employees and directors for 170,700 shares exercisable at a price of \$0.40 per share for a period of 5 years from the effective date of the company's prospectus (note 8).

8. PUBLIC SHARE OFFERING

The company is proposing to offer to the public in British Columbia its first public offering of 500,000 common shares at a price of 40¢ per share to net the company \$180,000 after commission expenses. The company's agents have agreed to purchase any shares not sold at the conclusion of the offering, and in consideration have been granted non-transferrable share purchase warrants entitling them to purchase up to 125,000 shares within 12 months from the offering day at a price of \$0.4675 per share.

APPENDIX C

**Summary Report of Minorex Consulting Ltd., Dated July 8, 1987
on the Kemess Property, Omineca Mining Division, British Columbia**

SUMMARY REPORT
ON THE
KEMESS PROPERTY

Omineca Mining Division
British Columbia

Claim Name	Record No.
NEW KEMESS No. 1	43
NEW KEMESS No. 2	44

Latitude: 57° 04' North Longitude: 126° 44' West
N.T.S. 94 E / 2

- for -

EL CONDOR RESOURCES LTD.
Suite 1575 - 200 Granville Street
Vancouver, B. C. V6C 1S4
(604) 684-6328

- prepared by -

MINOREX CONSULTING LTD.
Suite 200A - 156 Victoria Street
Kamloops, B.C. V2C 1Z7
(604) 372-2181

July 8, 1987

J. D. Blanchflower, F.G.A.C.
Consulting Geologist

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INTRODUCTION

El Condor Resources Ltd. of Suite 1575 - 200 Granville Street, Vancouver, B.C. operates the KEMESS property. This property is comprised of two M.G.S. mineral claims, totalling 38 units; all situated in the Omineca Mining Division of British Columbia.

This report, prepared at the request of the directors of El Condor Resources Ltd., describes the geologic setting, history, 1986 exploration results and potential of the property. An exploration programme is recommended with cost estimates.

During the 1986 field season the writer supervised an exploration programme which included: establishment of a survey control grid (14.1 line-km.), prospecting (1:2,500), relogging and resampling of diamond drill core (147 core samples), soil geochemical sampling (351 samples), surface lithogeochemical sampling (33 samples), and geophysical surveying (ground magnetics).

The writer wrote this report which documents the results of the 1986 programme, and the results of previous exploration work by Kennco Explorations, (Western) Limited (1966 to 1971) and Getty Mines, Limited (1975 to 1976).

SUMMARY AND RECOMMENDATIONS

The KEMESS property is situated 7 kilometres east of Thutade Lake and 3.5 kilometres south of Antycelley Creek, 265 kilometres north of Smithers or 425 kilometres northwest of Prince George, in northcentral British Columbia. Its geographic coordinates are 57° 04' North latitude by 126° 44' West longitude (N.T.S.94E/2).

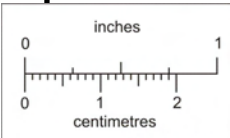
Access is possible by fixed-wing aircraft from Smithers to the Sturdee airstrip which services the Baker (Chapelle) Mine and much of the Toodoggone area. It is approximately 265 kilometres from Smithers to the Sturdee gravel airstrip; thence, 26 kilometres southeastward by helicopter to the property.

All interests in the claims are owned by Kennco Explorations, (Western) Limited of Vancouver, British Columbia. El Condor Resources Ltd. has negotiated an option agreement with the property owner, and will operate the property in fulfillment its term.

The claims cover the north-facing slopes and highlands east of Duncan Lake. These highlands are part of the Omineca Mountains of the Swannell Range. Elevations in the claims range from 1,400 metres (4,593 feet) to 1,932 metres (6,339 feet) A.M.S.L.




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J.D. Stinchflower

To accompany a report by J.D. Stinchflower.

 MINOREX CONSULTING LTD. GEOLOGICAL CONSULTANTS, KAMLOOPS, B.C.	
EL CONDOR RESOURCES LTD. VANCOUVER, BRITISH COLUMBIA	
LOCATION MAP KEMESS PROPERTY OMINECA MINING DIVISION, B.C.	
DATE: NOVEMBER, 1986	SCALE: AS SHOWN
DWR. BY: T.Q./T.	DWG. NO.: 1

In 1966, Kennco Explorations (Western) Limited carried out a regional silt geochemical survey of the region. The following year Kennco staked 100 mineral claims covering the Kemess gossan. In 1968, their exploration work included: silt, soil and rock geochemical sampling, geological mapping (1:9,600), and X-ray diamond drilling, which totalled 51 metres (168 feet) for two holes. Subsequent drilling by Kennco included four X-ray holes totalling 127 metres (418 feet) in 1969, and two X-ray holes totalling 54 metres (178 feet) in 1971.

Getty Mines Ltd. optioned the property in 1975. Their initial exploration work included: photogrammetric topographic mapping (1:4,800), relocation of the mineral claims, 'fill-in' soil geochemical sampling, geological mapping (1:4,800), and diamond drilling (5 NQ and BQ holes totalling 589 metres or 1,932 feet). In 1976 Getty diamond drilled seven NQ-and BQ-core holes totalling 1,476 metres (4,842 feet).

The property is largely underlain by intercalated, basaltic to andesitic flows and volcanoclastics belonging to the Savage Mountain Formation of the Upper Triassic Takla Group. Porphyritic stocks and dykes, comagmatic with an underlying granitic pluton, intrude the roof pendant of volcanic rocks.

The 1986 exploration programme was directed toward evaluating the precious-metal potential of the property. The field work included: the establishment of a survey control grid (14.1 line-km.), prospecting (1:2,500, 4 square km.), relogging and resampling of diamond drill core (147 core samples), soil geochemical sampling (351 samples), surface lithochemical sampling (33 samples), and geophysical surveying (ground magnetics, 14.1 line-km.). This programme was carried out over a 16-day period from September 3 to 18, 1986.

The exploration results are very encouraging. The geochemical results indicate that there are highly anomalous gold and silver values spatially, and possibly genetically, associated with a large structurally controlled zone of intense hydrothermal alteration in a poorly explored area of the property. The known copper, molybdenum and minor precious-metal mineralization occurs within an area of propylitic volcanics, west of the most intense hydrothermal alteration.

There seems to be two types of mineralization. The first type is the fracture controlled and disseminated copper and molybdenum mineralization of the Central and West Cirque areas. This mineralization has been sparingly tested by two operators. The grades of the known mineralization appear to be subeconomic at current metal prices. The second type is gold-and silver-bearing sulphide mineralization. It appears to be spatially and genetically related to an intense hydrothermal alteration zone which is centred in the East Cirque area. This second type of mineralization requires detailed exploration.

It is the writer's opinion that further exploration is definitely warranted for the following reasons.

1. The property is located within one of the most interesting and active exploration camps in the province.
2. The alteration and mineralization are spatially, and probably genetically, related to calc-alkaline stocks and dykes that have intruded a roof pendant of Takla Group volcanics. This setting is very similar to a number of known copper-molybdenum and gold-copper deposits.
3. Past exploration attempted to test the porphyry copper-molybdenum mineralization but ignored, or did not recognize, the precious-metal potential of this property.
4. The quartz-sericite-pyrite alteration zone at the East Cirque has been mapped for 700 metres in an east-northeasterly direction and 500 metres in a north-northwesterly direction.
5. A 300- by 200-metre coincident gold and molybdenum soil geochemical anomaly is situated along the exposed western edge of the quartz-sericite-pyrite alteration zone.
6. Surface lithogeochemical samples within the gold and molybdenum soil anomaly all show elevated gold and silver values.

The following work is recommended to test the precious-metal potential of this property.

1. Conduct an electromagnetics (VLF-EM) and induced polarization (time domain, dipole-dipole) survey of the control grid to delineate any structures which may control the precious metal-bearing sulphide mineralization.
2. Test the exploration results with diamond drilling.
3. Contingent upon the success of the above, define the mineralization with diamond drilling for a pre-feasibility study.

The total cost of this work is estimated to be \$300,000.00; \$100,000.00 for the first stage work and \$200,000.00 for the second stage drilling.

GENERAL DESCRIPTION

Location and Access

The property is situated 7 kilometres east of Thutade Lake and 3.5 kilometres south of Antycelley Creek; 265 kilometres north of Smithers or 425 kilometres northwest of Prince George, in northcentral British Columbia. Its geographic coordinates are 57° 04' North latitude by 126° 44' West longitude (N.T.S.94E/2).

Access is possible by fixed-wing aircraft from Smithers to the Sturdee airstrip which services much of the Toodoggone area and the Baker (Chapelle) Mine. It is approximately 265 kilometres from Smithers to the Sturdee airstrip and 26 kilometres by helicopter from this gravel airstrip to the property. Alternatively, one can drive from Fort St. James north to Johansen Lake, a distance of 400 kilometres on the 'Mining Development' road. From Johansen Lake, it is approximately 70 kilometres north by helicopter to the property. In addition, the British Columbia Railway right of way passes 72 kilometres south of the property.

Float plane access to Duncan Lake, from either Smithers or Johansen Lake, and then hiking to the property is most difficult because there is 1,300 feet of relief and thick vegetation between the lake and the centre of the property.

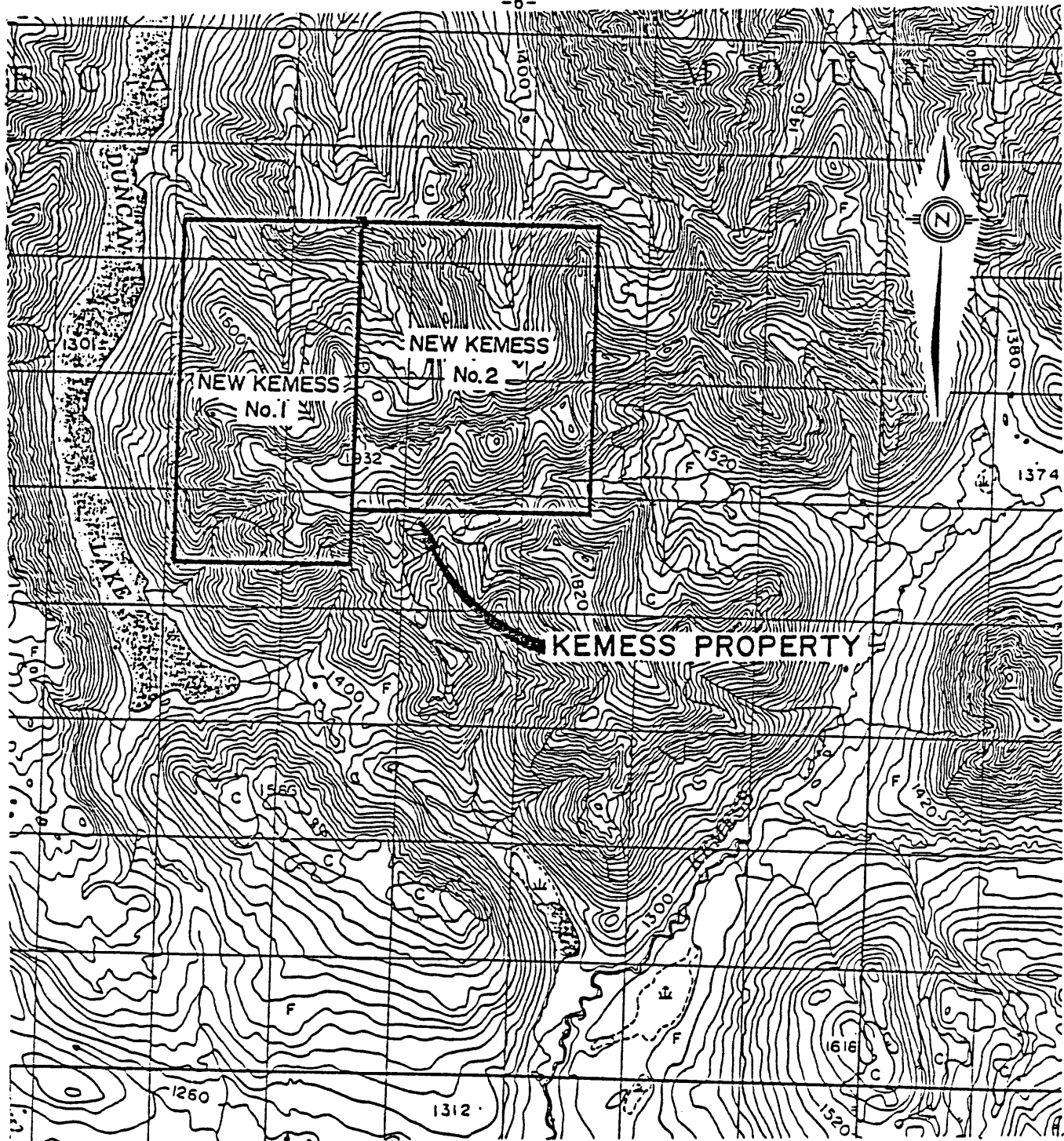
Property and Ownership

The property is located in the Omineca Mining Division of northcentral British Columbia. It is comprised of two M.G.S. mineral claims, totalling 38 units. The configuration of the claim group is shown on Figure 2. All pertinent claim data are summarized in the following table.

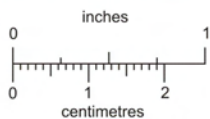
Claim Name	Record No.	Units	Record Date	Expiry Date	Registered Owner
New Kemess No. 1	43	18	Jul 11/75	1987	Kennco
New Kemess No. 2	44	20	Jul 11/75	1987	Kennco

In July, 1975, Getty Mines Ltd. abandoned the original two-post Kemess mineral claims and relocated the present M.G.S. mineral claims to more efficiently cover the known mineralization (Abandonment No. 180, Smithers). Their 1975 and 1976 exploration work was applied for assessment credit to maintain the claim group (Kemess Group #4120, Dec. 11, 1975) in good standing until its expiration in 1987.

All interests in the claims are owned by Kennco Explorations, (Western) Limited of Vancouver, British Columbia. The directors of El Condor Resources Ltd. have reported to the writer that an option agreement has been negotiated with the property owner; whereby, El Condor Resources will operate the property in fulfillment of this agreement.



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J.D. Blanchflower

To accompany a report by J.D. Blanchflower.



MINOREX CONSULTING LTD.
GEOLOGICAL CONSULTANTS, HAMLTON, B.C.

EL CONDOR RESOURCES LTD.
VANCOUVER, BRITISH COLUMBIA

CLAIM MAP

KEMESS PROPERTY
OMINECA MINING DIVISION, B.C.

DATE: NOVEMBER, 1986

SCALE: AS SHOWN

DWN. BY: T.Q./T.

DWG. NO.: 2

Physiography

The claims cover the north-facing slopes and highlands east of Duncan Lake. These highlands are part of the Omineca Mountains of the Swannell Range. Elevations within the claims range from 1,400 metres (4,593 feet) to 1,932 metres (6,339 feet) A.M.S.L.

The climate is moderate with temperatures ranging from -40° C. and $+25^{\circ}$ C. Precipitation is usually moderate. The snowpack usually thaws by late June, and the field season may extend until mid to late September.

The topography is moderately rugged, but there is a series of very steep east-west cirque cliffs situated centrally within the claims. The most westerly cirque contains an alpine rock glacier which appears to be still active. Most of the property is above treeline where the vegetation is scrub balsam and low juniper.

History

Placer gold was discovered at the mouth of McConnell Creek, 30 kilometres northwest of Johansen Lake, in 1899. A short lived gold rush occurred as a result of this discovery in 1907.

In the 1930's Emil Bronlund of Cominco reportedly prospected the Thutade and Duncan Lakes area. No claims were recorded at the present property location but Cominco did patent four claims covering some lead-zinc mineralization, 3 kilometres west of the property (Stevenson, 1969).

In 1966, Kennco Explorations, (Western) Limited carried out a regional silt geochemical survey of the region which included those streams draining the claims. The following year Kennco staked 100 mineral claims covering the Kemess gossan.

