

018888

DATED: JULY 14, 1988

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 HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

P E N N I L A N E D E V E L O P M E N T C O R P .
(FORMERLY CRYSTAL COVE RESOURCES LTD.)
707 - 525 Seymour Street
Vancouver, British Columbia, V6B 3H7

[The "Issuer"]

P R O S P E C T U S
N E W I S S U E

OFFERING OF 300,000 COMMON SHARES WITHOUT PAR VALUE

	PRICE TO PUBLIC	COMMISSION	NET PROCEEDS TO ISSUER
PER SHARE:	\$0.35	\$0.04	\$.31
TOTAL:	\$105,000	\$12,000	\$93,000 *

* Less balance of costs of issue estimated to be \$11,000.

THE VANCOUVER STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED BY THIS PROSPECTUS. LISTING IS SUBJECT TO THE ISSUER FULFILLING ALL THE LISTING REQUIREMENTS OF THE VANCOUVER STOCK EXCHANGE ON OR BEFORE JANUARY 19, 1989, INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

THIS OFFERING IS SUBJECT TO A MINIMUM SUBSCRIPTION OF 300,000 SHARES BEING RECEIVED BY THE ISSUER WITHIN 180 DAYS OF THE EFFECTIVE DATE OF JULY 22, 1988. FURTHER PARTICULARS OF THE MINIMUM SUBSCRIPTION ARE DISCLOSED UNDER THE HEADING "PLAN OF DISTRIBUTION" HEREIN.

THERE IS NO MARKET THROUGH WHICH THESE SECURITIES MAY BE SOLD. THE PRICE OF THE SECURITIES OFFERED HAS BEEN DETERMINED BY NEGOTIATION WITH THE AGENTS.

PROPERTY FILE - 05

Knip 104A095

A PURCHASE OF THE SHARES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION SINCE THE ISSUER'S MINERAL CLAIMS ARE STILL ONLY IN THE EXPLORATION STAGE. SUBSCRIBERS TO THIS OFFERING WILL SUFFER DILUTION OF 65.71% OF THE OFFERING PRICE OF \$0.35 PER SHARE. UPON COMPLETION OF THIS OFFERING THIS ISSUE WILL REPRESENT 20.4% OF THE SHARES THEN OUTSTANDING COMPARED TO 57.4% THAT WILL THEN BE OWNED BY DIRECTORS, OFFICERS, PROMOTERS OR SUBSTANTIAL SECURITY HOLDERS. SEE THE HEADING "RISK FACTORS" HEREIN.

NO PERSON IS AUTHORIZED BY THE ISSUER TO PROVIDE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE ISSUE AND SALE OF THE SECURITIES OFFERED BY THE ISSUER.

NO SURVEY HAS BEEN MADE OF THE ISSUER'S LOCATED MINERAL CLAIMS AND, THEREFORE, IN ACCORDANCE WITH THE MINING LAWS OF THE JURISDICTION IN WHICH SUCH CLAIMS ARE SITUATE, THEIR EXISTENCE AND AREA COULD BE IN DOUBT.

THE ISSUER'S MINERAL CLAIMS ARE WITHOUT A KNOWN BODY OF COMMERCIAL ORE AND THE PROPOSED PROGRAM IS AN EXPLORATORY SEARCH FOR ORE.

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 THE HEADING "PLAN OF DISTRIBUTION" HEREIN.

A G E N T S

GEORGIA PACIFIC SECURITIES CORPORATION
16th Floor, Two Bentall Centre
555 Burrard Street
Vancouver, British Columbia
V7X 1S6

UNION SECURITIES LTD.
1300 - 409 Granville Street
Vancouver, British Columbia
V6C 1T2

EFFECTIVE DATE: JULY 22, 1988

CRYSTAL COVE RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS

FEBRUARY 23, 1988

.....2

NOTE 3: Mineral Properties

Knip Property, Skeena Mining Division, British Columbia, Canada.

The company has an option to earn an undivided 25% interest by expending \$250,000 on the property by June 30, 1990 or 55% interest by expending \$1,000,000 by June 30, 1992.

Exploration costs - Exhibit D	<u>\$62,058</u>
-------------------------------	-----------------

NOTE 4: Share Capital

- a) The authorized share capital of the company is 10,000,000 common shares without par value
- b) During the period 1,174,001 shares were subscribed for as follows:
- | | |
|---------------------------------|------------------|
| i) 424,001 at \$0.25 per share | \$106,000 |
| ii) 750,000 at \$0.01 per share | <u>7,500</u> |
| | <u>\$113,500</u> |
- c) The 750,000 shares subscribed for \$0.01 per share will be held in escrow, the release of the shares is subject to the direction of the regulatory authorities.

NOTE 5: Remuneration of Directors and Senior Officers

During the period one of the company's directors received \$6,000 for management services.

NOTE 6: Related Party Transactions

During the period the company paid \$3,300 (\$500 per month) to one of its directors for office rent.

NOTE 6: Subsequent Events

The company intends to issue 300,000 common shares at \$0.35 per share through a public offering.

GEOLOGICAL REPORT
(REVISED)
ON THE
KNIP MINERAL CLAIM

located

55 KM NORTH OF
STEWART, BRITISH COLUMBIA
SKEENA MINING DIVISION

56 degrees 25 minutes latitude
129 degrees 58 minutes longitude

N.T.S. 104A/5W

ON BEHALF OF
CRYSTAL COVE RESOURCES LTD.
VANCOUVER, B.C.

REPORT BY

W. D. Groves, P.Eng., Ph.D.
200-675 W. Hastings
Vancouver, B.C.

Date of Original Report: Feb. 15, 1988
Revised: May 25, June 23, and July 4, 1988

W.D.G.

TABLE OF CONTENTS

	Page
Summary	1
Introduction/Sources for Report	1
Location, Access and Physiography	2
Status of Property	2
History/Expenditures on Property	3
Regional Geology	3
Regional Economic Geology	5
Property Geology	5
Mineralization	6
Mineral Hill Sampling--1983 to 1987	7
(a) 1983 Sampling	7
(b) 1985 Sampling	7
(c) 1986 Sampling	10
(d) 1987 Sampling	10
Geophysics	11
Conclusions and Recommendations	12
Estimated Cost of Proposed Work Program	14

APPENDICES

- I Certificate
- II References
- III Previous Dollar Expenditures on Property
- IV Assay Certificates

ILLUSTRATIONS

Fig. 1	-- Location Map	Back of Report
Fig. 2	-- Claims Map	Back of Report
Fig. 3	-- Regional Geology	Back of Report
Fig. 4	-- Property Geology	Back of Report
Fig. 5	-- 1983 Sampling	Back of Report
Fig. 6	-- 1985 Sampling	Back of Report
Fig. 7	-- Trench 1987-2 Sample Data & Index Map	Back of Report

Summary

The Knip property is located approximately 55 km north of Stewart, British Columbia. Access is either by helicopter from the Tide Lake air strip 15 km to the south, or via a newly constructed access road connecting from a barge terminal on the western end of Bowser Lake 16 km to the east.

Exploration during the period 1983 to the present has disclosed several argentiferous quartz sulfide veins outcropping on the flanks of a small rock knob just north of Knipple Lake. The principal veins trend northeasterly and contain abundant galena, sphalerite and pyrite with lesser chalcopyrite. Mineralization occurs in lenses with vein widths varying from a few centimeters to 0.8 meters. Present exposure defines a strike length of 120 m for the northeasterly trending veins. Similar local geology on an island 600 m to the south suggests that the veins may continue under Knipple Lake for an unknown distance.

The quartz sulfide veins are hosted in Middle Jurassic rocks of the Betty Creek Formation, including green, purple and red volcanic breccia, conglomerate, sandstone and siltstone, and crystal and lithic tuffs. This unit is intruded by an Eocene age, coarse-grained feldspar porphyry.

The author has recommended a work program aimed at delimiting vein structure and grade at depth. There is a good possibility that the veins may widen at depth or that drilling will encounter a root source for the veins. Results should assist in defining potential for development of a viable tonnage of moderate to high-grade silver-lead-zinc mineralization.

A Phase I program consisting of 1,000 feet of diamond drilling has been budgeted at \$55,000. Contingent upon the successful completion of this phase, a further \$120,000 has been allocated for a Phase II program consisting of 2,500 feet of diamond drilling.

Introduction/Sources for Report

The author was requested by the directors of Crystal Cove Resources Ltd. to prepare a geological report on the Knip property suitable for inclusion in a prospectus.

On Sept. 8, 1986, the author visited the property to examine geology and mineralization in the vicinity of the quartz sulphide veins exposed just north of Knipple Lake.

Information and recommendations contained in this report are derived from the author's personal observations, supplemented by field observations as reported by several geologists and professional engineers who have visited the property during the past five years. In particular, the author has relied on blast

trench sampling data from a field program headed by geologist C. Hrkac (Refs. 3 & 8, 1985) and bulk sampling data from a field program headed by geologist E.R. Kruchkowski (Ref. 9, 1987).

Location, Access and Physiography

The Knip claim is situated approximately 55 air-kilometers north of Stewart, British Columbia (see Location Map, Fig. 1). The southwestern portion of the claim lies beneath Knipple Lake, formed from a local widening of the west-east flowing Bowser River. Elevations vary from 460 m at Knipple Lake to 1,100 m atop the ridgetops overlooking the Knipple Glacier. Upper portions of the claim are quite rugged, in contrast to the moderate slopes prevailing in the main mineralized area just north of Knipple Lake (referred to as "Mineral Hill").

Access to the property has traditionally been by helicopter from either the main base at Stewart or the air-strip at Tide Lake flats (the latter approximately 15 kilometers south of the claim). Completion in late 1987 of a temporary access road into the Sulphurets gold-silver property of Newhawk-Granduc has provided a much less expensive route into the property. This road originates at a barge terminal at the western end of Bowser Lake (about 16 km east of the property), following the south side of the Bowser River and passing within 100 m of the Legal Corner Post for the Knip claim. The road crosses the Bowser shortly thereafter and heads north and northeast, entering the west boundary of the Knip claim at about the 800 m elevation level.

Climate is typical of the north coast mountains, frequent precipitation throughout the year with heavy snowfalls in winter. Because of its relatively low elevation, the claim can be explored for approximately 4 to 5 months a year, beginning in mid May.

B. Status of Property

Relevant claim information is summarized below:

Name	Record No.	No. of Units	Record Date
Knip	2559(9)	20	Sept. 20, 1980

It is the author's understanding that the claim was originally optioned by Teuton Resources Corp. from Elan Explorations Ltd. of Calgary. Teuton Resources Corp. has in turn optioned the property to Crystal Cove Resources Ltd. of Vancouver, British Columbia.

The claim is shown on Fig. 2.

