

THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY MAY BE LAWFULLY OFFERED FOR SALE AND THEREIN ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES. NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREBY AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

PROSPECTUS

BATEAUX RESOURCES INC.
 Incorporated under the laws
 of the Province of British Columbia
 Suite 410, 1040 West Georgia Street
 Vancouver, British Columbia V6E 4H1
 (herein called the "Issuer")

NEW ISSUE

400,000 shares at \$0.50 per share

	Price to Public	Commission	Proceeds to Issuer (1)
Per Share	\$0.50(2)	\$0.075	\$0.425
Total	\$200,000.00	\$30,000.00	\$170,000.00

(1) Before deduction of the balance of expenses of this offering estimated not to exceed \$12,500.00.

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

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

THE VANCOUVER STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED PURSUANT TO THIS PROSPECTUS. THE LISTING IS SUBJECT TO THE ISSUER FULFILLING ALL OF THE LISTING REQUIREMENTS OF THE VANCOUVER STOCK EXCHANGE ON OR BEFORE OCTOBER 24, 1988, INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

THE OFFERING IS SUBJECT TO A MINIMUM NUMBER OF SHARES BEING SOLD ON THE OFFERING DAY. FURTHER PARTICULARS OF THE MINIMUM SUBSCRIPTION ARE DISCLOSED UNDER THE HEADING "PLAN OF DISTRIBUTION" ON PAGE "1".

THE ISSUE PRICE TO THE PUBLIC EXCEEDS THE NET TANGIBLE BOOK VALUE PER COMMON SHARE CALCULATED AS AT SEPTEMBER 11, 1987, AFTER GIVING EFFECT TO THE OFFERING BY \$.3555.

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED AS SPECULATION. THE PROPERTY IN WHICH THE ISSUER HAS AN INTEREST IS IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY AND WITHOUT A KNOWN BODY OF COMMERCIAL ORE. REFERENCE IS MADE TO THE HEADING "RISK FACTORS" ON PAGE "6".

NO PERSON IS AUTHORIZED BY THE ISSUER TO GIVE 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.

ONE OR MORE OF THE DIRECTORS OF THE ISSUER HAVE AN INTEREST, DIRECT OR INDIRECT, IN OTHER NATURAL RESOURCE COMPANIES. REFER TO THE HEADING "CONFLICT OF DUTY AND INTEREST" ON PAGE "8" HEREOF FOR A COMMENT AS TO THE RESOLUTION OF POSSIBLE CONFLICTS OF INTEREST.

UPON COMPLETION OF THIS OFFERING, THIS ISSUE WILL REPRESENT 23.39% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 43.85% THAT WILL THEN BE OWNED BY THE CONTROLLING PERSONS, PROMOTERS, DIRECTORS AND OFFICERS OF THE ISSUER AND ASSOCIATES OF THE AGENT. REFERENCE IS MADE TO THE HEADING "PRINCIPAL HOLDERS OF SECURITIES" ON PAGE "10" HEREIN FOR DETAILS OF SHARES HELD BY DIRECTORS, PROMOTERS AND CONTROLLING PERSONS AND ASSOCIATES OF THE AGENT.

WE, AS AGENTS, CONDITIONALLY OFFER THESE SHARES SUBJECT TO PRIOR SALE, IF, AS AND WHEN ISSUED BY THE ISSUER AND ACCEPTED BY US, IN ACCORDANCE WITH THE CONDITIONS CONTAINED IN THE AGENCY AGREEMENT REFERRED TO UNDER "PLAN OF DISTRIBUTION" ON PAGE "1" HEREOF.

McDERMID ST. LAWRENCE LIMITED
 1000 - 601 West Hastings Street
 Vancouver, British Columbia V6B 5E2

DATED: April 5, 1988

EFFECTIVE DATE: April 26, 1988

PROPERTY FILE

p.w. 1035f-042,049,050

Ruanco has incurred \$21,138.00 in expenditures directly related to exploration of the claims and Canadian Nickel Co. Ltd. incurred an additional \$191,441.00 in exploration expenditures thereon while it held the claims under option from Ruanco.

The Option Agreement provides that the Issuer may earn a 100% undivided right, title and interest in and to the claims in return for the completion of the payment of \$60,000.00 to Ruanco by September 15, 1987 (paid) and the completion of work commitments on or in respect of the claims in the following amounts by the following dates:

<u>Date</u>	<u>Dollar Amount</u>
September 15, 1988	\$ 50,000.00
September 15, 1989	an additional \$ 50,000.00
September 15, 1990	an additional \$100,000.00
September 15, 1991	an additional \$150,000.00
September 15, 1992	an additional \$150,000.00

Once the foregoing cash payment and work commitments have been made in accordance with the foregoing time limitations, the Issuer will earn a 100% undivided right, title and interest in and to the claims subject to the covenant of the Issuer contained in the Option Agreement to issue 200,000 fully paid and non-assessable shares in the capital of the Issuer to Ruanco within 30 days after a production decision has been made.

THE PROPERTY

- A. Bateaux Claims Prospect
 Skeena Mining Division
 Province of British Columbia

The Bateaux Claims Prospect (the "claims") is located at the head of Kitgoro Inlet approximately 50 kilometres west of Sandspit on northern Moresby Island, Queen Charlotte Islands, British Columbia. The claims are centered at approximately 53°, 4' north latitude and 132°, 29' west longitude. They are accessible by boat or by helicopter from Sandspit which is serviced daily by jet flights from Vancouver, British Columbia. Topography of the land encompassing the claims is moderately steep with elevations varying from sea level up to 700 metres.

The Issuer has received a report dated September 8, 1987 prepared by C.J. Westerman, Ph.D., F.G.A.C., Consulting Geologist of Vancouver, British Columbia (the "Westerman report"), a copy of which report is attached to and forms a part of this Prospectus.

