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103I 019 - PORTLAND  
102I 211 - BURN

## VANCOUVER STOCK EXCHANGE

STATEMENT OF MATERIAL FACTS #52/88  
EFFECTIVE DATE: JUNE 15, 1988TERRACAMP DEVELOPMENTS LTD.  
4624 Tuck Avenue  
TERRACE, British Columbia V8G 2G2

Telephone: (604) 635-4204

**NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER**1800 - 400 Burrard Street  
VANCOUVER, British Columbia V6C 3A6**ADDRESS OF REGISTERED AND RECORDS OFFICES OF ISSUER**The Canada Trust Company  
1055 Dunsmuir Street  
VANCOUVER, British Columbia V7X 1P3**NAME AND ADDRESS OF REGISTRAR & TRANSFER AGENT FOR ISSUER'S SECURITIES IN BRITISH COLUMBIA**

The securities offered hereunder are speculative in nature. Information concerning the risks involved may be obtained by reference to this document; further clarification, if required, may be sought from a broker.

**OFFERING: 700,000 Units<sup>1</sup>**  
Consisting of 450,000 "Flow-Through" Units and  
250,000 "Non Flow-Through" Units

<sup>1</sup> Each unit consists of one common share without par value and one Series "A" Warrant entitling the holder thereof to purchase a further share in the capital of the Issuer at a price which is the greater of \$0.80 per share or the minimum price set by and in accordance with the rules and policies of the Exchange, which will set a price at a premium to the Offering Price.

|           | Price to Public<br>(estimated)* | Commission<br>(estimated) | Net Proceeds to be Received<br>by the Issuer (estimated) |
|-----------|---------------------------------|---------------------------|--|
| Per Share | \$ 0.73                         | \$ 0.055                  | \$ 0.675   |
| Total     | \$511,000.00                    | \$38,500.00               | \$472,500.00   |

\*The price of the Units will be determined in accordance with the rules and policies of the Vancouver Stock Exchange at a premium over the average trading price of the Issuer's shares.

**SECONDARY OFFERING - SHARES**

This Statement of Material Facts also qualifies for sale to the public any Units purchased by the Agent from the Offering and any shares and Units acquired upon the exercise of the Series "A" or Agent's Warrants or the Greenshoe Option, at the prevailing market price for a period of one year from the Offering Day.

**AGENT**BRINK, HUDSON & LEFEVER LTD.  
1500 - 666 Burrard Street  
Vancouver, British Columbia  
V6C 3C4

Neither the Superintendent of Brokers nor the Vancouver Stock Exchange has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

PROPERTY FILE D.L.

Kalm Lake 103I 116 05

APPENDIX B

REPORT ON THE  
KALUM LAKE PROPERTY  
TERRACE AREA  
BRITISH COLUMBIA

NTS 103 - I / 10 & 15

Longitude 128° 45' West      Latitude 54° 45' North

FOR

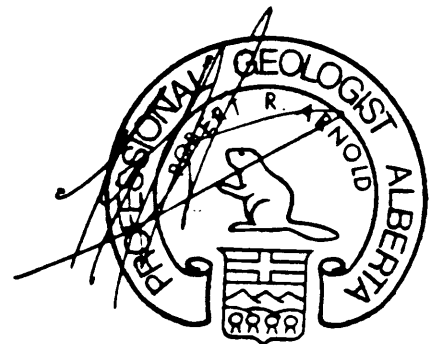
TERRACAMP DEVELOPMENTS LTD.  
4624 Tuck Avenue  
Terrace, B.C.  
V8G 2G2

BY

DENIS A. COLLINS, B.Sc., Ph.D. and  
ROBERT R. ARNOLD, M.Sc., P.Geol., FGAC.

J.P. SORBARA & ASSOCIATES  
6703 Nicholson Road  
Delta, B.C.  
V4E 2T2

December 22, 1987



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## SUMMARY

The Kalum Lake property consists of five contiguous claim blocks, totalling 87 units, which are held by Terracamp Developments Ltd. who have an option agreement with the Kalum Lake Mining Group. The property lies about 32 kilometers north of Terrace on the west shore of Kitsumkalum Lake, British Columbia, and easy access is gained by four wheel-drive vehicle along an all-weather gravel road which runs through the central property area.

Interest in the claim area dates back to 1919 when the main vein was discovered. Between 1923 and 1937 shafts and adits were sunk in the mineralized zone. Assay values up to 0.62 oz Au/t and 2.2 oz Ag/t were reported from these old workings. In 1972, the original claims were restaked and a drill hole was drilled sub-parallel to the main vein. Only traces of gold and silver were recorded in this drill hole. In 1983 trenching of the #1 and #2 veins was carried out by the newly formed Kalum Mining Group. Assay values up to 7.32 oz Au/t and 6.58 oz Ag/t were recorded in the #2 vein. In 1987 three diamond drill holes were drilled over the main showing. Visible gold was noticed in two intersections of the #2 vein.

The property is underlain by Upper Jurassic-Lower Cretaceous greywackes, conglomerates and argillites of the

Bowser Group. These rocks are intruded by granodiorite and quartz monzonite stocks of Upper Cretaceous Age. Mineralization occurs as auriferous epigenetic quartz veins associated with the intrusives. These veins exhibit hydrothermal alteration.

•

Salazar (1987) calculated a very conservative potential grade and tonnage by utilizing the data of the 1987 drilling program. The calculated potential reserves of the main site were estimated to be 10,400 short tons at a grade of 0.47 oz Au/t to a depth of 45 meters.

It is in the opinion of the authors that underground drift exploration in conjunction with bulk sampling and metallurgical testing is a more suitable exploration method to determine the exact geometry, composition and grade characteristics of a hydrothermal vein system. Such an underground program is warranted on the Terracamp Developments Ltd. property and highly recommended by the writers.

## 1.0 INTRODUCTION

This summary and evaluation of the Kalum Lake Property is done at the request of Mr. I. Dow, on behalf of Terracamp Developments Ltd. of Terrace, British Columbia. The main purpose of the present report is to evaluate the potential of the property for hosting gold mineralization and to propose an exploration program designed to test this potential.

This report is based on a review of public and private reports pertaining to the area, recent exploration activities on the property, government geological and topographical maps and claim data from the mining recorder's office. One of the writers (D.A. Collins, Ph.D.) visited the property during the month of November, 1987 and examined the property geology and inspected the sites of the old shafts situated on the claims.

### 1.1 Location and Access

The subject property is located, and partly incorporates, the west shore of Kitsumkalum Lake, in west-central British Columbia. The claim group is approximately centered at latitude 54 degrees 45' North and longitude 128 degrees 45' West.

The Kalum Lake claim group is 32 kilometers north of Terrace, British Columbia. Access to the property is gained by four wheel drive vehicle along an all-weather gravel road which leaves Highway 16 five kilometers west of Terrace and passes through the middle of the claim group (Figures 1, 2).

