

*For Darwin
- Commercialization*

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PROPERTY FILE

SUPERINTENDENT OF B
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(Development Comp

LB GENERAL-05
PROPERTY FILE

STATEMENT OF MATERIAL FACTS #97/87
EFFECTIVE DATE: AUGUST 11, 1987

*Com
NTS: 10*

ACHILLES RESOURCES LTD., Suite 1550, 609 Granville Street, Vancouver, B.C., V7Y 1C6
(604) 687-3303

NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

Suite 100, 200 Granville Street, Box 25, Granville Square, Vancouver, B.C., V6C 1S4
ADDRESS OF REGISTERED AND RECORDS OFFICE OF ISSUER

THE CANADA TRUST COMPANY, 1055 Dunsmuir Street, Vancouver, B.C., V7X 1P3

NAME AND ADDRESS OF REGISTRAR AND TRANSFER AGENT FOR ISSUER'S SECURITIES IN BRITISH COLUMBIA

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

O F F E R I N G: 500,000 UNITS

Each Unit consists of One Common Share and Two Series "A" Warrants. Two Series "A" Warrants will entitle the holder to purchase One additional Common Share.

	Estimated Price to Public*	Commission	Estimated Net Proceeds to be received by the Issuer
Per Unit	\$0.50	\$0.0375	\$0.4625
Total	\$250,000.00	\$18,750.00	\$231,250.00

* To be calculated in accordance with the rules of the Vancouver Stock Exchange.

ADDITIONAL OFFERING

The Agents will receive Agents' Warrants entitling them to purchase a total of 250,000 common shares in return for guaranteeing the sale of the Units offered hereby. These shares are hereby qualified for sale to the public. See "ADDITIONAL OFFERING" on page 3 hereof for further information concerning the sale of these shares.

A G E N T S:

CANARIM INVESTMENT CORPORATION LTD.
Suite 2200, 609 Granville Street
Vancouver, B.C.
V7Y 1H2

CONTINENTAL CARLISLE DOUGLAS
10th Floor, 1055 Dunsmuir Street
Vancouver, B.C.
V7X 1L4

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

PLAN OF DISTRIBUTIONA. THE OFFERING

By Agreement dated for reference May 22, 1987 (the "Agency Agreement"), **ACHILLES RESOURCES LTD.** (the "Issuer") appointed the following as its agents (the "Agents") to offer to the public through the facilities of the Vancouver Stock Exchange (the "Exchange") Five Hundred Thousand (500,000) Units of the Issuer at a fixed price (the "Offering"), in the amount set opposite their respective names:

<u>Agents</u>	<u>Number of Units</u>
Canarim Investment Corporation Ltd.	250,000
Continental Carlisle Douglas	250,000
	<u>TOTAL: 500,000</u>

The Offering will take place on a day (the "Offering Day") which will be not more than thirty (30) business days after the date (the "Effective Date") this Statement of Material Facts is accepted for filing by the Exchange and the Superintendent of Brokers for the Province of British Columbia (the "Superintendent").

The offering price of the Units will be determined in accordance with the Rules of the Exchange, at a premium over the average trading price of the Issuer's shares as determined by the Exchange (the "Average Price"). The purchasers of any Units under the Offering will be required to pay regular commission rates as specified by the by-laws and rules of the Exchange.

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

The obligations of the Agents under the Agency Agreement may be terminated at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events, at any time before the opening of the market on the Offering Day. However, if any of the Units are sold, the Agents are obligated to act as agents pursuant to the Agency Agreement.

The Issuer has agreed to notify the Agents of any further public equity financing that it may require or propose to obtain during the twelve month period following the Effective Date and the Agents shall have the right of first refusal to provide such financing.

GEOLOGICAL REPORT
on the
FOR 1 and 2 MINERAL CLAIMS

Located in the Iskut River Area
Liard Mining Division
NTS 104B/10
56°38' North Latitude
130°48' West Longitude

- prepared for -

ACHILLES RESOURCES LTD.

- prepared by -

S. L. Todoruk, Geologist
C. K. Ikona, P.Eng.

February, 1987

GEOLOGICAL REPORT on the FOR 1 and 2 MINERAL CLAIMS

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1.0 INTRODUCTION

The For 1 and 2 mineral claims (40 units) were staked in the fall of 1986 on the west side of the Craig River, approximately eight kilometres to the southwest of its junction with the Jekill River in northwestern British Columbia (Figure 1). These claims cover parts of the old Mill claims, worked by Cominco in 1983. Skyline Explorations Ltd.'s 'Zeehan' claim group adjoins the eastern edge of the property, while that company's high-grade Stonehouse Gold Deposit is approximately 15 kilometres to the northeast. Skyline's successful delineation of the Stonehouse Gold Deposit has renewed exploration interest in the Iskut region.