The exploration work by Kennco in 1968 included: silt, soil and rock geochemical sampling, geological mapping (1:9,600), and X-ray diamond drilling which totalled 51 metres (168 feet) for two holes. Subsequent drilling by Kennco included four X-ray holes totalling 127 metres (418 feet) in 1969, and two X-ray holes totalling 54 metres (178 feet) in 1971. The core recovery from most of this drilling was reported to be very poor to nil (Stevenson, 1969 and Cann, 1976).

Getty Mines, Limited optioned the property in 1975. Their initial exploration work included: photogrammetric topographic mapping (1:4,800), relocation of the mineral claims, 'fill-in' soil geochemical sampling, geological mapping (1:4,800), and diamond drilling (5 NQ and BQ holes totalling 589 metres or 1,932 feet). In 1976, Getty diamond drilled seven NQ-and BQ-core holes totalling 1,476 metres (4,842 feet). All of this drilling was located within the Central Cirque area near Kennco's drill sites. The option agreement between Getty and Kennco was terminated in 1976 or 1977, and there is no other reported exploration.

GEOLOGIC SETTING

The Toodoggone map-area, N.T.S. 94 E, has been the subject of several geological studies by various government geologists. These studies include those of Panteleyev (1983 and 1982) and T.G. Schroeter (1981). D.B. Forester studied the geology, petrology and precious-metal mineralization of the Toodoggone River area; and R.M. Cann mapped and dated the various lithologic units underlying the property. Both did their work while geological students at the University of British Columbia in 1984 and 1976, respectively. Much of the following text is based on the results of these recent studies.

The Toodoggone area lies within the eastern margin of the Intermontane Belt. The oldest rocks exposed are Proterozoic metasedimentary equivalents of the Ingenika Group. These rocks are unconformably overlain by volcanic and sedimentary units of the Permian Asitka Group. The Asitka Group is in turn overlain by Upper Triassic basaltic to andesitic flows, volcanoclastics and minor limestone belonging to the Takla Group (Monger, 1977). The Takla Group is overlain by volcanoclastic rocks of the Lower Jurassic Hazelton Group (Tipper and Richards, 1976) and by rhyolitic to dacitic flows, intrusives, and volcanoclastics known as the 'Toodoggone' volcanics of Early Jurassic age. Further to the west, Cretaceous to Eocene (?) sediments overlie the volcanic strata (Gabrielse et al, 1980).

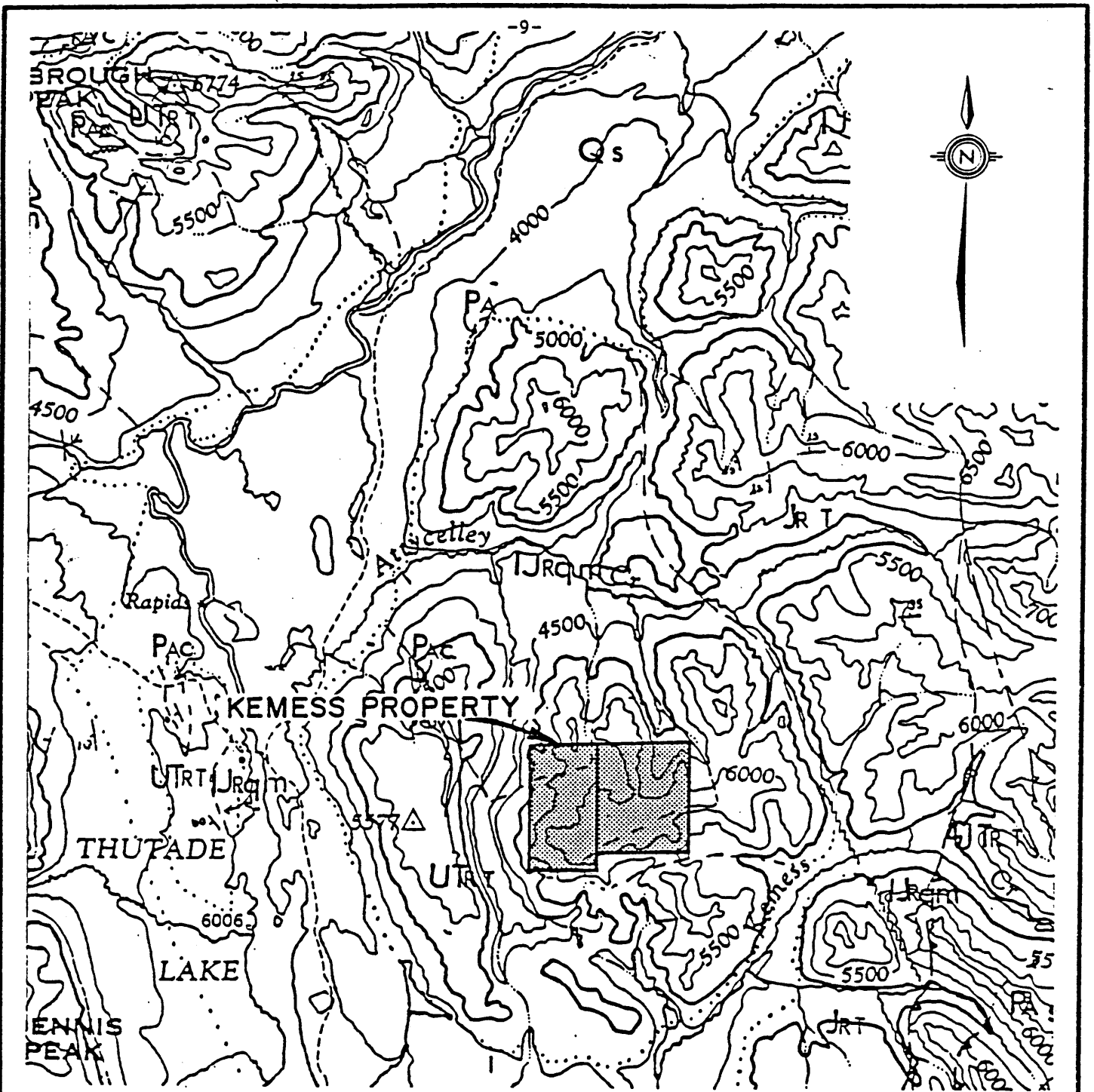
The Lower Jurassic to Cretaceous Omineca Intrusions of quartz monzonitic and grandioritic composition have intruded the older strata in the central and eastern portions of the region. Some syenomonzonite bodies and quartz feldspar porphyry dykes may be feeder structures to the Toodoggone rocks.

The stratigraphy trends northwesterly and commonly dips gently westward with a westerly younging direction. Numerous thrust and transcurrent faults displace the various lithologies. Figure 3 and 4 of this report show the regional geology and summarize the lithologic units of the Toodoggone district.

A synoptic description of the major lithologic units in the Toodoggone region follows.

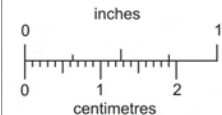
1. Proterozoic Rocks

These rocks form the western flank of a broad anticlinorium. The lower unit consists of a succession of sandstone, siltstone, shale, and minor conglomerate and limestone with metamorphic grades up to kyanite facies. Sericitic and calcareous phyllite, limestone, and a sequence of siltstone, sandstone, shale and limestone overlie the rocks of the lower unit. To the south, in the McConnell Creek map-area, these rocks are known as the Ingenika Group (Monger, 1977).



After G.S.C. Open File 483, 1983.


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J.D. Blanchflower

To accompany a report by J.D. Blanchflower.

 MINOREX CONSULTING LTD. GEOLOGICAL CONSULTANTS, KAMLOOPS, B.C.	
EL CONDOR RESOURCES LTD. VANCOUVER, BRITISH COLUMBIA	
REGIONAL GEOLOGY KEMESS PROPERTY OMINECA MINING DIVISION, B.C.	
DATE: NOVEMBER, 1986	SCALE: AS SHOWN
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WEST OF NORTHERN ROCKY MOUNTAIN TRENCH

QUATERNARY	PLEISTOCENE AND RECENT		
	Unconsolidated glacial, fluvioglacial and alluvial deposits		
	CRETACEOUS AND TERTIARY UPPER CRETACEOUS TO(?) EOCENE		
TERTIARY	KTS	SIFTON FORMATION: Conglomerate, shale, siltstone, coal; dacitic volcanics	
	eTBP	BROTHERS PEAK FORMATION: Conglomerate, tuff, siltstone, shale, sandstone	
	UKT	TANGO CREEK FORMATION: Conglomerate, shale, siltstone, sandstone minor fetid limestone, nonmarine	
	JURASSIC MIDDLE AND UPPER JURASSIC		
	MESOZOIC	JBL	BOWSER LAKE GROUP Shale, siltstone, pebble conglomerate
		JRT	'TOODOGGONE' volcanic rocks Dacite, latite, rhyolite, tuff, breccia, flows; local maroon weathering conglomerate includes local intrusive equivalents
	LOWER JURASSIC		
	JRH	HAZELTON GROUP Volcanic conglomerate, breccia, lahar; abundant pink feldspar porphyry dykes and sills probably related to JRT; may include some JRT and uRT	
	TRIASSIC		
	uRT	TAKLA GROUP Coarse-bladed plagioclase porphyry, augite porphyry, tuff, agglomerate; uRTe, limestone, uRTs, tuff	
PERMIAN			
PA	ASITKA GROUP(?) Chert, argillite, limestone, greenstone; PAm, sericite and chlorite phyllite, foliated chloritic greenstone, grit, acidic tuff(?), minor red chert; chlorite schist, grit, amphibolite, limestone; PAc, marble		
PENNSYLVANIAN AND PERMIAN			
PPL	'LAY RANGE ASSEMBLAGE' Tuff, limestone		
CAMBRIAN AND ORDOVICIAN			
PALEOZOIC	eOK	KECHIKA GROUP Limestone, phyllitic; calcareous shale, limestone, phyllite	
	CAMBRIAN LOWER CAMBRIAN		
	iEAC	ATAN GROUP Limestone, siltstone, dolomite	
	iEAS	Impure quartzite, shale, local sandstone, conglomerate	
	iEAQ	Quartzite, minor pebble conglomerate	
PROTEROZOIC AND LOWER CAMBRIAN (UNDIVIDED)			
HiEm	Mica schist and phyllite, garnet-kyanite-mica schist, quartzite; HiEc, crystalline limestone		
PROTEROZOIC UPPER PROTEROZOIC			
PROTEROZOIC	Hia	Amphibolite, quartzite; Hic, crystalline limestone; Hig, augen gneiss; age uncertain STELKUZ FORMATION	
	HIST	Siltstone and shale, green and maroon; sandstone, limestone, locally pisolitic ESPEE FORMATION	
	Hie	Limestone, locally oolitic and pisolitic; dolostone in Cormier Range TSAYDIZ FORMATION	
	Hir	Phyllite, sericitic; minor calcareous phyllite SWANNELL FORMATION	
	His	Quartz-feldspar gritty sandstone, siltstone, shale, conglomerate; minor limestone; metamorphic equivalents from chlorite to kyanite grade; HiSc, limestone, sandy	

GRANITIC ROCKS

TERTIARY
EOCENE

eTd

Dacite dyke

eTg

Granite, quartz monzonite eTm, migmatite, gneiss eTgd, granodiorite

CRETACEOUS

Kqm

Quartz monzonite, mainly foliated; Kqm ; migmatite and gneiss

JURASSIC
MIDDLE JURASSIC(?)

mTgd

Granodiorite, leucocratic, pink; fine to medium grained

LOWER JURASSIC

lTqm

Quartz monzonite and granodiorite, locally megacrystic lTqm, migmatite, gneiss

lTd

Hornblende-quartz diorite and granodiorite; commonly contains biotite; foliate

ULTRABASIC ROCKS

TRIASSIC(?)
UPPER TRIASSIC(?)

uR

uRd dunite and peridotite; uRg, hornblende gabbro, uRpx, clinopyroxenite; uRopx, olivine clinopyroxenite