## 1.2 Property and Ownership

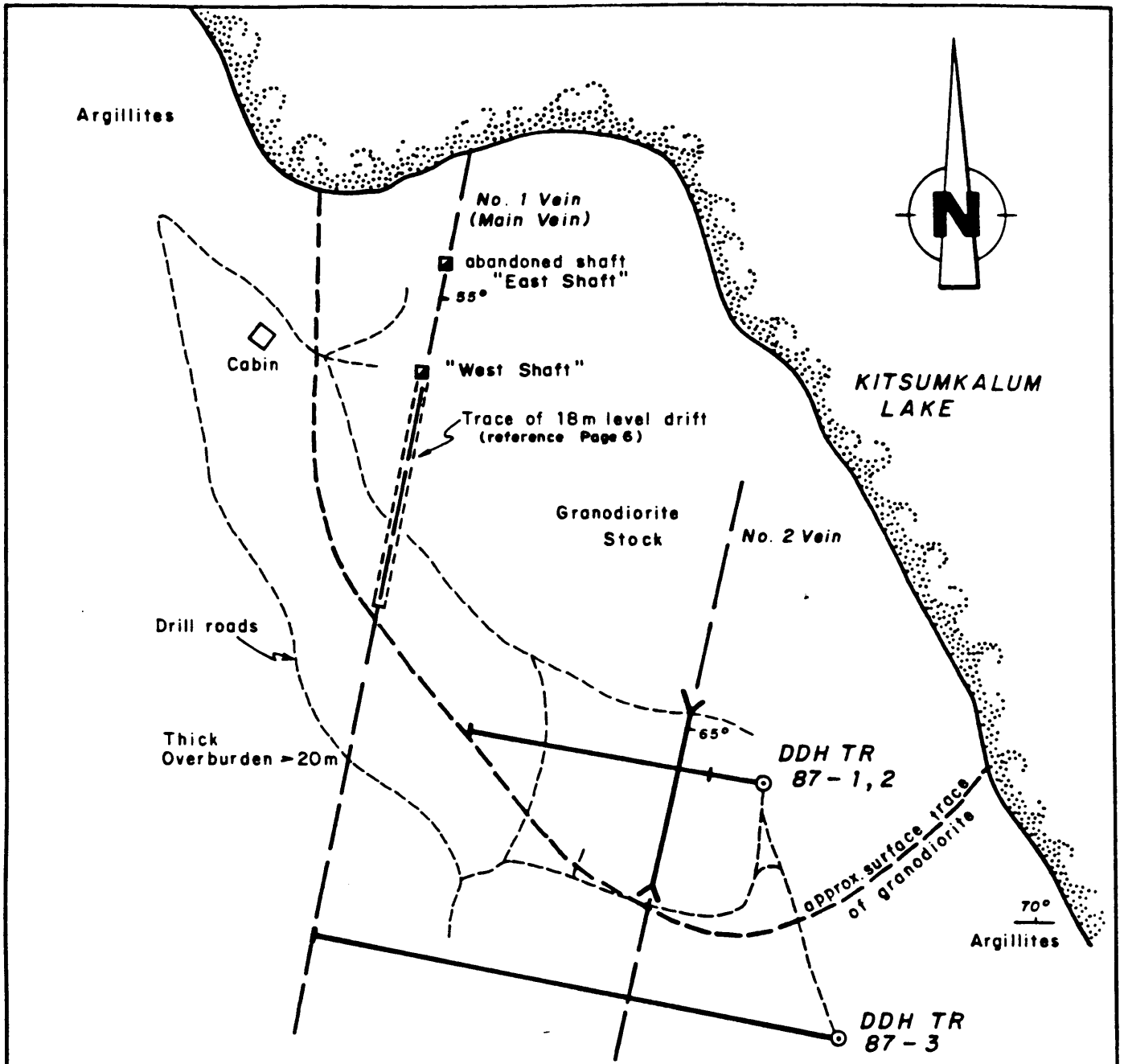
The Kalum Lake property comprises 5 claim blocks totalling 87 units. The claims are held by Terracamp Developments Ltd. who have an option agreement with the Kalum Lake Mining Group.

The Bav 1 to 4 claims were originally staked by Mr. R.H. Bates on July 15, 1972 and were recorded at the Prince Rupert mining recorder's office on July 21, 1972. The remainder of the claims were staked by Mr. J. Apolczer between November 1983 and May 1984 and recorded at the Prince Rupert mining recorder's office during the same period.

A list of pertinent claims data is given below:

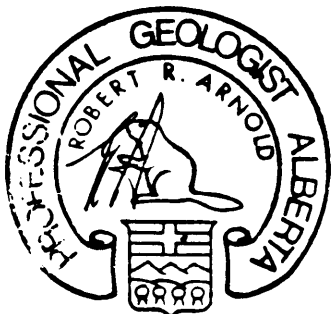
| CLAIM NAME | UNITS | RECORD No. | EXPIRY DATE    |
|------------|-------|------------|----------------|
| Trench 1   | 20    | 4398       | April 13, 1991 |
| Burn 1     | 20    | 4399       | April 13, 1992 |
| Burn 2     | 20    | 4425       | April 27, 1992 |
| Burn 3     | 18    | 4445       | May 11, 1992   |





**LEGEND:**

- DRILL HOLE
- ><— TRENCH
- - - - - GEOLOGICAL CONTACT



AFTER: Covey & Chapman (1987)

|   |                 |                            |              |
|---|-----------------|----------------------------|--------------|
| TERRACAMP DEVELOPMENTS LTD.                                   |                 |                            |              |
| KALUM LAKE CLAIMS   |                 |                            |              |
| SKEENA MINING DIV., N.T.S. 103I/10, 15W, B.C.                 |                 |                            |              |
| <b>PROPERTY GEOLOGY &amp; DIAMOND DRILL HOLE LOCATION MAP</b> |                 |                            |              |
| Scale:<br>As Shown  | Date:<br>DEC 87 | N.T.S.<br>103 I / 10, 15 W | Figure:<br>5 |
| By:<br>J.P. SORBARA & Associates                              |                 |                            |              |

|       |   |       |                   |
|-------|---|-------|-------------------|
| Bav 1 | 1 | 37397 | July 21, 1993     |
| Bav 2 | 1 | 37398 | July 21, 1993     |
| Bav 3 | 1 | 37399 | July 21, 1993     |
| Bav 4 | 1 | 37400 | July 21, 1993     |
| Bav 5 | 1 | 4223  | November 28, 1992 |
| Bav 6 | 1 | 4224  | November 28, 1992 |
| Bav 7 | 1 | 4225  | November 28, 1992 |
| Bav 8 | 1 | 4226  | November 28, 1992 |
| Bav 9 | 1 | 4227  | November 28, 1992 |

