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Placer leases
Liard HD
PL 7-17

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MINISTRY OF ENERGY, MINES
and PETROLEUM RESOURCES
Rec'd JUN 22 1992
SMITHERS, B.C.

SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE

MAY 28 1992

Geological Survey Branch
MEMPR

STATEMENT OF MATERIAL FACTS (#28/92)

EFFECTIVE DATE: April 20, 1992

North Creek 104B 306?

BIOSOURCE INDUSTRIES INC. (formerly Royce Industries Inc.), 1045 -
800 West Pender Street,
Vancouver, British Columbia, V6C 2V6; Telephone: 689-1659
NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

c/o Hanna Heppell & Bell, 1100 - 1055 West Hastings Street,
Vancouver, British Columbia, V6E 2E9
ADDRESS OF REGISTERED AND RECORDS OFFICES OF ISSUER

Montreal Trust Company of Canada, 2nd Floor, 510 Burrard Street,
Vancouver, British Columbia, V6C 3B9
NAME AND ADDRESS OF REGISTRAR AND TRANSFER AGENT FOR ISSUER'S SECURITIES IN BRITISH COLUMBIA

OFFERING: 750,000 COMMON SHARES*

* The Offering may be increased by up to 112,500 shares to meet oversubscription. See "Plan of Distribution".

	OFFERING PRICE*	COMMISSION	NET PROCEEDS TO THE ISSUER
PER SHARE	\$1.15	\$0.08625	\$1.06375
TOTAL	\$862,500	\$64,687.50	\$797,812.50

* The Offering Price has been determined by negotiation between the Issuer and the Agents.

The Agents have agreed to purchase any of the shares offered hereby which have not been subscribed for at the conclusion of the Offering. Any shares acquired by the Agents pursuant to its guarantee will be distributed under this Statement of Material Facts through the facilities of the Vancouver Stock Exchange at the market price at the time of sale.

GROUP	PROPERTY NAME	ISSUER'S ACQUISITION AND EXPLORATION COSTS TO DATE (IN \$)	SHARES ISSUED TO DATE	PLANNED EXPENDITURE FROM FUNDS AVAILABLE UPON COMPLETION OF THE OFFERING (IN \$)
I	Nil	Nil	Nil	Nil
II	Nil	Nil	Nil	Nil
III	<p>50% of the following properties:</p> <p>Mineral properties numbered PL 7 to PL 17 located in the Galore Creek Gold Camp, and more specifically:</p> <p>PL 7 Record #5410 PL 8 Record #5411 PL 9 Record #5412 PL10 Record #5413 PL11 Record #5414 PL12 Record #6799 PL13 Record #6785 PL14 Record #8054 PL15 Record #8055 PL16 Record #8056 PL17 Record #8057</p> <p>All record numbers relate to the Liard Mining Division, British Columbia</p>	\$319,821	Nil	Nil

The Issuer acquired an option to purchase a 50% interest in the mineral claims PL 7 to PL 17 (the "Optioned Property") pursuant to an agreement between the Issuer and Pass Lake Resources Ltd. ("Pass Lake") dated September 13, 1989 (the "Option Agreement") and amendments thereto dated December 29, 1989, January 30, 1990 and September 24, 1991 (collectively, the "Agreements"). In order to exercise the option to purchase the Optioned Property, the Issuer was required to make the following payments, property expenditures and assessment work recordings:

- (a) cash payments to Pass Lake totalling \$15,000, which have been made;
- (b) the incurrence by the Issuer of property expenditures in the sum of \$75,000 on or before January 31, 1990, which has been done;
- (c) the filing by the Issuer of assessment work on the property in the minimum amount of \$65,000 on or before January 31, 1990, which has been done;
- (d) the incurrence by the Issuer of additional property expenditures in the sum of \$125,000 on or before December 31, 1990, which has been done;
- (e) the incurrence by the Issuer of additional property expenditures in the sum of \$150,000 on or before July 31, 1992; and
- (f) the incurrence by the Issuer of additional property expenditures in the sum of \$200,000 on or before July 31, 1993.