SYMBOLS

- geological boundary
- limit of geological mapping
- ~~~~~ fault
- ▲▲▲▲▲ thrust fault
- chlorite isograd
- biotite isograd
- garnet isograd
- ×-×-×-×- kyanite isograd

GEOLOGY BY

H. Gabrielse, C.J. Dodds and J.L. Mansy, 1971-1975; G.H. Eisbacher, 1969-1971

GEOLOGY OF TOODOGGONE RIVER (94 E) AND WARE WEST-HALF (94 F) O.F. 483

2. Asitka Group

The Asitka Group (comprising about 80 per cent calcite marble, 15 per cent chert, and 5 per cent argillite, sandstone and skarn with minor amounts of volcanic rocks) occur as 150-metre thick wedges within the region. Skarns which have developed near contacts with the Omineca Intrusions commonly contain garnet, magnetite, tremolite and galena; and are the hosts for the silver-lead-zinc mineralization that was explored by Cominco (Barr, 1978).

Carter (1972) has noted that in the southwestern part of the Toodoggone map-area, limestone is thrust in a southerly direction over the volcanic rocks. The planes of schistosity in the limestone reflect the limbs of a recumbent isoclinal fold which has been warped into a broad open fold. A north-westerly striking axis, during a second period of folding, may be related to thrust faulting.

3. Takla Group

According to Forester (1984), the Late Triassic Takla Group of the region comprises:

- a) tremolite andesite porphyry that commonly has 3 to 4 mm. euhedral tremolite needles in a dark grey groundmass of predominantly oligoclase and magnetite;
- b) massive, light green aphanitic andesite that typically contains 1 mm. anhedral feldspar phenocrysts with minor pyrite and magnetite;
- c) porphyritic andesite characterized by 2 mm. subhedral feldspars and augite phenocrysts in a fine-grained matrix of mainly plagioclase and pyroxene; and
- d) pyroclastic breccia composed of lapilli-size clasts of andesite in a poorly-sorted green to grey matrix.

The Takla volcanics have alteration facies that include: chloritization of augite phenocrysts, epidotization of plagioclase and mafic minerals, sericitization of feldspars, and silicification of all minerals adjacent to quartz veining (Forester, 1984). Fracture controlled laumontite and anhydrite mineralization is pervasive within this group of rocks.

4. Hazelton Group

The Hazelton Group ranges in age from Lower Jurassic to lower Middle Jurassic (Tipper and Richards, 1976). These rocks occur in fault contact with the Toodoggone rocks and unconformably overlie the Takla volcanics. They include a succession of varicoloured andesitic to dacitic flows, breccias and volcanically-derived epiclastic sedimentary rocks (Forester, 1984).

FIGURE 4

Table of Formations for the Toodoggone District

AGE	UNIT	THICKNESS	LITHOLOGY
Upper Cret. & Tert.	SUSTUT GROUP	2,500' (800m) +	Nonmarine conglomerate, shale, siltstone, tuff, minor limestone; Gabbroic dykes and sills
UNCONFORMITY			
Middle to Upper Jurassic	BOWSER Assemblage	4,500' (1,300 m) ±	Shale, siltstone, pebble conglomerate
Lower to Middle Jurassic	TOODOGGONE	1,500' (500m) +	Dacite, latite, rhyolite, tuff, breccia, flows, local intrusive equivalents
GRADATIONAL			
	INTRUSIVE		Quartz monzonite and granodiorite, pink leucocratic granodiorite, hornblende-quartz diorite
INTRUSIVE CONTACT			
upper to Lower Jurassic	HAZELTON GROUP	1,500' (500m) +	Greywacke, argillite, siltstone, sandstone, tuff, minor limestone, basaltic breccia and flows
mid-Lower to Lower Jurassic		4,000' (1,300 m) ±	Mainly massive andesite, local rhyolite, basalt flows, incalated volcanoclastics
		500' (170 m) ±	Waterlain and ash flow tuff, volcanic conglomerate and breccia, andesite, basalt, rhyolite flows Breccia and congl. derived from Takla and Astka groups
UNCONFORMITY			
lower Upper Triassic to mid-Upper Triassic	TAKLA GROUP	max. 4,000' (1,300m)	Breccia, and conglomerate derived from underlying Takla units, minor sandstone and argillite
		max. 5,000' (1,700m)	Massive breccia locally grading to flows, bedded, graded augite, feldspar crystal lithic tuff, fine-grained tuff and argillite
		max. 9,000' (3,000m)	Augite porphyry, augite feldspar porphyry basalt, ophanitic basalt, bedded feldspar porphyry. Inter-fingers with above unit.
		max. 1,000' (300 m)	Argillite, siltstone, tuff, minor limestone
DISCONFORMITY			
Permian	ASTKA GROUP	5,000' (1,700m) +	Chert, argillite, limestone, greenstone

After R.M. Cann (1976)

According to Monger (1977), conglomerate, sandstone, breccia which contains clasts of Takla and Asitka rocks, and a granitic rock of unknown origin form the basal unit measuring 500 feet thick. The second unit of 4,000 feet comprises sandstone, conglomerate, breccia and tuff which grades upward into andesite, basalt and rhyolite flows and intercalated volcanoclastics. Marine greywacke, argillite, siltstone, tuff and basaltic breccia of 1,500 feet conformably overlie the second unit.

5. Toodoggone Volcanics

The Toodoggone volcanics form a distinctive map unit consisting of mainly airfall ash tuffs with subordinate ash-flows, coarse pyroclastics, lava flows, and lenses of epiclastic sedimentary rocks (Panteleyev, 1983). This assemblage forms a northwesterly trending belt at least 90 kilometres long and 25 kilometres wide along the northeastern margin of the Sustut Basin.

According to Panteleyev (1983), rocks of the Toodoggone volcanic belt appear to be structurally conformable with Takla rocks, or they may overlie them with gentle angular unconformity. Elsewhere, Toodoggone volcanics are commonly in fault contact with bedded Takla, bedded Hazelton or Omineca Intrusive rocks. Locally, the Omineca granitic rocks intrude Toodoggone volcanics. Along its southeast boundary the Toodoggone volcanic belt is overlapped by Paleozoic Asitka and Triassic Takla rocks. The contact area is a series of stacked thrust plates. In this region Toodoggone rocks dip steeply and Z-shaped northerly trending folds occur with amplitudes of, at least, 20 metres. This is in marked contrast to the area further north in the volcanic belt where gently dipping beds in tilted fault blocks or broad open folds with horizontal axes are the norm.

Six stratigraphic subdivisions of Toodoggone volcanic rocks have been recognized south of the Finlay River. The basal unit is exposed southeast of Kemess Creek and there is a northerly younging direction (Panteleyev, 1982). The Toodoggone volcanics comprise: andesitic, fine-grained, hornblende feldspar porphyry flows; dacitic, lithic ash to lapilli tuff and crystal-lithic ash tuff; dacitic, crystal-lithic ash and lapilli tuff; basaltic, amygdaloidal feldspar porphyry flows; andesitic, feldspar crystal ash and crystal-lithic ash tuffs with some lapilli tuff and lahar deposits and rare agglomerates; and dacitic, subaerial ash flow.

Hydrothermal alteration is fracture controlled, mainly of the zeolites laumontite and stilbite with calcite. It may be deuteric. Zones of pyritization, sericitization and silicification are fracture controlled, and often contain precious-metal mineralization (Panteleyev, 1982).

6. Sustut Group

In the Toodoggone area the Sustut Group is of Tertiary and Upper Cretaceous age (Gabrielse et al, 1976), and it unconformably overlies the Takla and Hazelton Groups. It comprises nonmarine conglomerate, shale, siltstone, tuff and minor limestone. Gabbroic dykes and sills intrude this unit.

7. Omineca Intrusions

Both the Asitka and Takla Groups are intruded by granitic rocks of the Omineca Intrusions. Megacrystic quartz monzonitic and granodioritic intrusions of Lower Jurassic to Middle(?) Jurassic age are most common. Stocks of granodiorite are commonly pink, leucocratic, and fine- to medium-grained. Foliated quartz diorite also occurs locally (Cann, 1976).

