

~~D.I.~~ 018886
PROPERTY FILE

S DATED JULY 29, 1987

104A 092

OFFERING OF THESE SECURITIES ONLY IN THOSE
OFFERED FOR SALE AND THEREIN ONLY BY PERSONS
SECURITIES COMMISSION OR SIMILAR AUTHORITY IN
INTERESTS OF THE SECURITIES OFFERED FOR SALE BY THIS
PROSPECTUS TO THE CONTRARY IS AN OFFENCE.

CLAIMER RESOURCES INC.
(the "Issuer")
(Incorporated in British Columbia)

NEW ISSUE
425,000 COMMON SHARES

Bush 1, Book 4097
Start 2
Lakehore 092
Daly Sullivan 073

	Price to Public(1)	Commission(2)	Net Proceeds to the Issuer(3)
Per Share	\$0.45	\$0.05	\$0.40
Total	\$191,250.00	\$21,250.00	\$170,000.00

- (1) The price to the public was established pursuant to negotiations between the Issuer and the Agent.
- (2) In addition, the Agent will be granted Agent's Warrants as described in the section captioned "Plan of Distribution".
- (3) Before deduction of the costs of this Prospectus estimated at \$22,000.00.

A PURCHASE OF THE SECURITIES HEREUNDER MUST BE CONSIDERED AS SPECULATIVE DUE TO THE NATURE OF THE ISSUER'S BUSINESS AND ITS PRESENT STAGE OF DEVELOPMENT. SEE "RISK FACTORS". THE PURCHASE PRICE OF EACH COMMON SHARE OFFERED HEREBY AFTER GIVING EFFECT TO THIS ISSUE (BUT BEFORE EXERCISE OF THE AGENT'S WARRANTS AND THE INCENTIVE OPTIONS DESCRIBED UNDER "OPTIONS TO PURCHASE SHARES") EXCEEDS THE NET TANGIBLE BOOK VALUE PER COMMON SHARE AT JANUARY 31, 1987, BY \$0.29 WHICH REPRESENTS A DILUTION OF 66%.

THE DIRECTORS OF THE ISSUER ARE DIRECTORS OF OTHER NATURAL RESOURCE COMPANIES AND HAVE POTENTIAL CONFLICTS OF INTERESTS WHEN SERVING IN SUCH CAPACITIES. REFERENCE IS MADE TO THE SECTION CAPTIONED "DIRECTORS AND OFFICERS".

FOR COMPARISON OF THE SHARES BEING OFFERED TO THE PUBLIC FOR CASH AND THOSE ISSUED TO PROMOTERS, DIRECTORS AND OTHER INSIDERS, REFERENCE IS MADE TO THE SECTION CAPTIONED "PRINCIPAL HOLDERS OF SECURITIES".

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 AGENT MAY ACQUIRE PURSUANT TO THE EXERCISE OF AGENT'S WARRANTS. REFERENCE IS MADE TO THE SECTION CAPTIONED "PLAN OF DISTRIBUTION."

THE VANCOUVER STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SHARES OFFERED BY THIS PROSPECTUS. LISTING IS SUBJECT TO THE ISSUER FULFILLING ALL THE LISTING REQUIREMENTS OF THE VANCOUVER STOCK EXCHANGE ON OR BEFORE 13TH FEBRUARY, 1988, INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

WE, AS AGENT, CONDITIONALLY OFFER THESE SECURITIES SUBJECT TO PRIOR SALE, IF, AS AND WHEN ISSUED BY THE ISSUER AND ACCEPTED BY THE ISSUER AND ACCEPTED BY US IN ACCORDANCE WITH THE CONDITIONS CONTAINED IN THE AGENCY AGREEMENT REFERRED TO IN THE SECTION CAPTIONED "PLAN OF DISTRIBUTION".

PACIFIC INTERNATIONAL SECURITIES INC.
1500-700 West Georgia Street,
Vancouver, B.C.
V7X 1G1

EFFECTIVE DATE: 17TH AUGUST 1987

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agreement with EMC for further exploration and development on the claims.

The mineral claims are subject to a production royalty of 1.5% net smelter returns in favour of Resource Associates of Fairbanks, Alaska, and in the event the Issuer acquires a 49% undivided interest in the property it shall acquire such interest subject to such royalty.

Previous History

The Stewart region is one of the major gold-silver districts of British Columbia. The most successful mine in the region has been the Silbak Premier mine, located 3 km south of the project area. The other major mine in the region has been the Big Missouri mine located less than 2 km north-northwest of the Shure Project. Westmin Resources has recently outlined substantial new gold-silver deposits on both the Premier and Big Missouri properties.

Work on the Shure Project area has largely been limited to testing of surface showings. Sampling by the Ministry of Mines in 1936 has indicated significant values in both precious and base metals on the property. Values obtained by the Ministry included up to 8.6oz/ton silver across 6 ft, and 0.1 oz/ton gold across 5 ft.

A 1978 Houston Oil and Minerals Ltd. report evaluating the property stated values of 13.4% lead, 14.2% zinc, and 2.1 oz/ton silver. The report also stated that the Project area lies within the Big Missouri stratigraphy and has good potential for similar precious metal disposition.

The Shure Project claims are composed of volcanic and sedimentary rock of the Lower to Middle Jurassic Hazelton Formation. The Hazelton Formation hosts numerous precious metal deposits in the Stewart area, including those of the nearby Premier and Big Missouri properties.

Geological Report

The Issuer is in receipt of a geological report on the Shure Project prepared on behalf of Shangri-La Minerals Limited by Frank Di Spirito, P. Eng., D. Coffin and J.C. Graham, M.Eng., dated 8 December, 1986 (the "Shure Report"). A copy of the Shure Report is annexed to and forms part of this Prospectus.