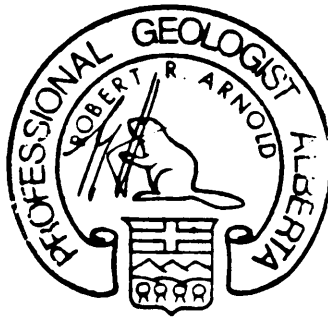
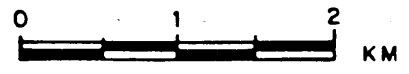
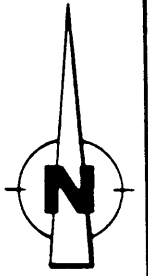
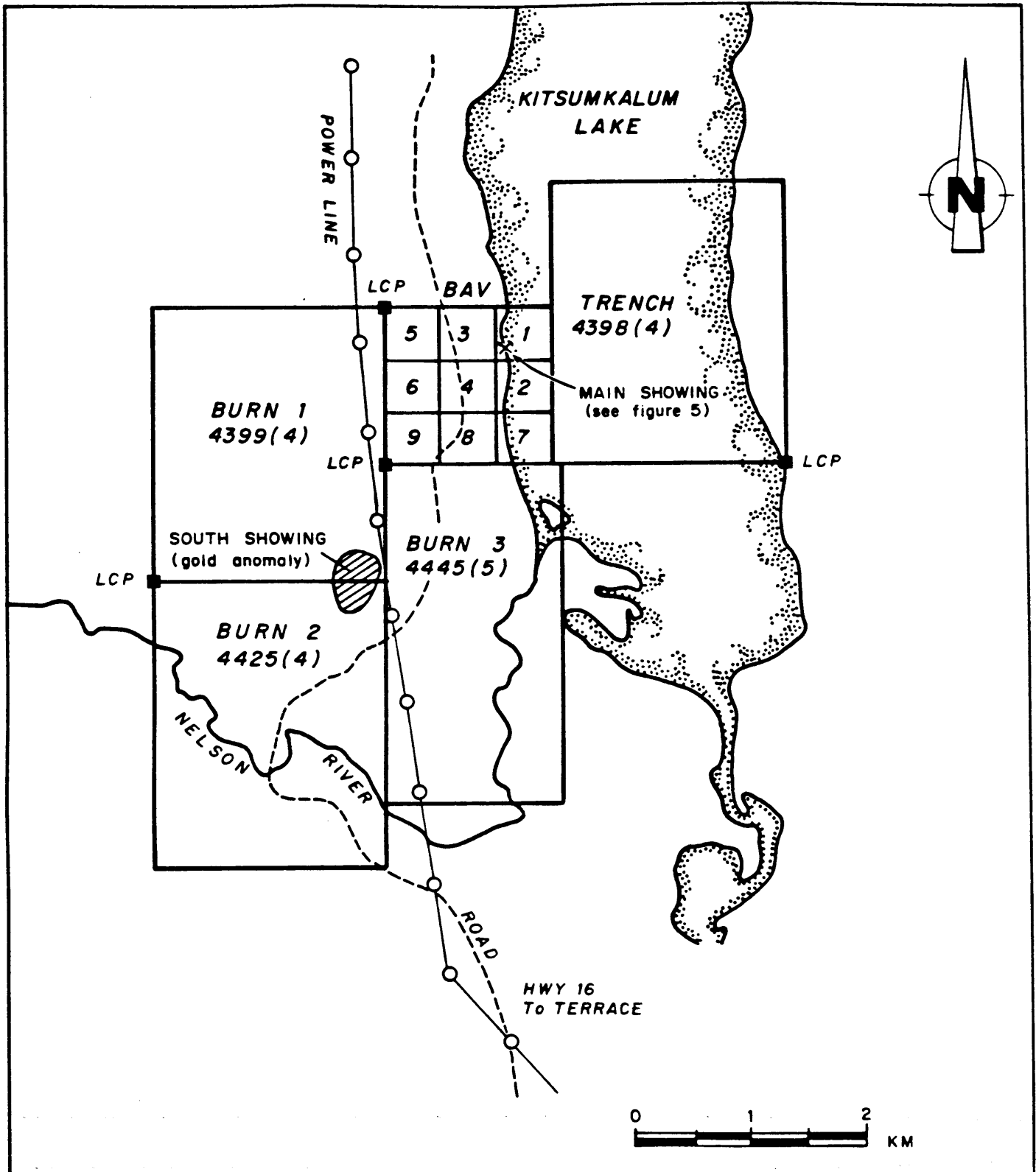
The entire property is shown on the Mineral Claim Map 103-1/10W & 15W, and on figure 3 of this report.

### 1.3 Physiography

The property is located within the divide of the Pacific Ranges of the Coast Mountains and the Hazelton Mountains of the Intermontane Physiographic Belt.

The area is incorporated within, and exhibits the characteristics of, a typical glaciated valley. These include a wide faintly undulated valley bottom, containing Kitsumkalum Lake, flanked by steep rugged mountains. Elevations within the property range from 150 meters (492 feet) to 475 meters (1558 feet) above sea level.

The lower slopes are predominantly timbered with a variety of conifers with an intergrowth of alder and willow.



|   |                 |                        |                     |
|---|-----------------|------------------------|---------------------|
| TERRACAMP DEVELOPMENTS LTD.                   |                 |                        |                     |
| KALUM LAKE CLAIMS                             |                 |                        |                     |
| SKEENA MINING DIV., N.T.S. 103I/10, 15W, B.C. |                 |                        |                     |
| <b>CLAIM MAP</b>                              |                 |                        |                     |
| Scale:<br>1 : 50,000                          | Date:<br>DEC 87 | N.T.S.<br>103I/10, 15W | Figure:<br><b>3</b> |
| By:<br>J.P. SORBARA & Associates              |                 |                        |                     |