Pink feldspar porphyry dykes are believed to be late stage differentiates of the Lower Jurassic intrusives, and may be feeder dykes for the Toodoggone volcanics (Carter, 1971).

The Toodoggone River area is widely known for its precious-metal and copper mineralization. Both the Takla and Toodoggone volcanics host epithermal gold and silver mineralization. Repetitive normal faulting during Jurassic time provided the fracture channelways through which the mineralizing fluids migrated. Schroeter (1981) has dated alunite from a mineralized quartz vein which indicates that the major phase of mineralization occurred during the Early Jurassic time.

According to Forester (1984), silicified and mineralized zones range in width from a few millimetres to tens of metres, and generally pinch and swell along their length. The fracture controlled mineralization tends to be more abundant within the more competent volcanic rocks. The main ore minerals of the gold-silver deposits are acanthite, gold, silver and electrum with minor amounts of chalcopyrite, galena, sphalerite, polybasite and bornite. The camp silver to gold ratio is 20:1. Gangue minerals include: amethystine, chalcedonic and white quartz, calcite, pyrite, specular hematite, adularia and manganese oxide with lesser amounts of barite, fluorite, siderite and chlorite.

Copper-bearing sulphide mineralization occurs dominantly within the Takla volcanics, especially near bladed feldspar porphyry units (Cann, 1976). It is fracture controlled, often associated with the porphyry dykes, and consists of pyrite, chalcopyrite and molybdenite with associated precious-metal values. The Cariboo Bell, Stikine, Galore Creek and Lorraine deposits are typical examples of the mineralization that can be found within the Takla Group.

Sphalerite and galena mineralization often occurs in the limestone units and skarn zones of the Asitka Group.

DISCUSSION OF PREVIOUS EXPLORATION RESULTS

The original Kemess mineral claims were staked by Kennco Explorations in December, 1967 to cover several copper and molybdenum silt geochemical anomalies. In 1968, their exploration work discovered that a zone of disseminated pyrite mineralization, approximately 610 metres (2,000 feet) by 3,353 metres (11,000 feet), is hosted by intensely fractured and silicified andesite, and that sericite and laumontite are associated with the pyrite. Epidote alteration occurs near its periphery. Within the pyrite zone, copper mineralization is indicated over a length of 1,829 metres (6,000 feet) with a width of 366 metres (1,200 feet). Silt samples from small drainages along the zone contained 600 to 4,800 p.p.m. copper, 10 to 285 p.p.m. molybdenum, and 2.0 to 4.0 p.p.m. silver. Two 25.6-metre (84-foot) AX diamond drill holes at the east end of this zone averaged 0.21% copper, 0.007% molybdenum and 0.07 oz./ton silver; and 0.27% copper, 0.02% molybdenum and 0.08 oz./ton silver (Stevenson, 1969).

The geological results indicated that: andesite of the Triassic Takla Group is intruded by a dioritic stock of the Omineca Intrusions, as well as stocks of younger syenite porphyry, quartz monzonite porphyry and leucogranodiorite porphyry; an elongate body of quartz monzonite porphyry occurs parallel to the major fault zone which strikes 070° and dips -30° northward over a length of 3 kilometres; and there seemed to be a genetic relationship between the mineralization and the quartz monzonite porphyry intrusion (Stevenson, 1969).

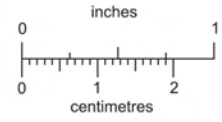
The results of the 1969 and 1971 diamond drilling programmes were not available to the writer so it is not known whether this later drilling intersected any substantial mineralization. Nevertheless, it is evident from the history of this property that Kennco did regard the copper-molybdenum mineralization with interest since they retained the mineral claims in good standing.

The geologic logs and analytical summaries for the 1976 diamond drilling programme were the only data available to the writer from Getty Mines' exploration work.

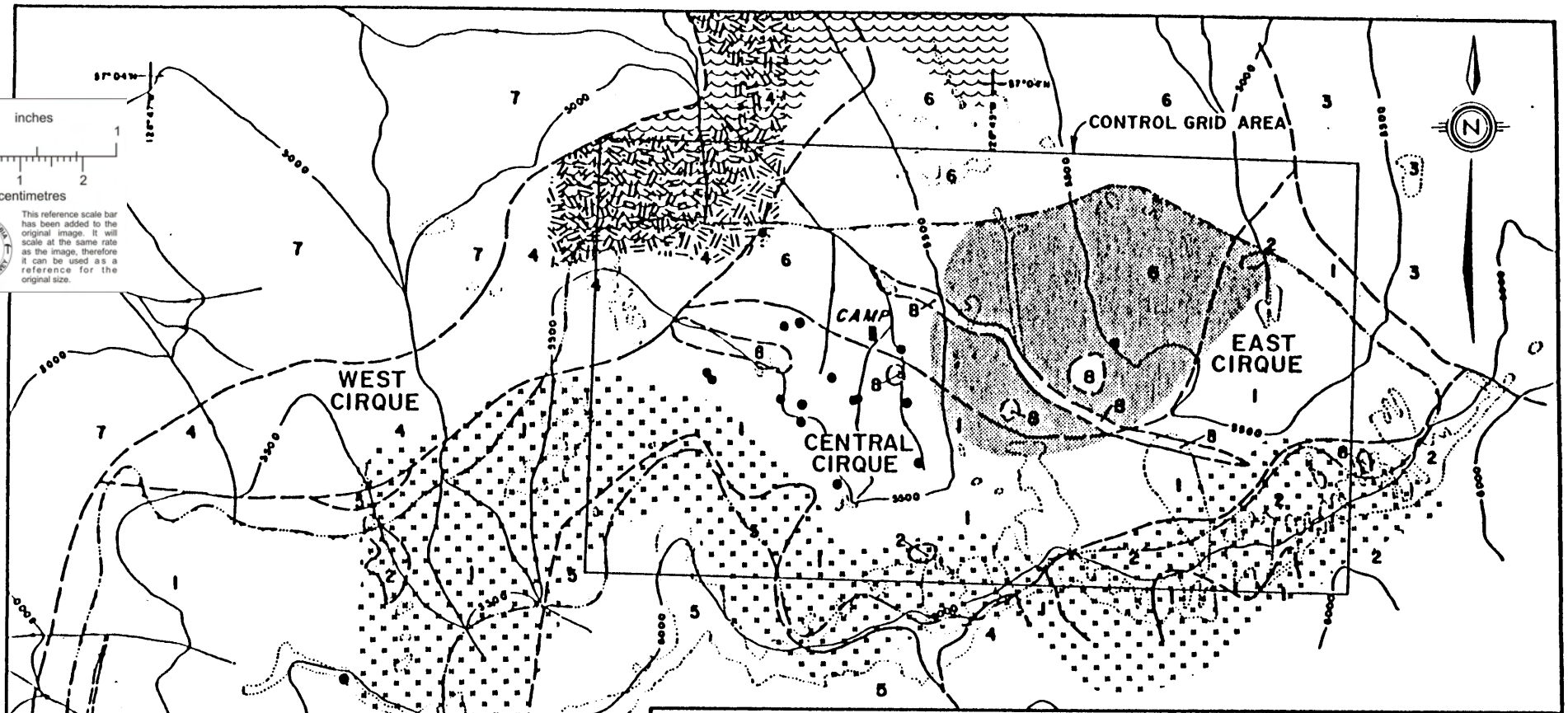
1986 EXPLORATION PROGRAMME

The programme was supervised by the writer. It included: the establishment of a survey control grid (14.1 line-km.), prospecting (1:2,500, 4 square km.), relogging and resampling of diamond drill core (147 core samples), soil geochemical sampling (351 samples), surface lithochemical sampling (33 samples), and geophysical surveying (ground magnetics, 14.1 line-km.). The field work, including mobilization and demobilization, was carried out over a 16-day period from September 3 to 18, 1986.

The writer prospected the central portion of the property, relogged the core from Getty Mines' 1975 and 1976 drilling pro-



This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.



LEGEND

EARLY JURASSIC

- 8 Feldspar Hornblende Porphyry
- 7 Quartz Monzonite, Granodiorite

LATE TRIASSIC (TAKLA GROUP)

- 6 Undivided, Mainly Crystal Tuff
- 5 Lithic Tuff
- 4 Crystal
- 3 Bladed Feldspar Porphyry Tuff-Breccia
- 2 Bladed Feldspar Porphyry
- 1 Augite Porphyry



After R.M. CANN and C.I. GODWIN, 1980.

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PROPERTY GEOLOGY MAP

KEMESS PROPERTY
OMINECA MINING DIVISION, B.C.

DATE: NOVEMBER, 1986

SCALE: 1: 14,400

DWN BY: T.O./A.

DWG. NO.: 5

- Quartz-Sericite-Pyrite
- Propylitic
- Zeolitic
- Hornfels
- Diamond Drill Hole Site
- Geological Contact (defined, inferred)
- Outcrop
- Gossan Outline
- Stream

grammes, and collected the surface lithogeochemical samples. Mr. Dwayne Windsor, an experienced geotechnician employed by Tarnex Geoservices, established the survey control grid and conducted the ground magnetics survey. Messrs. N. Martin and D. Steadman were employed by Minorex Consulting Ltd. to assist Mr. Windsor and the writer with the field programme.

The Statements of Qualifications for Mr. Windsor and the writer accompany this report.

RESULTS OF THE 1986 EXPLORATION PROGRAMME

Prospecting

The writer found while prospecting that the reported geological results are well founded and accurate; thus, much of the following text is based on the geological results of R.M. Cann (1976 and 1980) and R.W. Stevenson (1968).

1) Lithology

The property is underlain principally by intercalated, basaltic to andesitic flows and volcanoclastics belonging to the Savage Mountain Formation of the Upper Triassic Takla Group. Porphyritic stocks and dykes, comagmatic with an underlying granitic pluton, intrude the volcanic rocks (Cann and Godwin, 1980).

According to Cann and Godwin (1980), the lithologic units have been described and correlated stratigraphically, in order of decreasing age, as follows.

UPPER TRIASSIC

TAKLA GROUP

Savage Mountain Formation

i) Augite Porphyry (Unit 1)

This unit underlies the southern portion of the grid with an east-west trend. It is a drab grey-green rock containing stubby augite phenocrysts up to 6 mm. long in a slightly darker fine-grained groundmass. Often actinolite partially or completely replaces augite. The groundmass is predominantly plagioclase (An 44) laths. Chlorite, epidote, sphene and actinolite occur in minor amounts. Pyrite and magnetite are disseminated in the rock.

ii) Bladed Feldspar Porphyry (Unit 2)

This unit occurs in the southeastern portion of the grid. It is characterized by elongate plagioclase pheno-