At the request of the directors of Achilles Resources Ltd., the writers have reviewed all the available data and prepared a compilation report on which to base further exploration. Although the writers have not visited the property, Mr. Ikona is presently coordinating engineering services for Skyline on the Reg project. In addition, Mr. Ikona has supervised the exploration of a number of prospects in the Iskut and Stikine River areas over a period of twenty-four years, and has acquired a considerable level of familiarity with the types of mineralization found in the region.

Pamicon also conducted work on the Zeehan claim area in 1983 on behalf of Energex Minerals Ltd., when this property was known as the Star claims and held under option from Skyline. This work was conducted by D. Caulfield, Pamicon staff geologist, and is reported on in Assessment Report on Star Claims, November 1983, authored by Caulfield and Ikona. Due to the close proximity with the For claims, the boundary area of the For claims was examined during the course of this program.

2.0 LIST OF CLAIMS

Records of the British Columbia Ministry of Energy, Mines and Petroleum Resources indicate that the following claims (Figure 2) are

owned by I. Hagemoen. Separate documents indicate the claims are under option to Achilles Resources Ltd.

<u>Claim Name</u>	<u>Record No.</u>	<u>No. of Units</u>	<u>Record Date</u>
For 1	3770	20	December 5, 1986
For 2	3771	20	December 5, 1986

