

CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE FULLY OFFERED FOR SALE AND THEREIN ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES.

NO COMMISSION OR OTHER SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

EFFECTIVE DATE: May 19, 1988

DUNDEE RESOURCES CORP.
 (hereinafter called the "Company")
 of #1730 - 999 West Hastings Street
 Vancouver, British Columbia, Canada

600,000 Units, each Unit consisting
 of one common share and one Series "A"
 share purchase warrant (the "Units")

	<u>Price to Public</u>	<u>Commission</u>	<u>Net Proceeds to be received by the Company*</u>
PER UNIT	\$.45	\$.05	\$.40
TOTAL	\$270,000	\$30,000	\$240,000

* Before deduction of the costs of the issue estimated to be \$25,000.

THERE IS NO MARKET THROUGH WHICH THE SECURITIES OFFERED HEREUNDER MAY BE SOLD. THE PRICE OF THE UNITS OFFERED HEREBY WAS DETERMINED BY NEGOTIATION BETWEEN THE COMPANY AND THE AGENT.

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED AS A SPECULATIVE INVESTMENT. THE MINING PROPERTIES IN WHICH THE COMPANY HAS AN INTEREST ARE IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY AND ARE WITHOUT A KNOWN BODY OF COMMERCIAL ORE. NO SURVEY OF THE COMPANY'S MINING PROPERTIES HAS BEEN MADE AND THEREFORE IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH THE PROPERTIES ARE SITUATED, THEIR EXISTENCE AND AREA COULD BE IN DOUBT. SEE ALSO "RISK FACTORS" UNDER ITEM 8 HEREOF AND "DILUTION" UNDER ITEM 9 HEREOF FOR DETAILS.

THE VANCOUVER STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED PURSUANT TO THIS PROSPECTUS. LISTING IS SUBJECT TO THE COMPANY FULFILLING ALL THE LISTING REQUIREMENTS OF THE VANCOUVER STOCK EXCHANGE ON OR BEFORE NOVEMBER 15, 1988, INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

NO PERSON IS AUTHORIZED BY THE COMPANY 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 COMPANY.

UPON COMPLETION OF THIS OFFERING THIS ISSUE WILL REPRESENT 23.7% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 36.35% THAT WILL THEN BE OWNED BY THE CONTROLLING PERSONS, PROMOTERS, DIRECTORS, SENIOR OFFICERS OF THE COMPANY, UNDERWRITERS AND ASSOCIATES OF UNDERWRITERS. REFER TO THE HEADING "PRINCIPAL HOLDERS OF SECURITIES" UNDER ITEM 10 HEREOF FOR DETAILS OF SHARES HELD BY DIRECTORS, PROMOTERS, CONTROLLING PERSONS, UNDERWRITERS AND THEIR ASSOCIATES.

DIRECTORS AND OFFICERS OF THE COMPANY ARE OR MAY BE DIRECTORS AND OFFICERS OF OTHER COMPANIES, WHICH MAY OR DO CARRY ON SIMILAR TYPES OF BUSINESSES AS THAT OF THE COMPANY AND CONFLICTS OF INTEREST MAY THEREFORE RESULT. REFERENCE SHOULD BE MADE TO THE ITEM "CONFLICTS OF INTEREST" UNDER ITEM 14 HEREOF FOR A COMMENT AS TO THE RESOLUTION OF POSSIBLE CONFLICTS OF INTEREST.

THIS PROSPECTUS ALSO QUALIFIES THE ISSUANCE OF THE AGENTS WARRANTS. THE AGENTS MAY SELL ANY SHARES ACQUIRED ON THE EXERCISE OF THE AGENTS WARRANTS AT THE MARKET PRICE AT THE TIME OF SALE, PURSUANT TO THE PROVISIONS OF THE SECURITIES ACT AND REGULATIONS WITHOUT FURTHER QUALIFICATION. SEE "PLAN OF DISTRIBUTION" IN ITEM 2 OF THIS PROSPECTUS.

D.L.
 PROPERTY FILE
 CRAIG RIVER
 1048905-05
~~1048905-05~~

10010

WE, AS AGENTS, CONDITIONALLY OFFER THESE SECURITIES SUBJECT TO PRIOR SALE, IF, AS AND WHEN ISSUED BY THE COMPANY AND ACCEPTED BY US IN ACCORDANCE WITH THE CONDITIONS CONTAINED IN THE AGENCY AGREEMENT REFERRED TO UNDER "PLAN OF DISTRIBUTION" IN ITEM 2 OF THIS PROSPECTUS.

NAME AND ADDRESS OF AGENTS

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Canada

REGISTRAR AND TRANSFER AGENT

NATIONAL TRUST COMPANY
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REPORT
ON THE
ROB 1, 2, 3 & 5
MINERAL CLAIMS
LIARD MINING DIVISION
BRITISH COLUMBIA
on behalf of
DUNDEE RESOURCES CORP.
VANCOUVER, BRITISH COLUMBIA

by

J.H. Montgomery, Ph.D., P.Eng.