crysts, varying in length from 5 to 20 mm., in an aphanitic grey-green groundmass. The plagioclase phenocrysts (An 44) are unzoned and slightly to completely saussuritized, with partial to complete replacement by epidote. The groundmass contains trachytic plagioclase (An 28) microlites, devitrified glass and chlorite. Magnetite occurs as minor disseminations.

iii) Bladed Feldspar Porphyry Tuff Breccia (Unit 3)

This unit underlies most of the eastern portion of the grid. R.W. Stevenson (1968) called this unit an 'andesite breccia'.

It is composed mainly of subrounded, poorly-sorted bladed feldspar porphyry breccia fragments up to 0.6 m. across. Augite porphyry and felsic fragments occur in lesser amounts. The matrix is a crystal tuff, rich in euhedral to anhedral, moderately saussuritized plagioclase (An 30) crystals; minor angular, fine-grained quartz, chlorite and epidote also occur.

iv) Basaltic Dykes (Unit 4)

These easterly trending dykes occur in the central portion of the grid. They are 0.5 to 0.75 metres wide with steep dips. The dykes are very dark brown-grey aphanitic rocks with fine-grained black pyroxene disseminated throughout. Plagioclase laths and augite phenocrysts occur in a chlorite-rich groundmass. Fine-grained magnetite is pervasively disseminated.

v) Crystal Tuff (Unit 5)

This is the most extensive unit in the mapped area. It is a dark purple-grey to dark grey rock composed of euhedral to anhedral equant plagioclase crystals in an aphanitic groundmass. The plagioclase crystals vary in size from 2 to less than 0.03 mm., and they are unzoned (An 35), oscillatory zoned or normally zoned. Quartz forms a few angular grains about 0.2 mm. in diameter. These minerals are contained in a very fine-grained groundmass of quartz, plagioclase and opaque minerals.

vi) Lithic Tuff (Unit 6)

This unit underlies the southcentral portion of the grid. It consists of a variety of fragments in a dark grey to dark grey-purple groundmass with plagioclase crystals. The fragments are quite distinct on weathered surfaces and include: epidote fragments up to 7 mm. across, angular andesitic fragments up to 11 mm., subrounded felsite fragments up to 12 mm. across, and angular quartz porphyry fragments up to 60 mm. in diameter. The groundmass is a crystal tuff containing euhedral to anhedral 1.5 mm.-long

plagioclase (An 32) crystals and anhedral to subhedral quartz grains.

LOWER TO MIDDLE (?) JURASSIC

OMINECA INTRUSIONS

Plutonic Rocks (Units 8a and 8b)

vii) Quartz Monzonite (Unit 8a)

This unit occurs immediately northwest of the grid. It is pink, equigranular and fine- to medium-grained in appearance. Quartz, orthoclase and plagioclase occur in approximately equal proportions. Plagioclase (An 50) is slightly altered to sericite and locally contains patches of secondary biotite. Primary biotite, about 2 per cent of the rock, forms fine laths partly altered to chlorite. Traces of magnetite make the rock weakly magnetic.

viii) Granodiorite (Unit 8b)

This unit is a pink-grey, inequigranular, medium-grained rock. There are two distinct varieties: one with abundant euhedral plagioclase crystals (An 50) in a finer-grained groundmass of subhedral and anhedral quartz and orthoclase with hornblende, biotite and magnetite occurring as subhedral and euhedral grains up to 2 mm. across, and a second one that is conspicuously porphyritic with hornblende, plagioclase, quartz and magnetite as euhedral phenocrysts. The second variety has hornblende crystals up to 6 mm. in length, and quartz and plagioclase crystals commonly 2 to 3 mm. across. Its groundmass is mainly fine-grained orthoclase.

ix) Feldspar Hornblende Porphyry and Crowded Feldspar Hornblende Porphyry (Unit 9)

This unit can be subdivided into two distinct units which occur in the northcentral to southeastern corner of the grid. Stevenson (1968) called this unit 'syenite'.

It is generally pink-brown or grey on fresh surfaces, and monzonitic in composition. Plagioclase forms euhedral, saussuritized phenocrysts, 0.2 to 2 mm. in length. Hornblende and more rarely augite form laths up to 2 mm. long, and some poikilitic grains enclose plagioclase and opaque minerals. The groundmass is a fine-grained, cloudy mixture of chlorite, plagioclase, orthoclase and quartz.

The two subdivided units can be distinguished by: one containing 45 per cent phenocrysts, no augite and only poikilitic hornblende (i.e. feldspar hornblende porphyry,

unit 9a), and the other containing 60 per cent phenocrysts of augite and poikilitic hornblende (i.e. crowded feldspar hornblende porphyry, unit 9b).

x) Quartz Plagioclase Porphyry (Unit 10)

This unit is exposed in the cliffs of the Central Cirque. Stevenson (1968) called this unit 'leucocratic granodiorite'.

It is a light grey rock with anhedral to subhedral quartz phenocrysts and epidote in an aphanitic groundmass. Plagioclase (An 30) crystals are moderately to well saussuritized. Epidote forms aggregates up to 5 mm. across with interstitial quartz and orthoclase. The groundmass is a very fine-grained mixture of plagioclase, quartz, sericite and chlorite. Pyrite occurs as minor finely disseminated grains in the groundmass.

xi) Leucocratic Feldspar Hornblende Porphyry (Unit 11)

An 8-metre section of this unit occurs south of the East Cirque. The rock is buff to light grey in colour with phenocrysts of plagioclase and hornblende occurring in an aphanitic groundmass. Plagioclase (An 30) crystals are euhedral, unoriented, and moderately saussuritized. Hornblende is completely replaced by calcite and chlorite. Epidote occurs as aggregates after the alteration of plagioclase. The groundmass is very fine-grained plagioclase, quartz, calcite and sericite.

2) Structure

The volcanic rocks have undergone intense structural deformation. Numerous faults, shears and fractures cut and displace the strata to a much greater degree than the intrusives, suggesting that the deformation of the volcanics predates the major tectonic events leading to the emplacement of the intrusions. None of the geologists, including the writer, have recognized any primary structures within the volcanics to determine whether they have undergone any regional or local folding.

Based on the distribution and trend of the lithologies and the structural data, major normal and transcurrent faulting occurs commonly in a east-northeasterly direction (070°), roughly paralleling the north-facing cliffs of all three cirques. There are two fault structures with this orientation, one in the cliffs themselves, and a second one which transects the centre of all three cirques (see Figures 5 and 6).

Stevenson (1968) traced the 'cliff' fault for 3,000 metres (10,000 feet) in an east-northeasterly direction from the southwestern wall of the West Cirque to the southeastern wall of the East Cirque (see Figure 5). According to Stevenson (1968), this

fault varies in dip from -20° to -70° northward, averaging -30° northward. This fault has a 15 cm. gouge zone, and is bordered on both sides by intense shearing for 0.3 metre. There are numerous parasitic shear and fault structures paralleling this structure; most of which dip southward, but dips do vary from -60° southward to -60° northward.