The Bateaux claim was first acquired by Gordon Richards in July, 1978. Gordon Richards acquired the Bateaux #2 and #3 claims in October, 1979 and the Aura #1 in April, 1979.

The first recorded history of the claims occurred after they were acquired by Gordon Richards and the most important exploration undertaken to date was undertaken by Canadian Nickel Co. Ltd. when it optioned the claims from Gordon Richards and/or Ruanco in 1979. The work undertaken by Canadian Nickel Co. Ltd. included establishing a survey grid totalling 16.6 kilometres of lines in the upper saddle area of the claims. In addition, 737 rock samples, 247 silt samples and 432 soil samples were collected. Additional claims were staked and subsequently were allowed to lapse. In addition to the foregoing work, Canadian Nickel Co. Ltd. undertook geological mapping in the area and did approximately 330 metres of VLF-EM surveying. Subsequently, Canadian Nickel Co. Ltd. established an additional 15.3 kilometers of survey grid in the valley of Kitgoro Creek and collected 1,162 geochemical samples. Reference is made to pages 7, 9 and 11 of the Westerman report for a discussion of the results of the foregoing exploration activity.

A three phase success-contingent exploration program is recommended by the Westerman report in order to test existing gold targets. Phase I work consists of approximately 305 metres of diamond drilling, assaying, sampling and related work at an estimated cost to the Issuer of \$60,000.00. The recommended Phase II work consists of approximately 610 metres of diamond drilling at an estimated cost to the Issuer of an additional \$120,000.00. Phase III work consists of an additional 915 metres of diamond drilling at an estimated cost to the Issuer of \$180,000.00.

The Issuer has accepted the recommendations contained in the Westerman report and intends to reserve \$60,000.00 of the proceeds raised hereunder for the estimated cost of Phase I and an additional \$120,000.00 will be reserved for use toward the estimated cost of Phase II if warranted by the results obtained from Phase I.

There is no plant or equipment located on or under the claims and they are without a known body of commercial ore.

No Director, Officer, Insider or Promoter of the Issuer has any interest in the mineral properties located contiguous to the claims.

USE OF PROCEEDS

The net proceeds to be derived by the Issuer from the sale of 400,000 shares offered by this Prospectus, namely

THE BATEAUX PROPERTY

SKEENA MINING DIVISION

BRITISH COLUMBIA

N.T.S. 103 F/1

A SUMMARY REPORT

for

BATEAUX RESOURCES INC.

by

C.J. WESTERMAN, Ph.D., F.G.A.C.

Consulting Geologist

1010 - 470 Granville Street

Vancouver, B.C.

V6C 1V5

September 8, 1987

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SUMMARY

Bateaux Resources Inc. has an option to acquire an interest in the 51 unit Bateaux gold property located on the northwest tip of Moresby Island in the Queen Charlotte Islands. Canadian Nickel Co. Ltd. held the property under option in 1979-1981, undertook extensive geochemical and geological surveys and drilled four holes totalling 2,000 feet (610 m). The property is underlain by Triassic-Jurassic Karmutsen basaltic volcanic rocks overlain by Kunga limestone. The Karmutsen rocks are interbanded with felsic volcanic rocks which may be either Jurassic or Tertiary in age. Four zones of silicification, quartz veining and pyritization contain rock samples with anomalous gold and arsenic values. The northeast trending B zone, which is the largest but weakest of the four zones, was tested by three Inco drill holes with poor results. The fourth Inco drill hole intersected 6.51 g/t (0.190 opt) gold across a 1.51 meter width in spite of the fact that it appears to have been positioned incorrectly to test adjacent surface mineralization in the 'C' zone. The 'C' zone is a northwest trending structure, 550 meters in length defined by rock chip samples with values between 1,200 ppb and 4,050 ppb gold. The 'A' zone, apparently parallel to the 'C', has rock chip values from 130 ppb to 6,000 ppb gold and is 50 meters long. The 'B' zone, probably controlled by a northeast trending fracture zone is over 100 meters long with rock values up to 610 ppb gold. Two linear soil anomalies, 600 meters and 200 meters long, contain values up to 560 ppb gold and are not related directly to known gold in rock zones. A phased success-contingent program of diamond drilling is recommended to test these gold targets at a total estimated cost of \$360,000.

INTRODUCTION

Preamble

Bateaux Resources Inc. has an option to acquire an interest in the Bateaux property, located on the Queen Charlotte Islands, B.C. Previous geological, geochemical and drilling programs suggest that the property has potential for discovery of a significant gold deposit. The author, as an independent Consulting Geologist has been retained by Bateaux Resources Inc. to review the results of previous exploration and report his findings with recommendations for future action. The author initially examined the property on November 15, 1979 whilst employed by a major mining company. A field visit was also undertaken on September 3, 1987 at which time diamond drill core stored at the "upper saddle" camp was examined.

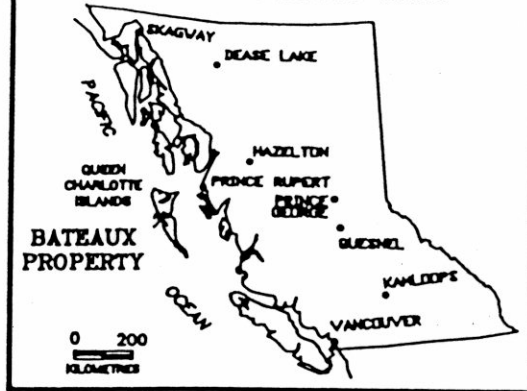
Location and Access

The property is located at the head of Kitgoro Inlet, 50 km west of Sandspit on northern Moresby Island, Queen Charlotte Islands, British Columbia. It is centered at 53° 04' N latitude and 132° 29' W longitude within NTS map area 103 F/1W. The property is accessible by boat or by helicopter from the community of Sandspit which is serviced by daily jet flights from Vancouver. Topography on the property is moderately steep with elevations varying from sea level up to 700 meters. Vegetation is mature hemlock, spruce and cedar in the valleys with stunted equivalents on more exposed ridges.