C. History/Expenditures on Property

The Knip property has a relatively short history of exploration beginning in the mid 1960's. A summary of activity is presented below:

- 1964-66 A regional mapping program by the B.C. Department of Mines led to the discovery of silver and base metal mineralization near Knipple Glacier. Local prospectors were alerted to the find but little follow-up work was carried out.
- 1980-82 The Knip claim was staked by Elan Exploration Ltd. of Calgary and optioned to E & B Exploration. E & B undertook minor prospecting, sampling and geological mapping before returning the property to Elan.
- 1983 The property was optioned to Teuton Resources Corp. Several argentiferous quartz veins, evidently missed by previous explorers, were uncovered just north of Knipple Lake in an area referred to as "Mineral Hill". E.W. Grove, P.Eng., visited the property and wrote a geological report and work proposal.
- 1984-86 Teuton carried out an airborne EM and Mag survey over the claim, blast trenching and detailed sampling, geological mapping and regional prospecting.
- 1987 Property optioned by Teuton to Crystal Cove. Field program supervised by Kruchkowski Consultants of Calgary concentrated on bulk sampling of vein mineralization supplemented by area reconnaissance surveys (prospecting and geological mapping).

Since Crystal Cove Resources Ltd. optioned the Knip claim in 1987, it has expended at least \$62,364 in exploration. A detailed breakdown of this expenditure is presented in Appendix III- Previous Dollar Expenditures on Property.

Regional Geology

The Knip claim lies in the Stewart area east of the Coast Crystalline Complex and within the western boundary of the Bowser Basin. Rocks in the area belong to the Mesozoic Hazelton Group and have been intruded by plugs of both Cenozoic and Mesozoic age.

At the base of the Hazelton Group is the Lower Jurassic marine (submergent) and non-marine (emergent) volcanoclastic Unuk River Formation. This is overlain at steep discordant angles by a second, lithologically very similar, Middle Jurassic

volcanic cycle (the Betty Creek Formation), in turn overlain by Middle and Upper Jurassic non-marine and marine sediments (with minor volcanics) of the Salmon River and Nass Formations.

The oldest rocks in the area belong to the Lower Jurassic Unuk River Formation which forms a north-northwesterly trending belt extending from Alice Arm to the Iskut River. It consists of green, red and purple volcanic breccia, volcanic conglomerate, sandstone and siltstone with minor crystal and lithic tuff, limestone, chert and coal. Also included in the sequence are pillow lavas and volcanic flows.

The Betty Creek Formation is another cycle of trough-filling submarine pillow lavas, broken pillow breccias, andesitic and basaltic flows, green, red, purple and black volcanic breccia, with self erosional conglomerate, sandstone and siltstone, and minor crystal and lithic tuffs, chert, limestone and lava. The overlying Salmon River Formation is a late to post volcanic episode of banded, predominantly dark coloured, siltstone, greywacke, sandstone, intercalated calcarenite, minor limestone, argillite, conglomerate, littoral deposits, volcanic sediments and minor flows.

According to Grove (Refs. 4 & 5), the majority of the rocks from the Hazelton Group were derived from the erosion of andesitic volcanoes subsequently deposited as overlapping lenticular beds varying laterally in grain size from breccia to siltstone. Evidently, in regional terms, submarine spreading-line basaltic lava platforms marked by massive sulfide "black smoker" features gave way to resubduction-melt, violent, feldspathic volcanoes along or parallel to trough lines. Violent cauldric collapse subsidence and self erosion separated the two major volcanic cycles (Unuk River, Betty Creek) at steep angles. The episode settled to gentler tuff-distal sedex precipitate sulfide episodes (Salmon River) and back-arc and continental sedimentation (Salmon River) with occasional intercalated flows and minor fumarolic-hot spring activity.

Granodiorites of the Coast Plutonic Complex largely engulf the Mesozoic volcanic terrane to the west. East of these (in the study area), smaller intrusive plugs range from quartz monzonite to granite to highly felsic; some are, in all probability, related late phase offshoots of the Coast plutonism, others are synvolcanic, still others Tertiary. Of particular interest are Eocene feldspar porphyry stocks appearing intermittently along the eastern margin of the Stewart Complex. These stocks often contain significant sulfide mineralization and typically feature argentiferous veins developed in post-crystallization fractures and breccia zones (Ref. 6).

Double plunging, northwesterly-trending synclinal folds of the Salmon River and underlying Betty Creek Formations dominate

the structural setting of the area. These folds are locally disrupted by small east-overthrusts (Tippy Lake, Knipple Lake) on strikes parallel to the major fold axes, cross-axis steep wrench faults which locally turn beds, selective tectonization of tuff units, and major northwest faults which turn beds.

Regional geology is shown on Fig. 3.

Regional Economic Geology

Exploration for precious metal deposits in the Stewart Complex (spanning approximately 200 km. from Anyox to the Iskut River) has increased sharply in past years. To date, significant reserves of gold-silver mineralization have been reported at four major properties: the Premier mine (Westmin-Silbak Premier), Sulphurets (Newhawk-Granduc), Snip (Cominco-Delaware) and Reg (Skyline). Very recently, Westmin Resources formally announced its intention to place the old Premier and Big Missouri mines into production by early 1989.

Although current emphasis is on development of gold deposits, the Stewart area has also been an active center for both silver exploration and mining. In general, Stewart silver deposits have tended to be of high grade and rather modest tonnage--however there is a notable exception. The Prosperity-Porter Idaho property of Teck Resources and Pacific Cassiar, located 1.5 km east of Stewart, has reported reserves of 911,000 tons grading 19.5 oz. silver per ton.

Property Geology

Property geology is shown on Fig. 4, with rock units designated by number. Geological contacts were derived from field observations made during work programs in 1985 (Refs. 3 & 8) and 1987 (Ref. 9).

The oldest unit in the claim area, the Unuk River Formation ("1"), is comprised of Lower Jurassic volcanics and is exposed in the northeast corner of the claim and in the glacier toe area immediately north of Knipple Lake. This unit is generally in fault contact with Middle Jurassic rocks of the Betty Creek Formation ("2"), including green, purple and red volcanic breccia, conglomerate, sandstone and siltstone, crystal and lithic tuffs. Augite porphyry flows and fossiliferous limestone (fossils are mostly belemnites) are found in the Betty Creek at various locations. This unit hosts the higher grade mineralization discovered to date on the Knip claim, specifically the copper, lead, zinc and silver bearing quartz sulfide veins discovered in the Mineral Hill area. The Betty Creek Formation is overlain, usually unconformably, by sediments (often fossiliferous with belemnites, bivalves and cephalopods) of the Salmon

River Formation ("3") of upper Middle Jurassic age. Rocks from this unit consist of siltstones, greywacke, sandstone, argillite, conglomerate and littoral deposits. The fourth and most distinctive unit on the property is a coarse-grained porphyry of Eocene age ("4") which intrudes both units "2" and "3". Volcanics in the central part of the Knip claim have been intruded by feldspar porphyry sills, the largest of which is 150 meters wide (feldspar laths to 0.5 cms). These are most likely related to the large feldspar porphyry intrusive.

Structurally, the sediments on the property have been folded with predominantly northwest trending fold axes. Irregular warping has occurred due to the intrusion of the Eocene feldspar porphyry.

A major fault trending northwest-southeast cuts the Eocene intrusive resulting in right lateral movement of approximately 100 meters. Other faults on the property cut the sediments, volcanics and porphyry with varying strike directions and amounts of movement.

Mineralization

Mineralization of primary interest on the Knip claim occurs in the Mineral Hill area (see Figs. 5-7), a local name for the immediate area around a glacially polished rock knob situated north of Knipple Lake and south of a small unnamed lake. In 1983, trenching of several pronounced lineaments exposed a series of northeasterly trending, steeply dipping, argentiferous, quartz sulfide veins ranging from a few centimeters to 0.8 meters in width. The same work showed that these veins are in turn cut by a northwesterly trending series of argentiferous quartz-calcite veins of much smaller dimension.

Several of the lineaments housing the northeasterly trending quartz sulphide veins continue south into Knipple Lake, indicating potential for strike extensions in this direction. Geological mapping in 1987 of a small island 600 m south, just east of the center of Knipple Lake, shows a continuation of the geology evident in the Mineral Hill area. Geological potential of the vein system to the north appears to be limited by an east-west fault, occurring about 120 m north of Knipple Lake. Although the veins continue past the fault, they are more widely spaced, narrower and of lower grade.

Prospecting of the remainder of the claim group over the past five years has revealed other quartz sulfide veins; these are generally isolated structures of narrow width carrying much lower silver values than those in the Mineral Hill area.

Significant portions of the feldspar porphyry are heavily

mineralized with massive, fine to coarse-grained pyrite, particularly the contact zones. E.W. Grove ((1983, Ref. 6) has described this form of mineralization as follows: "These pyrite rich zones appear to represent autometamorphic breccias in the feldspar porphyry which have been largely healed with a matrix of fine grained pyrite, pyrrhotite and erratic chalcopyrite and other sulfides." Although this form of mineralization has been extensively sampled in the past, all assays reported to date contained economically uninteresting levels of precious metals only.

Mineral Hill Sampling--1983 to 1987

Sampling of the Mineral Hill quartz sulfide veins during the period 1983-87 has disclosed typical pinching and swelling structures with individual lenses running to 20 meters in length. The veins contain massive galena, sphalerite, pyrite and chalcopyrite with accompanying modest to high-grade values in silver. Silver minerals have not yet been identified.

Sampling results for the years 1983, 1985, 1986 and 1987 are presented below.

(a) 1983 Sampling

Twenty-five grab and chip samples were taken by geologist E. Kruckowski and M. Cloutier (blaster) during an assessment work program carried out over the Mineral Hill quartz sulfide veins in 1983. Sample locations and silver/gold grades are shown on Fig. 5.

(b) 1985 Sampling

During the 1985 sampling program, ten blast trenches were put in to test continuity of the quartz-sulfide mineralization. Chip samples, weighing 10 to 15 kilos apiece, were collected at 1 m intervals along vein strike. Samples were taken by geologist Chris Hrkac. Field notes and maps provided by Hrkac indicate that the mineralization as exposed by the trenches is lensoidal: maximum vein width occurs at the center of the sampled interval with the vein either pinching out completely or narrowing to less than 10 cm at the ends. Mean vein width for each 1 m of sampling along vein strike in the trenches was not measured.

Values for copper, lead, zinc and silver are tabulated below on a per trench basis for each of the samples taken.