Exploration Program

Given the very favourable geology, the proximity to former producers, and the potential for new mine development on adjacent properties, it is recommended that a program of intensive geological, geochemical, and geophysical prospecting be carried

out to evaluate the mineral potential of the Shure Project property. The main targets of such a program would be Big Missouri type deposits and/or a Premier type vein deposit. The Issuer has not conducted any exploration work to date on this property. The proposed program is comprised of initial exploration activity. A two phase exploration program is proposed:

ESTIMATED COST OF PROPOSED PHASE ONE EXPLORATION PROGRAM

Geological mapping and support	\$10,000
Rock sampling, 250 samples @ \$20.00/sample (including collection and analyses)	5,000
Soil geochemical survey, 1,100 samples @ \$18.00/sample (including collection and analyses)	19,800
Grid establishment, 40 km @ \$125/km	5,000
VLF-EM survey, 25 m stations, 40 km @ \$150/km	6,000
Magnetometer survey, 25 m stations, 40 km @ \$150/km	6,000
Engineering and interpretation	10,000
Report preparation	4,000
Contingencies	<u>9,200</u>
TOTAL	\$75,000

Contingent upon favourable results of the Phase One program, a second phase of exploration will be necessary in order to better evaluate the mineral potential of the Shure Project claims. Phase Two should concentrate on selected areas and include detailed geological mapping, detailed electromagnetic and induced polarization surveys, and trenching of near surface targets. The Shure Report recommends that a sum of \$125,000 would be required to complete Phase Two.

B. THE GOLDBREAK 12 PROPERTY

The Goldbreak 12 property consists of one modified grid system claim, located approximately 20 kilometers North East of Cassiar, in the Province of British Columbia, more particularly described as:

<u>Name</u>	<u>Record No.</u>	<u>Mining Div.</u>	<u>Anniversary Date</u>	<u>Area</u>
Goldbreak 12	3455	Liard	5 December, 1987	20 units

The Goldbreak 12 property can be accessed via the Cassiar Highway and four-wheel drive road to Gallic Lake, located in the French River valley 1 kilometer west of the property.

The Issuer acquired a 100% interest in the claims for \$20,000 cash pursuant to a Bill of Sale (Mineral Act) registered in the Mining Recorders Office June 6, 1986. The claims were acquired in an arm's length transaction from A. Barbara Tambre of Vancouver, B.C.

History and Development

The history of the area is described by Gabrielse in his report on the McDame Map-Area (Gabrielse, 1963). The area was first explored by prospectors after placer gold was discovered on McDame Creek (about 12 km south of the Goldbreak 12 claim) in 1874. Between 1874 and 1900 about \$2,000,000 worth of placer gold was recovered from McDame and Walker Creeks, much of it by small-scale operations. The gold recovered was fairly coarse; one nugget found in 1877 weighed 72 ounces.

In the early 1900's placer gold was also recovered from Rosella Creek (4 km east-southeast of the property), Dennis Creek (9 km southeast), and several other small creeks in the area. In 1949, Mocassin Mines Limited constructed roads along French River and Spring Creek to examine the potential for placer mining. Placer gold occurrences are also reported in Bingo Creek (2.5 km east of the property). It is generally thought that the gold was carried by ice from gold quartz veins in the Sylvester Group volcanics, which approach to within about 3 km of the Goldbreak 12 property.

There has been precious metal mineralization noted in rocks on the Atan Group, which underlies the Goldbreak 12 claim. Significant grades were reported by Gabrielse at Mt. Reed (9 km southeast of Goldbreak 12) where a grab sample assayed 0.02 oz/ton gold, 19.9 oz/ton silver, 12.58% lead and 15.9% zinc.

Geological Report

The Issuer is in receipt of a geological report prepared on behalf of Shangri-La Minerals Limited by Frank di Spirito, P. Eng., Chris Baldys, B.Sc., J. Campbell Graham, M. Eng., and Christian Soux, B.Sc., dated 5 September, 1986 (the "Goldbreak Report"). A copy of the Goldbreak Report, which is annexed to and forms part of this Prospectus, reviews the initial phase of exploration performed between June 13 - August 12, 1986 and makes

recommendations for further exploration and development based on the results of this program.

Current Exploration and Results

On June 13, and from July 26 to August 12, 1986, an initial phase of exploration was performed on the Goldbreak 12 claim for the Issuer by Shangri-La Minerals Limited. Geological mapping, airborne and ground magnetometer and VLF-EM surveys, and a geochemical survey were conducted at a cost of \$69,500. The purpose of the program was to delineate possible hardrock source areas for the placer gold found east and southeast of the property, at Bingo and Rosella Creeks.

Alteration on the property consists of carbonatization and silicification. Breccias found in almost all shear zones on the property exhibit the development of various secondary carbonate minerals. Two minerals of particular interests were found: arsenopyrite and sericite. Arsenopyrite is normally emplaced by fairly high temperature fluids, while the formation of sericite requires a fairly high temperature and/or pressure environment. Thus, there is mineralogical evidence for the presence of a hydrothermal system on the property.

The results of the geochemical survey indicate a fairly localized zone of low level gold and copper anomalies in the north central portion of the property, near a zone of intersecting faults. It is thought that the grade of mineralization may increase with depth.

The results of the ground magnetometer survey indicate the possibility of one or more small, shallow intrusions on the western side of the property which may have been a source of mineralizing fluids. The results of the VLF-EM surveys indicate the fault zones to be conductive, and intersecting fault zones appear to be especially conductive. The relationship to mineralization is uncertain, but it is possible that the faults may have served as conduits for mineralizing fluids.

Copper and gold are present on the property, although surface sampling did not provide very encouraging results. Geophysical and mineralogical evidence imply the possibility of a hydrothermal system on the property, which could be responsible for emplacement of a previous metal deposit at depth.

The Issuer originally intended to conduct Phase II of an exploration program consisting of analysis of previously collected soil samples, geological, geochemical and physical surveys over uncovered ground, with more detailed surveying and trenching in known areas of interest. A review conducted during June, 1987 by management and its consultants of the results achieved by certain other exploration programs on claims in the immediate vicinity has resulted in the Issuer deciding not to proceed with further

exploration work on the Goldbreak #12 claim at this time. Certain of the companies conducting these exploration programs have entered into administrative services contracts with C.M. Walkinshaw Inc., although neither the Issuer nor any of its directors were privy to information concerning the activities of these companies other than through general public disclosure. The Phase II exploration program proposed by Shangri-La Minerals Limited will be held in abeyance until such time as management feels that further expenditures on the property are warranted in priority to the Shure Property or such other properties the Issuer may have an interest in from time to time.