The 'cliff' fault is very conspicuous in the steep north-facing slopes of the Central cirque. North of the fault, the country rocks are intensely pyritized and weathered to a bright orange or red colour. South of the fault, the rocks are much less mineralized and limonitic. The limonitic zones in the cliffs are restricted to transverse fault and shear zones cutting the main fault structure in a north to northwesterly direction. According to Stevenson (1968) and Cann (1976), these transverse structures occur with three different fracture orientations. One set of fractures strikes with 175° to 180° with vertical to -60° easterly dips. A second set strikes 025° to 045° and dips -80° to -60° southeastward. The third set strikes 135° to 155° and dips vary from -50° to -70° northeastward. All three fracture sets appear to be contemporaneous with the major faulting.

The second fault structure, called the 'cirque' fault, has been traced for 3,000 metres. It displaces the volcanics on the southeast side of the West Cirque and trends northeastward through the pass between the West and Central Cirques at grid coordinates 100+00 N. by 99+00 E. At this point, the fault appears to curve, or be offset southeastward, to grid coordinate 98+50 N. by 103+00 E. This change in strike direction is buried by glacial rubble but the geophysical results indicate that it is the same structure at both grid coordinates. From 98+50 N. by 103+00 E., the 'cirque' fault strikes east-northeastward through the pass to the East Cirque and is lost at 102+00 N. by 113+00 E. It is the writer's opinion that the 'cirque' fault may spall, or 'horsetail' into several subparallel structures as it transects the East Cirque.

It is the writer's opinion that the Upper Triassic Takla volcanic rocks were fractured and displaced by northerly and easterly trending faults in Early Jurassic time. These structures controlled the emplacement of metal-rich hydrothermal fluids. The altered and mineralized volcanics rocks were later fractured and displaced prior to the intrusion of the Lower to Middle Jurassic plutonic rocks. Some of these ancient fracture systems have remained active regionally, but the local intrusives are generally quite poorly fractured and mineralized relative to the volcanic country rocks.

3) Alteration

There are four main types of alteration including: quartz-sericite-pyrite, propylitic, zeolitic and hornfels. Field and petrographic studies by Cann (1976) indicate that they occur only within the roof pendant rocks. The distribution of the alteration assemblages is shown on Figure 5.

1. Quartz-Sericite-Pyrite

Pervasive quartz-sericite-pyrite alteration occurs as a large central zone and a smaller zone to the southwest. This alteration assemblage appears as envelopes surrounding veinlets of pyrite and fractures. It is characterized by pale bleached rock, with abundant boxworks commonly lined with jarosite after pyrite. Plagioclase is altered to quartz and muscovite, and sericite forms approximately 15 per cent of the rock. Chlorite and kaolinite form approximately 30 per cent of the rock. Rutile(?) occurs as disseminated bright orange grains. The abundance of sericite and sulphide boxworks decreases with a decrease in the intensity of alteration, and sulphides (pyrite) and goethite become increasingly more common. Only quartz-sericite-pyrite alteration is known to be directly associated with the mineralization.

2. Propylitic

Propylitic alteration occurs as an elongate east-west zone parallel to and south of the central quartz-sericite-pyrite zone. Propylitized rocks are green, and are characterized by local albitization and variable epidote, chlorite and calcite alteration.

3. Zeolitic

This alteration is most common in an area north of the quartz-sericite-pyrite zone; however, it is found locally throughout the property. Cann (1976) identified the zeolite 'laumontite' with the use of x-ray diffraction. Laumontite often occurs as fracture fillings up to 3 mm. thick in local shear zones. It is a soft, friable, salmon pink mineral which common in Takla Group rocks.

4. Hornfels

Hornfels alteration forms an irregular zone of variable intensity, primarily within the crystal tuff unit (Unit 5). This zone seems to parallel the quartz monzonite and granodiorite contact. Intensely hornfelsed rocks are massive, fine-grained, and pale grey to brown in colour. Alteration products include: quartz, andalusite(?), epidote, sericite and chlorite. Pyrite occurs locally as microveinlets and fine-grained disseminations.

4) Mineralization

The known mineralization, in order of abundance, includes: pyrite, chalcopyrite, magnetite-hematite, molybdenite and digenite. Pyrite occurs as microveinlets and disseminations within the gossan zone. Its abundance varies from 0.5 to 10 per cent, and is directly proportional to the intensity of fracturing and alteration.

Chalcopyrite occurs in microveinlets or, more commonly, as disseminations with pyrite, magnetite-hematite, and the gangue minerals quartz and orthoclase. Digenite rims chalcopyrite grains where supergene mineralization occurs (Cann and Godwin, 1980). Molybdenite has been found to be spatially associated with the quartz-sericite-pyrite alteration zone, as a fracture filling.

According to Cann and Godwin (1980), "The results of the diamond drilling show that the highest copper grades are associated with aphanitic andesite and feldspar porphyry andesite flows adjacent to and west of the central intense quartz-sericite-pyrite zone. Furthermore, the strong development of gossan on the bladed feldspar porphyry unit and the abrupt termination at the lower contact of the lithic tuff unit indicates that the mineralization is partly controlled by stratigraphy." It is important to note, however, that all but one drill hole was located west of the intense quartz-sericite-pyrite zone and no core is reported to have been recovered from the drilling of hole KX-7.

Drilling results show that there is a 10- to 20-metre leached cap over the known copper mineralization, and assay results show that, beneath this cap, the mineralization is enriched for a thickness of up to 30 metres.

Geochemical Surveys

1) Soil Geochemical Survey

Figure 6 of this report shows the plotted soil geochemical anomalies for gold, silver, copper, zinc, molybdenum and arsenic. The writer has summarized the geostatistical data for ten elements in the following table.

Element	Minimum Value(ppm)	Maximum Value(ppm)	Mean (ppm)	Standard Deviation	Coefficient of Variance
Gold	6.0*	2,110.0*	277.4*	299.4	89,652.60
Silver	0.1	20.2	1.2	1.9	3.53
Copper	2.0	2,686.0	177.9	275.9	76,124.10
Lead	2.0	672.0	44.5	56.2	3,160.70
Zinc	1.0	493.0	78.3	57.1	3,262.30
Molybdenum	1.0	235.0	25.5	33.6	1,130.50
Arsenic	2.0	228.0	13.9	18.1	327.81
Antimony	2.0	8.0	2.2	0.6	0.33
Bismuth	2.0	146.0	4.8	8.2	66.64
Barium	4.0	696.0	113.9	85.9	7,382.10

Total number of samples: 351

* parts per billion (p.p.b.)

The soil geochemical results have been interpreted as follows.

1. Gold

The gold-in-soil values are extremely high considering that the mean is 277.0 p.p.b, including a maximum value of 2,110 p.p.b. (2.11 p.p.m. or 0.074 o.p.t.). It is obvious from the above table that there are a number of extremely high values which have skewed the geostatistical data; nevertheless, it is very encouraging to find such high values in soils over a previously unrecognized precious-metal setting.

The survey identifies one large anomaly of greater than 1,000 p.p.b. gold and a number of smaller, more local sites with equally high results. The highest and largest gold-in-soil anomaly is centred at grid coordinates 102+00 N. by 107+50 E. Within this anomaly there are eight sample sites with values greater than 1,000 p.p.b. gold. The location of this anomaly is coincident with two mapped intrusions of feldspar hornblende porphyry. Geological results show that the volcanics in this area are highly fractured, altered and pyritized. This anomaly lies immediately west of Kennco's drill hole KX-7 which had no core reported recovery.