Trench	Sample No.*	Copper	Lead	Zinc	Silver
T1A	9001	.11%	.11%	3.71%	5.78 oz/t
	Maximum vein width = 7.5 cm; pinches out at both ends				

WDG

Trench	Sample No.*	Copper	Lead	Zinc	Silver
T1B	9002	.63%	31.41%	11.07%	66.59 oz/t
	9003	.49%	47.00%	10.23%	57.67 oz/t
	9004	.58%	30.67%	10.79%	48.84 oz/t
	9005	.25%	21.80%	6.30%	24.14 oz/t
	9006	.23%	13.08%	5.17%	32.93 oz/t

Maximum vein width = 27 cm; pinches out at both ends

Trench	Sample No.*	Copper	Lead	Zinc	Silver
T1C	9007	.42%	22.51%	18.67%	17.35 oz/t
	9008	.11%	13.37%	6.30%	7.91 oz/t
	9009	.86%	49.69%	12.28%	23.04 oz/t
	9010	.54%	42.27%	7.57%	21.05 oz/t
	9011	.31%	24.01%	3.67%	13.30 oz/t
	9012	.14%	.96%	1.87%	2.71 oz/t

Maximum vein width = 38 cm; pinches out to north, continues to south as very narrow vein

Trench	Sample No.*	Copper	Lead	Zinc	Silver
T2A	9013	.24%	29.28%	16.29%	26.62 oz/t
	9014	.78%	19.90%	18.78%	25.56 oz/t
	9015	.61%	38.02%	14.61%	37.75 oz/t
	9016	.38%	38.52%	17.83%	32.96 oz/t
	9017	.43%	45.77%	11.08%	57.80 oz/t
	9018 (.5m)	.23%	49.37%	9.47%	33.35 oz/t

Maximum vein width = 80 cm; pinches out at both ends

Trench	Sample No.*	Copper	Lead	Zinc	Silver
T2B	9019	.05%	7.29%	1.17%	6.09 oz/t
	9020	.30%	.65%	.27%	3.34 oz/t
	9021	.17%	.11%	.11%	2.04 oz/t
	9022	.13%	.32%	.10%	1.55 oz/t
	9023	.24%	.63%	.18%	2.11 oz/t
	9024 (.5m)	.15%	.07%	.14%	2.04 oz/t

Maximum vein width = 40 cm; pinches out to north, continues to south as a narrow vein.

Trench	Sample No.*	Copper	Lead	Zinc	Silver
T3A	9025	1.03%	13.57%	1.35%	132.75 oz/t
	9026	.85%	55.42%	3.40%	58.73 oz/t
	9027	.71%	22.68%	.26%	95.53 oz/t
	9028	.43%	11.18%	9.22%	33.97 oz/t
	9029	.30%	7.99%	3.19%	28.22 oz/t
	9030	.15%	12.67%	1.76%	21.52 oz/t
	9031 (.5m)	.11%	1.77%	.40%	4.71 oz/t

Maximum vein width = 25 cm; continues as small vein to north and south

WDC

Trench	Sample No.*	Copper	Lead	Zinc	Silver
T4A	9032	.33%	14.45%	20.34%	21.71 oz/t
	9033	.49%	30.71%	16.52%	22.57 oz/t
	9034	.62%	15.48%	17.52%	39.62 oz/t
	9035	.39%	16.17%	6.29%	6.30 oz/t
	9036	.14%	10.49%	3.99%	4.49 oz/t

Maximum vein width = 35 cm; pinches out to north, continues to south as a small vein

Trench	Sample No.*	Copper	Lead	Zinc	Silver
T5A	9044	1.17%	10.18%	1.55%	31.43 oz/t
	9055	.96%	8.68%	1.24%	49.17 oz/t

Maximum vein width = 18 cm; pinches out at both ends

Trench	Sample No.*	Copper	Lead	Zinc	Silver
T6A	9038	1.05%	17.80%	1.10%	45.37 oz/t
	9039	.79%	18.80%	.42%	29.98 oz/t
	9040**	1.15%	46.40%	2.35%	64.40 oz/t
	9041**	1.27%	32.90%	1.19%	23.43 oz/t
	9042	.49%	7.34%	.13%	9.05 oz/t
	9043	.24%	3.19%	.18%	5.77 oz/t

Maximum vein width = 30 cm; continues as small vein to north and south

Trench	Sample No.*	Copper	Lead	Zinc	Silver
T7A***	9037(11.5m)	3.44%	16.10%	.37%	226.80 oz/t

Maximum vein width = 30 cm; continues to north and south but not as well mineralized

*Sample interval is 1 m taken along vein strike unless otherwise marked.

**These are the only samples to register significant gold values, 0.072 and 0.050 oz gold per ton, respectively.

***Selected grab sample of best mineralization along 11.5 m of trenching.

Selected grab samples of visually high-grade mineralization were also taken during the 1985 program with a view to determining silver association with other metals. Selection criteria was base metal sulfide content, particularly galena. Assay values for four samples weighing a minimum 15 kg each, from Trenches T1B, T2A, T3A & T4A, are reproduced below.

WDG

Sample No.	Antimony %	Copper %	Lead %	Zinc %	Silver oz/t
T1BHG	0.09	0.82	53.30	14.54	78.25
T2AHG	0.29	0.57	61.20	17.70	111.09
T3AHG	0.38	0.66	54.30	5.84	363.20
T4AHG	0.03	0.30	34.90	25.43	23.84

(c) 1986 sampling

In September, 1986, the author visited the property and examined the geological setting in the Mineral Hill area.

A reference grab sample was taken from Trench #3A (cf. 1985 sampling) and returned a value of 56.00 oz/ton in silver (Min-En Labs Assay Certificate, #6903), corroborating results from earlier work.

Four samples (#'s 6901, 6902, 6904 & 6905) were also taken from several exposures of heavy pyrite mineralization along the contact zone of the feldspar porphyry intrusive. These returned low values in gold and silver.

(d) 1987 sampling

The primary object of the 1987 work program was to collect a 25 ton bulk sample from the quartz sulfide veins. This was then to be submitted for metallurgical studies. Extremely inclement weather over a protracted period frustrated completion of this endeavour.

Nevertheless, four smaller bulk samples were collected and are presently stored on the property. Locations are shown in the index map on Fig. 7.

The largest sample, weighing an estimated 9.5 tons, came from Trench 1987-2 (coincides with 1985 Trench 2A). Seven channel samples across vein width were taken from the floor of the trench at periodic intervals during excavation. These are shown in relative three-dimensional positions on Fig. 7. A summary of information follows:

Sample #	Width of Sample (m)*	Copper %	Lead %	Zinc %	Silver Oz/t
KL-GS-04	0.46	1.52	37.98	1.63	35.14
KL-GS-05	0.52	0.95	3.10	13.88	17.07
KL-GS-06	0.61	0.51	15.19	12.22	20.09
KL-GS-07	0.61	0.24	21.84	4.73	30.01
KL-GS-08	0.69	0.35	3.57	18.76	7.30
KL-GS-09	0.86	0.32	11.42	8.34	12.04
KL-GS-10	0.86	0.06	8.59	3.84	11.21

WDG

* Includes 5cm of wall rock on both ends of channel sample

Samples KL-GS-02 & 03 were select grab samples taken from sulphide vein mineralization exposed after blasting to a depth of 0.3 m in Trench 1987-2; these samples returned values of 27.67 and 31.32 oz/ton in silver, respectively.

Approximately 18.5 m north-northeast of Trench 1987-2, and along the same lineament, a grab sample was taken of massive sulfide vein mineralization and returned a value of 114.13 oz/ton in silver (KL-GS-11). The vein is described at this point as being "narrow".

Trench 1987-1 (cf. Fig. 7--Index Map) tested a vein carrying random pods of highly argentiferous tetrahedrite (previously sampled in 1985 by Trench 7A). Approximately 400 lbs of mineralized vein material was collected--a composite grab sample taken from this material assayed 9.48 oz/ton in silver (Sample #KL-GS-01).

Approximately 300 lbs. apiece of massive sulfide vein material was collected from Trenches 1987-3 and 1987-4 (Fig. 7--Index Map). A composite grab sample taken from the Trench 1987-3 material ran 37.4 oz/ton in silver (Sample # KL-BB-1). Two composite grabs taken from the Trench 1987-4 material ran 109.86 and 92.14 oz/ton in silver (Sample #'s KL-BB-2 and KL-BB-3).

Over twenty grab and chip samples were taken in 1987 of pyrite mineralization (mostly contact zone of feldspar porphyry, or quartz carbonate-pyrite veins), as exposed in several localities peripheral to the argentiferous quartz-sulfide veins. Without exception, these returned economically uninteresting values in gold and silver.

Geophysics

During 1984, a helicopter-borne EM and Mag survey was flown over the Knip claim as part of a regional program over several claim groups between the headwaters of the Bowser River and Knipple Lake. This survey did not discover any notable conductors or anomalies in the Knip claim area, nor did the known quartz sulphide veins in the Mineral Hill register significant responses.

Subsequently, conductivity tests of typical massive sulphide vein material from the Mineral Hill occurrences showed these to be poor conductors, indicating that the geophysical methods employed were unsuitable for detecting structures of this type. High sphalerite content in the veins may have contributed to the lack of conductivity.

Conclusions and Recommendations

A relatively closely-spaced series of northeasterly trending, quartz sulphide veins has been exposed by trenching in the Mineral Hill area north of Knipple Lake on the Knip property. Sampled vein widths vary from a few centimeters to a maximum 0.8 meters and carry multi-metal values in copper, lead, zinc, and silver.

The primary zone of interest is approximately 80 meters wide and 120 meters long. Geological potential exists for extensions of the northeasterly trending quartz sulfide vein mineralization to the south for a further 600 meters. Potential to the north appears to be limited by an east-west fault.

Bulk sampling in 1987 has confirmed tenor and grade of the high-grade silver mineralization reported by previous workers.

Although the veins as exposed on surface are both narrow and lensoidal, these restrictive aspects are mitigated by a number of other factors:

1. Sampling has shown much of the mineralization to be of a superior grade. Since the massive sulfide mineralization in the veins is much denser than ordinary rock, metal value per unit volume is quite high.
2. The wallrock appears to be quite competent and is mineralogically distinct from the veins. The veins are near vertical and are closely spaced, factors which would reduce costs in a mining operation.
3. Development of a major gold-silver deposit at Brucejack Lake has led to construction of an access road which passes through the property. This will cut costs of exploration considerably and enhance economics should successful results of future work warrant a mining or high-grading operation.

It is the author's opinion that the property is presently at a stage of development where further surface work would add little useful information. The obvious next step is a drilling program aimed at defining the depth potential of the quartz sulfide mineralization exposed in the Mineral Hill area. There is a good possibility that the veins may widen at depth or that drilling will encounter a root source for the veins. Results should assist in defining potential for development of a viable tonnage of moderate to high-grade silver-lead-zinc mineralization.