The Agreements provide that, in the event the Issuer makes cash payments, incurs property expenditures and files assessment work as set out in paragraphs (a) to (e) above, but fails to incur the property expenditures set out in paragraph (f) above, then the Issuer shall have earned an undivided 25% right, title and interest in and to the Optioned Property. In the event that the Issuer incurs some, but not all, of the property expenditures set forth in paragraph (f) above, the Issuer shall earn no additional interest in the Optioned Property over the 25% it will have already earned.

Upon the Issuer earning an interest in the Optioned Property, the Issuer and Pass Lake shall enter into a joint venture agreement relating to the exploration and ongoing development of the Optioned Property. The joint venture agreement will provide that the interest of either party in the Optioned Property may be diluted in the event that one party fails to make its proportionate contribution to expenditures on the Optioned Property, such dilution to be at the rate of 1% for every \$10,000 that a party fails to contribute. In the event of the dilution of one party's

interest to 10%, such interest shall automatically convert to a royalty of 2% of net smelter returns up to a maximum payment of \$1,000,000. Upon the payments of net smelter returns aggregating \$1,000,000, the party who has received the payments shall have no further right or interest in the Optioned Property.

The interest of either party under the Agreements is assignable. In the event that one party wishes to sell its interest under the Agreements to a third party, it must first offer its interest for sale to the other party.

The Agreements may be terminated upon the occurrence of any of the following events:

- (a) the failure of the Issuer to make a payment, incur property expenditures or file assessment work required by and within the time limits set out in the Agreements;
- (b) the Issuer providing 30 days' written notice to Pass Lake of the termination of the Agreements;
- (c) the expiration of 60 days following written notice by Pass Lake to the Issuer that the Issuer is in default of one of the provisions of the Agreements and the failure of the Issuer to provide Pass Lake with notice that it denies the default, has cured the default or has commenced proceedings to cure the default.

The Optioned Property is comprised of eleven contiguous mineral claims, totalling 173 units. The claims are situated within the Boundary Ranges of the Coast Mountains, and extend northeasterly from the Porcupine River, approximately three kilometres east of its confluence with the Stikine River. Most of the property is situated below treeline which is at an elevation of approximately 1,100 metres A.M.S.L.

In 1989 the Issuer acquired operation of the PL 7 to 11 claims and carried out property-wide mapping and prospecting. Gold mineralization was discovered in three zones, namely North Creek, Split Ridge and Split Creek Canyon. The PL 12 and 13 claims were staked by the Issuer and Pass Lake in February, 1990 to cover the drainages that yielded anomalous samples on the north side of North Creek and the projected trend of gold-zinc mineralization northwest of Split Creek Canyon. During the 1990 field season, the Issuer extended geological and geochemical coverage and evaluated the known showings. The results of this work down graded the exploration potential of the Scotsimpson area and enhanced the Split Ridge showings. Further geological and geochemical coverage indicated lode gold mineralization at the JEFE zone on Split Ridge and a float sample containing 769.2 grams per tonne gold was discovered 400 metres north of the JEFE zone that led to the recognition of the ROLLS ROYCE zone. Further exploration was

recommended to test the fracture-related lode gold mineralization at Split Ridge and to explore for volcanogenic massive sulphide mineralization hosted by pre-Permian lithologies south and west of Split Creek. In March, 1991, the PL 14, 15, 16 and 17 claims were staked to cover adjacent open ground along Split Creek and along the geologic trend of the Paleozoic stratigraphy, northwest of Split Creek Canyon.

Precious metal-bearing sulphide mineralization has been discovered within the Split Ridge, Split Creek Canyon and Scotsimpson Ridge areas. All of the known mineralization appears to be mesogenetic to epigenetic, fracture-controlled sulphide-rich (+/- precious metal values) quartz-carbonate veins and fracture fillings. Pyrite, pyrrhotite and minor chalcopyrite, galena, sphalerite and arsenophyrite are the common sulphide mineralization. Gold and silver values are most often spatially and probably genetically associated with copper-, lead-, zinc- and arsenic-rich sulphide mineralization. The mineralization is generally quite narrow (less than 10 cm. true thickness) with occasional wider sections up to several metres which contain erratic gold values. The wider sections appear to occur where cross faulting has shattered the rock and formed dilatant zones.