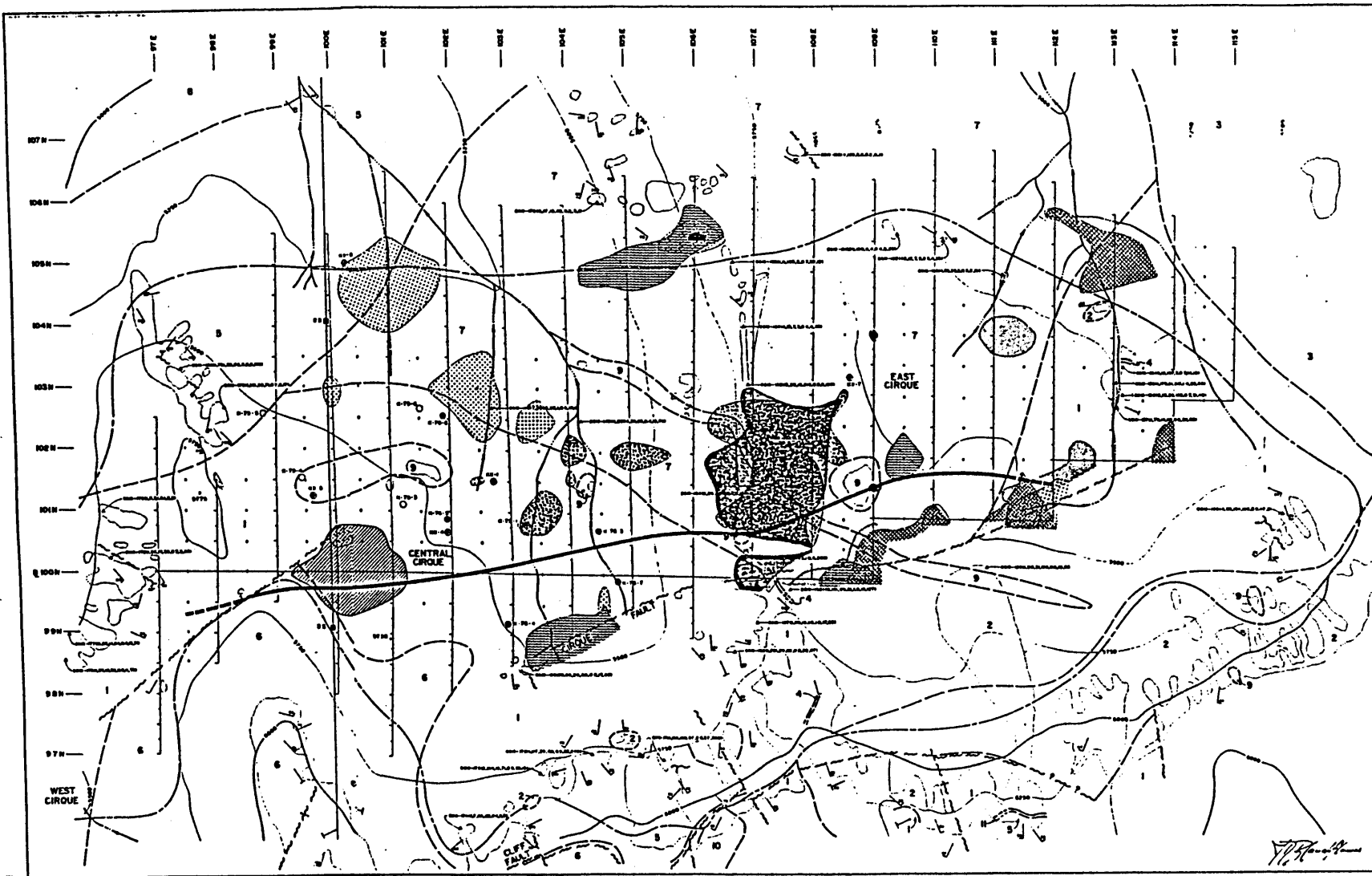
Two single-site anomalies are underlain by highly fractured and altered volcanics near or within the mapped quartz-sericite-pyrite alteration zone at grid coordinates 101+50 N. by 109+00 E. and 104+00 N. by 109+00 E. These two anomalies are downslope of the larger one and may represent its transported extensions.

There is another very high gold-in-soil anomaly at grid coordinates 105+50 N. by 106+00 E. It is underlain by poorly fractured and altered volcanics, immediately north of the pyrite halo. This anomaly seems to be spatially related to the pyrite halo rather than the minor copper mineralization which has been mapped in the vicinity.

It is interesting to note that the gold-in-soil results at the Central Cirque, where most of the drilling has been carried out, are relatively low. The copper-in-soil values for this area are highly anomalous.

2. Silver

The silver-in-soil results show that precious-metal mineralization is spatially, and possibly genetically, associated with the quartz-sericite-pyrite alteration zone at the East Cirque. There are three single-site silver-in-soil anomalies (greater than 5 p.p.m. silver) south and east of the large gold anomaly at 102+00 N. by 107+50 E. These anomalies may be reflecting the bedrock geochemistry, or may be transported downslope from the 'cliff' fault zone.



LEGEND

LEGEND TO SYMBOLS (BY SYMBOL)

SYMBOLS

SCALE

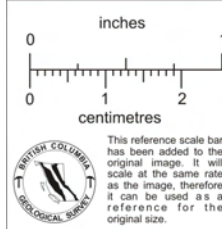
In accordance with a report by J.F. Bouchard, Vancouver, 1968.

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COMPILATION PLAN
KEMESS PROPERTY
ORMECA MINING DIVISION, B.C.

<small>PROJECT NO.</small> J.F. B. 1000/1000	<small>DATE</small> 1977	<small>DATE</small> 1977
<small>SCALE</small> 1:50,000	<small>DATE</small> 1977	<small>DATE</small> 1977
<small>REVISIONS</small> 1000	<small>DATE</small> 1977	<small>DATE</small> 1977
<small>REVISIONS</small> 1000	<small>DATE</small> 1977	<small>DATE</small> 1977



There is an elongate silver-in-soil anomaly at 105+00 N. to 106+00 N. by 104+50 E. to 106+50 E. This anomaly is supported by high gold and copper geochemistry, near the northern boundary of the pyrite halo (gossan zone).

There is a single-site silver anomaly in a swampy area at 99+00 N. by 104+00 E.

3. Copper

Anomalous copper-in-soil values (greater than 730 p.p.m.) are mainly situated within the Central Cirque area, near the drilling. There are a number of single- and double-site anomalies north and southeast of the large gold soil anomaly.

It is interesting to note that the copper soil geochemistry is very high over the propylitically altered rocks, and the copper soil anomalies seem to surround the quartz-sericite-pyrite alteration zone with its high gold and molybdenum geochemistry.

4. Zinc

The anomalous zinc soil geochemistry is restricted to the East Cirque. There are several anomalous single-site zinc-in-soil (greater than 193 p.p.m.) at grid coordinates 100+00 N. to 102+00 N. by 109+00 E. to 114+00 E. They appear to reflect high base-metal geochemistry around the quartz-sericite-pyrite alteration zone. A large zinc soil anomaly at 106+00 N. by 113+00 E.

5. Molybdenum

Anomalous molybdenum soil geochemical values (greater than 93 p.p.m.) correlate well with the quartz-sericite-pyrite alteration zone and high precious-metal geochemistry. A large anomaly at 101+50 N. by 107+50 E. is coincident with the large gold soil anomaly. There are also several single-site anomalies to the west and north which appear to reflect the periphery of the silicic and sericitic alteration.

6. Arsenic

The high arsenic soil anomalies (greater than 50 p.p.m.) occur only at the East Cirque. They surround the large gold soil anomaly with other silver and base-metal values.

In summary, the soil geochemical results are very interesting. They indicate that the most intensely altered rocks with the highest precious-metal geochemistry have not been tested by drilling.

2) Lithogeochemical Survey

Most of the lithogeochemical samples were collected from the

core of Getty Mines' diamond drilling programmes. The analytical results confirm the reported 1976 assay results; nevertheless, the resampling was justified because now there are analytical results for the 1975 diamond drilling on record.

The samples 86-19-148 and 149 were collected from the ferri-crete deposits east and north of the camp. Their results were expected - very high copper, manganese and iron values.

High gold and silver lithogeochemical results (127 to 200 p.p.b. Au and 0.7 to 1.0 p.p.m. Ag) were returned from those samples that were collected near 101+50 N. by 107 E, the same area where the highest and most extensive gold soil geochemical samples occur.

High copper, lead, and zinc values occur peripheral to the quartz-sericite-pyrite alteration zone, commonly associated pyritized, propylitically altered rocks.

Geophysical Survey

Proton Magnetometer Survey

The survey covered the control grid at 25-metre intervals. Magnetic readings ranged from 58,000 to 63,500 gammas. An interpretation of the results indicates the following:

1. The ground magnetics strengthen from the East Cirque westward to the pass between the Central and West Cirques.
2. There is a relatively wide dyke-like feature parallel to the baseline, from grid coordinates 100+00 N. by 97+00 E. to 100+00 N. to 107+00 E. This feature probably reflects a magnetic intrusive hosted by the 'cirque' fault. Near the quartz-sericite-pyrite alteration zone its magnetic susceptibility decreases with increased hydrothermal alteration.
3. At grid coordinates 106+00 N. by 106+00 E. and 102+00 N. by 103+50 E., there is a sharp increase in magnetics reflecting the northern edge of the pyrite zone.
4. The quartz-sericite-pyrite alteration zone responds with low magnetic susceptibilities.

DISCUSSION OF THE EXPLORATION RESULTS

The exploration results are very encouraging. Geological results show that the property is located over a roof pendant of Upper Triassic Takla volcanic rocks as a result of the intrusion of an Early Jurassic calc-alkaline pluton. The known mineralization appears to be genetically related the late stages of the intrusive event.

The soil and rock geochemical results indicate that there are highly anomalous gold and silver values spatially, and possibly genetically, associated with a large structurally controlled zone of intense hydrothermal alteration in a poorly explored area of the property. The tested mineralization occurs within an area of propylitically altered volcanics, west of the most intense hydrothermal alteration.

The results of the ground magnetic survey show that the Takla Group volcanics has been intensely altered within the quartz-sericite-pyrite zone and, to a lesser extent, within the propylitic zone. They also show that the east-northeasterly trending 'cirque' fault crosses the central portion of the property.

EXPLORATION POTENTIAL

Past geologists have compared the geologic setting of this property with that of the Schaft Creek porphyry copper-molybdenum deposit, located 72 kilometres south of Telegraph Creek, B.C. It is true that the age, calc-alkaline character and geologic setting of the Schaft Creek deposit are similar, but most of the exploration here has been directed towards discovering a porphyry copper-molybdenum deposit rather than exploring for its precious-metal mineralization.