No insiders own any claims within a 5 mile radius of the Goldbreak 12 claim. The property does not contain a known body of commercial ore.

RISK FACTORS

The purchase of the securities offered by this Prospectus must be considered a speculation. The Issuer is in the start-up phase of its business operations and has no history of earnings.

The risks inherent in the investment include the following:

1. Exploration for minerals is a speculative venture involving risk. Expenditures made on mineral properties may not result in the discovery of commercial quantities of ore.
2. There are no known commercial reserves of ore present on or under the property of the Issuer.
3. The marketability of the minerals acquired or produced by the Issuer may be affected by numerous factors beyond the control of the Issuer. The exact effect of these factors, which include mineral market fluctuations, cost and availability of processing equipment and government regulation (including regulations pertaining to royalties, importing, exporting and environmental protection) cannot be accurately determined.
4. There is no present established market for the common shares in the capital stock of the Issuer.

INCORPORATION WITHIN ONE YEAR PRELIMINARY EXPENSES

Since it's incorporation, the Company has expended the sum of \$8,558.00 in respect of administrative expenses and incorporation costs and has expended the sum of approximately \$69,500.00 on exploration and development of it's Goldbreak 12 mineral claim.

It is estimated that the aggregate sum of \$75,000.00 will be expended for exploration and development of the Issuer's Shure Project and that the sum of \$9,200.00 will be expended for administrative purposes in respect of this issue for the period since January 31, 1987 to six months from the date a receipt is issued for this Prospectus. Future expenditures on the Shure Project (subject to results) are set out on page 5 hereof. Management of the Issuer cannot estimate the extent of future additional expenditures at this time, but shall give notice to it's shareholders of any material expenditures which may be made in the future.

PROMOTERS

Andrew John Henry McGucken, President and a Director and Franjo (Frank) Vlastelic, a Director of the Issuer, are the promoters of the Issuer as that term is defined by the British Columbia Securities Act.

Mr. McGucken and Mr. Vlastelic have entered into transactions with the Issuer as disclosed in the sections captioned "Escrowed Shares", "Interest of Management and Others in Material Transactions", "Executive Compensation" and "Options to Purchase Shares" and "Business and Property of the Issuer".

The promoters have previously purchased shares of the Issuer as follows:

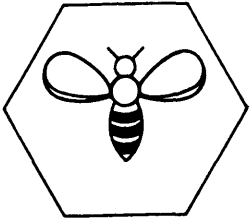
	<u>Number/Shares</u>	<u>Price/Share</u>
Andrew John Henry McGucken	375,000 (escrow)	\$0.01
	82,000 (free)	\$0.25
Frank Vlastelic	375,000 (escrow)	\$0.01
	82,000 (free)	\$0.25
Nikica Markovina (formerly a promoter)	56,001 (free)	\$0.25

LEGAL PROCEEDINGS

To the knowledge of the Issuer there are no legal proceedings to which the Issuer is a party or of which any of the properties in which the Issuer has an interest is subject.

DIVIDEND RECORD

Since incorporation, the Issuer has not paid any dividends. It is the Issuer's present policy to retain all



Shangri-La Minerals Limited

PRELIMINARY EVALUATION OF THE SHURE PROJECT CLAIMS

SKEENA MINING DIVISION

LATITUDE 56 06' NORTH
LONGITUDE 130 00' WEST

NTS 104A-4W

for CLAIMER RESOURCES INC.

BY

F. DI SPIRITO, B.A.Sc., P. Eng.
D. COFFIN
J.C. GRAHAM, B.Sc., M. Eng.

CLAIMER RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1987

4. NOTES PAYABLE:

On June 30, 1987, the Company issued \$40,000 in promissory notes, in consideration for advances made to the Company by two directors. These notes are payable on demand after August 15, 1987, and bear interest at the rate of 12-1/2% per annum.

5. SHARE CAPITAL:

750,000 shares issued to directors at \$0.01 per share are held in escrow subject to release upon approval by regulatory authorities.

Stock Options:

Stock options outstanding on June 30, 1987, are as follows:

Directors	-	87,500 common shares @ \$0.45 per share
Employee	-	87,500 common shares @ \$0.45 per share

The above stock options expire two years from the date of receipt of the Company's prospectus by the Superintendent of Brokers for British Columbia.

6. RELATED PARTY TRANSACTION:

See Note 4.

7. LOSS PER SHARE:

At the current stage of development in the Company's operation, loss per share information is not considered meaningful.

8. SUBSEQUENT EVENT:

- a) The \$40,000 referred to in Note 3(b)(iii), due and payable on June 30, 1987, was paid on July 1, 1987.
- b) Stock options referred to in Note 5 have been revised subsequent to June 30, 1987 as follows:

Directors	-	78,500 common shares @ \$0.45 per share
Employees	-	78,500 common shares @ \$0.45 per share

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SUMMARY

A preliminary evaluation for Claimer Resources Inc. of the Shure Project claims, has been completed by Shangri-La Minerals Limited. The evaluation was requested pursuant to a joint venture agreement with Esso Resources which allows Claimer Resources to acquire up to a 49% interest in the Project claims. This report documents that evaluation and is based upon information provided by Esso Resources, a literature search of the property and surrounding area, and a reconnaissance field visit conducted by F. Di Spirito, P.Eng., and D. Coffin on November 8th, 1986.

The Shure Project claims are located approximately 18 km north of Stewart B.C., in the Skeena Mining Division. There is easy access to the claim area via a good 4-wheel drive road. The Shure Project claims consist of 27 Reverted Crown Grants and two 2-post claims owned 100% by Esso Resources Canada Limited.

The Stewart region is one of the major gold-silver districts of British Columbia. The most successful mine in the region has been the Silbak Premier mine, located 3 km south of the Project area. The other major mine in the region has been the Big Missouri mine located less than 2 km north-northwest of the Shure Project. Westmin Resources has recently outlined substantial new gold-silver deposits on both the Premier and Big Missouri properties.

Work on the Shure Project area has largely been limited to testing of surface showings. Sampling by the Ministry of Mines in 1936 has indicated significant values in both precious and base metals on the property. Values obtained by the Ministry included up to 8.6oz/ton silver across 6 ft, and 0.1 oz/ton gold across 5 ft.