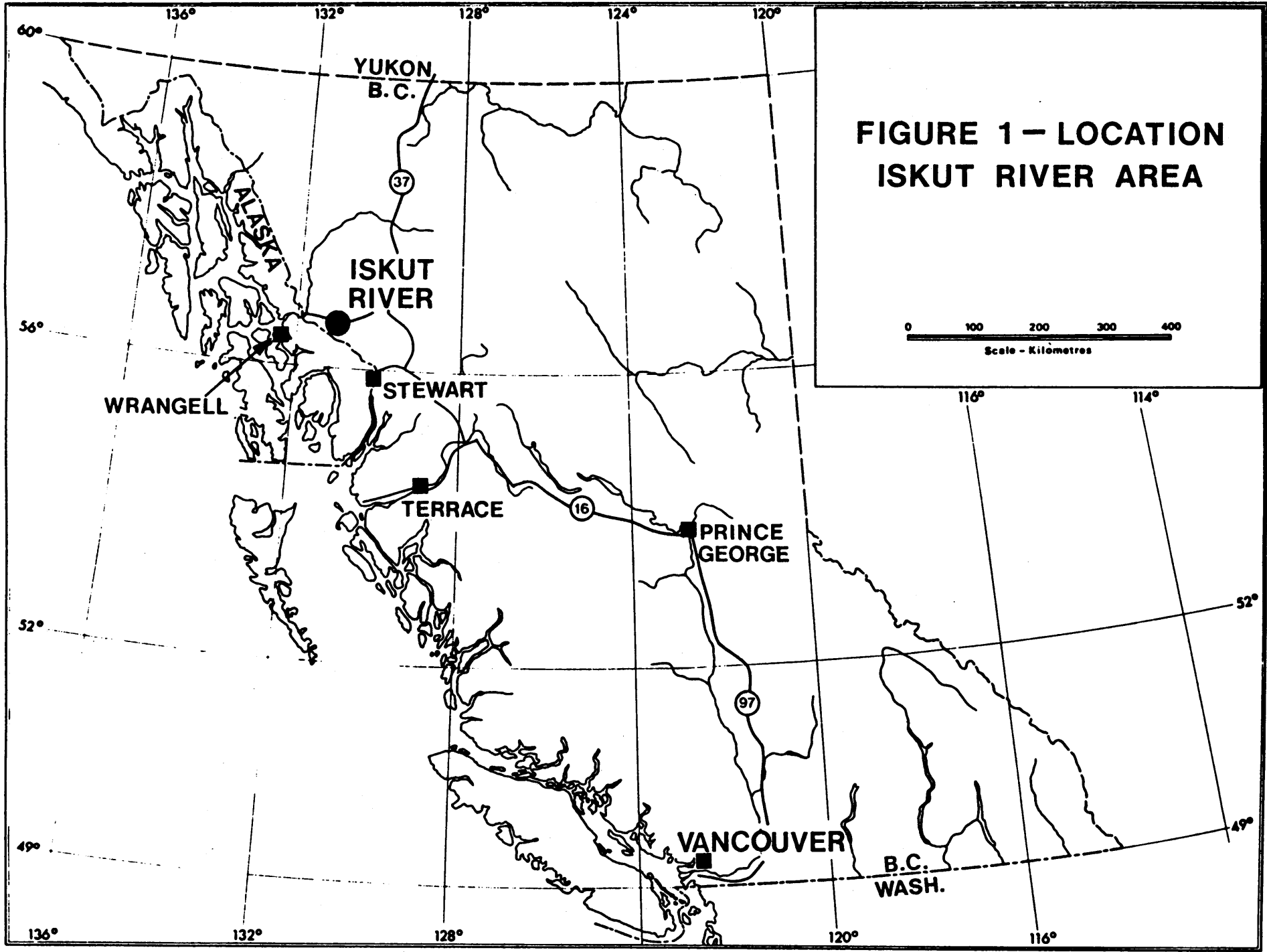
3.0 LOCATION, ACCESS AND GEOGRAPHY

The For 1 and 2 mineral claims are located on the eastern edge of the Coast Range Mountains, and are approximately 110 kilometres northwest of Stewart, British Columbia. The property's eastern boundary lies along the Craig River. Coordinates of the claim area are 56°33' north latitude and 131°10' west longitude, and the property falls under the jurisdiction of the Liard Mining Division.

Access to the property is by helicopter from the Snippaker gravel air strip, located approximately 30 kilometres to the east. Daily scheduled flights to the strip from Terrace and Stewart have been available during the field season using fixed wing aircraft.

A proposal by C.K.Ikona of Pamicon Developments Ltd., on behalf of Skyline Explorations Ltd., addresses the construction of a road approximately 65 kilometres long, on the south side of the Iskut Valley to connect the Stewart-Cassiar Highway with a proposed BC Hydro dam site on the Iskut River and Skyline's Stonehouse Gold Deposit on Bronson Creek.

Geographically, the area is typical of mountainous and glaciated terrain with elevations ranging from a few hundred metres above sea level in the river valley bottoms to in excess of 1500 metres at the top of Dick Mountain. Major drainages are U-shaped, whereas smaller side creeks tend to be steeply cut due to the intense erosional environment. Active deglaciation is prevalent above the 1200-metre contour, with the tree-line existing at 1000 metres. The upper reaches of the area are covered with