Property Definition

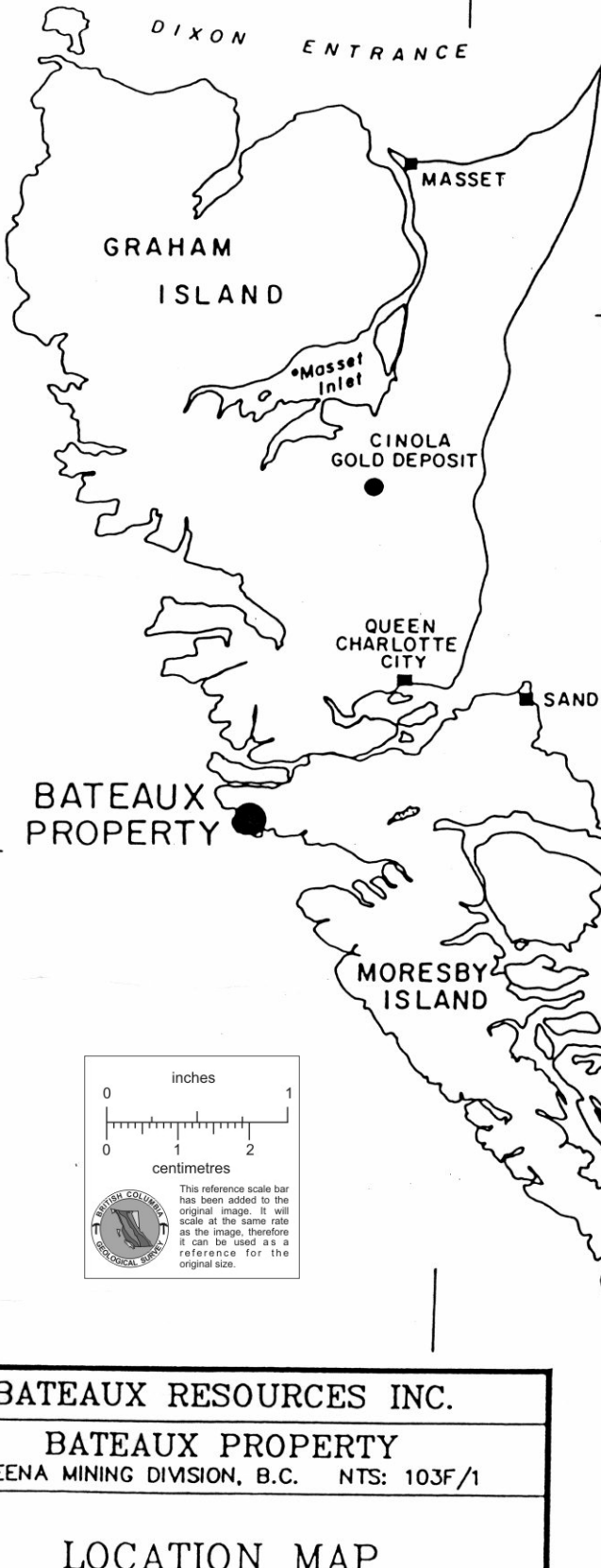
The Bateaux property consists of four contiguous m.g.s. mineral claims totalling 51 units in the Skeena Mining Division of British Columbia.

LOCATION MAP

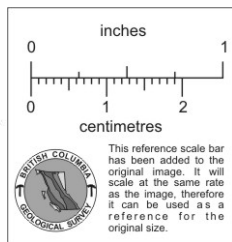


132° 00'

DIXON ENTRANCE



53° 00' N



BATEAUX RESOURCES INC.

BATEAUX PROPERTY
SKEENA MINING DIVISION, B.C. NTS: 103F/1

LOCATION MAP

C.J.WESTERMAN Ph.D.

DATE: SEPT.,1987

FIGURE: 1



TABLE 1
Claim Data

<u>Claim</u>	<u>Units</u>	<u>Record No</u>	<u>Expiry Date</u>
Bateaux	12	687	August 3, 1989
Bateaux 2	20	1855	November 1, 1990
Bateaux 3	15	1856	November 1, 1988
Aura	4	1291	April 17, 1988