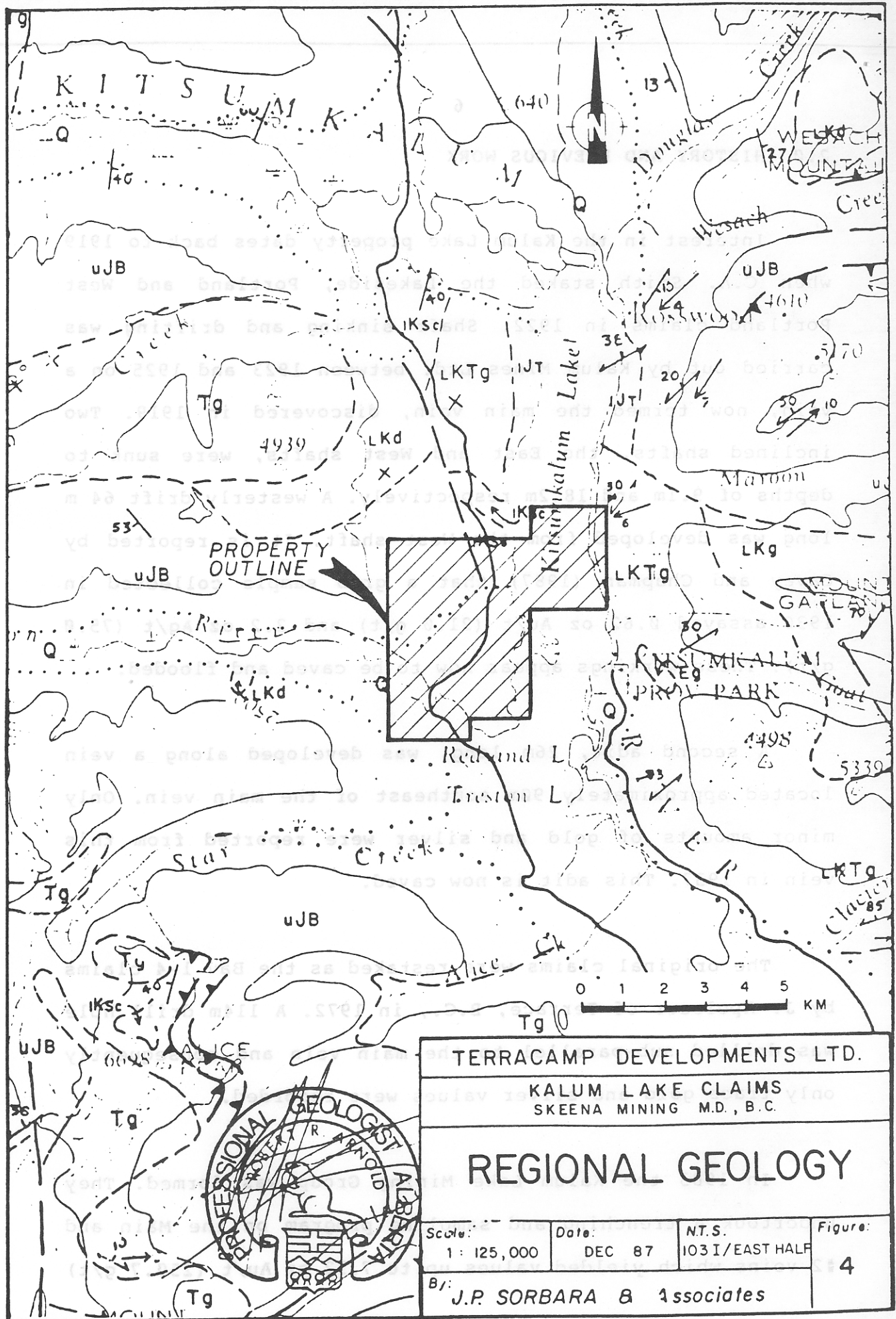
## 2.0 HISTORY AND PREVIOUS WORK

Interest in the Kalum Lake property dates back to 1919 when C.A. Smith staked the Lakeside, Portland and West Portland claims in 1922. Shaft sinking and drifting was carried out by Kalum Mines Ltd. between 1923 and 1925 on a vein, now termed the main vein, discovered in 1919. Two inclined shafts, the East and West shafts, were sunk to depths of 9.1m and 18.2m respectively. A westerly drift 64 m long was developed from the West shaft. It is reported by Cavey and Chapman (1987) that a grab sample collected in 1930 assayed 0.62 oz Au/t (21.0 g/t) and 2.2 oz Ag/t (75.0 g/t). These workings appear now to be caved and flooded.

A second adit, 26m long, was developed along a vein located approximately 90m southeast of the main vein. Only minor amounts of gold and silver were reported from this vein in 1937. This adit is now caved.

The original claims were restaked as the Bav 1-4 claims by J. Apolczer of Terrace, B.C., in 1972. A 114m drill hole was drilled sub-parallel to the main vein and consequently only trace gold and silver values were recorded.

In 1983 the Kalum Lake Mining Group was formed. They undertook a 'trenching and sampling program on the Main and #2 veins which yielded values up to 7.32 oz Au/t (250.7 g/t)



|   |                 |                           |              |
|---|-----------------|---------------------------|--------------|
| TERRACAMP DEVELOPMENTS LTD.                   |                 |                           |              |
| KALUM LAKE CLAIMS<br>SKEENA MINING M.D., B.C. |                 |                           |              |
| <b>REGIONAL GEOLOGY</b>                       |                 |                           |              |
| Scale:<br>1: 125,000                          | Date:<br>DEC 87 | N.T.S.<br>103 I/EAST HALF | Figure:<br>4 |
| By: J.P. SORBARA & Associates                 |                 |                           |              |

## REGIONAL GEOLOGY LEGEND

- Q QUATERNARY  
unconsolidated sediments
- 1KSc LOWER CRETACEOUS  
Skeena Group: chert pebble conglomerate,  
sandstone, siltstone
- UJB MIDDLE - UPPER JURASSIC  
Bowser Lake Group: marine and nonmarine  
sandstone, siltstone, shale
- 1JT UPPER TRIASSIC - LOWER JURASSIC  
Calc-alkaline basalt to rhyolite breccia,  
tuff and flows, minor intravolcanic sediments
- TG TERTIARY - POST-TECTONIC  
Granite, granodiorite
- LKd LATE CRETACEOUS (?) TO EARLY TERTIARY  
Pre- to Post-Kinematic Granodiorite
- LKTg LATE CRETACEOUS (?)  
Post-Tectonic Granodiorite
- LKg LATE CRETACEOUS (?)  
Pre- to Syn-Kinematic Granodiorite

and 6.58 oz Ag.t (225.3 g/t) in the #2 vein. The trench was later filled in at the request of B.C. Government officials.

In 1984, as a result of a soil survey on the southwestern portion of the claim group, a second anomalous gold showing was discovered 2.25km from the main area of interest.

During February 1987 three diamond drill holes were collared at the main showing and 393m of NQ core was recovered, under the supervision of Orequest Consultants Ltd. Two of the holes, TR-87-1, 2 were collared from the same site at an azimuth of 280 degrees and dip angles of -50 and -80 degrees respectively. The third hole, TR-87-3, was collared 60m to the southwest at a dip angle of -45 degrees and parallel to the previous holes. The holes reached depths of 114.6m, 87.2m and 190.8m respectively. All the core is stored on site.

### 3.0 GEOLOGY

#### 3.1 Regional Geology and Mineralization

The oldest rocks underlying the area are Upper Jurassic-Lower Cretaceous greywackes, conglomerates and argillites of the Bowser Group (Figure 4). These rocks are

intruded by granodioritic and quartz monzonite stocks of Upper Cretaceous Age collectively termed the "Coast Intrusions". The granodioritic stocks have undergone phases of propylitic alteration and epigenetic vein hosted mineralization.

Cavey and Chapman (1987) report that:

" Just to the West of the Kalum Lake Mining Claims, Campbell Resources Ltd. has conducted a drilling program on the Misty claims. Staked as a result of the release of the 1979 Silt Geochemical Survey by the Government. Campbell Resources Ltd. has outlined areas of high gold values using soil geochemistry. Published data indicate this to be a similar system to that encountered on the Kalum Lake Claims."

### 3.2 Property Geology

Bedrock exposure is sparse within the claim group with the exception of the shore of Kitsumkalum Lake. Up to 60 meters of glacial sand and gravel blankets much of the property.