**FIGURE 1 – LOCATION
ISKUT RIVER AREA**



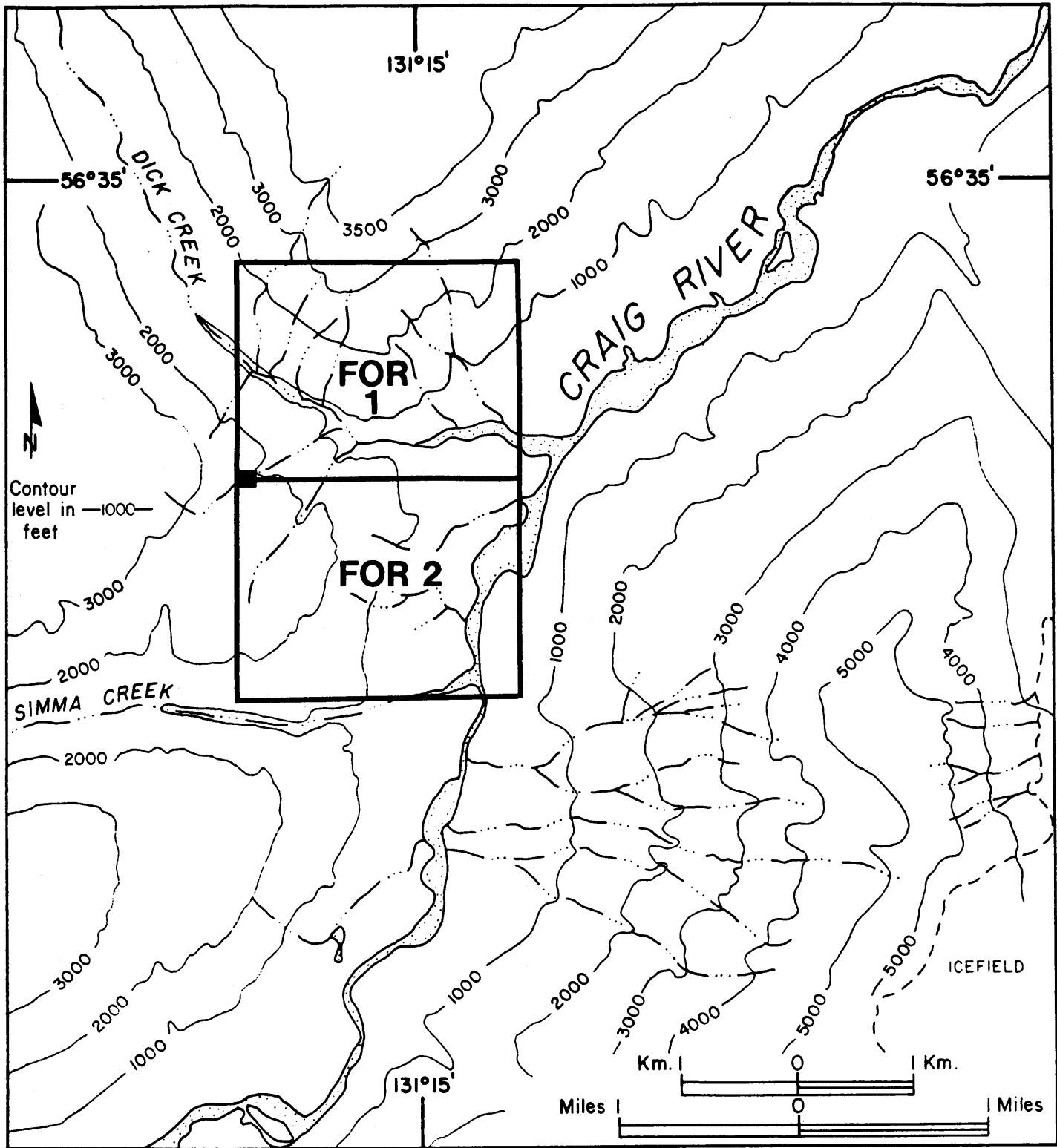


FIGURE 2 – FOR 1 & 2 CLAIMS

alpine vegetation. The lower slopes are predominantly timbered with a variety of conifers with an undergrowth of devil's club. More open areas and steeper slopes contain dense 'slide' alder growth. Both summer and winter temperatures would be considered generally moderate and in excess of 200 centimetres of precipitation may be expected during any given year.

Rugged topography, climate and vegetation all inhibit traversing throughout the claim group. Therefore, operating with local helicopter support appears to be the most practical and cost effective means of exploring the For 1 and 2 claim group during reconnaissance-style programs.

4.0 AREA HISTORY

General mineral exploration activity in the region dates back to the turn of the century and continued on into the 1930s with interest in precious metals centering on the Stewart Camp. Sporadic placer operations were active along the Unuk River Valley during this time.

In 1954, Hudsons Bay Mining & Smelting located the Pick Axe showing and high grade gold-silver-lead-zinc float on the open upper slopes of Johnny Mountain, which today is part of Skyline Explorations Ltd. Reg deposit. The claims were worked and subsequently allowed to lapse.

During the 1960s, several major mining companies conducted helicopter-borne reconnaissance exploration programs in a search for porphyry-copper-molybdenum deposits. Several claims were staked on Johnny Mountain and on Sulphurets Creek.

In 1969 Skyline staked the Inel property after discovering massive sulphide float coming from the head of the Bronson Creek glacier.

After restaking the Reg property in 1980, Skyline carried out trenching and drilling for veined high-grade gold and polymetallic massive sulphide mineralization on the Reg and Inel deposits between 1981 and 1985.

In 1986, drilling and underground exploration on the Stonehouse Gold Zone confirmed the presence of high grade gold mineralization with additional values in silver and copper over mineable widths with good lateral and depth continuity.

Grove, in his summary of mineral reserves for the Stonehouse deposit in a report dated January 12, 1987, presents the following:

	<u>Au</u> (oz)	<u>Ag</u> (oz)	<u>Cu</u> (%)	<u>Tons</u>
Total Measured	1.328	1.91	1.5	79,848
Total Drill-indicated	0.671	0.97	0.78	153,598
Total Inferred	<u>0.67</u>	<u>0.70</u>	<u>0.67</u>	<u>705,000</u>
Total	0.73	0.85	0.76	938,446

Grove also indicates the possible presence of substantial additional reserves from geological potential.

5.0 REGIONAL GEOLOGY

Government mapping of the general geology in the Iskut River area (Kerr, 1948, GSC Memoir 246, "Operation Stikine", GSC Maps 9-1957 and 1418-1979, "Iskut River") has proved to be incomplete and unreliable. Subsequent mineral exploration studies have greatly enhanced the lithologic and stratigraphic knowledge of this area defined as the Stewart Complex (Grove, 1986).

Grove (1986) defines the Stewart Complex in the following manner:

"The Stewart Complex lies along the contact between the Coast Plutonic Complex on the west, the Bowser Basin on the east, Alice Arm on the south and the Iskut River on the north."

Within the Stewart Complex, Paleozoic crinoidal limestone overlying metamorphosed sedimentary and volcanic members are the oldest rock group. Correlation has been made between this oceanic assemblage and the Cache Creek group.

Unconformably overlying the Paleozoic limestone unit are Upper Triassic Hazelton Group island arc volcanics and sediments. These rocks have informally been referred to as the "Snippaker Volcanics". Grove (1981) correlates this assemblage to the Unuk River Formation of the Stewart Complex whereas other writers match this group with the time equivalent Stuhini Volcanics. Monotis fossils have been recognized on the north slope of Snippaker Peak and west of Newmont Lake, 20 kilometres to the north, giving an age dating of Upper Triassic. It is within these rocks that Skyline's Reg and Inel gold deposits occur.