To this end, the author has recommended a Phase I program consisting of 1,000 feet of diamond drilling. The author concurs

with and adopts the specific recommendations of Kruchkowski and Konken (Ref. 9), budgeted at \$55,000. These are reproduced in the next section entitled "Estimated Costs of Proposed Work Program".

Contingent upon the successful outcome of the Phase I program, the author recommends a further 2,500 feet of drilling estimated to cost \$120,000.

Wdy

Estimated Costs of Proposed Work Program**Phase I****Personnel**

Geologist -- 14 days @ \$300/day	\$4,200
Geol. technicians -- 3 for 14 days @ \$150/day	6,300

Site Preparation (including drill, dyanmite, fuel)	1,400
--	-------

Assays: 100 rock samples @ \$15/sample	1,500
--	-------

Camp Rental: 4 men -- 14 days @ \$25 man-day	1,400
--	-------

Food: 4 men -- 14 days @ \$20 man-day	1,120
---------------------------------------	-------

Transportation (mob/demob, helicopter, truck, etc.)	7,500
---	-------

Fuel (stoves, generator, kerosene, etc.)	800
--	-----

Freight & communications (sample transport, etc.)	780
---	-----

Diamond drilling contract:

1000 ft. @ \$25/ft. all inclusive	<u>25,000</u>
-----------------------------------	---------------

Sub-total	\$50,000
-----------	----------

Plus 10% contingency	<u>5,000</u>
	\$55,000

Phase II (Contingent upon the successful outcome of Phase I)

Reserve for a further 2,500 feet of diamond drilling, including 10% contingency.	\$120,000
--	-----------

W 74

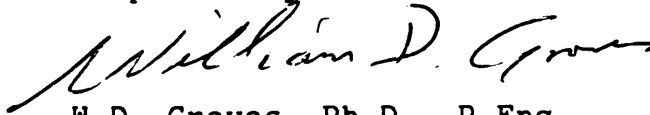
APPENDIX I - CERTIFICATE

I, William D. Groves, do hereby certify that:

1. I am a consulting engineer with an office at 200-675 W. Hastings Street, Vancouver, B.C. under the name of Archaean Resources Corp.
2. I am a graduate of the University of British Columbia with a B.A.Sc. in Geological Engineering (1960) and a Ph.D. in Chemical Engineering (1971). I am also a graduate of the University of Alberta with a B.Sc. in Chemical Engineering.
3. I am a registered Professional Engineer in the Province of British Columbia, #8082.
4. I examined the Knip property on Sept. 8, 1986. This report is based on my personal observations, supplemented by field observations and data as reported by several geologists and professional engineers during the period 1983 to 1987, as well as a review of geological literature on the property and region.
5. I have not received directly or indirectly, nor do I intend to receive any interest, direct or indirect, in the Knip property, nor do I beneficially own, directly or indirectly, any securities of Elan Explorations Ltd., Teuton Resources Corp. or Crystal Cove Resources Ltd., nor do I expect to receive any such interests.
6. I hereby consent to the use of this Report in a filing statement or prospectus to be filed with either the Vancouver Stock Exchange or Superintendent of Brokers for British Columbia.

Dated this 4th day of July, 1988 at Vancouver, British Columbia.

Respectfully submitted,



W.D. Groves, Ph.D., P.Eng.

Appendix II - References

1. ALLDRICK, D.J.(1984); Geological Setting of the Precious Metals Deposits in the Stewart Area, Paper 84-1, Geological Fieldwork 1983", B.C.M.E.M.P.R.
2. ARNOLD, R. (1980): Prospecting Report, Bowser-Unuk Project, Knipple Lake Area, 1980, for E & B Explorations Ltd., by CanLake Explorations Ltd.
3. CREMONESE, D. (1985): Assessment Report on Geological and Geochemical Work on the Knip Claim, 2559(9).
4. GROVE, E.W. ET AL (1982); Unuk River-Salmon River-Anyox Area. Geological Mapping 1:1000000 B.C.M.E.M.P.R.
5. GROVE, E.W. (1971); Geology of Mineral Deposits of the Stewart Area. Bulletin 58, B.C.M.E.M.P.R.
6. GROVE, E.W. (1983); Geological Report and Work Proposal on the Teuton Resources Corp. Knip Property in the Bowser River Area, Stewart District, Northwestern B.C., Skeena M.D., NTS 104A/5W.
7. GROVES, W.D. and R. SHELDRAKE (1984); Assessment Report on Geophysical Work on Five Areas in the Bowser River Area, B.C.
- 7A. GROVES, W.D. (FEB. 15, 1988); Geological Report on the Knip Claim; On Behalf of Crystal Cove Resources Ltd.
8. HRKAC, C. (1985); Field Report on 1985 Work on the Knip Property, Private Report for Teuton Resources Corp.
9. KRUCHKOWSKI, E.R. and KONKIN, K. (1988); Report of Knip Claim Group, Stewart, B.C. Private Report for Crystal Cove Resources.

Appendix III - Previous Dollar Expenditures on Property

The author has had the opportunity to review corporate documents pertaining to work on the Knip property by Crystal Cove Resources Ltd. since it optioned the property in 1987. A summary of expenditures follows:

E.R. Kruchkowski Consulting Ltd. Contract

Personnel: Sept. - Nov., 1987	\$ 36,395.00
Mobilization - NO CHARGE*	
Report - Assessment Report	1,840.00
- Engineering Report - NO CHARGE	
Supervision - NO CHARGE	
Supplies - includes explosives, building supplies, etc.	953.71
Overhead - NOT APPLICABLE	
Drafting - \$300 - NO CHARGE	
Rentals [Compressor, drill, radios, etc.]	6,845.00
Helicopter Charges	11,366.17
Expediting	305.35
Groceries	2,413.15
Assays - Acme Analytical Laboratories	886.00
Engineering Report - W. D. Groves, P.Eng., Ph.D.	<u>1,360.00</u>
TOTAL	\$62,364.38

*Refers to mobilization of men and materials to base camp at Catear's Gold Wedge property. Mobilization and demobilization costs (from base camp to Knip claim and vice versa) are reflected in personnel and helicopter charges--these were quite extensive due to inclement weather and a late season start on the project.

The 1987 program consisted of two stages. In the first stage, beginning in September, a crew consisting of three geologists and one geological technologist spent three days sampling, mapping and prospecting the Knip claim. A total of 39 rock samples were taken and submitted for analysis. Areas covered included the southern shore of Knipple Lake, the small island in Knipple Lake, the Mineral Hill area and areas peripheral to Mineral Hill (east and north). The bulk of the samples concentrated on the pyrite-rich contact zone of the feldspar porphyry intrusive, and as reported in the text, returned low values of gold and silver. Check samples taken of quartz sulfide mineralization in the Mineral Hill area confirmed values reported by previous samplers.

The second stage consisted of an attempt to gather a 25 ton

WDG

bulk sample from the Mineral Hill quartz sulfide veins. Mobilization of equipment and personnel was severely hampered by inclement weather. This inclement weather continued throughout most of the program and contributed to a large cost overrun. Cost overruns were further exacerbated by the contractor's initial decision to fly personnel into the job daily from a base camp at Catear Resources' Gold Wedge camp near Brucejack Lake (about 10 km northwest), rather than set up a camp directly on site. This is reflected in the high helicopter component of the contractor's invoice. The project was finally called off before the 25 ton target could be realized. Results of this part of the program have been adequately summarized in the attached report.

Despite the difficulties encountered, it is the author's opinion that the 1987 work program has materially enhanced the merit of the Knip property and contributed to an ongoing elucidation of its potential.

It should also be added that, previous to the 1987 program, approximately \$25,000 had been spent on the property by Teuton Resources Corp.

WPG

Appendix IV - Assay Certificates

1. Acme Labs	File 83-2331	1983 Trench Samples
2. Acme Labs	File 85-1545	1985 Trench Samples
2. Acme Labs	File 85-1401	1985 Trench High-Grade Select Samples
2. Min-En Labs	File 6-781/P1	W. D. Groves Samples
3. Acme Labs	File 87-5652	1987 Trench Samples

Sept 30/83

ASSAY CERTIFICATE

SAMPLE TYPE : ROCK - CRUSHED AND PRULVERIZED TO -100 MESH.
 AG & AU BY FIRE ASSAY

ASSAYER *De Toy* DEAN TOYE, CERTIFIED B.C. ASSAYER

TEUTON RESOURCES FILE # 83-2331

PAGE# 1

SAMPLE	CU %	PB %	ZN %	AG OZ/TON	AU OZ/TON
K-1	.01	.03	.01	.01	.001
K-2	.88	13.20	18.10	53.30	.001
K-3	.87	29.00	27.50	31.42	.001
K-4	.14	14.50	6.18	17.83	.001
K-5	.08	.31	3.47	8.42	.001
K-6	.02	.56	1.03	1.33	.001
K-7	.01	.60	.01	.67	.001
K-8	.06	.63	3.74	2.11	.001
K-9	.15	.23	8.06	10.05	.001
K-10	.56	5.90	13.85	15.49	.001
K-11	.01	.35	1.06	.75	.001
K-12	.27	5.26	19.50	8.24	.001
K-13	.84	4.94	17.96	38.80	.265
K-14	.57	11.85	3.28	43.60	.001
K-15	1.29	17.90	2.03	27.05	.001
K-16	.17	.55	3.58	5.02	.001
K-17	2.01	58.50	.20	238.80	.001
K-18	1.01	1.31	.05	8.18	.001
K-19	3.05	31.40	.03	58.40	.001
K-20	1.66	39.80	.09	39.60	.178
K-21	.24	5.12	2.48	13.39	.003
K-22	.07	15.40	.05	8.98	.001
K-23	1.12	5.10	21.48	88.60	.001
K-24	.68	23.70	11.50	25.62	.001
K-25	.45	21.40	7.32	17.26	.001

PLEASE MAIL THIS CARD TO THE ASSAYER'S OFFICE WITH THE ASSAY REPORT.
 THIS IS NOT TO BE USED FOR ANY OTHER PURPOSES.
 THE ASSAYER'S OFFICE IS LOCATED AT 352 E. HASTINGS, VANCOUVER, B.C.

ACME ANALYTICAL LABORATORIES LTD.

TELEX 04-53124

ASSAY CERTIFICATE

1.00 GRAM SAMPLE IS DIGESTED WITH 50ML OF 3-1-2 OF HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR.
AND IS DILUTED TO 100ML WITH WATER. DETECTION FOR BASE METAL IS .01%.