Two granodioritic stocks, 2.25 km apart, are exposed and these exhibit hydrothermal alteration and mineralization. Two auriferous epigenetic steeply dipping, subparallel quartz veins, termed #1 and #2, are exposed at the main site (Figure 5). The #1 vein, which was the focus for work in 1922-1923, is approximately 30cm wide and dips 45 degrees southwest. It is reported that grab samples from



the dump site (Cavey and Chapman, 1987) recorded assay values up to 5.62 oz Au/t (192.5 g/t) and 13.92 oz Ag/t (476.8 g/t).

The #2 vein was trenched for 30m on strike and showed thickness variations from 15cm to 60cm with a dip of 65 degrees southeast. Drilling reports by Cavey and Chapman (1987) show that both the #1 and #2 veins steepen to subvertical at depth.

Mineralization consists of pyrite, chalcopyrite, tetrahedrite, galena, sphalerite and occasional visible gold within a quartz gangue. Selected trench samples yielded values up to 7.32 oz Au/t (250.7 g/t) and 6.58 oz Ag/t (225.3 g/t). A third sub-parallel vein, 10cm wide, was intersected in diamond drill hole TR-87-1, adjacent to the #2 vein.

Cavey and Chapman (1987) recognized the following types of alteration zones in the diamond drill core:

" Alteration in the granodiorite is directly related to the density of veining and shearing. The predominant type is propylitic with lesser silicification and epidotic and hematitic alteration...

Grey white argillitic alteration is prominent over short intervals, less than 40cm, usually surrounding fault zones. Abundant gouge is normally associated with these intervals containing variable amounts of fragments...

Mineralization is predominantly associated with the stonger propylitic alteration although minor pyrite is associated with many of the argillic sections...

The main lithology intersected in the drilling was the granodioritic stock. In its least altered state this was a dark green, generally equigranular, medium to coarse grained massive rock."

Visible gold was present in two of the diamond drill core intersections of the #2 vein. In diamond drill hole TR-87-3, true width of the #2 vein ranged from 0.3m to 0.4m, while the #1 vein consisted of two 0.2m thick veins at depth which are separated by 2m of altered and brecciated granodiorite.

Assay values of up to 1.86 oz Au/t (63.7 g/t) and 4.9 oz Ag/t (167.8 g/t) were recorded from the drill intersections of the #2 vein. Anomalous gold values were also noted for up to 5m on either side of this vein. The #1 vein was only intersected by the long hole TR-87-3 and an assay value of 0.006 oz Au/t (0.165 g/t) was recorded.

#### 4.0 RESERVE POTENTIAL

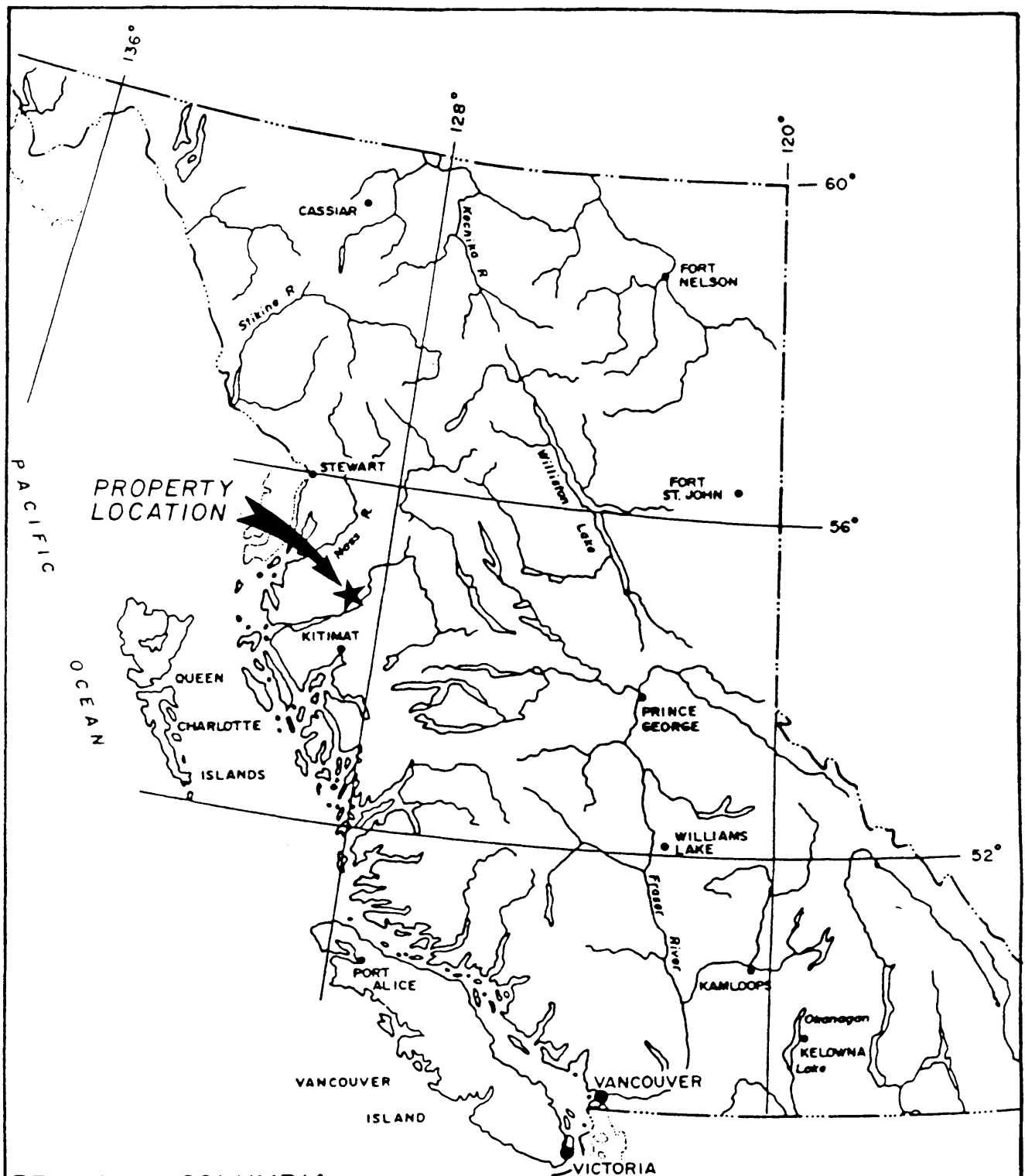
Salazar (1987) evaluated the potential grade and tonnage at the #1 and #2 veins by utilizing the data of Cavey and Chapman (1987). To compensate for "nugget effect" of vein type deposits he used a conservative grade estimate of 0.47 oz Au/t over a width of 0.54m, a depth of 45m and a strike length of 60m for the #2 vein. He calculated the

potential reserve tonnage for the #2 vein from this as 4,900 tonnes or 5,400 short tons. However, anomalous gold values were recorded in the drill core for up to 5m on either side of the #2 vein and therefore the ore potential is considerably higher. Furthermore, thick overburden was problematic during drilling and inhibited deeper diamond drilling. Due to the similar geology and mineral composition of both the #1 and #2 veins, the potential reserves of the main site are, at present, conservatively estimated by Salazar (1987) to be 10,400 short tons at a grade of 0.47 oz Au/t (16.1 g/t) to a depth of 45 meters.