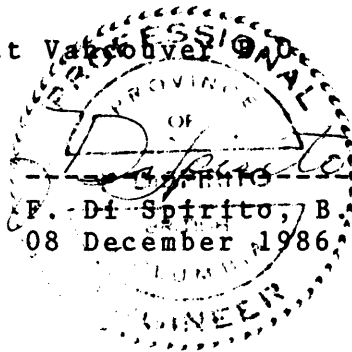
A 1978 Houston Oil and Minerals Ltd. report evaluating the property stated values of 13.4% lead, 14.2% zinc, and 2.1 oz/ton silver. The report also stated that the Project area lies within the Big Missouri stratigraphy and has good potential for similar precious metal deposition.

The Shure Project claims are composed of volcanic and sedimentary rock of the Lower to Middle Jurassic Hazelton Formation. The Hazelton Formation hosts numerous precious metal deposits in the Stewart area, including those of the nearby Premier and Big Missouri properties.

Given the very favourable geology, proximity to former producers, and the potential for new mine development on the adjacent properties, it is recommended that a program of geological, geochemical, and geophysical prospecting be carried out to evaluate the mineral potential of the Shure Project claims. The main targets of such a program would be the Big Missouri and/or Premier type deposits.

A two phase exploration program is proposed. A sum of 75,000 dollars should be allocated to provide a preliminary assesment of the Shure Project claims. Contingent upon favourable results from the first phase program, a second phase of exploration concentrating on detailed geological mapping, detailed electromagnetic and induced polarization surveys, and trenching of near surface targets should be undertaken. A sum of 125,000 dollars should be allocated to complete this second phase of the program.

Signed at Vancouver



F. Di Spirito, B.A.Sc., P.Eng
08 December 1986

INTRODUCTION

Pursuant to a request by Claimer Resources Inc., Shangri-La Minerals Limited has prepared a preliminary evaluation of the Shure Project claim area owned by Esso Resources Canada Limited. Claimer Resources Inc. has entered into an option agreement by which it may earn a 49% interest in the Project. This report presents the results of the evaluation, which is based on a literature search of the property, information provided by Esso Resources Canada Limited, and a reconnaissance field visit conducted by F. DiSpirito and D. Coffin on November 8, 1986.

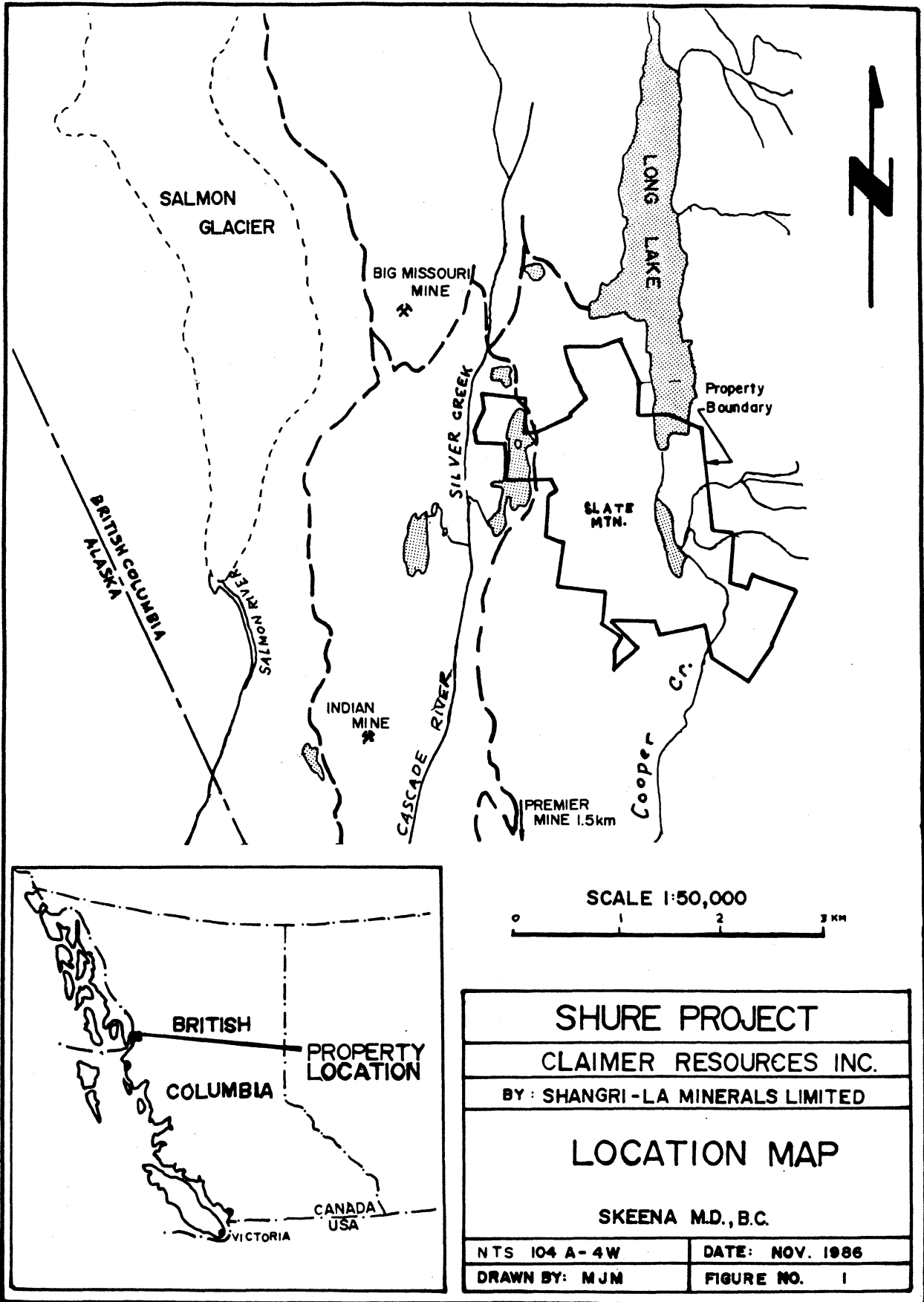
LOCATION, ACCESS, CLIMATE, AND PHYSIOGRAPHY

The Shure Project area is located approximately 18 kilometers north of Stewart, British Columbia, on the western flank of the Bear River Ridge and south of Long Lake (Fig. 1). Stewart, located 870 kilometers north of Vancouver, is Canada's most northerly ice-free port and has an airport capable of handling jet traffic, although there is no scheduled air service at present.