It is the writer's opinion that there are two types of mineralization. The first type is the fracture controlled and disseminated copper and molybdenum mineralization. This mineralization has been sparingly tested by the two previous operators. The second type is gold-and silver-bearing sulphide mineralization which is spatially and genetically related to the intense hydrothermal alteration at the East Cirque. It is this second type of mineralization which requires detailed exploration.

CONCLUSIONS

It is the writer's opinion that further exploration is definitely warranted for the following reasons.

1. The property is located within one of the most interesting and active exploration camps in the province.
2. The alteration and mineralization are spatially, and probably genetically, related to calc-alkaline stocks and dykes which intrude a roof pendant of Takla Group volcanics. This setting is very similar to a number of known copper-molybdenum and gold-copper deposits.
3. Past exploration attempted to test the known porphyry copper-molybdenum mineralization but ignored, or did not recognize, the precious-metal potential of this property.

4. The quartz-sericite-pyrite alteration zone at the East Cirque has been mapped for 700 metres in an east-northeasterly direction and 500 metres in a north-northwesterly direction.
5. A 300 by 200-metre coincident gold and molybdenum soil geochemical anomaly is situated along the exposed western edge of the quartz-sericite-pyrite alteration zone.
6. Lithochemical samples from the bedrock within the gold and molybdenum soil geochemical anomaly all show elevated gold and silver values.

COST ESTIMATES


Stage I

Geophysical surveying during the diamond drilling programme (VLF-EM and IP).	\$ 8,500.00
Diamond drilling - 550 metres of NQ drilling @ an "All In" cost of \$ 150.00 per metre, including: helicopter support, site prep, drilling costs, supervision, sampling, assaying and reporting.	82,500.00
Contingency (approximately 10 %)	<u>9,000.00</u>
Estimated Cost of Stage I	\$ 100,000.00

Stage II

Diamond drilling - 1,200 metres of NQ drilling @ an "All In" cost of \$ 150.00 per metre, including: helicopter support, site prep, drilling costs, supervision, sampling, assaying and reporting.	\$ 180,000.00
Contingency (approximately 10 %)	<u>20,000.00</u>
Estimated Cost of Stage II	\$ 200,000.00
Total Estimated Cost of Stages I and II	<u>\$ 300,000.00</u>

Submitted by,
MINOREX CONSULTING LTD.



J. D. Blanchflower, F.G.A.C.
Consulting Geologist

July 8, 1987
Kamloops, B.C.

STATEMENT OF QUALIFICATIONS

I, J. DOUGLAS BLANCHFLOWER, of the City of Kamloops, Province of British Columbia, DO HEREBY CERTIFY THAT:

- 1) I am a Consulting Geologist with a business office at Suite 200 A - 156 Victoria Street, Kamloops, British Columbia, V2C 1Z7; and President of Minorex Consulting Ltd.
- 2) I am a graduate in geology with a Bachelor of Science, Honours Geology degree from the University of British Columbia in 1971.
- 3) I am a Fellow of the Geological Association of Canada.
- 4) I have practised my profession as a geologist for the past sixteen years.

Pre-Graduate experience in Geology, Geochemistry and Geophysics in British Columbia, Yukon and Northwest Territories (1966 to 1970).

Three years as Geologist with the British Columbia Ministry of Energy, Mines and Petroleum Resources (1970 to 1972).

Seven years as Exploration Geologist with Canadian Superior Exploration Limited (1972 to 1979).

Three years as Exploration Geologist with Sulpetro Minerals Limited (1979 to 1982).

Four years as Consulting Geologist with Minorex Consulting Ltd. (1982 to 1986).

Active mineral exploration and development experience throughout Western North America.

- 5) I own no direct, indirect or contingent interest in the subject claims, nor shares in or securities of EL CONDOR RESOURCES INC.
- 6) I supervised the 1986 exploration programme on this property and wrote this report which documents the results.
- 7) I consent to the use of this report in a Prospectus or Statement of Material Facts.



J. D. Blanchflower, F.G.A.C.

Dated at Kamloops, British Columbia, this 8th day of July, 1987.

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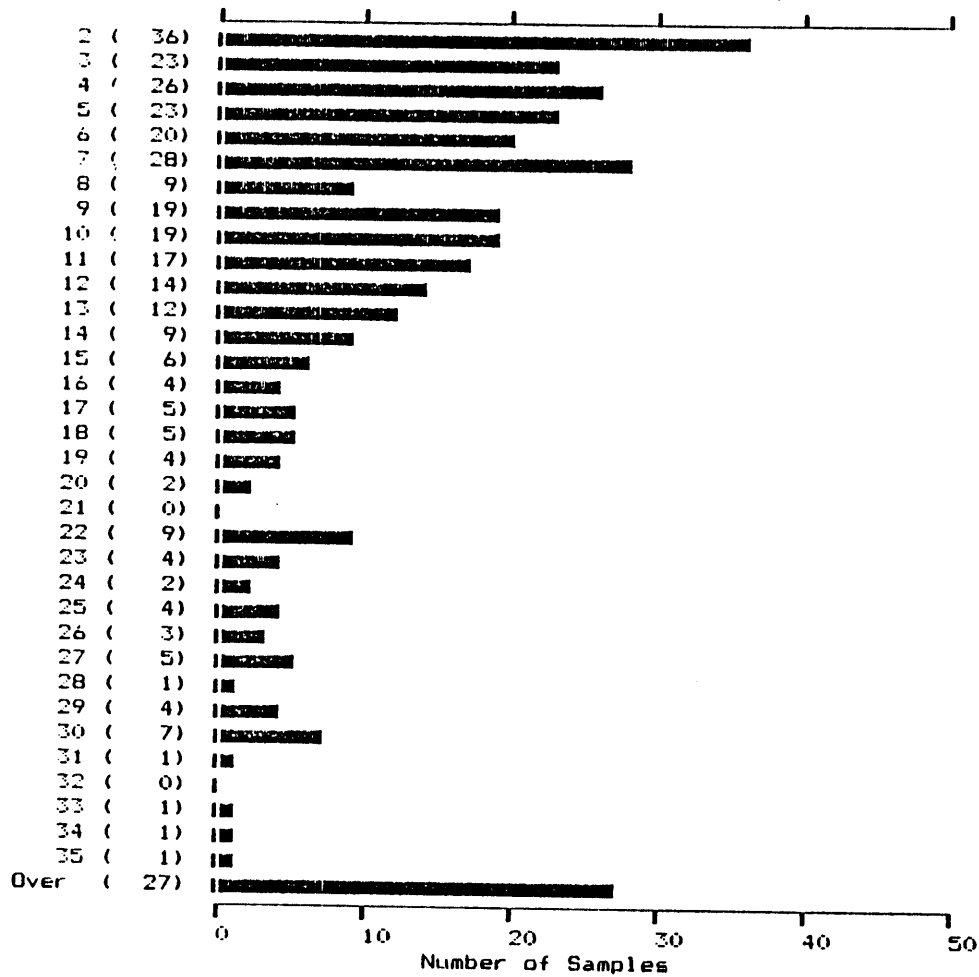
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APPENDIX I

Geostatistics for the 1986 Soil Geochemical Survey

C.E.C. ENGINEERING

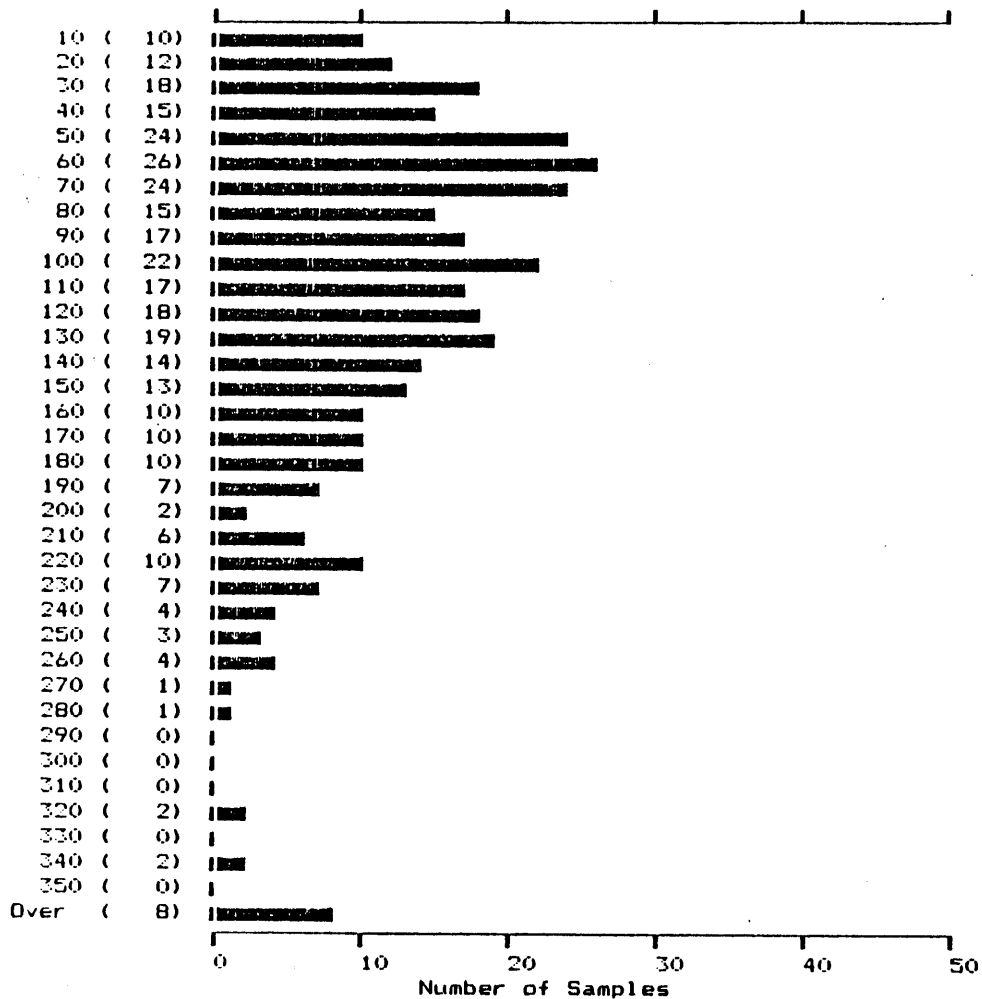
AS
(PFM)



351 Samples Maximum: 228 Mean: 14
 Minimum: 2 Standard Deviation: 18

C.E.C. ENGINEERING

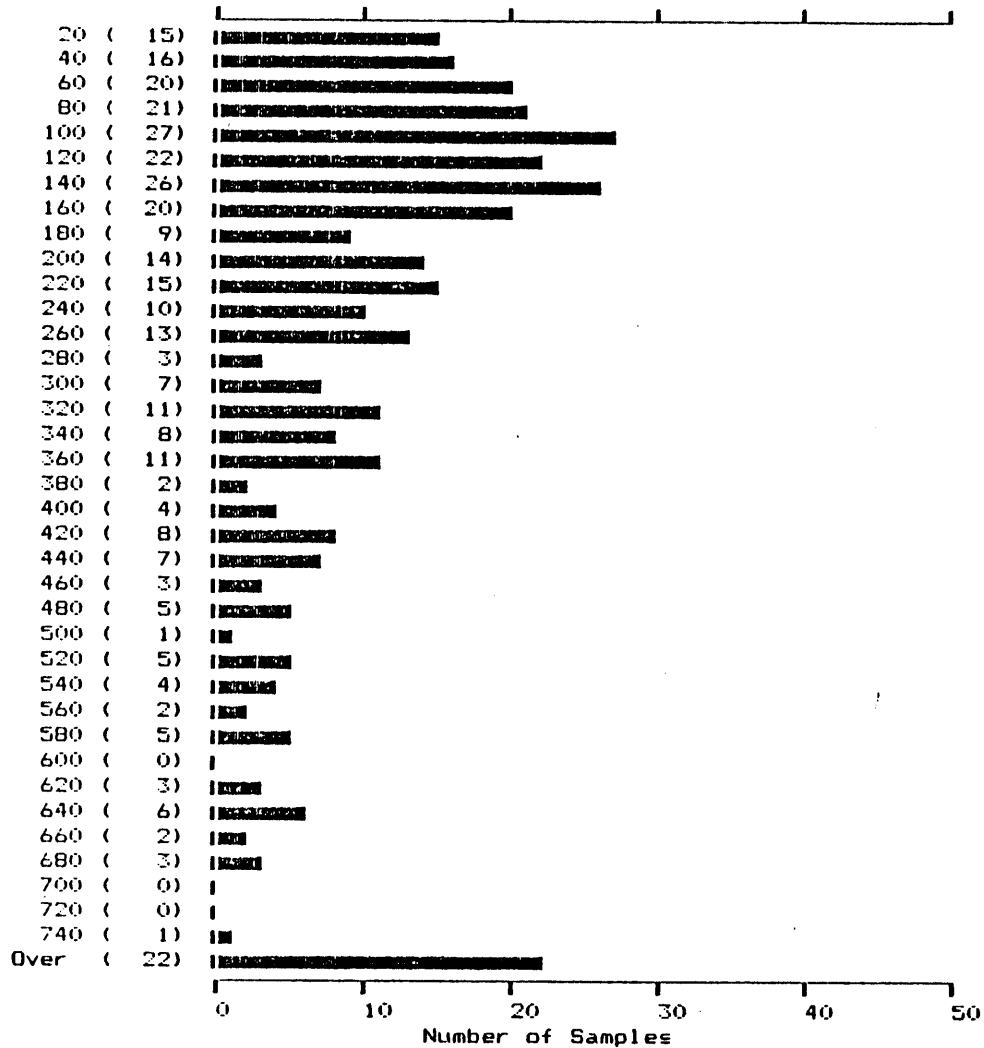
BA
(FFM)



351 Samples Maximum: 696 Mean: 114
 Minimum: 4 Standard Deviation: 86

C.E.C. ENGINEERING

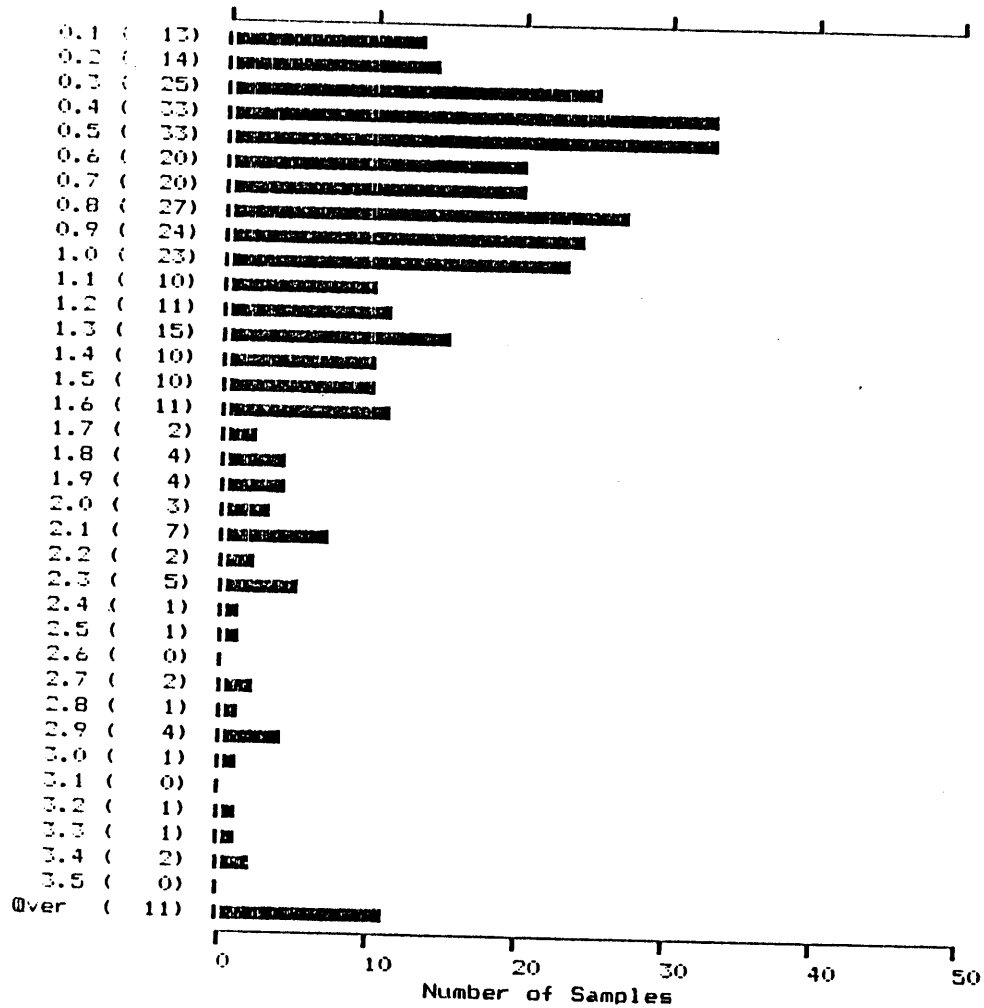
AJ*
(FFB)



351 Samples Maximum: 2110 Mean: 277
 Minimum: 6 Standard Deviation: 299

C.E.C. ENGINEERING

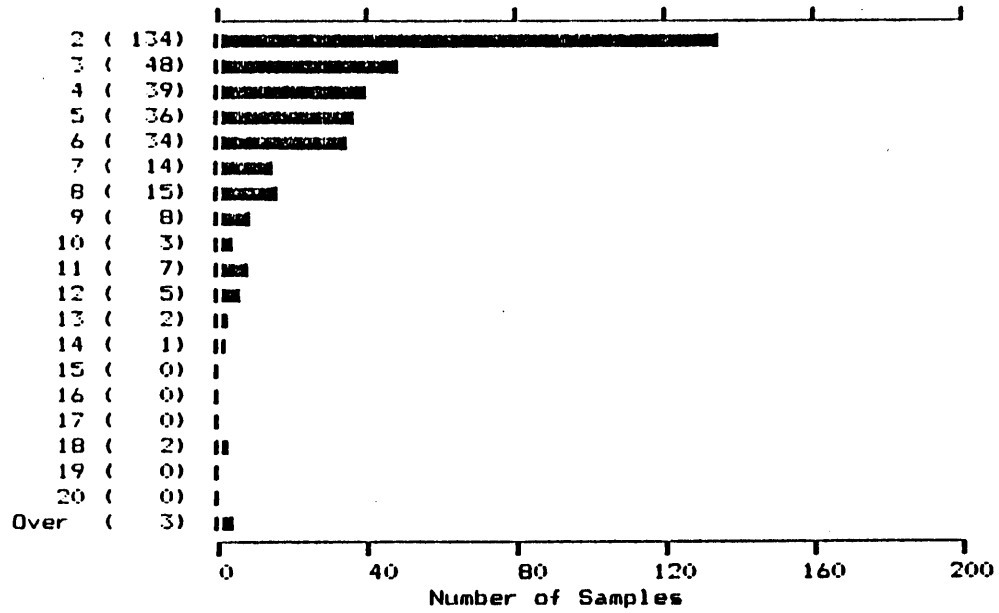
AG
(FF11)



351 Samples Maximum: 20.2 Mean: 1.2
 Minimum: 0.1 Standard Deviation: 1.9

C.E.C. ENGINEERING

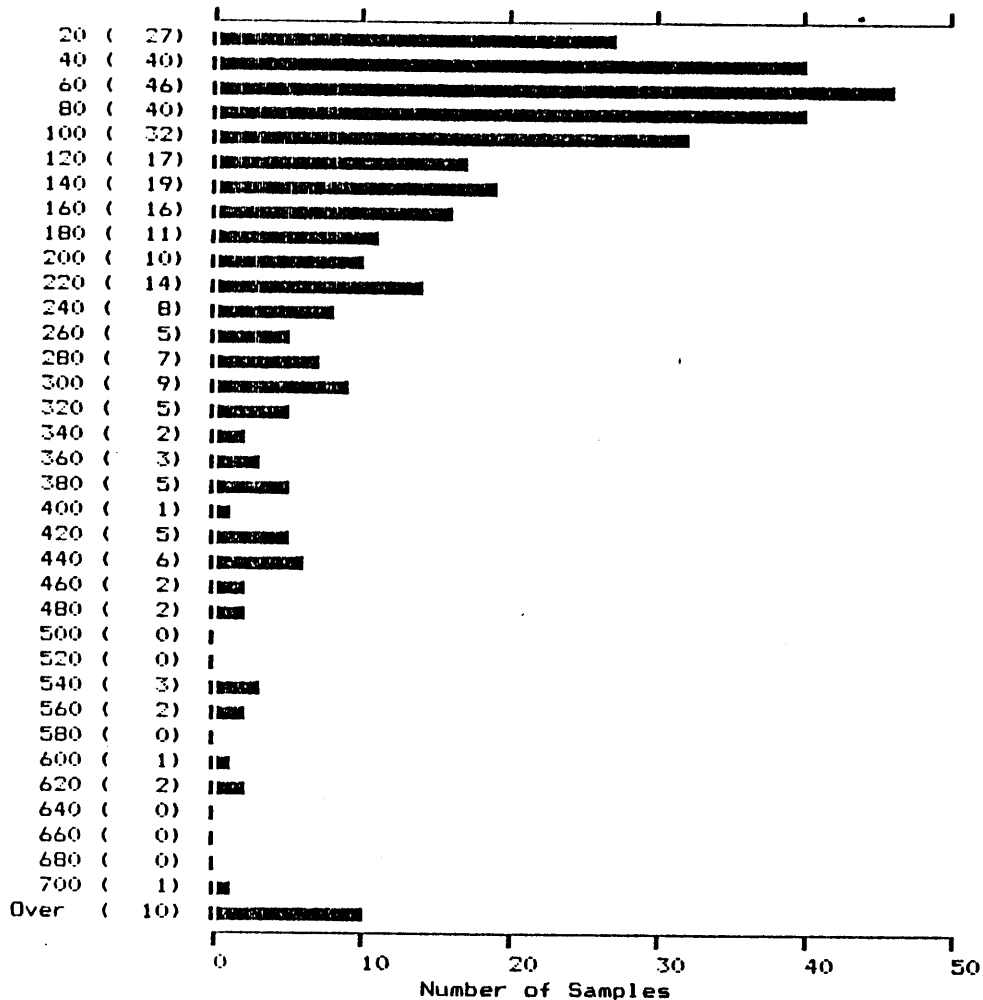
BI
(PFM)



351 Samples	Maximum:	146	Mean:	5
	Minimum:	2	Standard Deviation:	8

C. E. C. ENGINEERING

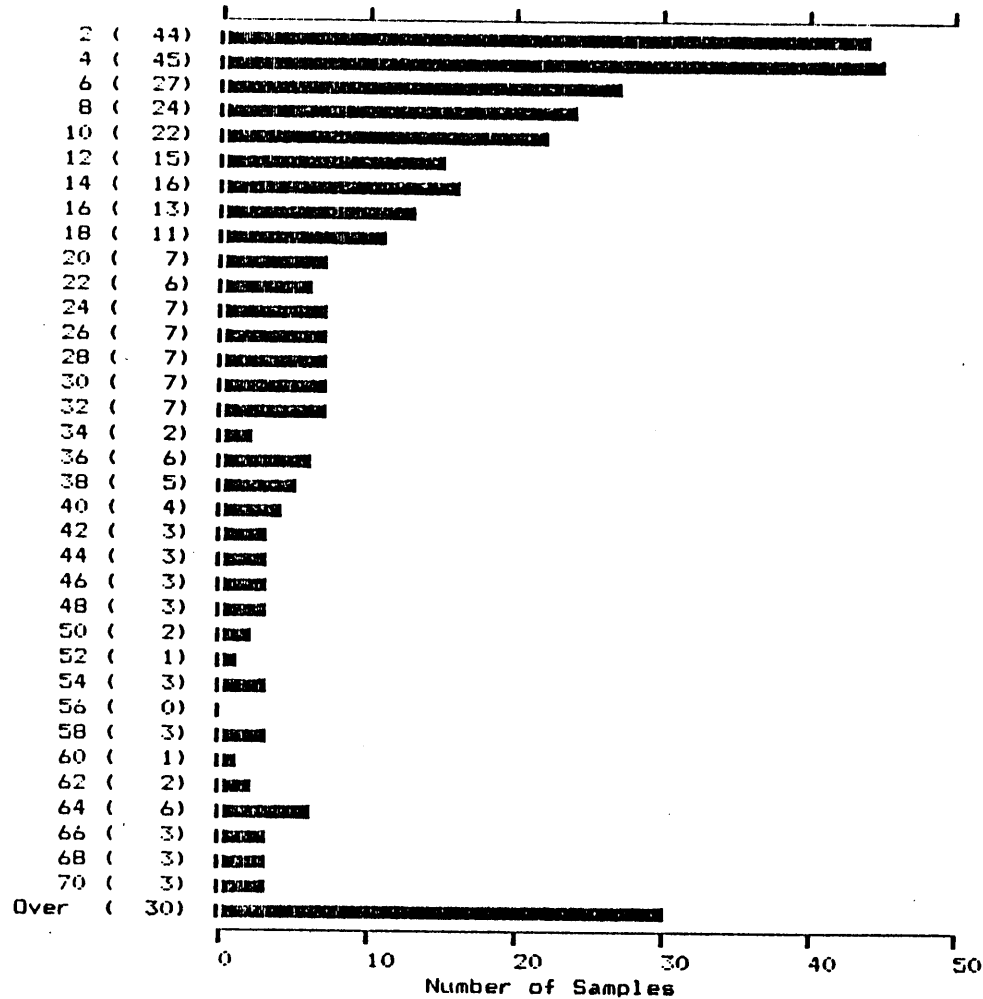
CU
(FFM)



351 Samples Maximum: 2686 Mean: 178
 Minimum: 2 Standard Deviation: 276

C.E.C. ENGINEERING

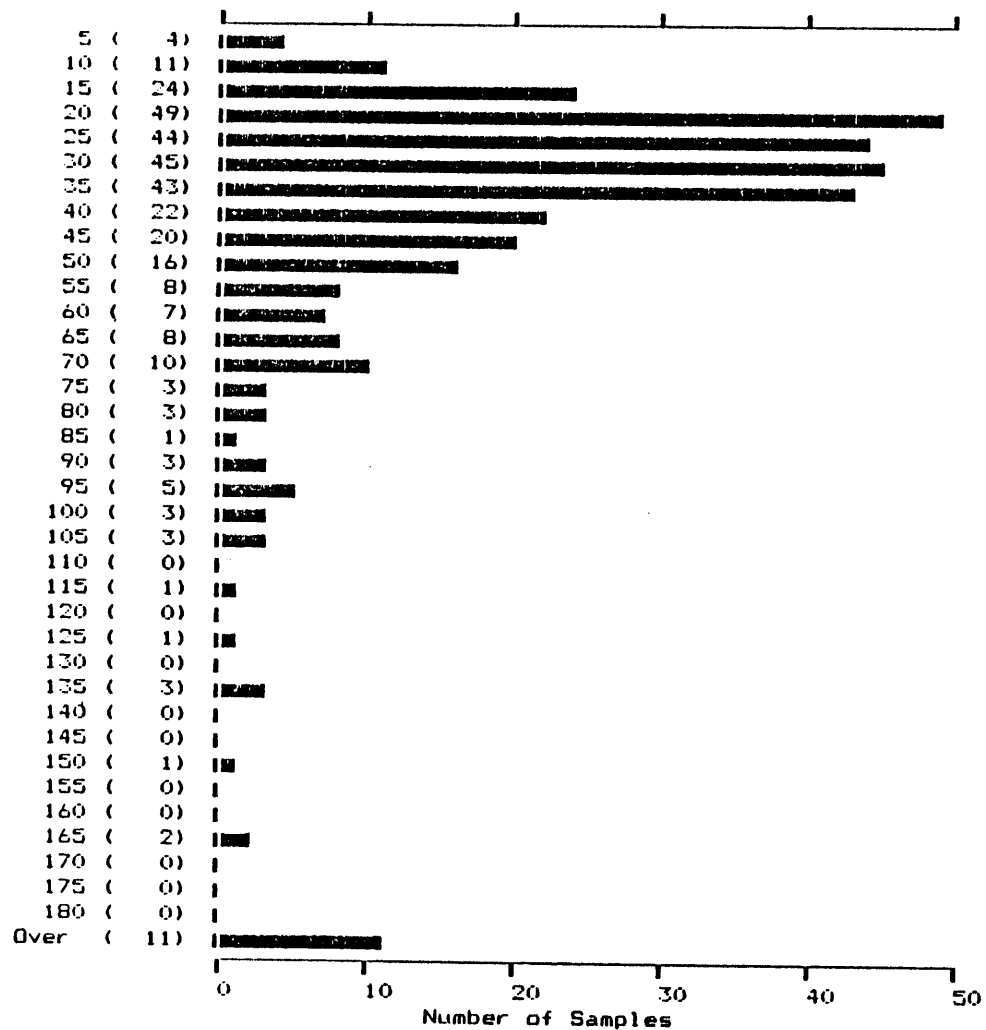
MO
(PFM)



351 Samples Maximum: 235 Mean: 25
 Minimum: 1 Standard Deviations: 34

C. E. C. ENGINEERING

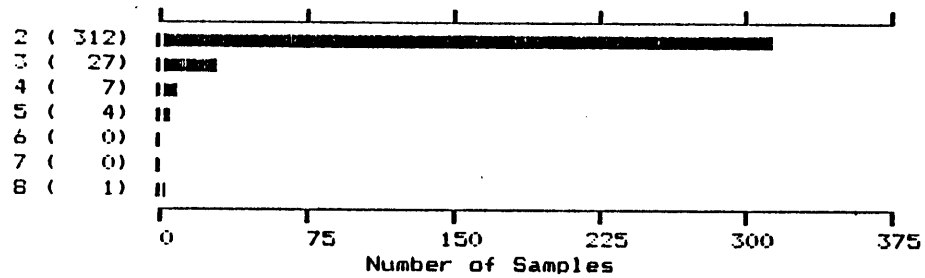
F-B
(FFM)



351 Samples Maximum: 672 Mean: 44
 Minimum: 2 Standard Deviation: 56

C.E.C. ENGINEERING

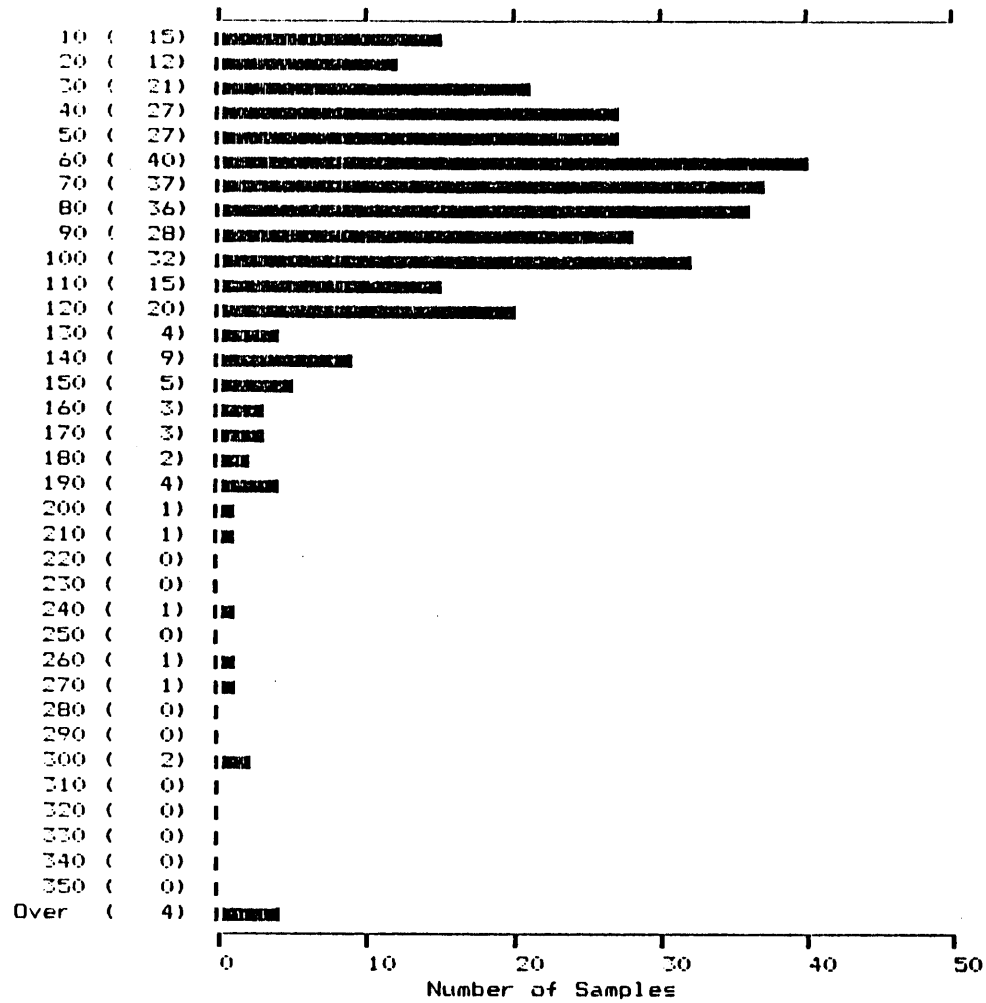
SB
(FFM)



351 Samples Maximum: 8 Mean: 2
 Minimum: 2 Standard Deviations: 1

C.E.C. ENGINEERING

ZN
(FFM)



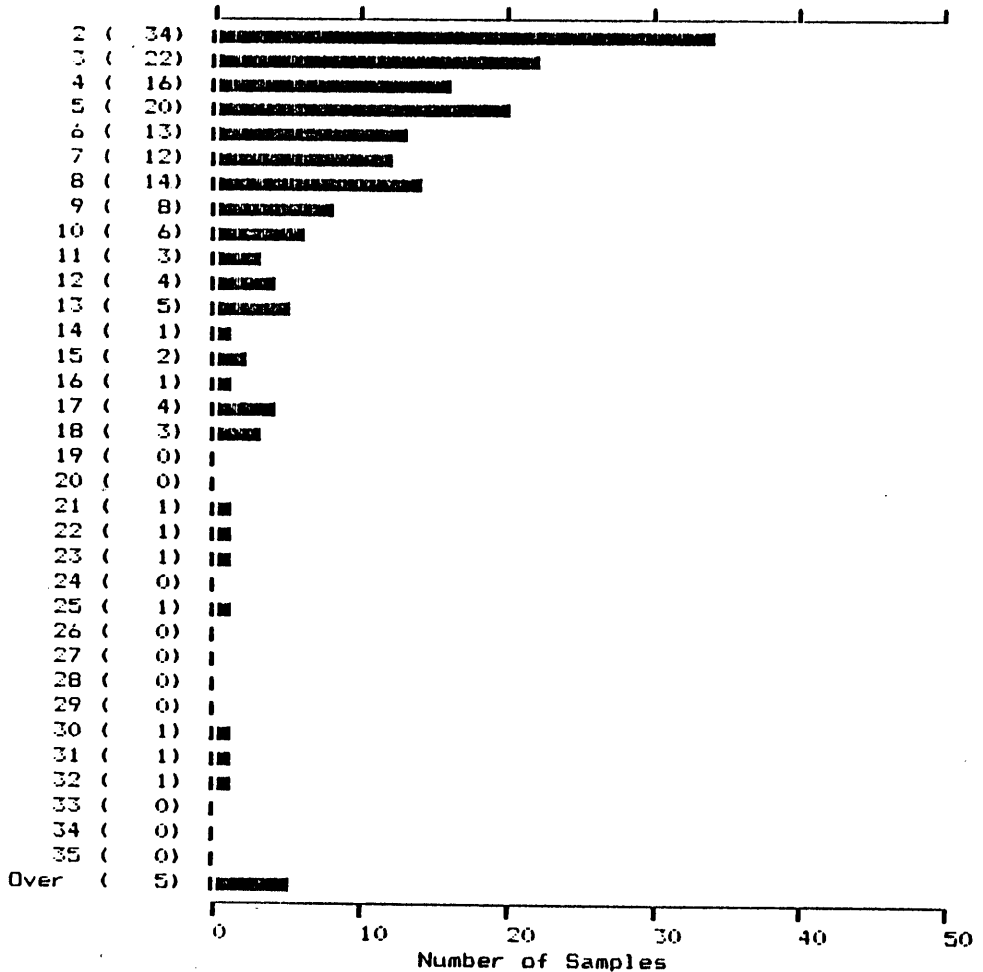
351 Samples Maximum: 493 Mean: 78
 Minimum: 1 Standard Deviation: 57

APPENDIX II

Geostatistics for the 1986 Lithogeochemical Survey

C. E. C. ENGINEERING

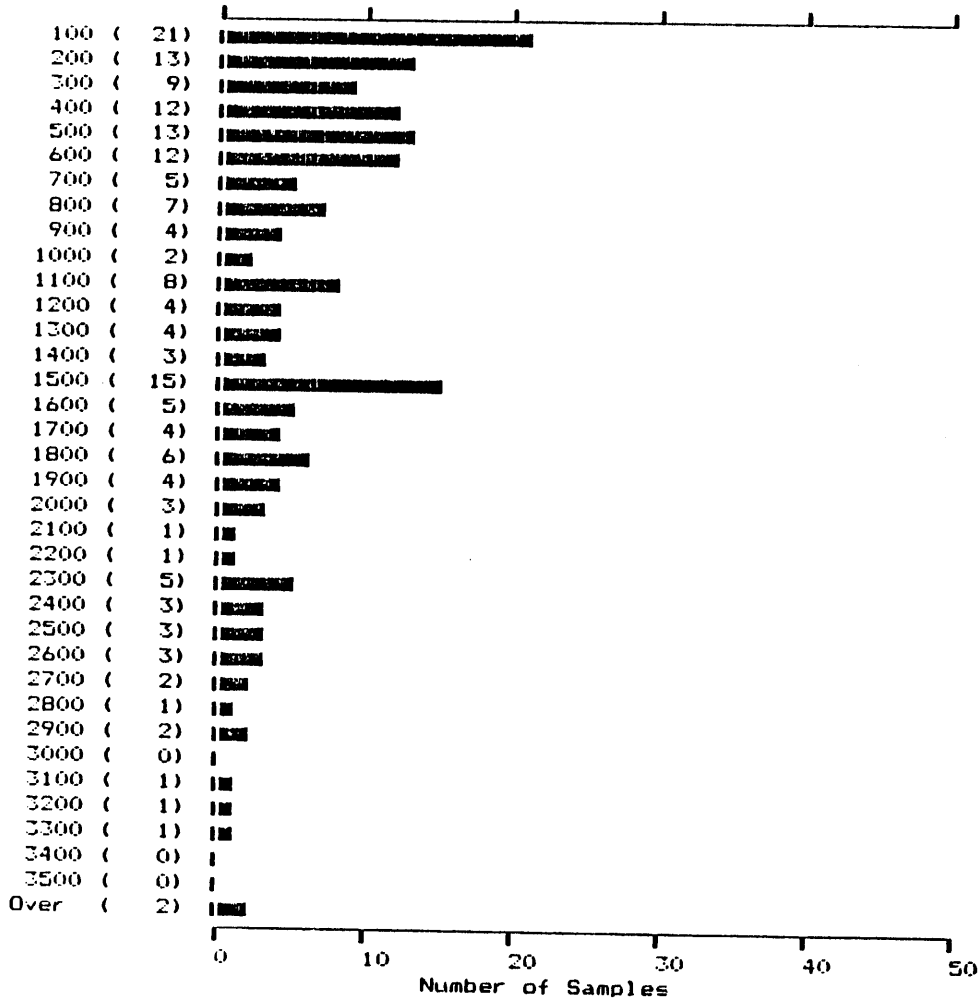
AS
(FFM)



180 Samples Maximum: 73 Mean: 8
 Minimum: 2 Standard Deviation: 9

C. E. C. ENGINEERING

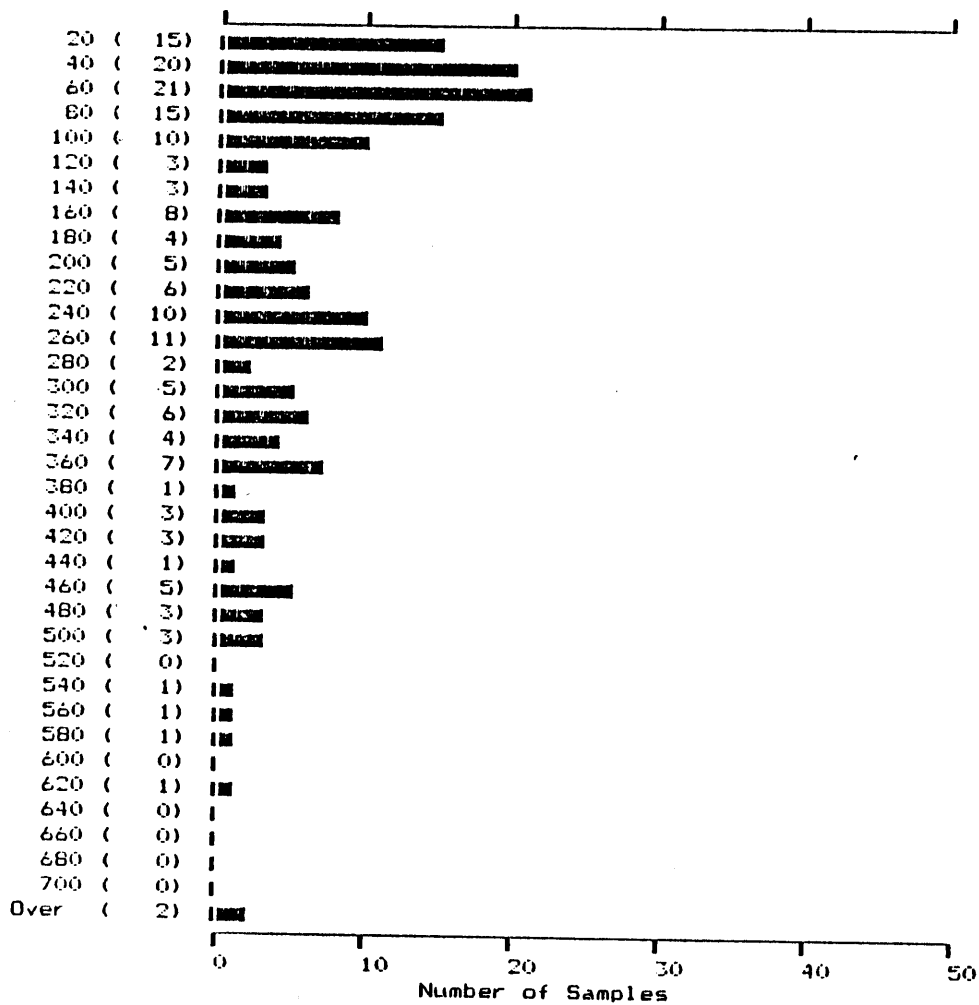
CU
(FFM)



180 Samples Maximum: 4253 Mean: 1035
 Minimum: 0 Standard Deviation: 880

C. E. C. ENGINEERING

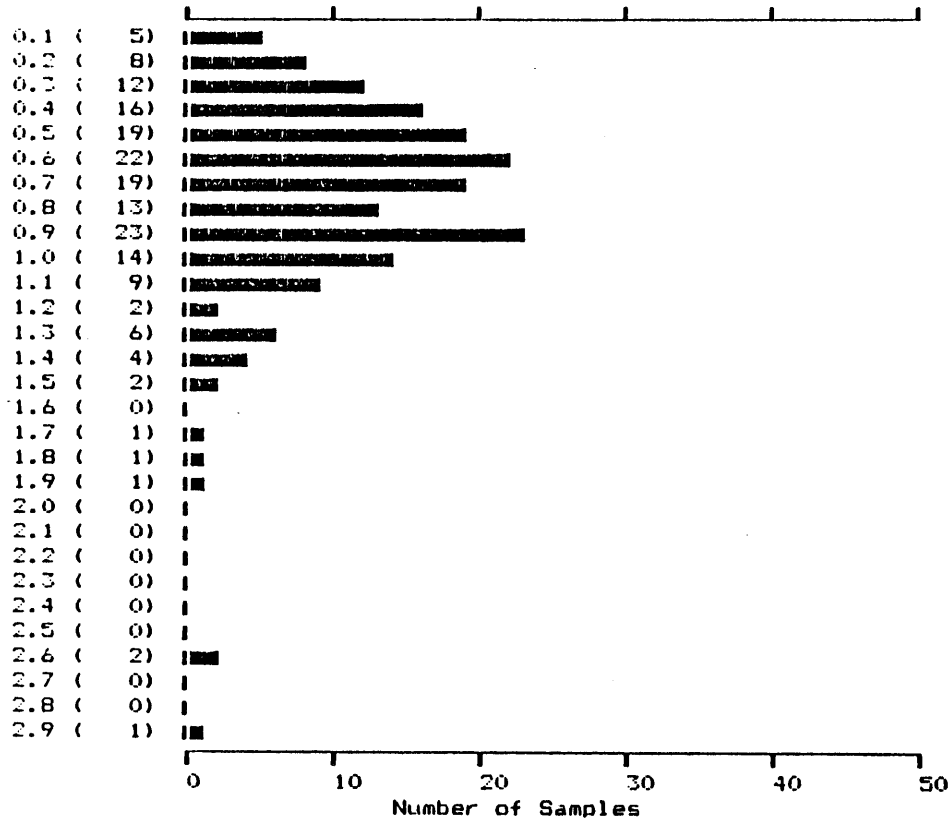
AJ*
(FFB)



180 Samples Maximum: 980 Mean: 189
 Minimum: 1 Standard Deviation: 170

C. E. C. ENGINEERING

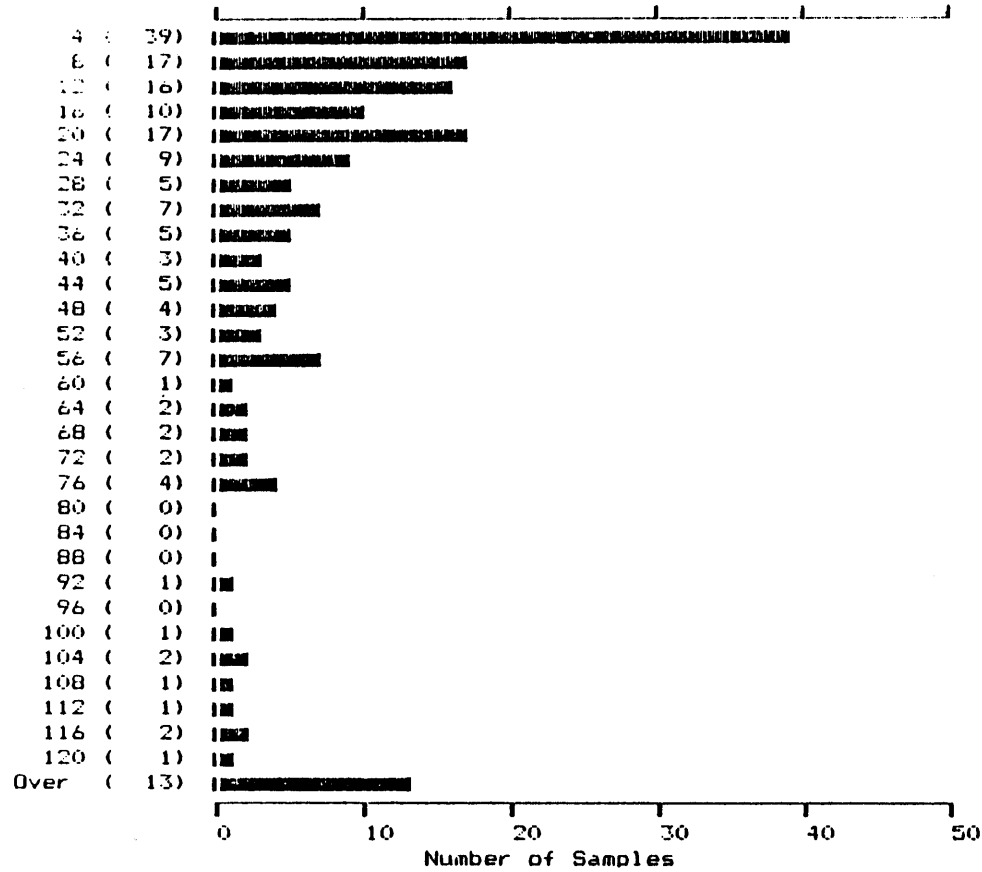
A6
(FFM)



180 Samples Maximum: 2.9 Means: 0.8
 Minimum: 0.1 Standard Deviation: 0.4

C. E. C. ENGINEERING

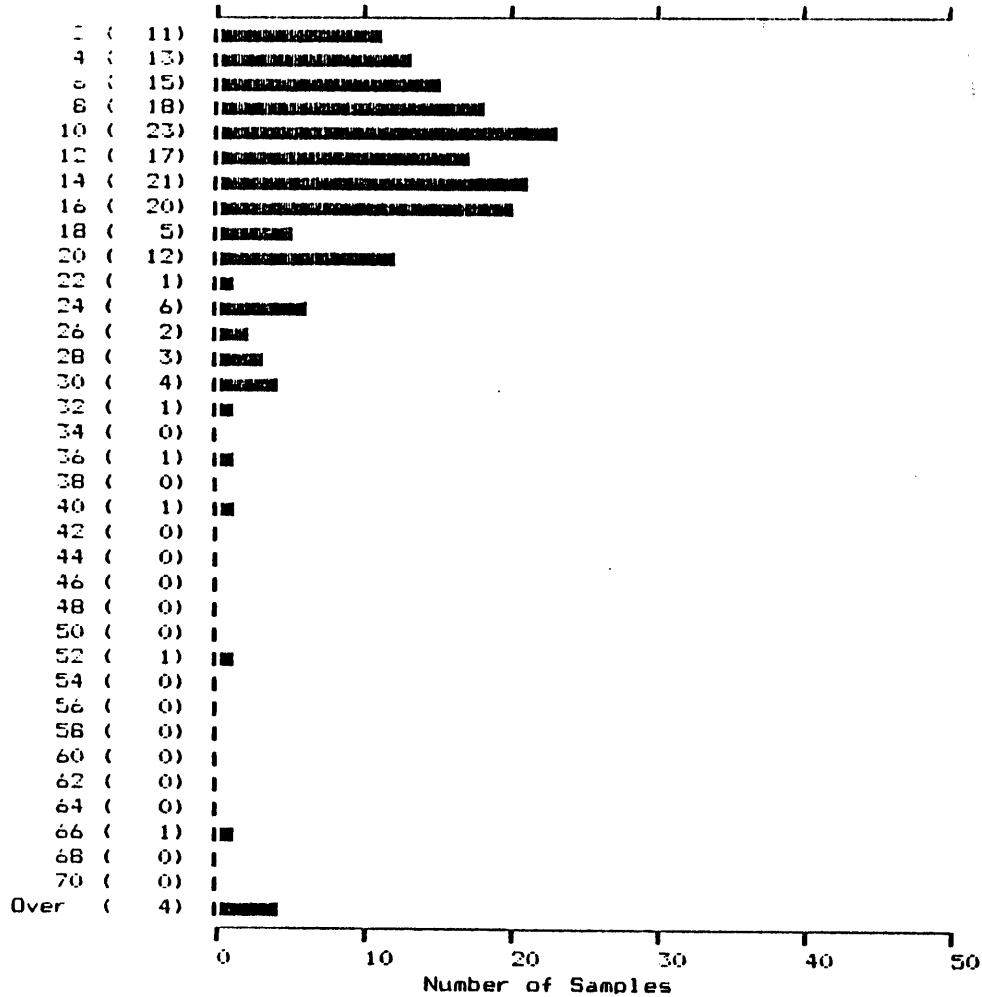
MO
(FFM)



180 Samples Maximum: 794 Mean: 42
 Minimum: 1 Standard Deviation: 78

C. E. C. ENGINEERING

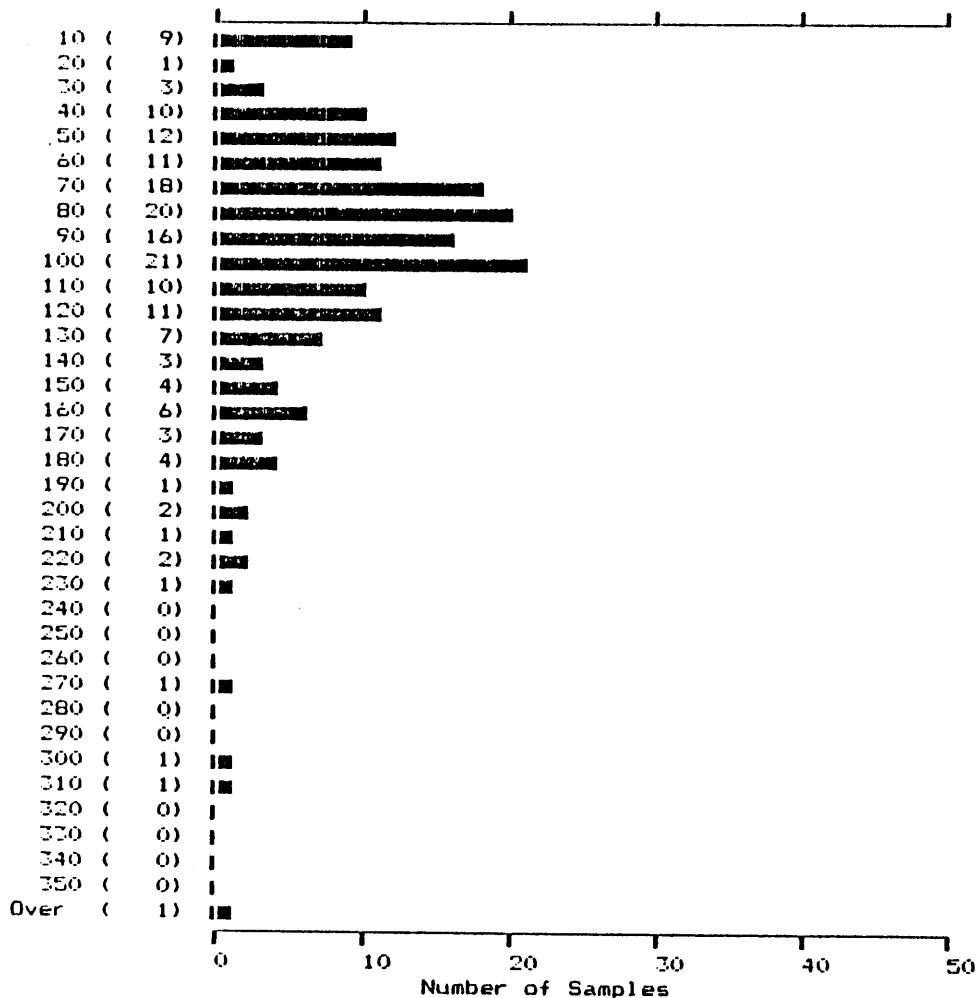
PER
(FFM)



180 Samples Maximum: 193 Mean: 16
 Minimum: 2 Standard Deviation: 23

C. E. C. ENGINEERING

ZIN
(FFM)



180 Samples Maximum: 367 Mean: 93
 Minimum: 1 Standard Deviation: 56


CERTIFICATES

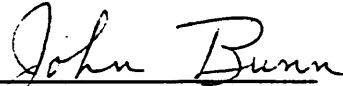
CERTIFICATES

DATED: JUNE 13, 1988

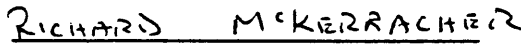
EL CONDOR RESOURCES LTD.

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



DAVID J. COPELAND
President and Chief
Executive Officer
Promoter


JOHN H. BUNN
Secretary and Chief
Financial Officer
Promoter

ON BEHALF OF THE BOARD OF DIRECTORS


RICHARD NEIL MCKERRACHER
BY HIS LAWFUL ATTORNEY


WILLIAM QUON

 THE AGENTS

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

YORKTON SECURITIES INC.

Per: 

CONTINENTAL CARLISLE DOUGLAS

Per: 