SAMPLE TYPE: ROCK CHIPS AU# 10 GRAM REGULAR ASSAY

DATE RECEIVED: JULY 24 1985 DATE REPORT MAILED: *Aug 2/85* ASSAYER: *T. Saundry* DEAN TOYE OR TOM SAUNDRY, CERTIFIED B.C. ASSAYER

TEUTON RESOURCES FILE # 85-1545

PAGE 1

SAMPLE#	Mo %	Cu %	Pb %	Zn %	Ag OZ/T	Ni %	Co %	Mn %	Fe %	As %	U %	Th %	Cd %	Sb %	Bi %	Au OZ/T	Ag** OZ/T
9001	.002	.11	.11	3.71	5.78	.01	.01	.37	7.30	.16	.002	.01	.030	.010	.010	.001	-
9002	.007	.63	31.41	11.07	66.59	.01	.01	.08	2.86	.02	.002	.01	.100	.070	.010	.001	-
9003	.007	.49	47.00	10.23	57.67	.01	.01	.07	2.69	.02	.002	.01	.110	.070	.010	.001	-
9004	.007	.58	30.67	10.79	48.84	.01	.01	.06	2.73	.01	.003	.01	.100	.030	.010	.004	-
9005	.004	.25	21.80	6.30	24.14	.01	.01	.12	3.28	.01	.002	.01	.060	.020	.010	.001	-
9006	.004	.23	13.08	5.17	32.93	.01	.01	.15	4.41	.01	.002	.01	.060	.060	.010	.001	-
9007	.012	.42	22.51	18.67	17.35	.01	.01	.05	3.05	.01	.002	.01	.210	.010	.010	.001	-
9008	.007	.11	13.37	6.30	7.91	.01	.01	.05	2.75	.01	.002	.01	.070	.010	.010	.001	-
9009	.009	.86	49.69	12.28	23.04	.01	.01	.01	1.76	.01	.002	.01	.140	.030	.010	.001	-
9010	.008	.54	42.27	7.57	21.05	.01	.01	.02	1.83	.01	.002	.01	.080	.020	.010	.001	-
9011	.003	.31	24.01	3.67	13.30	.01	.01	.05	1.59	.01	.002	.01	.040	.020	.010	.001	-
9012	.003	.14	.96	1.87	2.71	.01	.01	.04	1.86	.06	.002	.01	.020	.010	.010	.001	-
9013	.011	.24	29.28	16.29	26.62	.01	.01	.09	3.45	.01	.002	.01	.170	.060	.010	.001	-
9014	.010	.78	19.90	18.78	25.56	.01	.01	.08	3.90	.01	.002	.01	.150	.040	.010	.001	-
9015	.009	.61	38.02	14.61	37.75	.01	.01	.06	2.98	.01	.002	.01	.130	.050	.010	.001	-
9016	.012	.38	38.52	17.83	32.96	.01	.01	.07	2.18	.01	.002	.01	.180	.070	.010	.001	-
9017	.008	.43	45.77	11.08	57.80	.01	.01	.06	2.55	.01	.002	.01	.110	.140	.010	.001	-
9018	.008	.23	49.37	9.47	33.35	.01	.01	.05	2.12	.01	.002	.01	.100	.040	.010	.004	-
9019	.002	.05	7.29	1.17	6.09	.01	.01	.21	5.48	.01	.002	.01	.010	.010	.010	.001	-
9020	.004	.30	.65	.27	3.34	.01	.01	.24	9.33	.04	.002	.01	.010	.010	.010	.001	-
9021	.006	.17	.11	.11	2.04	.01	.01	.19	8.30	.06	.002	.01	.010	.010	.010	.001	-
9022	.003	.13	.32	.10	1.55	.01	.01	.26	7.07	.01	.002	.01	.010	.010	.010	.001	-
9023	.003	.25	.63	.18	2.11	.01	.01	.22	11.58	.16	.002	.01	.010	.010	.010	.001	-
9024	.006	.15	.07	.14	2.04	.01	.01	.18	10.62	.17	.002	.01	.010	.010	.010	.001	-
9025	.002	1.03	13.57	1.35	132.75	.01	.01	.27	6.67	.07	.002	.01	.010	.180	.010	.012	127.324
9026	.003	.85	55.42	3.40	58.73	.01	.01	.17	3.95	.02	.002	.01	.040	.080	.010	.001	-
9027	.001	.71	22.68	.26	95.53	.01	.01	.13	3.85	.05	.002	.01	.010	.120	.010	.001	90.736
9028	.006	.43	11.18	9.22	33.97	.01	.01	.13	4.05	.06	.002	.01	.070	.040	.010	.006	-
9029	.003	.30	7.99	3.19	28.22	.01	.01	.12	3.32	.01	.002	.01	.030	.020	.010	.012	-
9030	.002	.15	12.67	1.76	21.52	.01	.01	.17	5.01	.01	.002	.01	.020	.020	.010	.001	-
9031	.001	.11	1.77	.40	4.71	.01	.01	.20	4.77	.02	.002	.01	.010	.010	.010	.001	-
9032	.013	.33	14.45	20.34	21.71	.01	.01	.17	4.64	.01	.002	.01	.190	.020	.010	.001	-
9033	.011	.49	30.71	16.52	22.57	.01	.01	.07	2.39	.01	.002	.01	.170	.010	.010	.014	-
9034	.012	.62	15.48	17.52	39.62	.01	.01	.06	3.17	.02	.002	.01	.170	.030	.010	.022	-
9035	.005	.39	16.17	6.29	6.30	.01	.01	.07	1.72	.01	.002	.01	.060	.010	.010	.001	-
9036	.004	.14	10.49	3.99	4.49	.01	.01	.07	1.66	.01	.002	.01	.040	.010	.010	.001	-
STD R-1	.090	.89	1.37	2.37	2.97	.03	.02	.08	7.02	1.01	.002	.01	.050	.160	.030	-	-

RECEIVED
 DATE RECEIVED
 TELEPHONE
 852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
 ACME ANALYTICAL LABORATORIES LTD.

MIN-EN LABORATORIES LTD.
 Specialists in Mineral Environments
 705 West 15th Street North Vancouver, B.C. Canada V7M 1T2

PHONE: (604) 980-5814 OR (604) 988-4524

TELEX: VIA USA 7601067 UC

Certificate of ASSAY

Company: TEUTON RESOURCES CORP.
 Project:
 Attention: D.M. CREMONESE

File: 6-781/P1
 Date: SEPT 13/86
 Type: ROCK ASSAY

We hereby certify the following results for samples submitted.

Sample Number	AG G/TONNE	AG OZ/TON	*AU G/TONNE	AU OZ/TON
6901	6.2	0.18	.02	0.001
6902	0.7	0.02	.02	0.001
6903	1920.0	56.00	.15	0.004
6904	4.3	0.13	.06	0.002
6905	5.2	0.15	.14	0.004
6906	12.6	0.37	2.27	0.066
6907	8.0	0.23	.14	0.004
6908	4.9	0.14	6.24	0.182
6909	24.0	0.70	.05	0.001
6910	125.0	3.65	.08	0.002
6911	2.1	0.06	.27	0.008
6912	1.9	0.06	.74	0.022
6913	0.1	0.01	.12	0.004
6914	58.3	1.70	.23	0.007
6915	2.6	0.08	31.60	0.922
6916	0.3	0.01	.05	0.001
6917	0.6	0.02	.60	0.018
6918	1.8	0.05	.20	0.006
6919	2.0	0.06	.27	0.008
6920	213.0	6.21	.39	0.011
6921	2.3	0.07	.24	0.007
TBR-34	2490.0	72.63	.34	0.010
TBR-36	4730.0	137.96	.64	0.019
TBR-38	41.5	1.21	.67	0.020
TBR-39	170.0	4.96	.71	0.021
TBR-41	12.1	0.35	.18	0.005
TBR-42	10.4	0.30	.22	0.006
TBR-44	43.0	1.25	.95	0.028
TBR-46	25.9	0.76	.24	0.007
TBR-47	3.7	0.11	.07	0.002

KNIP
PROPERTY

OFF
PROPERTY
(OTHER
PROJECTS)

* 1 ASSAY TON.

Certified by _____



MIN-EN LABORATORIES LTD.

wph

ACME ANALYTICAL LABORATORIES LTD.

852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6

PHONE (604) 253-3158 FAX (604) 253-1716

ASSAY CERTIFICATE

- SAMPLE TYPE: Rock Chips

DATE RECEIVED: NOV 16 1987

DATE REPORT MAILED: Nov 26/87

ASSAYER: A. Dyer DEAN TOYE, CERTIFIED B.C. ASSAYER

TEUTON RESOURCES PROJECT-KNIPPLE LAKE File # 87-5652

SAMPLE#	MO %	CU %	PB %	ZN %	AG OZ/T	NI %	CO %	MN %	FE %	AS %	U %	TH %	CD %	SB %	BI %	AU OZ/T
KL-GS-01	.001	.33	1.33	.03	9.48	.01	.01	.02	1.26	.01	.002	.01	.01	.01	.01	.001
KL-GS-02	.010	.80	22.20	31.77	27.67	.01	.01	.04	3.00	.02	.002	.01	.23	.03	.01	.001
KL-GS-03	.008	.74	53.90	23.47	31.32	.01	.01	.05	2.75	.01	.002	.01	.16	.04	.01	.001
KL-GS-04	.002	3.32	83.10	3.57	76.90	.01	.01	.01	3.41	.01	.002	.01	.03	.13	.01	.002
KL-GS-05	.009	1.83	5.96	26.71	32.83	.01	.01	.10	5.02	.04	.002	.01	.19	.10	.01	.002
KL-GS-06	.008	.84	24.90	20.04	32.94	.01	.01	.15	5.16	.03	.002	.01	.15	.05	.01	.001
KL-GS-07	.005	.39	35.80	7.75	49.20	.01	.01	.06	2.85	.03	.002	.01	.07	.07	.01	.004
KL-GS-08	.010	.51	5.20	27.35	10.64	.01	.01	.11	5.07	.01	.003	.01	.21	.02	.01	.001
KL-GS-09	.006	.37	13.22	9.65	13.94	.01	.01	.14	5.32	.01	.003	.01	.09	.02	.01	.001
KL-GS-10	.003	.07	9.94	4.44	12.97	.01	.01	.17	5.38	.01	.002	.01	.04	.02	.01	.001
KL-GS-11	.002	.58	66.20	3.97	114.13	.01	.01	.10	2.61	.07	.002	.01	.04	.45	.01	.001
KL-BB-1	.011	.31	40.20	24.84	37.40	.01	.01	.06	2.86	.01	.002	.01	.20	.04	.01	.004
KL-BB-2	.003	1.19	33.80	3.27	109.86	.01	.01	.20	5.99	.11	.007	.01	.03	.23	.01	.003
KL-BB-3	.007	1.63	4.14	16.25	92.14	.01	.01	.35	9.60	.27	.004	.01	.13	.16	.01	.004

18B-01
 18B-02
 18B-03
 18B-04
 18B-05
 18B-06
 18B-07
 18B-08
 18B-09
 18B-10
 18B-11
 18B-12
 18B-13
 18B-14
 18B-15
 18B-16
 18B-17
 18B-18
 18B-19
 18B-20
 18B-21
 18B-22
 18B-23
 18B-24
 18B-25
 18B-26
 18B-27
 18B-28
 18B-29
 18B-30
 18B-31
 18B-32
 18B-33
 18B-34
 18B-35
 18B-36
 18B-37
 18B-38
 18B-39
 18B-40
 18B-41
 18B-42
 18B-43
 18B-44
 18B-45
 18B-46
 18B-47
 18B-48
 18B-49
 18B-50
 18B-51
 18B-52
 18B-53
 18B-54
 18B-55
 18B-56
 18B-57
 18B-58
 18B-59
 18B-60
 18B-61
 18B-62
 18B-63
 18B-64
 18B-65
 18B-66
 18B-67
 18B-68
 18B-69
 18B-70
 18B-71
 18B-72
 18B-73
 18B-74
 18B-75
 18B-76
 18B-77
 18B-78
 18B-79
 18B-80
 18B-81
 18B-82
 18B-83
 18B-84
 18B-85
 18B-86
 18B-87
 18B-88
 18B-89
 18B-90
 18B-91
 18B-92
 18B-93
 18B-94
 18B-95
 18B-96
 18B-97
 18B-98
 18B-99
 18B-100

Handwritten initials 'RM'

Handwritten signature

Vertical text: YAGGA YOGA...