The Shure Project area is reached from Stewart by travelling approximately 20 km along the Granduc road (an all-weather gravel road) to the site of the old Premier Silbak mill, currently being used by Westmin Resources as a staging area for their Premier underground exploration project. From there a fair weather four-wheel drive road runs along the east side of the Cascade River valley and crosses the northwestern portion of the Shure property area, near Silver lake. The distance along the four-wheel drive road to the property is approximately 6 km.

The region has a moist, marine climate typical of the west coast. Snowfall at the Premier Mine is reported to average over 10 meters a year (Grove, 1971). Temperatures are moderate year-round due to the effect of the nearby ocean.

The property area is lightly forested. Elevations range from 750 m to 1400 m above sea level. Other than the eastern side of Slate Mountain (which is in the center of the property), the area is generally of moderate slope, especially relative to other areas of this ruggedly mountainous region.



PROPERTY STATUS

The Shure Project claims consist of 27 Reverted Crown Grants and two 2-post claims, all owned 100% by Esso Resources Canada Limited. The details are as follows:

CLAIM	RECORD NUMBER	LOT NUMBER	EXPIRY DATE
Bush No. 1	745	5196 CG	9/95
Bush No. 2	746	5197 CG	9/95
Bush No. 3	747	5198 CG	9/95
Bush No.4	748	5199 CG	9/95
Daly &	741	3685 CG	9/95
Vandal Fr.		3785 CG	9/95
Maple Leaf No.4	744	4448 CG	9/95
Money &	742	4043 CG	9/95
Start No. 6 Fr.		5210 CG	9/95
O.B. Fr.	755	5219 CG	9/95
O.B. &	753	5214 CG	9/95
O.B. No.1 &		5215 CG	9/95
O.B. No. 2		5216 CG	9/95
O.B. No. 1 Fr.	758	5220 CG	9/95
O.B. No.4 &	754	5217 CG	9/95
O.B. No.2 Fr.		5223 CG	9/95
Shure	697	4041 CG	9/95
Star Extension No. 1	725	5212 CG	9/95
Start Fr.	756	5222 CG	9/95
Start No. 2	749	5206 CG	9/95
Start No. 3	750	5207 CG	9/95
Start No. 5	751	5209 CG	9/95
Sullivan	740	3684 CG	9/95
Valley Fr.	757	6204 CG	9/95
Star Extension	782	5211 CG	10/95
Double O No.6	3240	4042 CG	10/95
Lakeshore	743	4176 CG	9/96
Slate 1	793		10/95
Slate 2	794		10/95

The Slate 1 and Slate 2 are single unit two-post claims. The total area of the Crown Grants (i.e., exclusive of the Slate 1 and 2 single unit claims) is 382.8 hectares, equivalent in area to 15.3 modified grid units. Claimer Resources Inc. has entered into an option agreement by which it may earn a 49% interest in the Shure Project.

HISTORY

Regional History

The history of the Stewart area is largely the history of the mineral exploration activities and mining ventures which have occurred there since 1898. Production since that time has established the Stewart area as one of the major gold-silver districts of British Columbia.

Historically, the most successful mine in the area has been the Silbak Premier mine, which is immediately south of and adjacent to the Shure Project claims. Total production as of 1968 from 4 mines on the the Premier vein system was 1.8 million ounces of gold (96% of all gold production through 1968 in the Stewart area), 41.1 million ounces of silver, and millions of pounds of base metals including cadmium, copper, lead, and zinc (Grove, 1971). The last mine to operate on the Premier vein system was the Silbak Premier mine, which closed down in 1967.

The Premier property is currently the subject of a detailed underground exploration program conducted by Westmin Resources to delineate a stratigraphically controlled alteration package. The current reserve estimate on the Westmin deposit, as reported by Westmin in the Northern Miner, is 6,000,000 tons grading .05 oz/ton gold and 2.5 oz/ton silver. The rock unit which hosts the Premier vein system is present on the Shure Project area.

The Big Missouri deposit produced 58,000 ounces of gold (3% of all gold production through 1968 in the Stewart area) from 1927-42, making it the second largest gold producer in the Stewart area. Big Missouri is approximately 2 km north-northwest of the Shure Project area.

The Big Missouri production came from silicified lenses in volcanics of the Lower Jurassic "Hazelton" assemblage of mixed near shore volcanic and sedimentary rocks. "Gold was associated with areas of most intense veining and silicification..." (Grove, 1971). The same horizons of Hazelton rock which host the Big Missouri deposit run through the Shure Project claim area.

Westmin Resources recently announced two drill hole intersections of "above average grade" from exploration on their Big Missouri project; one section cut 96 ft grading 0.31 oz/ton gold, the second 91 ft assaying 0.247 oz/ton. Both sections are considered to represent near true width lengths. These sections are expected to up-grade Westmin's current reserve estimates for their Big Missouri project, which currently total three million tons grading 0.075oz/ton gold and 0.95 oz/ton silver (Northern Miner, 01/Dec/86).

Together, the Big Missouri deposit and the Premier vein system were responsible for 99% of all the gold production through 1968 in the Stewart area. The recent discoveries made by Westmin Resources of new reserves on both these properties greatly enhances the scope for new exploration activity on the adjacent and stratigraphically similar Shure Project area.

Property History

The claims held within Esso Resources' Shure Project area have been owned by numerous individuals and companies since the early part of this century. Exploration appears largely (as cited in British Columbia Department of Mines Annual Reports) to have consisted of physical work on and around surface showings.