In addition to the main site a subsidiary mineralized zone is partially exposed 2.25 kilometers to the southwest. Cavey and Chapman (1987) state "A second intrusive body... is very similar but with more intense alteration and more extensive veining. Surface samples of oxidized material from this area have assayed up to 0.49 oz Au/t (16.8 g/t) and 7.0 oz Ag/t (239.8 g/t)."

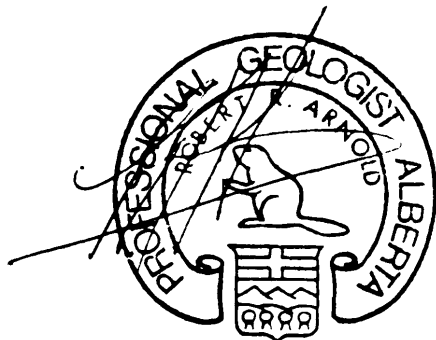
During a geochemical soil sampling program conducted by Orequest Consultants Ltd. in November 1984, gold values up to 9,400 ppb were recorded. The average values were in the 20-350 ppb range over a width of 400m and a length of 600m, open in two directions.

A correlation between this showing and the main site has not yet been proved, but their similarities in

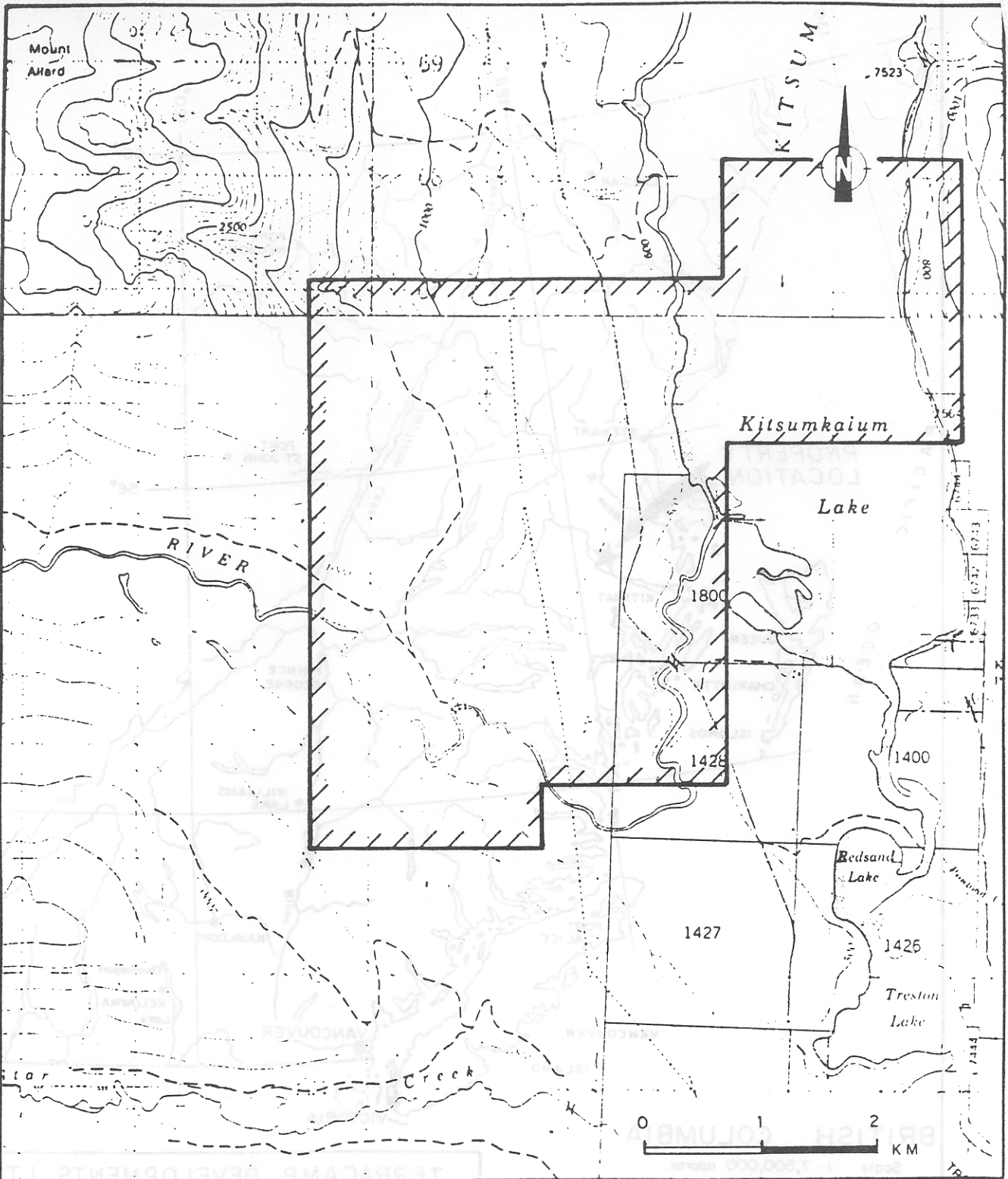


BRITISH COLUMBIA

Scale 1:7,500,000 approx.



|   |                 |        |              |
|---|-----------------|--------|--------------|
| TERRACAMP DEVELOPMENTS LTD.                   |                 |        |              |
| KALUM LAKE CLAIMS<br>SKEENA MINING M.D., B.C. |                 |        |              |
| GENERAL LOCATION MAP                          |                 |        |              |
| Scale:<br>As Shown                            | Date:<br>DEC 87 | N.T.S. | Figure:<br>1 |
| By: J.P. SORBARA & Associates                 |                 |        |              |



TERRACAMP DEVELOPMENTS LTD.

KALUM LAKE CLAIMS  
SKEENA MINING M.D., B.C.

# TOPOGRAPHIC MAP

|                      |                 |                         |              |
|----------------------|-----------------|-------------------------|--------------|
| Scale:<br>1 : 50,000 | Date:<br>DEC 87 | N.T.S.<br>103 I/10,15 W | Figure:<br>2 |
|----------------------|-----------------|-------------------------|--------------|

By: **J.P. SORBARA & Associates**



T

composition suggest a lateral extension may exist between the two zones of mineralization.

## 5.0 CONCLUSIONS AND RECOMMENDATIONS

The 1987 drilling program confirmed the presence of high grade vein type mineralization at depth and along strike of the main showing. Visible gold has been recognized in outcrop, trenching and in drill core intersections of the #2 vein. Furthermore, reconnaissance trenching 2.25 km to the southwest yielded gold values up to 0.49 oz Au/t.