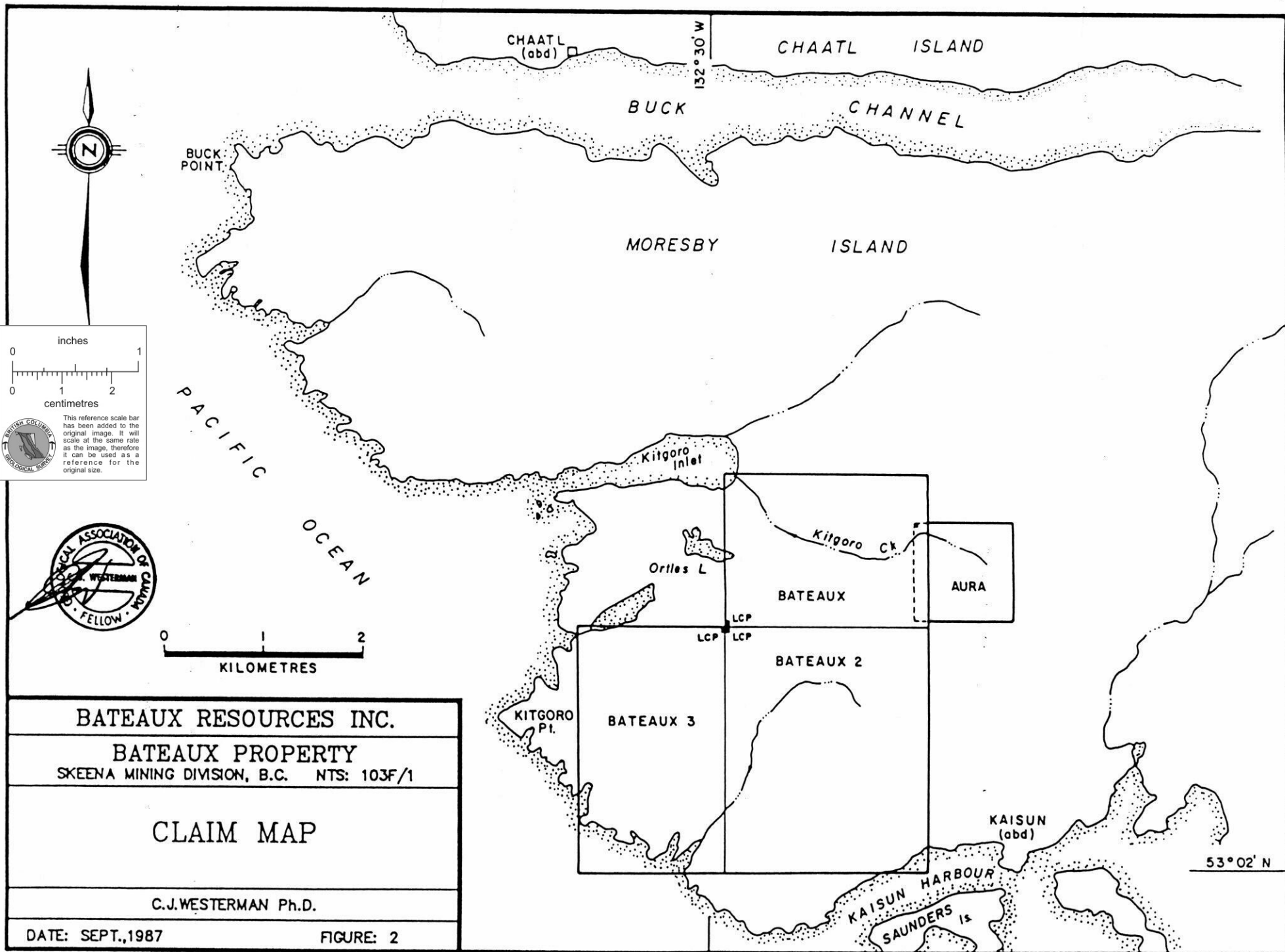
The claims are recorded in the name of G.G. Richards. Bateaux Resources Inc. has informed the author that it holds an option to acquire an interest in the claims. Title opinion is beyond the scope of the current report.

The claims are located on Moresby Island but are 45 km north of the north boundary of the recently declared South Moresby National Park. Clear-cut logging operations are currently active only 15 km east of the property.

History

Anomalous gold values in reconnaissance samples were initially obtained by J.S. Christie and G.G. Richards from the Bateaux area in the summer of 1977 and the spring of 1978. The Bateaux claim was staked by G.G. Richards in July 1978 and was examined by several major companies in the following twelve month period. Richards staked the Bateaux 2 and 3 claims in November 1979.

Canadian Nickel Co. Ltd. (Inco) optioned the property in late 1979 after undertaking examinations in April and August of that year. In 1980 Inco established a survey grid totalling 16.6 km of lines in the upper saddle area of the property and collected 737 rock samples, 247 silt samples and 432 soil samples. Inco staked the Bateaux 4 claim in July 1980, to cover possible extensions of an anomalous zone, and the Bateaux 5 and 6 claims in February 1981. The Bateaux 4 - 6 claims have since been allowed to lapse. In April and May of 1981, Inco diamond drilled four BQ holes totalling 615 meters. Three of these holes were located in the upper saddle



inches
0 1

centimetres
0 1 2

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.



area and one was on the steep slope just east of Ortles Lake. Inco also undertook geological mapping on the Bateaux 5 and 6 claims, collected 75 geochemical samples and did 330 meters of VLF-EM surveying at this time. In October and November 1981, Inco returned to the property, established 15.3 km of survey grid in the valley of Kitgoro Creek, and collected 1,162 geochemical samples. No further work has been completed on the property since 1981.

Program expenditures on the property which have been filed with the B.C. Government for assessment credits are as follows:

<u>Date</u>	<u>Operator</u>	<u>Expenditure</u>	<u>Program</u>
August 1979	G. Richards	\$ 3,338.85	Geol-gechem
May-July 1980	Canadian Nickel Gold Co. Ltd.	\$ 33,166.00	Geol-geochem
April-May 1981	Canadian Nickel Gold Co. Ltd.	\$118,646.68	Diamond drilling
Oct-Nov 1981	Canadian Nickel Gold Co. Ltd.	<u>\$ 39,837.97</u>	Geol-geochem
	Total expenditure to date	<u><u>\$194,989.50</u></u>	

References

- Richards, G.G. (1979) Geology & Geochemistry, Bateaux Claim. BCDM - AR 7625.
- Lickley, P and Vincent, J.S. (1980) Report on Geology and Geochemistry - Bateaux Group for Canadian Nickel Co. Ltd. BCDM-AR 8519.
- Pattison, E.F. (1981) Bateaux Groups. Report on Diamond Drilling, Geology and Geochemistry for Canadian Nickel Co. Ltd. Sept. 21, 1981. BCDM-AR 9458.
- Pattison, E.F. (1981) Bateaux/Aura Groups. Report on Geology and Geochemistry of the Valley Grid for Canadian Nickel Co. Ltd. Nov. 1981. BCDM-AR 10255.
- Sutherland-Brown, A. (1968) Geology of the Queen Charlotte Island, British Columbia. B.C.D.M. Bulletin 54.