Grove reports an unconformable contact between Carboniferous and Middle Jurassic strata on both sides of Snippaker Ridge, north of Snippaker Peak. The same unconformable relationship between these major rock units appears to extend from Forrest Kerr Creek west, along the Iskut River, to the Stikine River junction. Present interpretation suggests an east-west trending thrust along the axis of the Iskut River which, like the King Salmon Thrust Fault, pushed up and over to the south.

Following the Iskut River thrust faulting, the entire region was overlain by Middle Jurassic Hazelton Group volcanic-sedimentary rocks named the Betty Creek Formation by Grove (1973, 1982). It is believed that the Betty Creek rocks act as a mineralizing trap and as such are useful in delineating underlying older units such as the Unuk River Formation.

Intrusion of the batholithic Coast Plutonic complex in the Iskut region of Cretaceous and Tertiary age followed. Composition varies from quartz monzonite, granodiorite to granite. Important in many instances to the localization of mineralization are satellite facies of epizonal or subvolcanic acidic porphyries.

Quaternary and Tertiary volcanics occur to the east along the Iskut River near Forrest Kerr Creek.

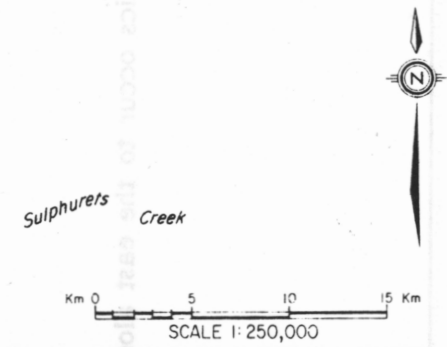
56° 45'

PROPERTY LOCATION

LEGEND

CENOZOIC	
Q	Quaternary
MESOZOIC	
Cretaceous	
Paleocene	
Eocene	
Oligocene	
Miocene	
Pliocene	
Pleistocene	
PALEOZOIC	
Triassic	
Jurassic	
Cretaceous	
Paleozoic	
Intrusive Rocks	
Basalt	
Granite	
Gneiss	
Schist	
Siltstone	
Sandstone	
Limestone	
Shale	
Mudstone	
Conglomerate	
Breccia	
Tuff	
Siltstone	
Sandstone	
Limestone	
Shale	
Mudstone	
Conglomerate	
Breccia	
Tuff	

151° 00'



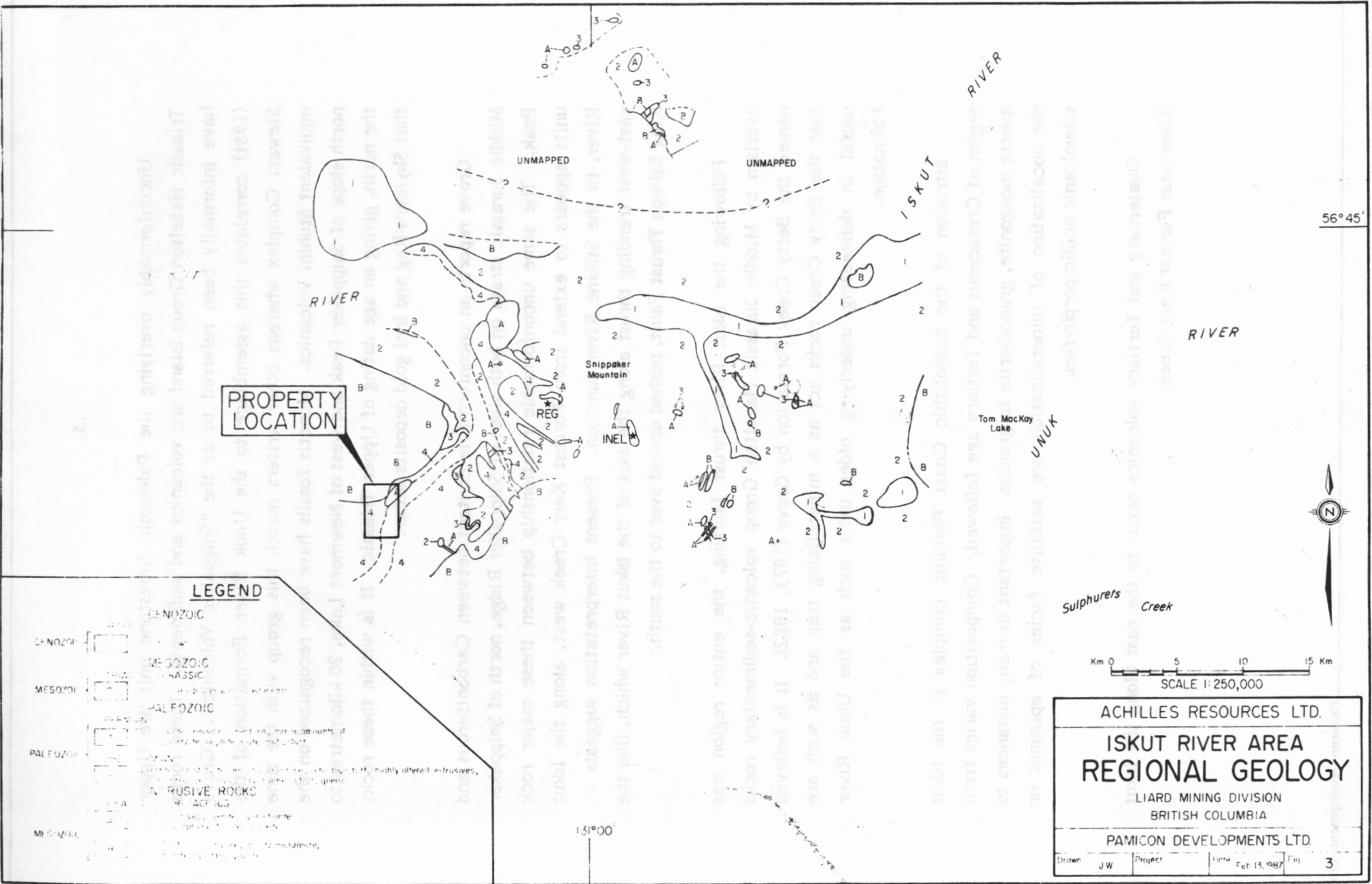
ACHILLES RESOURCES LTD.