The determination of an accurate grade and ore reserve potential of hydrothermal vein type deposits is complicated by the "nugget effect" of native gold. A more satisfactory method of determining the exact geometry, composition and grade of such deposits is by underground drift development in conjunction with bulk sampling and processing of the collected material.

The #2 vein has been the source of high grade grab samples; therefore, it should be the focus of any future evaluation program. An adit would be required to first intersect the vein below its present outcrop elevation and then a declined drive along the vein would facilitate geological mapping and bulk sampling.

Underground diamond drilling would eliminate overburden problems and facilitate the intersection of both the #1 and #2 veins at a greater depth and longer strike length than currently proven.

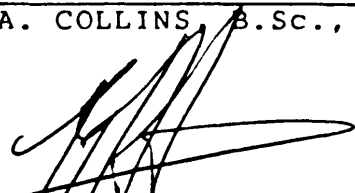
Confirmation of the down dip and along strike extensions of the ore zone would greatly increase the ore potential for the claim group. An indication of the possible strike length of the mineralization is provided by the second exposed showing 2.25 kilometers to the southwest of the main site. Due to the tectonic setting of such vein type deposits, the potential for the presence of other mineralized veins exists in adjacent host granodiorite.

An estimated cost breakdown of this underground exploration program is given in Appendix I.

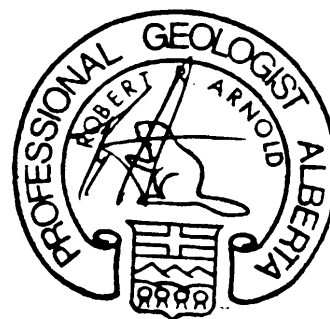
Respectfully submitted

J.P. SORBARA & ASSOCIATES

  
DENIS A. COLLINS, B.Sc., Ph.D.

  
ROBERT R. ARNOLD, M.Sc., P.Geol., F.G.A.C.

December 22, 1987



**6.0 REFERENCES**

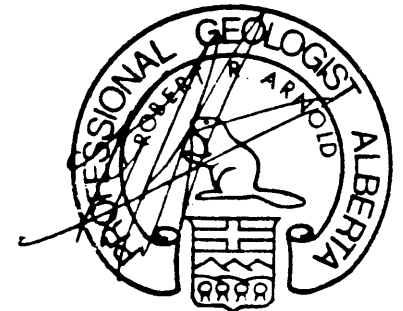
- Cavey, G.T. and Chapman, J. (1987)  
Report on the 1987 Drilling Program, Kalum Lake Claims  
for Terracamp Developments Ltd.
- Salazar, G. (1987)  
Evaluation of the Kalum Lake Project for Terracamp  
Developments Ltd.
- British Columbia Ministry of Energy, Mines and Petroleum  
Resources  
Annual Reports :     1923-47  
                          1925-69  
                          1927-47  
                          1927-63  
                          1030-74
- British Columbia ministry of Energy, Mines and Petroleum  
Resources  
Assessment Reports: 8299  
                          8393
- Woodsworth, G.J., Hill, M.L., Van der Heyden, P. (1986)  
Preliminary Geologic Map of Terrace (NTS 103-I East  
Half) Map Area, British Columbia; GSC Open File 1136.



APPENDIX I  
ESTIMATED COST OF PROPOSED PROGRAM

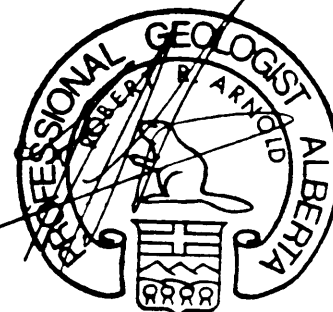
ESTIMATED COST OF PROPOSED PROGRAM

|   |    |            |
|---|----|------------|
| Personnel   |    |            |
| Project Geologist (40 days @ \$275.00/day)                                | \$ | 11,000.00  |
| Technician (40 days @ \$175.00/day)                                       | \$ | 7,000.00   |
| Accommodation (80 man-days @ \$ 90.00/day)                                | \$ | 7,200.00   |
| Mobilization/Demobilization   | \$ | 2,500.00   |
| Truck Rental and Fuel (42 days @ \$125.00/day)                            | \$ | 5,250.00   |
| Personnel (Vicor Drilling)  |    |            |
| Miner (35 days @ \$288.00/day)  | \$ | 10,800.00  |
| Mechanic (35 days @ \$222.00/day)   | \$ | 7,700.00   |
| Labourer (35 days @ \$194.00/day)   | \$ | 6,790.00   |
| Supervisor (35 days @ \$323.00/day)                                       | \$ | 11,305.00  |
| Mining Equipment Rental   |    |            |
| (911 Eimco LHD, Compressor, Generator,<br>4X4 Trucks, Water Pumps, Tools) | \$ | 20,624.00  |
| Accommodation (140 man-days @ \$90.00/day)                                | \$ | 12,600.00  |
| Mobilization/Demobilization   | \$ | 30,000.00  |
| Underground Development (400 ft @ \$430.00/ft)                            | \$ | 172,000.00 |
| ** Underground Drilling - allocation                                      | \$ | 51,000.00  |
| Assays (gold by F.A. + seven elements by ICP)                             |    |            |
| 100 samples @ \$15.50/sample  | \$ | 1,550.00   |
| Disposable Field Equipment  | \$ | 1,600.00   |



|  |       |                      |
|--|-------|----------------------|
| Project Preparation                            | \$    | 2,000.00             |
| Report Compilation and Drafting                | \$    | 5,500.00             |
| Accounting, Communications and Freight         | \$    | 3,000.00             |
| Supervision (Sen. Geol. 3 days @ \$375.00/day) | \$    | 1,125.00             |
| Project Management                             | \$    | 59,000.00            |
| Contingencies                                  | \$    | <u>20,000.00</u>     |
|  | TOTAL | <u>\$ 449,544.00</u> |

\*\* Includes all drilling contractors costs.



**APPENDIX II**  
**STATEMENT OF QUALIFICATIONS**

STATEMENT OF QUALIFICATIONS

I, DENIS A. COLLINS, of 122 West 12th Avenue, of the City of Vancouver, Province of British Columbia, hereby certify:

1. THAT I am a geologist residing at 122 West 12th Avenue, Vancouver, British Columbia, Canada, V5Y 1T7.
2. THAT I obtained a Bachelor of Science degree in Geology from the University College Cork, Ireland in 1980 and a Ph.D. in Structural Geology from the same university in 1985.
3. THAT I have been practising my profession as a geologist in Ireland, South Africa and Canada since 1980.
4. THAT this report is based upon a thorough review of published and printed reports and maps on the subject property and the surrounding area. I have visited the property personally.
5. THAT I have no interest in the property described herein, nor in securities of any company associated with the property, nor do I expect to receive any such interest.
6. THAT I consent to the use of this report in a Prospectus or Statement of Material Facts for the purpose of private or public financing.