Vertical text: YAGGA YOGA...

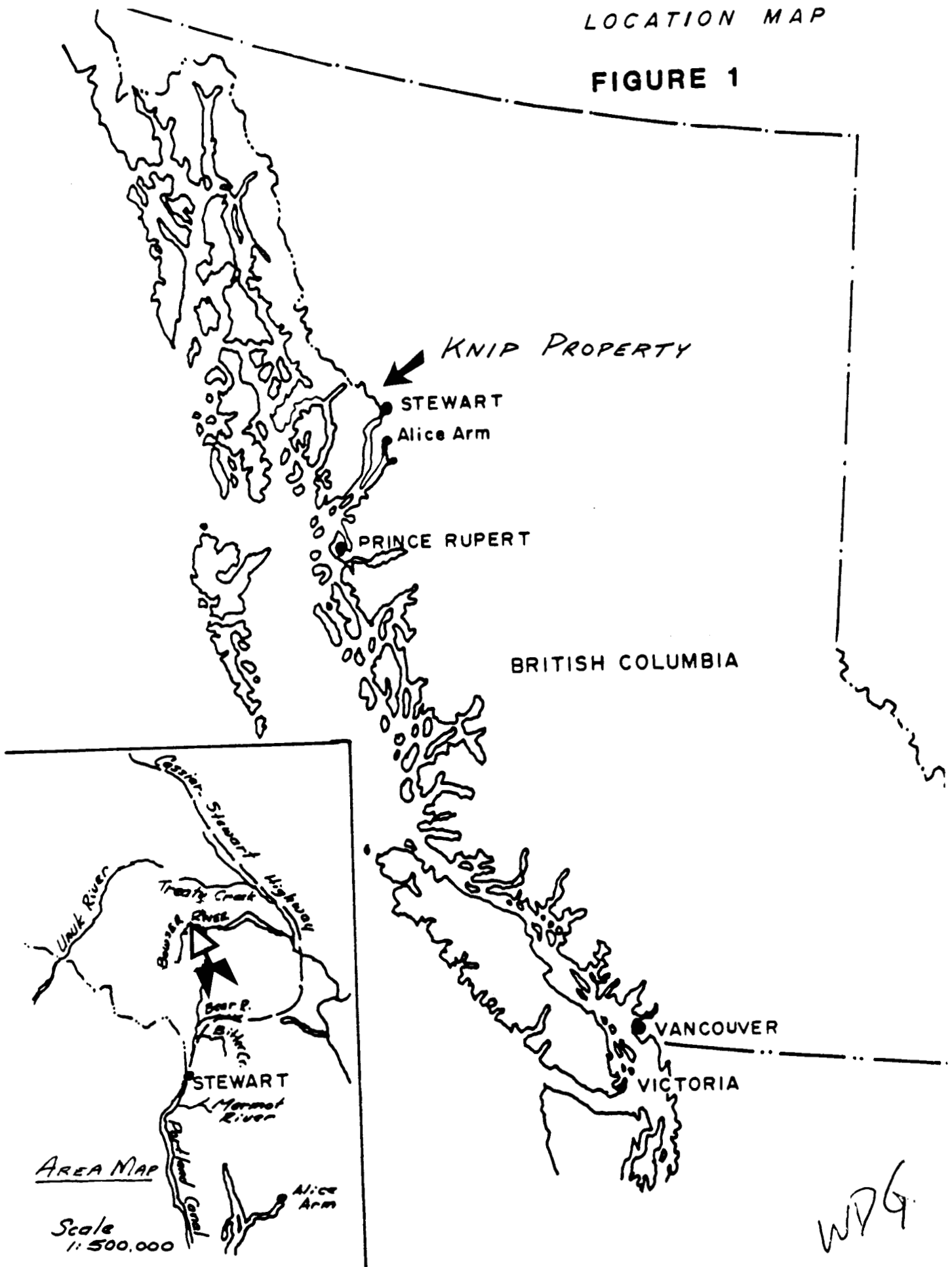
Vertical text: YAGGA YOGA...

Vertical text: YAGGA YOGA...

Vertical text: YAGGA YOGA...

LOCATION MAP

FIGURE 1



WDG

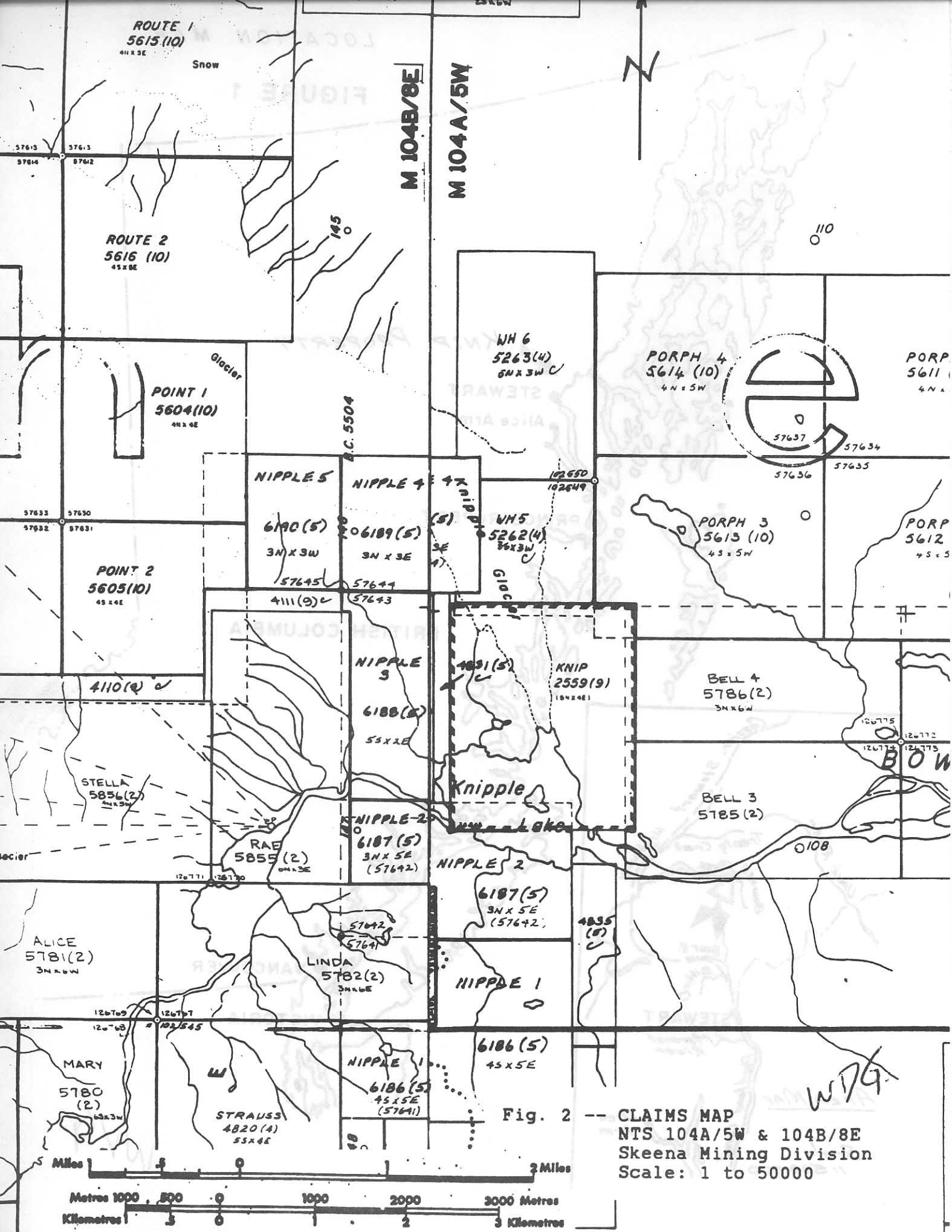
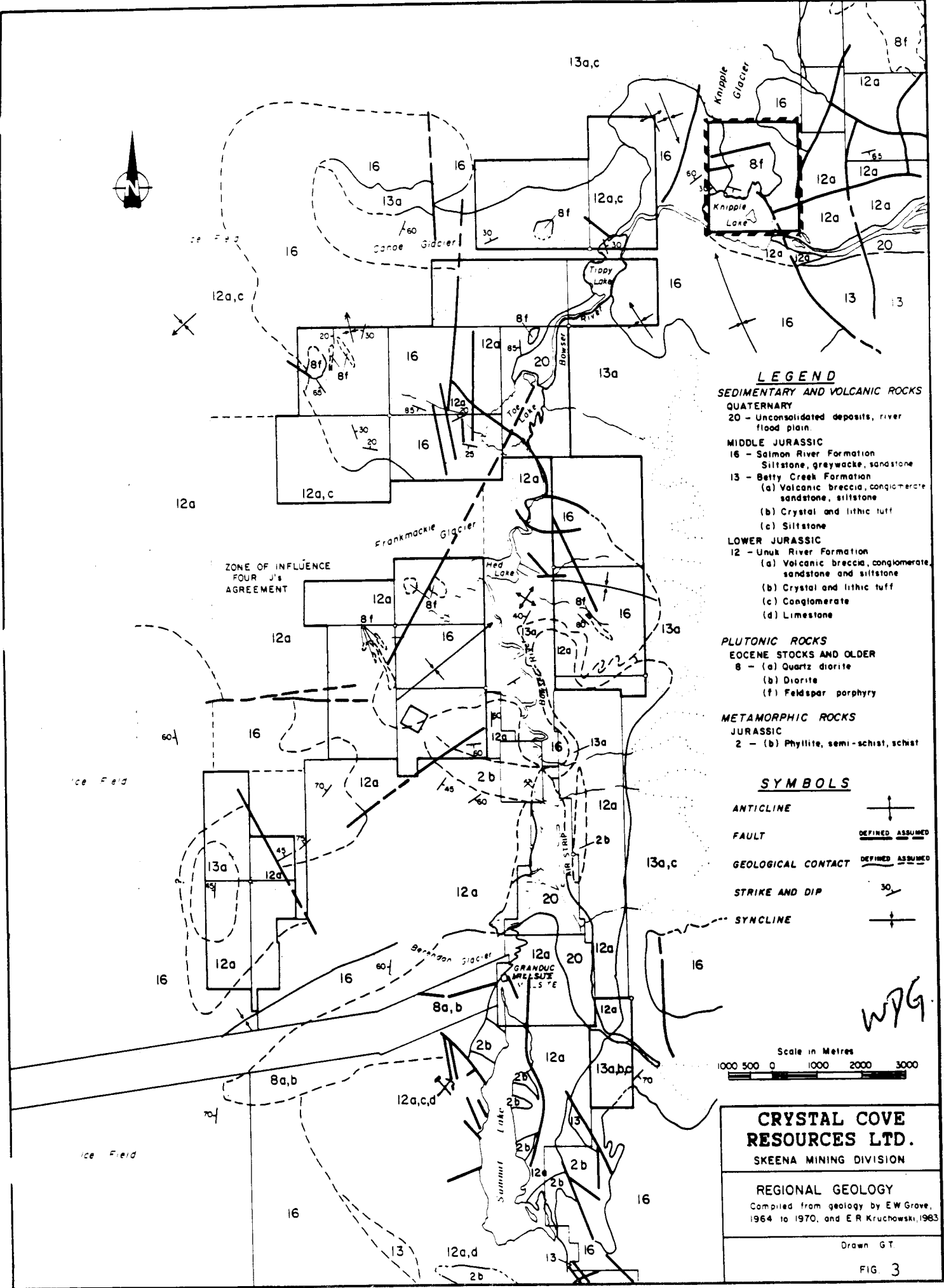