April 10, 1987

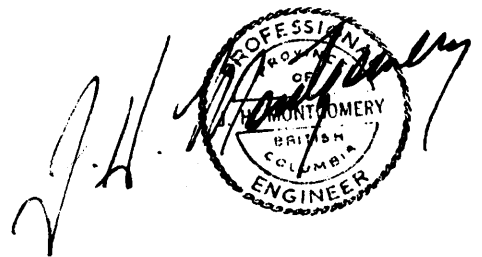


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1.0 SUMMARY AND CONCLUSIONS

Dundee Resources Corp. of Vancouver, British Columbia holds title to the ROB 1, 2, 3 & 5 (80 units) mineral claims located on Mt. Seraphim in the Liard Mining Division of British Columbia. The claims are bordered on the east by the ZEEHAN and REG claims owned by Skyline Explorations Ltd. Their gold discovery, known as the Stonehouse Gold Deposit, is located about 7 kilometers east of the ROB claims.

Currently, access to the property is by helicopter only. Supply bases are available at a gravel airstrip on Snippaker Creek about 15 kilometers to the east of the Stewart Cassiar Highway about 80 kilometers to the east.

The ROB 1, 2, 3 & 5 claims are in good standing until December 5, 1987.

The earliest recorded mineral exploration in the general area was in 1906 when prospectors searched for gold on the Lower Iskut River. Subsequent work was sporadic and was centered mainly on Johnny Mountain where Skyline now has a reported 900,000 tons reserve of 0.73 oz/ton gold with a potential of 4,000,000 tons at 0.5 oz./ton gold. The major work on Skyline's gold properties was done during the period 1980 - 1987.

Grove (1986) has described recently the geology of the general area and the relationship between geology and the mineralization of Stonehouse Gold Deposit currently being developed by Skyline Explorations Ltd.

The major geological entity in the general area of interest is the "Stewart Complex" which, in this area, is composed of three main stratigraphic units, the Unuk River Formation (Lower Jurassic), the Betty Creek Formation (Middle Jurassic) and Carboniferous shales and carbonates.

Mineralization on Skyline's gold properties occurs in brecciated and

altered feldspar porphyry of Unuk River Formation and consists of pyrite, chalcopyrite, other sulfides, gold and electrum. Accompanying alteration includes silicification and K-feldspathization with varied amounts of calcite, biotite, sericite, epidote and chlorite.

The ROB property straddles the boundary between the Coast Plutonic Complex on the west and the Stewart Complex on the east. Some lead-copper mineralization occurs in carbonate at the southeast corner of the ROB claims.

A program of exploration is recommended for the property to consist of geological mapping and prospecting, a heavy mineral survey, and rock/soil geochemistry. Approximately two months will be required to complete the program at an estimated cost of \$60,000.00.

2.0 INTRODUCTION

Dundee Resources Corp. of 1710 - 1177 West Hastings Street Vancouver, British Columbia has retained me to make an examination of a group of claims known as the ROB 1, 2, 3 & 5 (80 units) which are located about 4.0 kilometers northwest of the junctions of Craig and Jekill Rivers in Liard Mining Division, British Columbia. They are bordered on the east by claims owned by Skyline Explorations Ltd. and lie about 7 kilometers to the west of Skyline's gold discovery.

The area was visited by helicopter on March 18, 1987 in the company of Mr. I. Hagemoen of Surrey, British Columbia who staked the claims on November 24, 1986 and recorded them on December 5, 1987.

Although much of the area was snow-covered, a number of exposed outcrops were visited on the ROB and other claims in the area. As well, a conducted tour of the Skyline workings was taken in the company of Mr. Bob Gifford, director of the company and chief geologist at the mine, in order to gain first hand knowledge of the geology and mineralization of the major gold discovery in the area.

The following report is based upon that visit, and on a study of available government and private publications related to the area.

3.0 LOCATION AND ACCESS

The ROB gold prospect is located about 85 kilometers east of Wrangell, Alaska and about 110 kilometers northwest of Stewart, British Columbia in the Liard Mining Division of British Columbia.

The property is located on the northwest side of Craig River which joins Jekell Rier and flows northerly to the Iskut River, which lies about 8 kilometers to the north. See Figure 3-1. The N.T.S. Reference for the claims is Map 104B/11; Latitude - $56^{\circ}38'N$; Longitude - $131^{\circ}08'W$.

The claims straddle the north and western flanks of Seraphim Mountain which forms part of the Boundary Ranges along the Alaska-B.C. border. Topographic relief is high with elevations ranging from 500 feet (150 meters) to 5000 feet (1500 meters). A portion of the claims is under permanent glacier ice.

Access to the property is currently by helicopter only. The closest access spot is a gravel airstrip on Snippaker Creek about 15 kilometers to the east. An alternative access spot is the Stewart-Cassiar Highway which lies about 80 kilometers to the east and provides road access from Terrace and Stewart to the helicopter link.