Dated in Vancouver, British Columbia, this 22nd day of December, 1987.



Denis A. Collins, B.Sc., Ph.D.

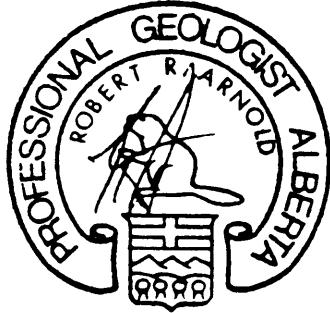
## STATEMENT OF QUALIFICATIONS

I, ROBERT R. ARNOLD, of 1227 Caledonia Avenue, in the City of North Vancouver, in the Province of British Columbia, hereby certify:

1. THAT I am a geologist residing at 1227 Caledonia Avenue, in the City of North Vancouver, in the Province of British Columbia.
2. THAT I obtained a Bachelor of Science degree in Geology from the University of Geneva, in the City of Geneva, Switzerland, in 1976 and a Master of Science degree in Geological Engineering, from the same university in 1978.
3. THAT I am a Registered Professional Geologist, in good standing, of the Association of Professional Engineers, Geologists and Geophysicists of Alberta since 1981.
4. THAT I am a Fellow Member of the Geological Association of Canada, in good standing since 1985. That I am an associate member of the Mineralogical Association of Canada and of the Society of Economic Geologists.
5. THAT I have been practising my profession as a geologist in Western Europe, West Africa, Southeast Asia and North America, both permanently since 1978 and seasonally since 1971.
6. THAT I have not visited the property reported on herein, however, the claims were examined by Denis A. Collins, Senior Geologist, in whom I have every confidence.
7. THAT I have not received, nor do I expect to receive any interests, direct or indirect, or contingent in the securities or properties of Terracamp Developments Ltd. and that I am not an insider of any company having interest in the Mineral Claims which are the subject of this report, or any other claims within a radius of 10 kilometers.

8. THAT I consent to the use of this report in a Prospectus or Statement of Material Facts for the purpose of a private or public financing.

Dated in North Vancouver, British Columbia, this 22nd day of December, 1987.



A handwritten signature in black ink, appearing to read "Robert R. Arnold".

Robert R. Arnold, M.Sc., P.Geol., FGAC.

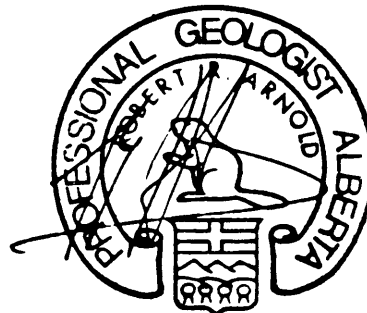
APPENDIX C

ADDENDUM TO THE REPORT ON THE  
KALUM LAKE PROPERTY, TERRACE, B.C. FOR  
TERRACAMP DEVELOPMENTS LTD. BY  
DENIS A. COLLINS, PH.D. AND  
ROBERT R. ARNOLD, M.Sc., P.Geol., FGAC  
DATED DECEMBER 22, 1987

BY

Robert R. Arnold, M.Sc., P.Geol., FGAC  
J.P. SORBARA & ASSOCIATES  
6703 Nicholson Road  
Delta, B.C.  
V4E 2T2

March 28, 1988





A bulk sample program was carried out in early 1988 on the Kalum Lake claims and two samples, labelled Test #1 and Test #3 and having respectively a net weight of 115.5 lbs and 102.9 lbs, were collected and pre-ground. The samples were submitted to Nesmont Precious Metals Corporation, in Ladner, B.C., for concentration and gravity recovery tests as well as gold and silver assays.

The method of testing was described by the laboratory as follows: "Each sample was subjected to a 100 mesh screen test, then concentrated using a vibratory concentrating table to produce a "concentrate", a "middlings" and a "tailings" product".

Results can be found on the enclosed certificates of assay and are summarized below:

Test #1

| <u>Product</u> | <u>Weight</u> | <u>Gold (oz/t)</u> | <u>Silver (oz/t)</u> |
|----------------|---------------|--------------------|----------------------|
| Heads          | 115.50 lbs    | 0.346              | 0.45                 |
| Concentrate    | 3.70 lbs      | 9.50               | 11.47                |
| Middlings      | 64.16 lbs     | 0.054              | 0.09                 |
| Tailings       | 47.64 lbs     | 0.026              | 0.06                 |

The concentrate ratio of Test #1 is 31.21 to 1.00.

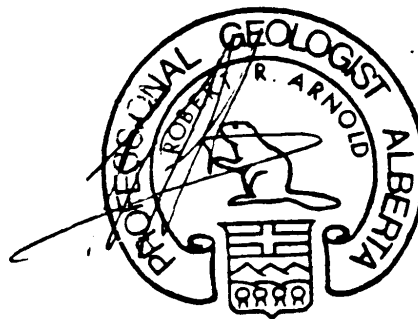
Test #3

| <u>Product</u> | <u>Weight</u> | <u>Gold (oz/t)</u> | <u>Silver (oz/t)</u> |
|----------------|---------------|--------------------|----------------------|
| Heads          | 102.29 lbs    | 0.409              | 0.52                 |
| Concentrate    | 5.25 lbs      | 7.21               | 8.54                 |
| Middlings      | 39.69 lbs     | 0.051              | 0.12                 |
| Tailings       | 57.96 lbs     | 0.036              | 0.06                 |

The concentrate ratio of Test #3 is 19.60 to 1.00.

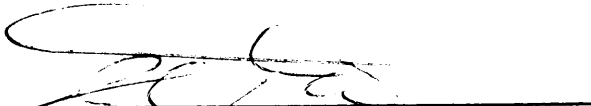
The writer concludes that the results of the bulk sampling program were very encouraging: respectively 9.5 oz Au/t and 7.21 oz Au/t were recovered in the concentrates of samples #1 and #2. Further exploration to test the precious metals potential of the property is fully warranted.

These results were not included in the report by D. Collins, Ph.D. and R. Arnold, M.Sc., P.Geol., FGAC due to the fact that this bulk sampling program was conducted after the completion of the report dated December 22, 1987.




CERTIFICATE OF THE DIRECTORS AND PROMOTERS OF THE ISSUER

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



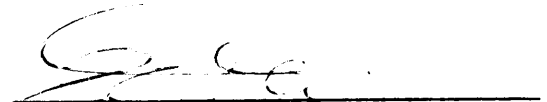
IAN CAMPBELL DOW  
President, Chief Executive  
and Financial Officer,  
Promoter



GERALD DANIEL MCNULTY  
Director



TIMOTHY MARK MCNULTY  
Director



HEATHER SHARMAINE DOW  
Director  
(By her authorized  
representative)

Dated: June 10, 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 Statement of Material Facts as required by the Securities Act and its Regulations.

BRINK, HUDSON & LEFEVER LTD.

Per: 

Dated: June 10, 1988