**ISKUT RIVER AREA
REGIONAL GEOLOGY**

LIARD MINING DIVISION
BRITISH COLUMBIA

PAMICON DEVELOPMENTS LTD.

Drawn: JW Project: Date: Feb 13, 1987 File: 3



6.0 PROPERTY GEOLOGY

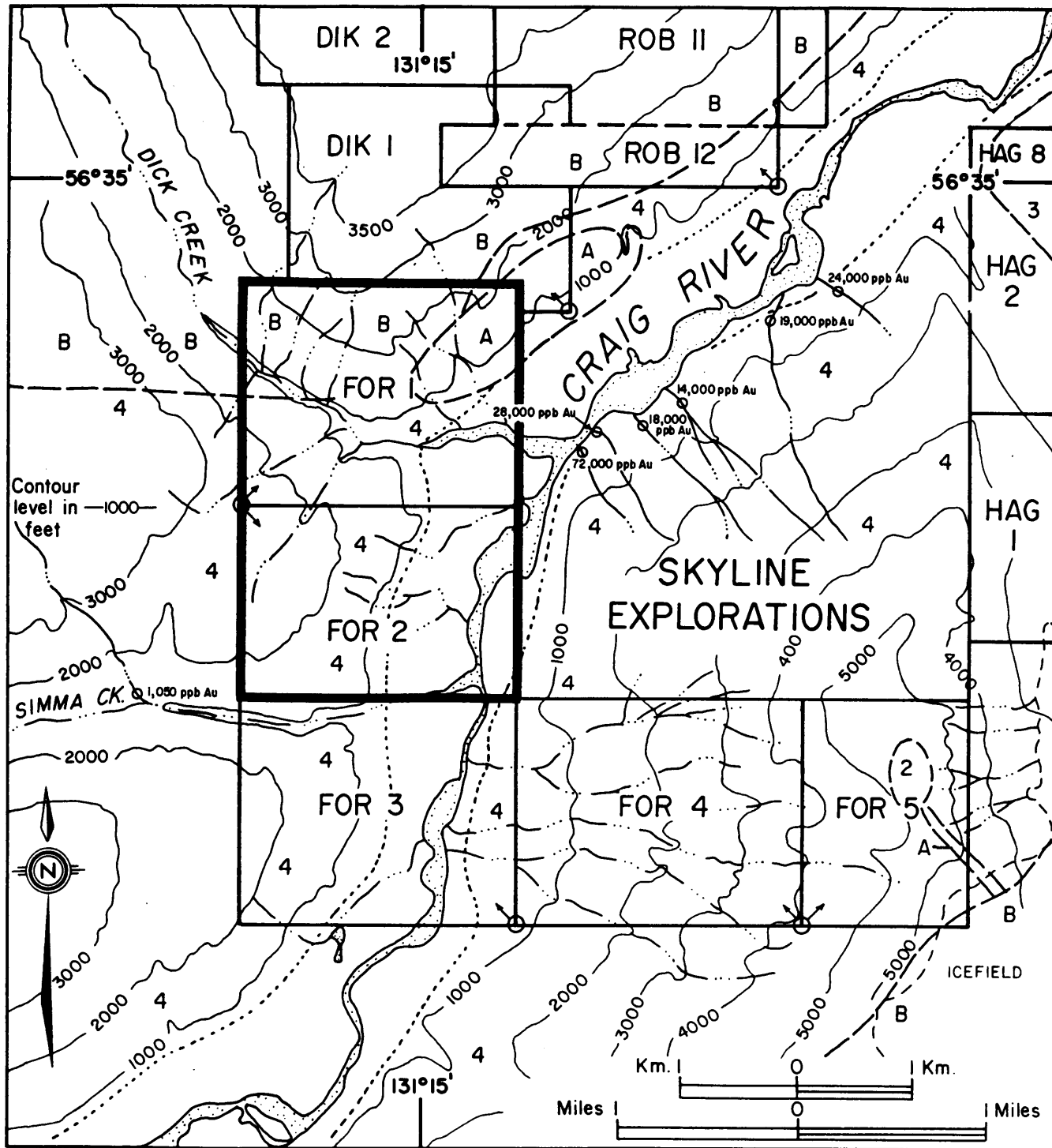
As mapped by Cominco (1984), the claims cover a sequence of metamorphic Paleozoic volcanics and sediments consisting primarily of argillite, interbedded with siltstone, cherty siltstone and minor chert beds; minor basaltic volcanoclastic layers are interbedded with the siltstone and chert locally.