The 1991 exploration program included hand trenching and blasting (68.9 linear metres, 60 cubic metres); reconnaissance geological mapping at a scale of 1:5,000 (approximately 6 kilometres); detailed trench geological mapping at a scale of 1:50 (76.3 linear metres); silt (41 samples), soil (10 samples) and rock geochemical sampling (52 channel and 11 grab samples); and report preparation and reproduction.

Reconnaissance silt geochemical sampling within the PL 13, 14 16 and 17 claims did not define a discrete volcanogenic massive sulphide target for future exploration. One sample returned 270 ppb gold but it did not have anomalous base metal values. Three other samples are weakly anomalous in gold (less than 40 ppb) but without coincident base metal values. It is probable that the gold in all cases is derived from narrow shears similar to those tested elsewhere on the property.

The analytical results of detailed lithochemical sampling at the JEFE zone extended the gold mineralization southerly for approximately 70 metres. The highest gold values, such as those returned from samples 9103-38 (13.10 gpt or 0.382 opt gold in trench Tr 91-100) and 9103-42 (10.23 gpt or 0.298 opt gold in trench Tr 91-06) are associated with sulphide-rich quartz veining with gold values generally diminishing with the vein widths. This work also indicates that gold values are higher in frothy, goethitic quartz veins than in glassy quartz veins. High gold values correlate with elevated values of copper, zinc, silver and arsenic. Lead values are erratic and antimony values are consistently low.

Only one sample from the ROLLS ROYCE zone, number 9103-05 from trench Tr 91-01, contained over 1,000 ppb gold. It returned an analysis of 2.76 gpt gold and 0.81 gpt silver across 1.0 metre from sheared, limonitic andesitic tuff with pods of vuggy quartz with pyrite. Several other samples were weakly anomalous in gold, all from sheared, limonitic tuff with minor quartz veining and pyrite. Elevated gold values coincide with zinc and silver values while arsenic, copper and lead values are more erratic. Antimony values are either 1 or 2 ppb in all samples.

The results of the Issuer's exploration work on the Optioned Properties in 1991 were not as positive as the results it obtained from exploration on the Optioned Properties in 1990. Specifically, extensive exposure of the veins through trenching revealed that the veins were not as continuous or as wide as originally reported. Predicated on these results, management of the Issuer does not presently propose to carry out any further exploration or development of the Optioned Properties.

There is currently no plant or underground equipment on the Optioned Properties and none of the Optioned Properties are currently producing. The Issuer does not presently propose to carry out any further exploration or development of the Optioned Properties. The Issuer will lose all of its interest in the Optioned Properties on July 31, 1992 if it does not carry out any further exploration or development of the Optioned Properties by that date.

4. PARTICULARS OF NON-RESOURCE ASSETS

4.1 General

On November 27, 1991, the Issuer entered into a share exchange agreement with the shareholders of BioSource International, Inc. ("BioSource U.S."), of 950 Flynn Road, Suite A, Camarillo, California, 93010, which share exchange agreement was subsequently modified pursuant to an amending agreement between the parties dated as of March 9, 1992 (collectively, the "Agreements"). Pursuant to the Agreements the Issuer will purchase all of the issued and outstanding shares of BioSource U.S. in exchange for which the Issuer will issue to the shareholders of BioSource U.S. 1,500,000 post-consolidation common shares of the Issuer, being a combination of 650,000 trading shares at \$0.74 per trading share and 850,000 performance shares at \$0.07 per performance share, and will allot but not issue a total of 1,150,000 performance shares at \$0.07 per performance share (the "Reverse Takeover"). The 1,150,000 allotted performance shares will be issued to the shareholders of BioSource U.S. on the earlier of:

- (a) the day that the Issuer files a registration statement with the United States Securities Exchange Commission; or