A 1936 Ministry of Mines report written by J.T. Mandy indicated several showings of interest on the Shure Project claim area. Assays included one on a 6 foot wide brecciated quartz vein which had values of 8.6 oz/ton silver, some gold, and 1% copper. An adjacent sample assayed 5 oz/ton silver. Assays on the Start No. 2 claim included a value across a 5 foot wide vein of 0.1 oz/ton gold, 1 oz/ton silver, 3.4% lead, 2.6% zinc.

The most extensive work within the Project area has been carried out on the Lakeshore Crown Grant, situated south of Monitor Lake. In 1963 New Indian Mines Ltd. conducted 1300 feet of diamond drilling on a "quartz-breccia fissure vein" (Grove, 1971). Assay values were not reported.

After examining the Shure Project area for Houston Oil and Minerals, Kretschmar concluded that the ground lay within the "Big Missouri horizons" and would therefore have similar potential to that of the Big Missouri Mine area. A grab sample taken from quartz/carbonate veining in an adit on the Start No. 2 crown grant was reported to assay 13.6% Pb, 14.2% Zn, and 2.1 oz/ton Ag (Kretschmar, 1978).

Esso Resources acquired the claims from Houston Oil and Minerals in 1982, and have operated it as a part of their Indian program since that time. Work on this program has largely been focused around the former Indian Mine, to the west of the Shure Project area, and little recent work has therefore been done directly on the Project area.

Most of the work to date appears to have concentrated on areas of sulphide mineralization, possibly to the exclusion of silicic alteration zones. As mentioned above (see Regional History), the Big Missouri gold deposits were hosted by silicified lenses in volcanics, and were not necessarily associated with sulphide mineralization.

REGIONAL GEOLOGY

The Stewart area lies along the contact between a sequence of Jurassic and younger near-shore volcanic and sedimentary rocks, and the major Texas Creek granodioritic intrusive, also of Jurassic age. Structural deformation is considered to be fairly minor by Grove (Grove, 1971) but has recently been reinterpreted as being fairly complex by Alldrich (Alldrich, 1985), especially with respect to folding in the Shure area.

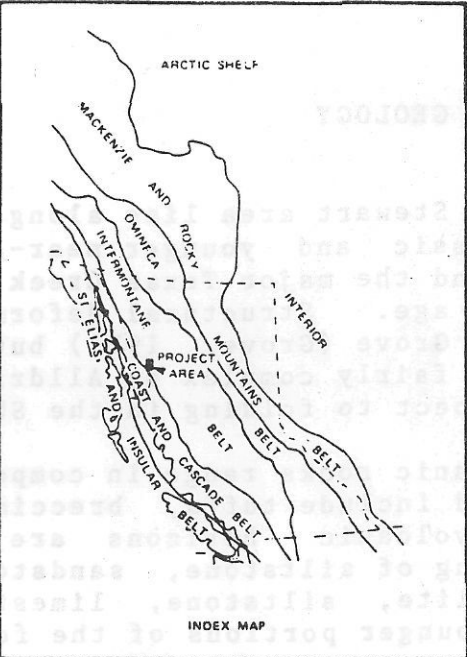
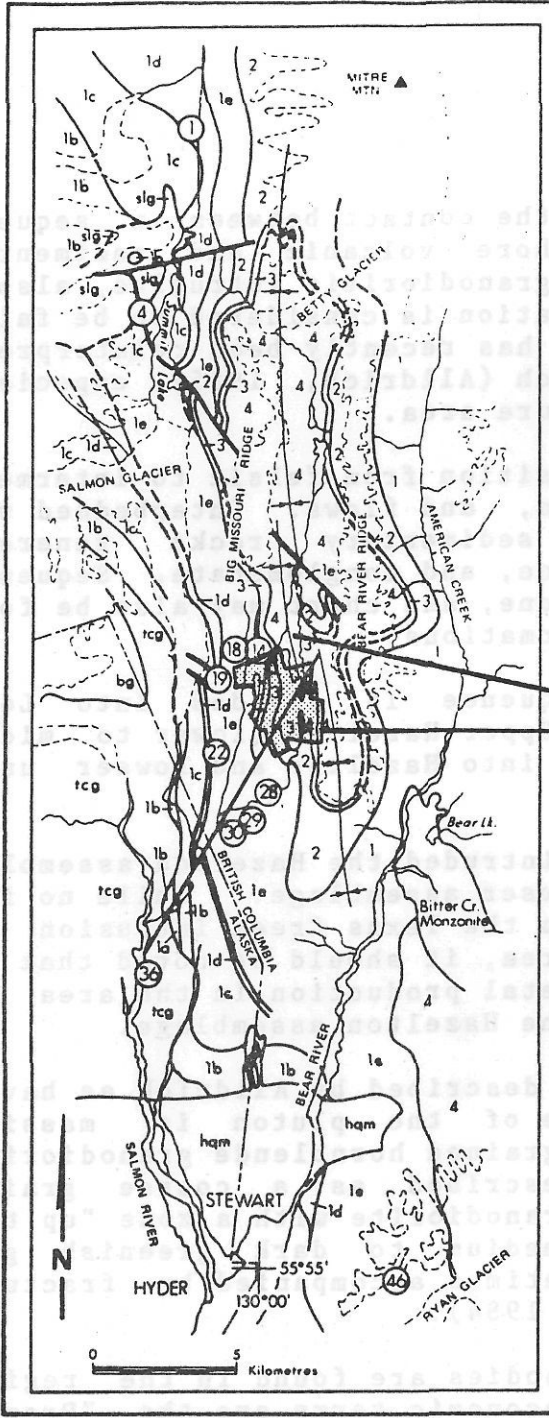
Volcanic rocks range in composition from felsic to intermediate and include tuffs, breccias, and flows. Interbedded with these volcanic horizons are sedimentary rocks generally consisting of siltstone, sandstone, and conglomerate. Sequences of argillite, siltstone, limestone, and chert may also be found in the younger portions of the formations.

The volcanic-sedimentary sequence is divided into Lower Hazelton (lower Jurassic) and Upper Hazelton (lower to middle Jurassic) by Alldrich (1984), or into Hazelton and Bowser units by Grove (1971).

The Texas Creek granodiorite intruded the Hazelton assemblage prior to the deposition of the Bowser assemblage. While no firm correlation has been made between the Texas Creek intrusion and metal deposition in the Stewart area, it should be noted that the bulk, though not all, of the metal production in the area has come from volcanic units within the Hazelton assemblage.