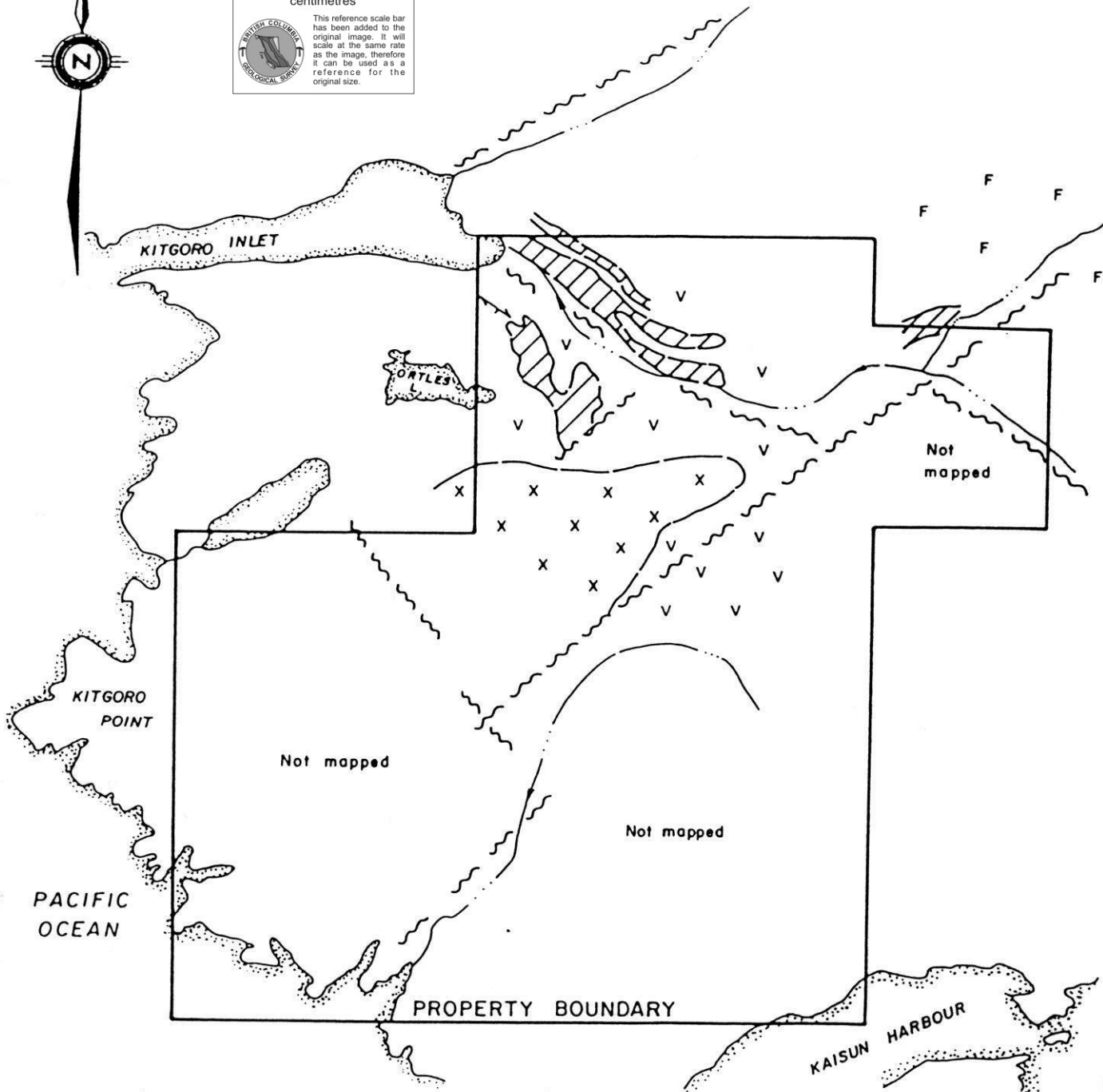
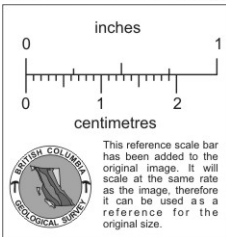
GEOLOGY

The majority of the property and surrounding area is underlain by Upper Triassic Karmutsen volcanic rocks including massive basaltic flows, flow breccias and tuffs. The Karmutsen is overlain by (and in fault contact with) Triassic - Jurassic Kunga Formation. The Kunga consists of lower massive grey limestones and upper argillaceous black limestones and calcareous argillites. The Kunga Formation is confined to the main valley draining into Kitgora Inlet. Minor and restricted outcrops of volcanic breccia and volcanic sandstone which occur in the main valley may be related to middle Jurassic Yakoun Formation.

A major body of medium to coarse grained, equigranular hornblende quartz diorite outcrops on the ridge south of Ortels Lake where it intrudes Karmutsen volcanics. The quartz diorite is elongate in a WNW-ESE direction, and is presumed to be of Jurassic-Cretaceous age.

Small felsic dikes of rhyolitic aspect outcrop on the south side of Kitgora Creek. The dikes are fine grained and weakly quartz porphyritic. They intrude Karmutsen volcanics, Kunga limestones and argillites and Yakoun volcanoclastics. No clear cut intrusive contacts are visible but the dikes do contain irregular xenoliths of black argillite. Maximum observed width of felsic dikes is roughly 10 meters.