Fig. 2

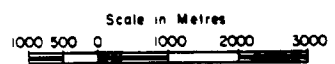
-- CLAIMS MAP
 NTS 104A/5W & 104B/8E
 Skeena Mining Division
 Scale: 1 to 50000

wdg.



- LEGEND**
SEDIMENTARY AND VOLCANIC ROCKS
QUATERNARY
 20 - Unconsolidated deposits, river flood plain
MIDDLE JURASSIC
 16 - Selmon River Formation
 Siltstone, greywacke, sandstone
 13 - Betty Creek Formation
 (a) Volcanic breccia, conglomerate sandstone, siltstone
 (b) Crystal and lithic tuff
 (c) Siltstone
LOWER JURASSIC
 12 - Unuk River Formation
 (a) Volcanic breccia, conglomerate, sandstone and siltstone
 (b) Crystal and lithic tuff
 (c) Conglomerate
 (d) Limestone
PLUTONIC ROCKS
Eocene stocks and older
 8 - (a) Quartz diorite
 (b) Diorite
 (f) Feldspar porphyry
METAMORPHIC ROCKS
JURASSIC
 2 - (b) Phyllite, semi-schist, schist

- SYMBOLS**
 ANTICLINE
 FAULT
 GEOLOGICAL CONTACT
 STRIKE AND DIP
 SYNCLINE



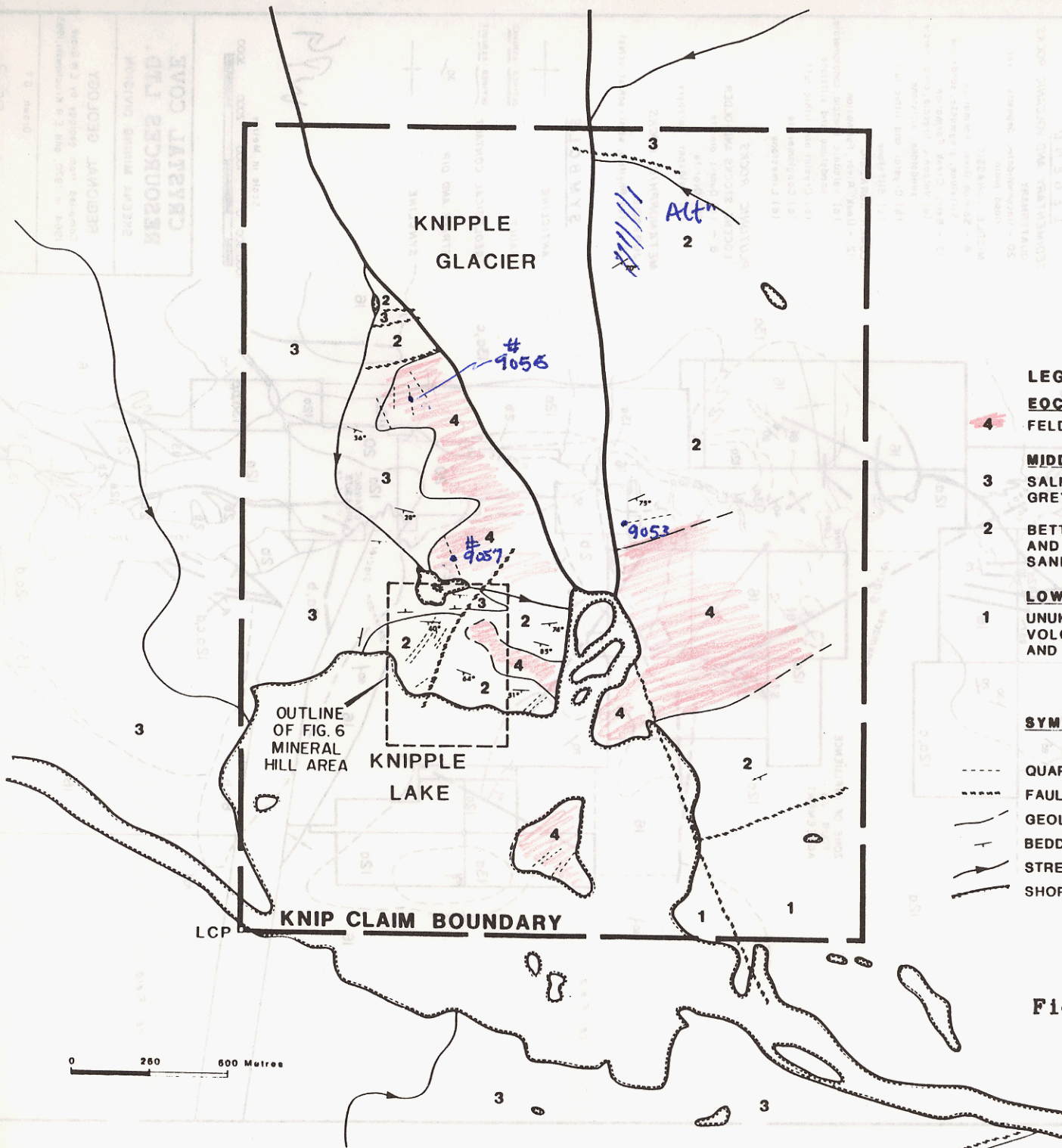
CRYSTAL COVE RESOURCES LTD.
 SKEENA MINING DIVISION

REGIONAL GEOLOGY
 Compiled from geology by EW Grove, 1964 to 1970, and ER Kruchowski, 1983

Drawn G.T.

FIG 3

WPG



LEGEND

EOCENE

4 FELDSPAR PORPHYRY INTRUSIVE

MIDDLE JURASSIC

3 SALMON RIVER FORMATION: SILTSTONE, SANDSTONE, GREYWACKE, ARGILLITE AND CONGLOMERATE

2 BETTY CREEK FORMATION: GREEN, RED, PURPLE AND BLACK VOLCANIC BRECCIA, CONGLOMERATE, SANDSTONE AND SILTSTONE

LOWER JURASSIC

1 UNUK RIVER FORMATION: GREEN, RED, AND PURPLE VOLCANIC BRECCIA, CONGLOMERATE, SANDSTONE AND SILTSTONE

SYMBOLS

- QUARTZ ± CARBONATE VEIN
- FAULT
- GEOLOGICAL CONTACT (DEFINED, APPROXIMATE)
- BEDDING
- STREAM
- SHORELINE

Fig. 4 -- PROPERTY GEOLOGY

(After C. Hrkac, 1985 & K. Konkin, 1987)

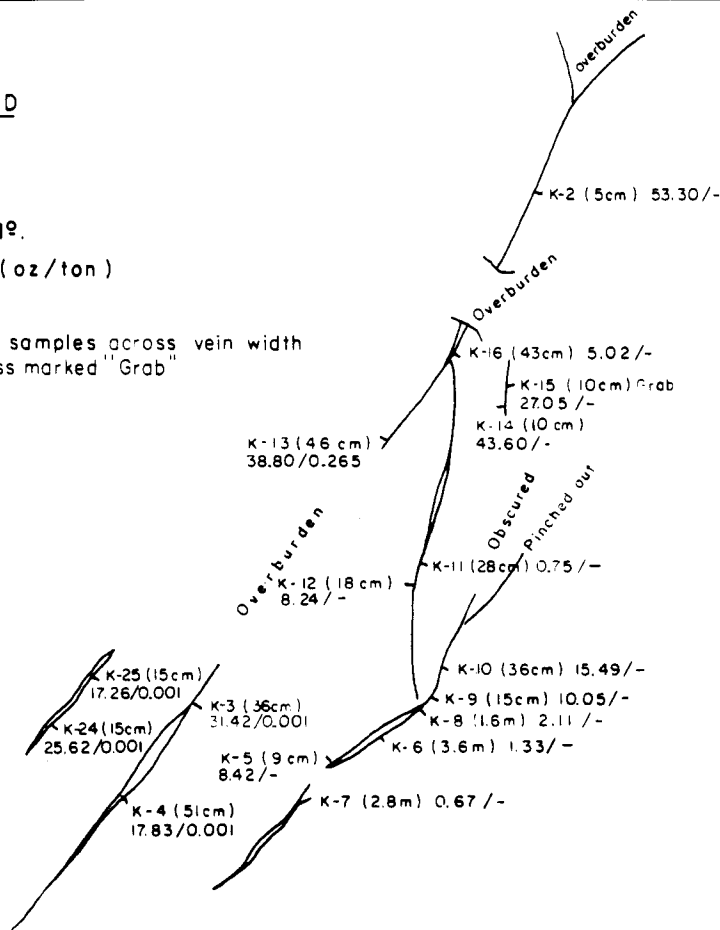
WPG

LEGEND

-  Trench
-  Vein

K-20 Sample No.
13.39/0.003 Ag / Au (oz/ton)