The Texas Creek intrusion is described by Alldrich as having two distinct phases. The core of the pluton is massive, equigranular, medium to coarse grained hornblende granodiorite. The margin of the stock is described as a coarse grained feldspar-porphyrific hornblende granodiorite with a zone "up to a few tens of meters wide, of medium to dark greenish grey chloritic alteration that is sometimes accompanied by fractures and a crude foliation" (Alldrich, 1984).

Numerous smaller intrusive bodies are found in the region. The most interesting of these in economic terms are the "Premier porphyry dykes", around which the ore lenses of the Silbak Premier mine were formed. These porphyry bodies appear to be related to the late stages of the Texas Creek intrusion. Recent work in the area indicates that some of the Premier porphyry bodies may have been emplaced as volcanic flows.



LONG LAKE
PROPERTY BOUNDARY

MAJOR MINERAL DEPOSITS

- EAST GOLD MINE _____ ①
- SCOTTIE GOLD MINE _____ ④
- DAGO HILL DEPOSIT _____ ⑭
- BIG MISSOURI MINE (S-1 ZONE) _____ ⑱
- CONSOLIDATED SILVER BUTTE DEPOSIT _____ ⑲
- INDIAN MINE _____ ⑳
- SEBAKWE MINE _____ ㉔
- B.C. SILVER MINE _____ ㉔
- SILBAK PREMIER MINE _____ ㉔

To accompany a report by F. Di Spirito, B.A.Sc., P. Eng.

Stratigraphy outlined in 'Regional Geology' section of report

SHURE PROJECT	
FOR: CLAIMER RESOURCES INC.	
BY : SHANGRI-LA MINERALS LTD.	
REGIONAL GEOLOGY reproduced from Aldrich - 1984	
SKEENA M.D., B.C.	
NTS 104A-4W	DATE: DEC 1986
DRAWN BY: MJM	FIGURE N° 2

PROPERTY GEOLOGY

The Shure Project claims are composed of a sequence of Lower and Middle Jurassic volcanic and sedimentary rocks. As mapped by Groves these include crystal/lithic tuffs and cataclasite/mylonite of the Hazelton formation, which are overlain on the northern and eastern portion of the claims by sedimentary units and rhyolite of the Bowser formation (Groves, 1982). Groves has emphasized the "...cataclastic nature of the prime host rocks..." for ore deposition in the Stewart area (Groves, 1971).

As mapped by Alldrich, the Shure Project claims include deformed members of four units, which are (from oldest to youngest) Andesite (Unit 1), Epiclastic (Unit 2), Felsic Volcanic (Unit 3), and Sedimentary (Unit 4) Sequences. In his table of Geologic History, Alldrich indicates that the formation of gold-silver veins in the area probably occurred contemporaneously with the formation of Units 3 and 4. In Alldrich's opinion, all 4 units are favourable for gold-silver vein deposition (Alldrich, 1985). The bulk of ore material mined on the properties adjacent to the Shure claims has come from rock mapped by Alldrich as Units 1, 2, and probably 3.

As noted above the work of various authors has stated that the Shure Project claims lie within the same stratigraphy as that which hosts the Big Missouri gold-silver-lead deposits. The recent discovery by Westmin Resources of what appear to be stratiform gold-silver zones on the Big Missouri ground further enhances the potential for new discoveries of similar mineralization on the nearby Shure Project claims.

CONCLUSIONS AND RECOMMENDATIONS

The Shure Project claims contain an area of Lower and Middle Jurassic volcanic and sedimentary rocks of the Hazelton Formation. The Hazelton Formation is the host for precious metal deposits at the Big Missouri mine 2 km to the north-northwest of the property, and the Silbak Premier mine 3 km to the south of the property. Westmin Resources is at present actively exploring both the Big Missouri and the Premier vein system areas.

Work on the Shure Project area has largely been limited to testing of surface showings. Sampling by the Ministry of Mines has indicated significant values in both precious and base metals associated with showings on the property. Modern techniques of mineral exploration have not been extensively applied to the Project area.

The commencement of underground testing of new deposits on the adjacent Premier and Big Missouri properties by Westmin Resources may lead to the establishment of a gold mill in the near future.

Given the very favourable geology, the proximity to former producers, and the potential for new mine development on adjacent properties, it is recommended that a program of intensive geological, geochemical, and geophysical prospecting be carried out to evaluate the mineral potential of the Shure Project property. The main targets of such a program would be Big Missouri type deposits, although the potential for a Premier type vein deposit should not be overlooked. A two phase exploration program is proposed.

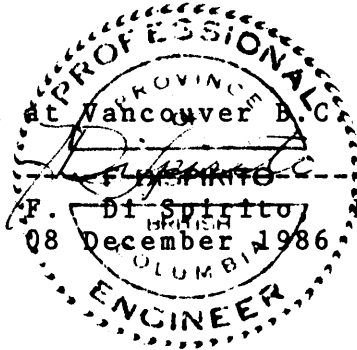
ESTIMATED COST OF PROPOSED PHASE ONE EXPLORATION PROGRAM

Geological mapping and support,	\$10,000
Rock sampling, 250 samples @ \$20.00/sample (including collection and analyses)	\$5,000
Soil geochemical survey, 1,100 samples @ \$18.00/sample (including collection and analyses)	19,800
Grid establishment, 40 km @ \$125/km	5,000
VLF-EM survey, 25 m stations, 40 km @ \$150/km	6,000
Magnetometer survey, 25 m stations, 40 km @ \$150/km	6,000
Engineering and interpretation,	10,000
Report preparation,	4,000
Contingencies, allow	9,200

TOTAL	\$75,000

Contingent upon favourable results of the Phase One program, a second phase of exploration will be necessary in order to better evaluate the mineral potential of the Shure Project claims. Phase Two should concentrate on selected areas and include detailed geological mapping, detailed electromagnetic and induced polarization surveys, and trenching of near surface targets. A sum of \$125,000 should be allocated to complete Phase Two.