Two major intrusive units are seen on the property. A feldspar porphyry plug composed dominantly of coarse-grained orthoclase feldspar phenocrysts is located in the northeast corner of the For 1 claim. A smaller satellite body of felsite occurs to the east of this intrusive. These subvolcanic felsites are known to be spatially related to the Stonehouse Gold and Inel deposits, and have been recognized as important exploration targets in the Iskut River area.

To the west and north of the property is a medium-grained granodiorite related to the Coast Range intrusive.

7.0 MINERALIZATION

No significant mineralization has been found to date on the For 1 and 2 claims. Cominco (1983) obtained one anomalous, heavy concentrate creek sample just to the west of the property which produced a value of 1050 ppb gold. Skyline's 'Zeehan' claims, located on the east side of the Craig River and adjoining the property, produced seven heavy concentrate samples ranging in value from 14,000 to 72,000 ppb gold from creeks over a seven-kilometre distance. Rock chip samples obtained from the east side of the Zeehan claim ground assayed 0.123 ounces gold / 1.10 ounces silver per ton and 0.118 ounces gold / 2.11 ounces silver per ton / 1.16% lead, both from quartz vein structures.



LEGEND

- CENOZOIC**
 - RECENT
 - 1 Basalt Flows
 - MESOZOIC
 - 2 Triassic-Jurassic: Hazelton Group Volcanics; Sediments
 - PALEOZOIC
 - PERMIAN
 - 3 Mainly white crinoidal limestone, minor amounts of chert, quartzite, argillite, slate and schist
 - PRE-PERMIAN
 - 4 Quartzite, schist, slate, argillite, limestone; schistose, tuff, highly altered extrusives, and/or intrusives, highly crystalline schist, gneiss
 - INTRUSIVE ROCKS
 - TRIASSIC TO CRETACEOUS
 - A Acid Intrusives; syenite, syenodiorite, feldspar porphyry, felsite, aloskite
 - MESOZOIC
 - B Coast Plutonic Complex; quartz monzonite, granodiorite, gabbro, granite

○ HEAVY MINERAL CONCENTRATE IN PPB Au

ACHILLES RESOURCES LTD.			
ISKUT RIVER AREA			
LOCAL GEOLOGY			
LIARD MINING DIVISION			
BRITISH COLUMBIA			
PAMICON DEVELOPMENTS LTD			
Drawn.	Project.	Date. Feb. 13, 1987	Fig. 4

8.0 DISCUSSION AND CONCLUSIONS

The presence of a large syenite/felsite intrusive on the property, considered in conjunction with known anomalous gold-bearing creeks and mineralized structures surrounding the claims, sufficiently warrants detailed geological exploration on the For 1 and 2 claims. The presence of these acidic intrusives is believed to be spatially related to the ore deposition on Skyline's Stonehouse Gold and Inel deposits.

Heavy concentrate stream sampling used as a tool in locating gold sources has proven very successful throughout the Iskut River area. In several instances, heavy concentrate samples taken below known mineralized structures have produced gold analyses much lower than unexplained anomalous creeks.

9.0 RECOMMENDATIONS

9.1 PROGRAM

Geological mapping and prospecting should be done to cover the entire property on enlarged aerial photographs. Heavy concentrate and silt samples should be obtained from all accessible stream and creek drainages. Soil geochemistry grids should be placed in areas of accessibility and rock chip samples taken from favourable mineralized zones.

Upon completion of such an initial stage, geophysical surveys consisting of magnetometre and VLF electromagnetics should be conducted over anomalous areas and areas of geologic interest.

Hand trenching of anomalous zones would follow.