Inco geologists have mapped a variety of felsic volcanic rocks throughout the property area. These were initially considered to be intrusive units. The degree of intercalation with Karmutsen mafic volcanic rocks led Pattison (1981) to postulate that the felsic volcanics were an integral part of the Karmutsen succession. Remnant textures indicate the presence of interbedded cherts and ashflow tuffs with massive to foliated flow units. Some porphyritic units may be hypabyssal intrusives. The presence of felsic volcanics in the Karmutsen succession is unusual and similar rocks have been mapped as Tertiary Masset formation elsewhere in the region. The origin and age of the felsic volcanic rocks may be economically significant because they appear to be related to zones of silicification and low grade gold mineralization.



LEGEND:

- JURASSIC - CRETACEOUS
- X_xX Hornblende quartz-diorite
- TRIASSIC - JURASSIC
- Kunga Fm. - Limestone
- V_vV Karmutsen Fm - mixed mafic & felsic volcanics
- JURASSIC or TERTIARY
- F F Felsic volcanics
- FAULT



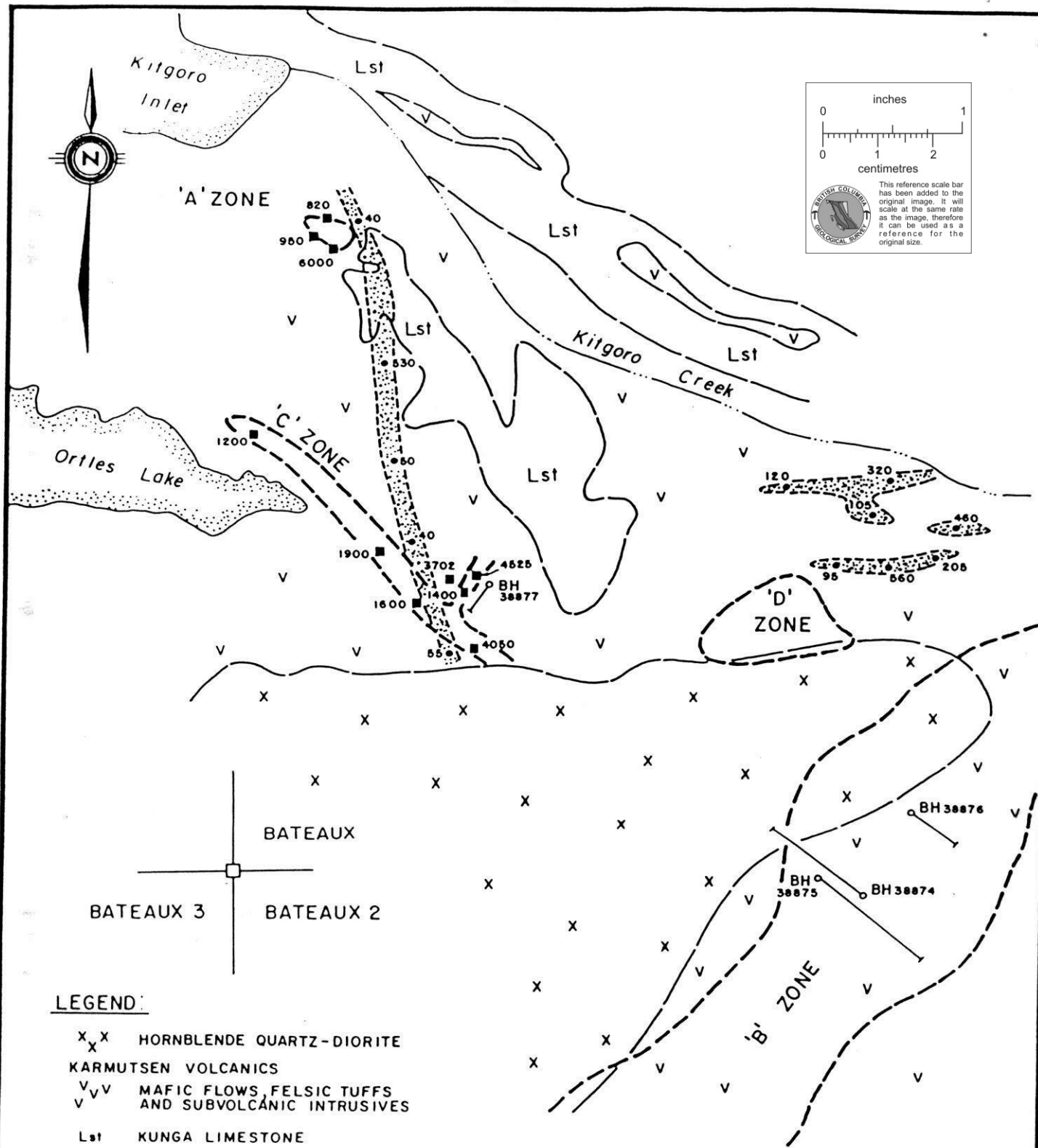
BATEAUX RESOURCES INC.	
BATEAUX PROPERTY	
SKEENA MINING DIVISION, B.C. NTS: 103F/1	
PROPERTY GEOLOGY	
C.J.WESTERMAN Ph.D.	
DATE: SEPT.,1987	FIGURE: 3

The Karmutsen package in this area has a northwest strike and generally shallow dips to the southwest. Two major fracture orientations dominate both topography and distribution of alteration and mineralization. A major northeast trending fracture zone controls silicification in the upper saddle area and affects an offset of the creek draining into Kitgoro Inlet. The creek itself has a generally northwest orientation parallel to mineralized zones on its south side. This orientation is also parallel to a major fault system which extends from Buck Point, southeasterly for 40 km to the head of Peel Inlet. This fault system may be a major regional control on mineralization occurring at the Buckhorn property to the northwest of Bateaux and the Overproof property to the southeast.