Signed at



B.A.Sc., P. Eng

REFERENCES

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- Grove, E.W. (1971) Geology and Mineral Deposits of the Stewart Area British Columbia
B.C. Department of Mines and Petroleum Resources
Bulletin No. 58
- Grove, E.W. (1982) "Geology of the Unuk River-Salmon River-Anyox Map Area" MAP ONLY
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- Northern Miner (1986) Articles pertaining to Westmin
properties dated Dec. 01 and Nov. 11

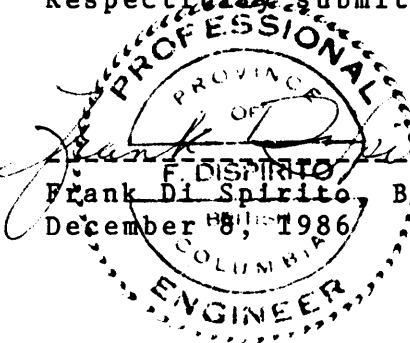
APPENDIX A
CERTIFICATES

CERTIFICATE

I, Frank Di Spirito, of the City of Vancouver in the Province of British Columbia, do hereby certify:

- I) I am a Consulting Engineer with the firm of Shangri-La Minerals Limited, based at 706-675 West Hastings Street, Vancouver, B.C., V6B 1N2.
- II) I am a graduate of the University of British Columbia (1974) and hold a Bachelor of Applied Science in Geological Engineering.
- III) I am a registered member, in good standing, of the Association of Professional Engineers of British Columbia.
- IV) Since graduation, I have been involved in numerous mineral exploration programs throughout Canada and the United States of America.
- V) This report is based on a personal visit made to the property on November 8, 1986 and on an evaluation of information provided by Esso Resources Ltd. and on the information gathered or compiled by Shangri-La Minerals Limited.
- VI) I have no direct or indirect interest in the property, or in any securities of Claimer Resources Inc., nor do I expect to receive any.
- VII) This report may be utilized by Claimer Resources Inc for inclusion in a Prospectus or Statement of Material Facts.

Respectfully submitted at Vancouver, B.C.

The seal is circular with a double border. The outer border contains the text 'PROFESSIONAL ENGINEER' at the top and 'COLUMBIA' at the bottom. The inner border contains 'PROVINCE OF' at the top and 'BRITISH' at the bottom. In the center, the name 'Frank Di Spirito' is written in a cursive script. Below the name, the text 'F. DISPIRITO, B.A.Sc., P.Eng.' is printed. At the bottom of the seal, the date 'December 8, 1986' is printed. A horizontal dashed line is drawn across the seal, passing through the name and the date.


Frank Di Spirito, B.A.Sc., P.Eng.
December 8, 1986

CERTIFICATE

I, David Coffin, do hereby certify:

- 1) I am a consultant with the firm of Shangri-La Minerals Limited at 706-675 West Hastings St., Vancouver, B.C., V6B 1N2.
- 2) I graduated from the Halibury School of Mines' mining technology program in 1977
- 3) I have been involved in mineral exploration programs in the Canadian Cordillera and the Canadian Shield since 1974.
- 4) This report is based on a visit to the Shure project claims and on information furnished by Esso Resources Ltd. and on information compiled by Shangri-La Minerals Limited.
- 5) I hold no direct or indirect interest in the property or in the securities of Claimer Resources Inc., or in any associated companies, nor do I expect to receive any.
- 6) This evaluation report may be used by Claimer Resources Inc. in a Prospectus or a Statement of Material Facts.

Respectfully submitted at Vancouver, B.C.



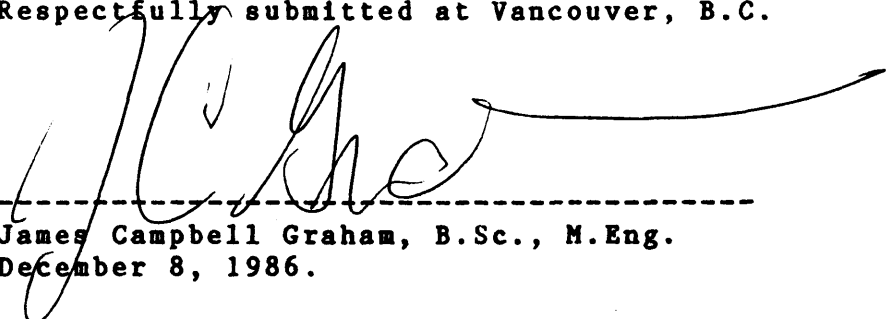
David Coffin
December 8, 1986

CERTIFICATE

I, James Campbell Graham of the City of Vancouver in the Province of British Columbia, do hereby certify:

- I) I am a Consulting Geophysical Engineer with the firm of Shangri-La Minerals Limited at 706-675 West Hastings Street, Vancouver, B.C., V6B 1N2.
- II) I graduated in 1985 with a M.Eng. degree in Geophysical Engineering and in 1982 with a B.Sc. in Geophysical Engineering from the Colorado School of Mines in Golden, Colorado.
- III) I have been involved in numerous mineral exploration programs since 1975.
- IV) This report is based upon information provided by Esso Resources Ltd and on information gathered or compiled by Shangri-La Minerals Limited.
- V) I hold no direct or indirect interest in the property described herein, or in any securities of Claimer Resources Inc., or in any associated companies, nor do I expect to receive any.
- VI) This report may be utilized by Claimer Resources Inc. for inclusion in a Prospectus or Statement of Material Facts.

Respectfully submitted at Vancouver, B.C.



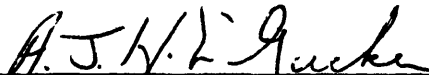
James Campbell Graham, B.Sc., M.Eng.
December 8, 1986.

CERTIFICATE


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.

July 29, 1987

ISSUER




ANDREW JOHN HENRY MCGUCKEN
President




CAROLE WALKINSHAW-LIM
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS



FRANJO VLASTELIC
Director



BORIS KLARICH
Director

PROMOTER



ANDREW JOHN HENRY MCGUCKEN




FRANJO VLASTELIC

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 Securities Act, and its regulations.

July 29, 1987

PACIFIC INTERNATIONAL SECURITIES INC.

Per: 

MAX MEIER, PRESIDENT