The cost of this program is estimated at \$64,435. A detailed cost breakdown is shown below. Upon completion of the project, results should be reviewed to determine whether additional expenditures are warranted.

9.2 BUDGET
Geological Mapping & Prospect Sampling

WAGES

Project Geologist		
18 days @ \$300/day	\$	5,400
Prospector		
18 days @ \$200/day		3,600
Samplers		
2 for 18 days @ \$150/day		<u>5,400</u>
	\$	14,400
Burden @ 15%		2,160

ANALYSES

Assays		
400 @ \$20/sample	\$	8,000
Heavy Mineral Concentrates		
40 @ \$32.50		<u>2,520</u>
		10,520

SUPPORT

72 man-days @ \$35/man-day		2,520
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TRENCHING SUPPLIES

600

EQUIPMENT RENTALS

VLF, Magnetometer, Drill		1,500
--------------------------	--	-------

TRANSPORTATION

Vehicle Rental		
4 days @ \$50/day	\$	200
Airfares, Fixed Wing, Helicopter		<u>18,000</u>
		18,200

REPORT

3,000

\$ 52,900

CONTINGENCY @ 10%

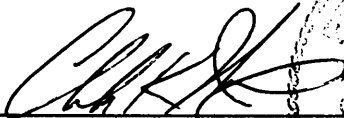
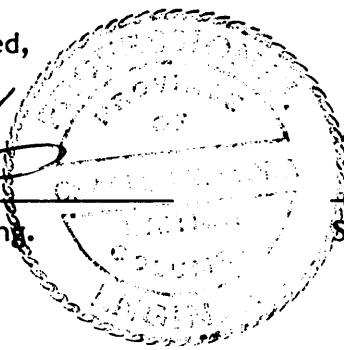
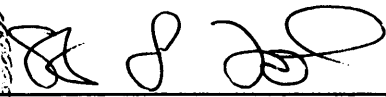
5,290

MANAGEMENT FEE @ 15% on expenses only

6,245

\$ 64,435

Respectfully submitted,

Charles K. Ikona, P.Eng. Steve L. Todoruk, Geologist

Pcn#3:pab
(87.02)

APPENDIX "A"

BIBLIOGRAPHY

BIBLIOGRAPHY

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APPENDIX "B"

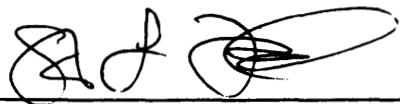
STATEMENT OF QUALIFICATIONS

STATEMENT OF QUALIFICATIONS

I, STEVE L. TODORUK, of Suite 102, 8675 Fremlin Street, Vancouver, in the Province of British Columbia, DO HEREBY CERTIFY:

1. THAT I am a Geologist in the employment of Pamicon Developments Ltd., with offices at Suite 215, 543 Granville Street, Vancouver, British Columbia.
2. THAT I am a graduate of the University of British Columbia with a Bachelor of Science Degree in Geology.
3. THAT my primary employment since 1979 has been in the field of mineral exploration.
4. THAT my experience has encompassed a wide range of geologic environments and has allowed considerable familiarization with prospecting, geophysical, geochemical and exploration drilling techniques.
5. THAT this report is based on all available data on the For 1 and 2 Mineral Claims and on a review of all data on surrounding claims.
6. THAT I have no interest in the property described herein, nor in securities of any company associated with the property, nor do I expect to receive any such interest.
7. THAT I hereby grant permission to Achilles Resources Ltd. for the use of this report in any prospectus or other documentation required by any regulatory authority.

DATED at Vancouver, British Columbia, this 13 day of Feb., 1987.



Steve L. Todoruk, Geologist

APPENDIX "C"


ENGINEER'S CERTIFICATE

ENGINEER'S CERTIFICATE

I, CHARLES K. IKONA, of #5 Cowley Court, Port Moody, in the Province of British Columbia, DO HEREBY CERTIFY:

1. THAT I am a Consulting Mining Engineer with offices at Suite 215, 543 Granville Street, Vancouver, British Columbia.
2. THAT I am a graduate of the University of British Columbia with a degree in Mining Engineering.
3. THAT I am a member in good standing of the Association of Professional Engineers of the Province of British Columbia.
4. THAT this report is based on a research of all available information surrounding the For 1 and 2 claims compiled by Steve Todoruk, with whom I have worked for the past year and in whom I have every confidence.
5. THAT I have not examined the property reported on, but have had extensive experience in the area.
6. THAT I have no interest in the property described herein, nor in securities of any company associated with the property; nor do I expect to acquire any such interest.
7. THAT I consent to the use by Achilles Resources Ltd. of this report in a Prospectus or Statement of Material Facts or any other such document as may be required by the Vancouver Stock Exchange or the Office of the Superintendent of Brokers.

DATED at Vancouver, British Columbia, this 13th day of Feb, 1987.


Charles K. Ikona, P.Eng.