MINERALIZATION

Three areas of gold mineralization have been discovered to date on the Bateaux property. Zone A consists of a northwest trending felsic dike on the south side of the main creek near the head of Kitgoro Inlet. The felsite is locally intensely quartz veined and silicified, containing up to 4% pyrite and arsenopyrite as disseminations and veinlets. A rock chip sample taken by the author in 1979 returned 400 ppb Au. Two rock chip samples taken by Noranda in 1979 returned 900 ppb Au and 6,000 ppb Au. The latter value being from a 5 cm wide arsenopyrite vein. Mineralized outcrops occur in an area about 50 m long and 20 m wide trending parallel to the creek valley and at slightly less than 100 meters elevation. Rock chip samples collected by Inco in 1980 contained between 120 and 830 ppb Au and between 200 ppm and greater than 1,000 ppm As.

Zone C is defined by a northwest trending series of rock chip samples along a depth of 550 meters. The zone extends from the east end of Ortle Lake, southeasterly along the southern slope of Kitgoro Creek at an elevation of just over 200 meters. Four Inco rock chips along this trend returned 4,050 ppb, 1,600 ppb, 1,900 ppb and 1,200 ppb gold accompanied by greater than 1,000 ppm arsenic. The southeast end of this zone is crossed by a northeast trending gulley (Figure 4). Inco rock samples in and adjacent to this gulley returned up to 4.52 g/t (0.132 opt) Au. The



LEGEND:

- X X HORNBLENDE QUARTZ-DIORITE
- V V V KARMUTSEN VOLCANICS
- v v v MAFIC FLOWS, FELSIC TUFFS AND SUBVOLCANIC INTRUSIVES
- Lst KUNGA LIMESTONE

--- ZONE OF SILICIFICATION AND ANOMALOUS GOLD IN ROCKS

● GOLD SOIL ANOMALY

■ 1200 GOLD ppb in ROCK

● 530 GOLD ppb in SOIL

↗ DRILL HOLE (INCO 1981)



BATEAUX RESOURCES INC.	
BATEAUX PROPERTY	
SKEENA MINING DIVISION, B.C. NTS: 103F/1	
COMPILATION MAP	
C.J.WESTERMAN Ph.D.	
DATE: SEPT.,1987	FIGURE: 4

samples are from a silicified zone at the contact between Kunga Limestone and Karmutsen volcanics. Inco drilled a single hole from a set up immediately southeast of these gold bearing samples. The hole was drilled to the southwest at an inclination of -45 for a total length of 152.4 m. The hole intersected two silicified (quartz veined) and brecciated zones with gold. The first zone assayed 1.89 g/t (0.055 opt) Au over 1.4 m at 38 m depth and the second assayed 6.51 g/t (0.190 opt) Au over 1.51 m at 51 meter depth. In the author's opinion, neither of these intersections represent the mineralized zones exposed at surface. The hole was drilled parallel to the northeast trending gulley (fracture) zone and was too short to intersect the steeply dipping northwest trending 'C' zone. Further drilling is warranted.

Zone B is also referred to as the Saddle Zone due to its location in the topographic saddle along the ridge south of Kitgoro Creek. This northeast trending zone of silicification and quartz veining has a length of at least 600 meters and a width of 150 meters. The silicification is of variable intensity within the zone and accompanied by disseminated pyrite. Host rocks are predominantly felsic volcanics with minor interlayered Karmutsen mafic volcanics. Erratic anomalous gold values up to 650 ppb Au and more consistently anomalous arsenic values in the 100-300 ppm range characterize Inco rock samples from the zone. Inco drilled three angle holes across the north end of the B zone. Fortunately, the areas of most significant rock geochemical anomalies coincide with relatively flat topography and stunted vegetation suitable for drill pads. None of the holes returned significantly anomalous gold values.

Zone D is an area of elevated gold and arsenic values in Inco rock samples (up to 610 ppb Au, 480 ppm As) coincident with a zone of silicification at the north margin of the granodiorite stock. Inco considered this to be an integral part of the B zone but the current author suspects that it is related to a completely separate northeast trending fracture zone. No significant follow-up work has been undertaken on this zone and such is warranted.

GEOCHEMISTRY

Several generations of geochemical data have been collected from the Bateaux property, some on reconnaissance lines and others on controlled survey grids. There are consequently, some problems regarding actual and relative locations of samples, particularly on the valley slopes south of Kitgoro Creek where overlapping grids have different coordinates and orientations.

It appears that soil geochemistry has not been successful in locating areas of known gold in bedrock such as the 'A' and 'C' zones. However, a persistent, linear, north-northwest trending zone of anomalous gold values in soils trends diagonally across the slope joining the 'A' zone with the southeast end of the 'C' zone (Figure 4). This soil anomaly is 600 m long and is defined by values in the 25-55 ppb Au range, with a central maximum value of 530 ppb Au. Its origin is not known at present and warrants further investigation.

Similarly, the 'D' zone area of anomalous gold in rocks is very poorly represented by gold values in soils. Its east side coincides, however, with the western end of a 200 meter long east-west trending gold in soil anomaly with values of 95 ppb, 560 ppb and 205 ppb Au. This anomaly warrants further investigation as do two other areas of anomalous gold in soils in the same general area.

CONCLUSIONS

Structurally controlled zones of gold mineralization at the Bateaux property are accompanied by silicification, pyritization and concentrations of arsenopyrite. These zones are related to steeply dipping conjugate fracture sets trending northwest and northeast.

Three holes drilled in the past have partially tested the 'B' zone with poor results. A fourth hole intersected 6.51 g/t Au (0.190 opt Au) across a 1.51 m width in spite of the fact that it appears to have been located incorrectly to test adjacent surface mineralization in the 'C' zone. Gold mineralization at surface in the 'A' and 'D' zones has never been tested at depth. A drilling program to test these existing targets is warranted.