Note: Samples are chip samples across vein width as indicated, unless marked "Grab"



PYRITIC
FELDSPAR
PORPHYRY

K-1 Grab
0.01/-



0 20 40 METRES

MINERAL
HILL

K-17 (10cm)
238.80/-

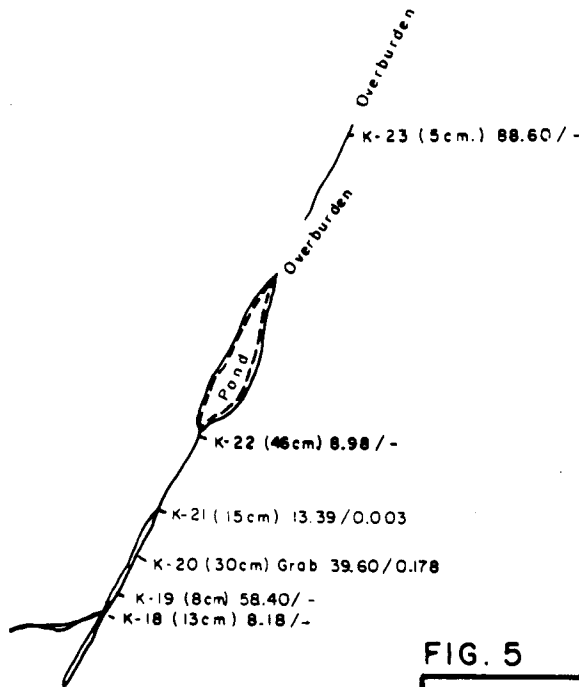


FIG. 5

CRYSTAL COVE RESOURCES LTD.

KNIP CLAIM *WDG*
SKETCH SHOWING APPROX.
LOCATION OF TRENCHES AND
VEINS
1983 SAMPLING

SCALE 1:1200

DATE: JUNE 1988

WORK COMPLETED 1983

After E. Kruchkowski, 1983, revised 1988

Knipple Lake

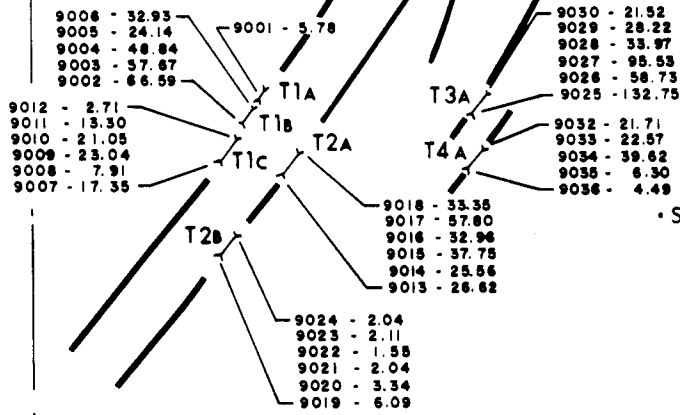


LAKE

• Sta. 1

Outline of Fig. 5

VEIN SYSTEM



• Sta. 2

• Sta. 4

• Sta. 3

9037 - 226.80 T7A

KNIPPLE LAKE



1 : 2000

LEGEND

T1A Trench Location & Number

9013 - 26.62 Sample Number - Ag oz./ton

• Sta. 2 Brunton Survey Ref. Station Location & Number

1985 SAMPLING

After Chris Hrkac, 1985

FIG. 6

**CRYSTAL COVE
RESOURCES LTD.** *Wdy*

**KNIP CLAIM
TRENCH SAMPLING
Ag VALUES-
MINERAL HILL AREA
NTS 104 B/8
SKEENA M.D., B.C.**

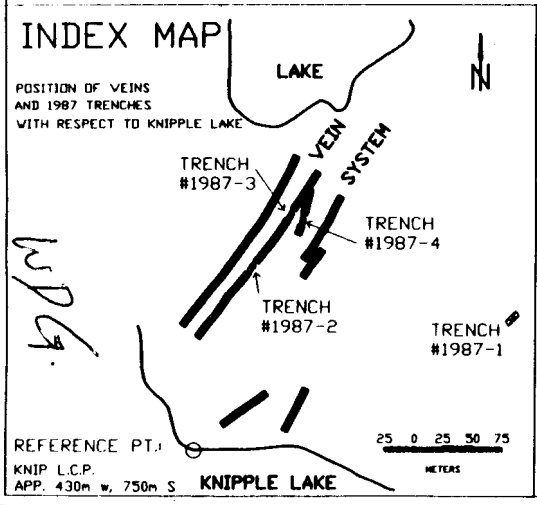
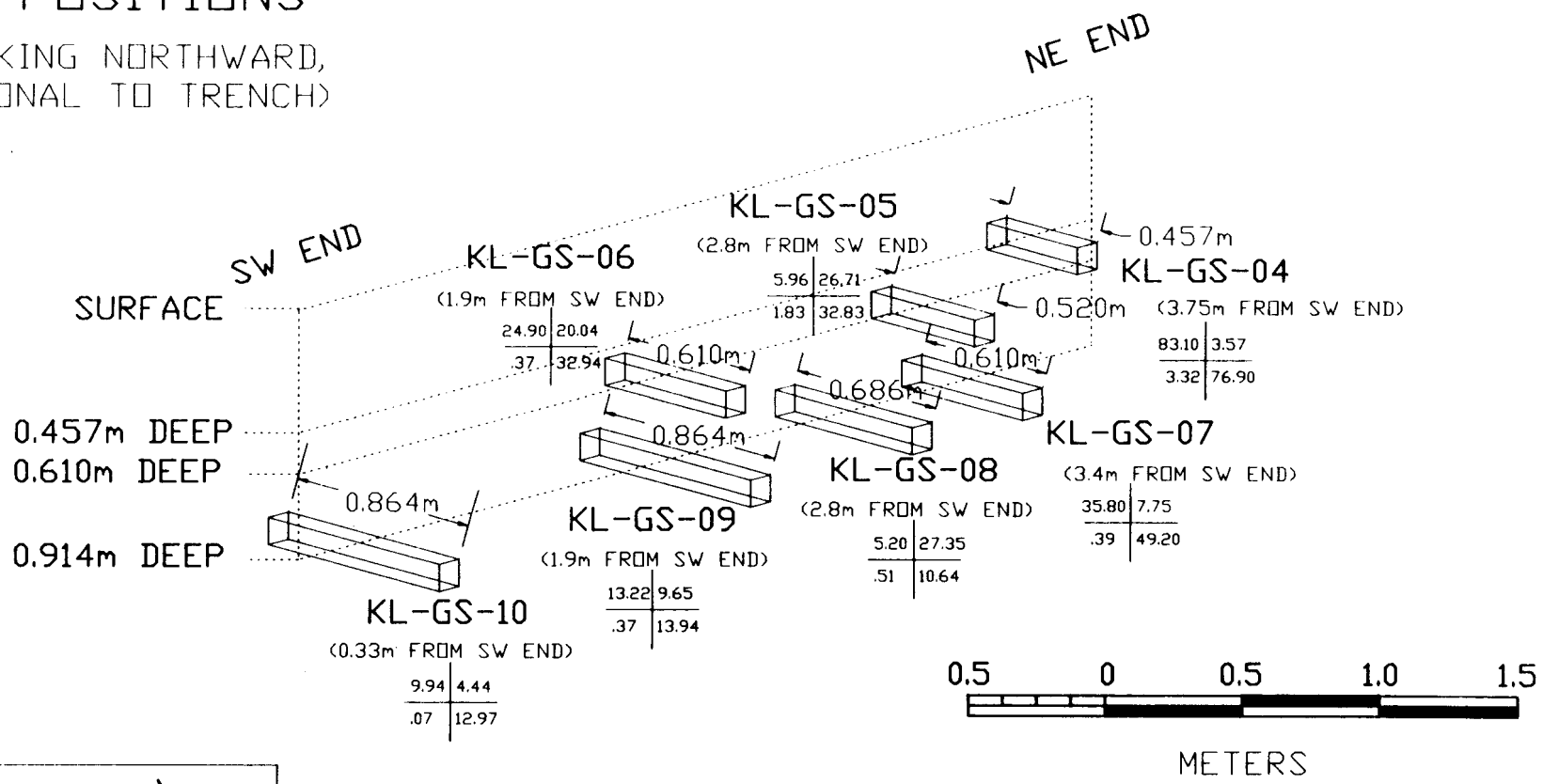
Scale: 1:2000

Date: MAY 1988

TRENCH #1987-2

CHANNEL SAMPLES IN RELATIVE 3-D POSITIONS

(LOOKING NORTHWARD,
DIAGONAL TO TRENCH)



LEGEND

KL-GS-*nn*
(*xx*m FROM SW END)

CHANNEL SAMPLE

Pb%	Zn%
Cu%	Ag oz./ton

TO ACCOMPANY REPORT BY:
W.D. GROVES, P.ENG.

KNIP CLAIM	
FOR: CRYSTAL COVE RESOURCES LTD.	
PLOTTED BY: RPM MAPPING AND COMPUTER SERVICES LTD.	
TRENCH #1987-2	
SAMPLE DATA	
SKEENA M.D., B.C.	
N.T.S. 104A NW	DATE: MAY 1988
PLOTTED BY: RPM	FIGURE NO. 7

DATED: JULY 14, 1988

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 Securities Act [British Columbia] and its regulations.

Allen Chonn
.....
ALLEN CHONN
[Chief Executive Officer]

Vedastro Dimapasoc Alcantara
.....
VEDASTRO DIMAPASOC ALCANTARA
[Chief Financial Officer]

ON BEHALF OF THE BOARD

Cesar S. Tiojanco
.....
CEASAR SANTOS TIOJANCO
[Director]

Daniel Magtoto Basco
.....
DANIEL MAGTOTO BASCO
[Director]

CERTIFICATE OF THE PROMOTERS

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 [British Columbia] and its regulations.

Allen Chonn
.....
ALLEN CHONN
[Promoter]

Vedastro Dimapasoc Alcantara
.....
VEDASTRO DIMAPASOC ALCANTARA
[Promoter]

Cesar S. Tiojanco
.....
CEASAR SANTOS TIOJANCO
[Promoter]

CERTIFICATE OF THE AGENTS

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

GEORGIA PACIFIC SECURITIES CORPORATION

UNION SECURITIES LTD>

Per: *Mr. R. Brian Clifton*
.....

Per: *Mr. J. Thompson*
.....