Limestones exist in the areas of these gold anomalies and may be geochemically favourable host rocks. Particularly favourable geological parameters would involve a limestone host at the intersection of northeast and northwest trending mineralized structures. The valley of Kitgoro Creek trends northwest parallel to the 'A' and 'C' zones and is underlain partly by limestone. It is postulated that the creek is controlled by a northwest trending fracture zone which may be auriferous. The intersection of this structure with that of the northeast trending 'B' zone is a geologically attractive target which may warrant drilling at some time in the future.

RECOMMENDATIONS

A phased, success-contingent, exploration program is recommended for the Bateau property to test existing gold targets. In Phase 1 of the program it is recommended that 305 m (1,000 ft) of BQ diamond drilling be undertaken in five short holes to test the gold bearing structures represented by the 'A' and 'C' zones. This phase of the program is estimated to cost approximately \$60,000.

Contingent on successful results from Phase 1, it is recommended that Phase 2 of the program should consist of about 610 m (2,000 ft) of further drilling at an estimated cost of \$120,000. If results continue to be favourable, a Phase 3 program of 930 m (3,000 ft) of drilling is recommended at an estimated cost of \$180,000. If the three phase program recommended above is completed it is reasonable to assume that the company will be in a position to calculate initial ore reserves and formulate more substantial exploration programs.



September 8, 1987
Vancouver, B.C.

C.J. Westerman, Ph.D., F.G.A.C.
Consulting Geologist

BATEAUX PROPERTY
BATEAUX RESOURCES INC.

COST ESTIMATE

Phase 1



Diamond drilling (305 m) 1,000 ft at \$30/ft	\$ 30,000
Assays, 200 samples @ \$15/sample	3,000
Helicopters, 20 hrs @ \$600/hr	12,000
Geologist and assistant	6,000
Travel, freight, communication	1,500
Accommodation and food	1,000
Equipment	500
Consulting/Engineering	2,000
Drafting and report preparation	1,000
Government fees	3,000
	<hr/>
Total Phase 1	\$ 60,000
(i.e. all up cost \$60/ft drilled)	

Phase 2

Diamond drilling (610 m) 2,000 ft at \$60/ft \$ 120,000

Phase 3

Diamond drilling (915 m) 3,000 ft at \$60/ft \$ 180,000


September 8, 1987
Vancouver, B.C.

C.J. Westerman, Ph.D., F.G.A.C.
Consulting Geologist

CERTIFICATION

I, Christopher John Westerman, hereby certify that:

1. I am an independent Consulting Geologist with an office at 1010 - 470 Granville Street, Vancouver, British Columbia, V6C 1V5.
2. I am a graduate of London University, England with the degree of Bachelor of Science in Geology (1967); of the University of British Columbia with the degree of Master of Science in Geology (1970) and of McMaster University, Ontario with the degree of Doctor of Philosophy in Geology (1977).
3. I am a Fellow of the Geological Association of Canada (F.525) and a member of the Canadian Institute of Mining and Metallurgy.
4. I have practised my profession in North America since 1967, having worked as employee and consultant for several International Mining Corporations and Junior Resource Companies.
5. I have not, directly or indirectly, received or expect to receive any interest, direct or indirect, in the properties of Bateaux Resources Inc. or any affiliates or of any property within a radius of ten kilometres of subject property, or beneficially own, directly or indirectly, any securities of the company or of any affiliates.
6. This report is based upon personal examination of all available reports, and upon personal field observations made examining the property on November 15, 1979 and September 3, 1987.
7. I consent to the use of my report entitled "The Bateaux Property" and dated September 8, 1987 in, or associated with, the filing of a Prospectus or Statement of Material Facts by Bateaux Resources Inc.



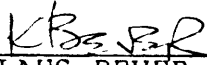
September 8, 1987
Vancouver, B.C.


C.J. Westerman, Ph.D., F.G.A.C.
Consulting Geologist

CERTIFICATE OF THE ISSUER

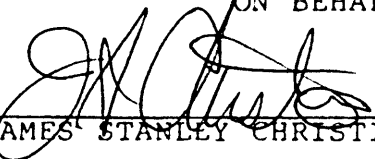
The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the British Columbia Securities Act and its regulations.

BATEAUX RESOURCES INC.


KLAUS BEVER
Chief Executive Officer


REGAN MICHAEL WILLIAMS
Chief Financial Officer

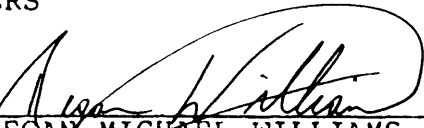
ON BEHALF OF THE BOARD OF DIRECTORS

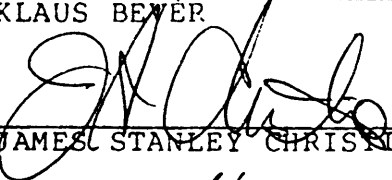

JAMES STANLEY CHRISTIE


ALEXANDER MICHIE

PROMOTERS



KLAUS BEVER


REGAN MICHAEL WILLIAMS


JAMES STANLEY CHRISTIE


ALEXANDER MICHIE


JAMES FRANK CARR-HILTON


ROSS GLANVILLE

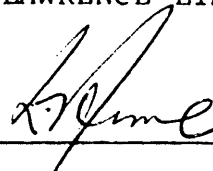

JAMES ALEXANDER MICHIE

DATED at Vancouver, British Columbia, this 5th day of April, 1988.

CERTIFICATE OF THE AGENT

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 British Columbia Securities Act and its regulations.

McDERMID ST. LAWRENCE LIMITED

Per: 

DATED at Vancouver, British Columbia, this 5th day of April, 1988.