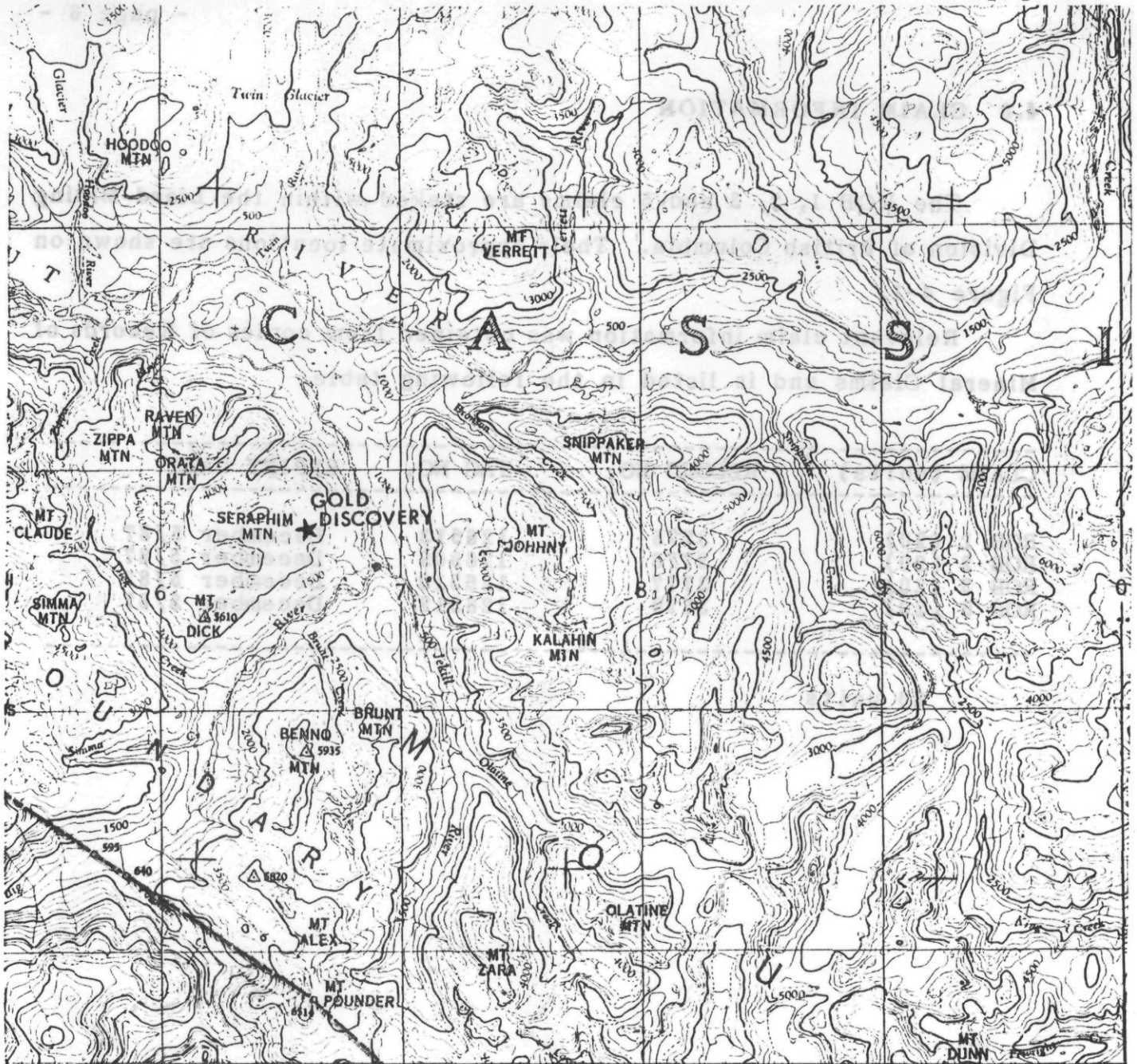


FIGURE 3-1

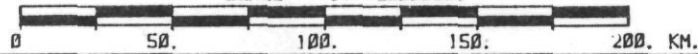
DUNDEE RESOURCES CORP.

CRAIG RIVER

PROJECT # 87SK1

LOCATION MAP

SCALE 1: 2500000



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APRIL 10, 1987



4.0 CLAIM INFORMATION

The ROB 1, 2, 3 and 5 claims are staked within the Liard Mining Division of British Columbia. Their approximate locations are shown on Figure 4-1.

Relevant claim information was obtained from copies of Records of Mineral Claims and is listed in the following table.

CLAIM (units)	RECORD NO.	TAG NO.	EXPIRY DATE
ROB 1 (20)	3775	126513	December 5/87
ROB 2 (20)	3776	126509	December 5/87
ROB 3 (20)	3777	126510	December 5/87
ROB 5 (20)	3779	126512	December 5/87

80 units

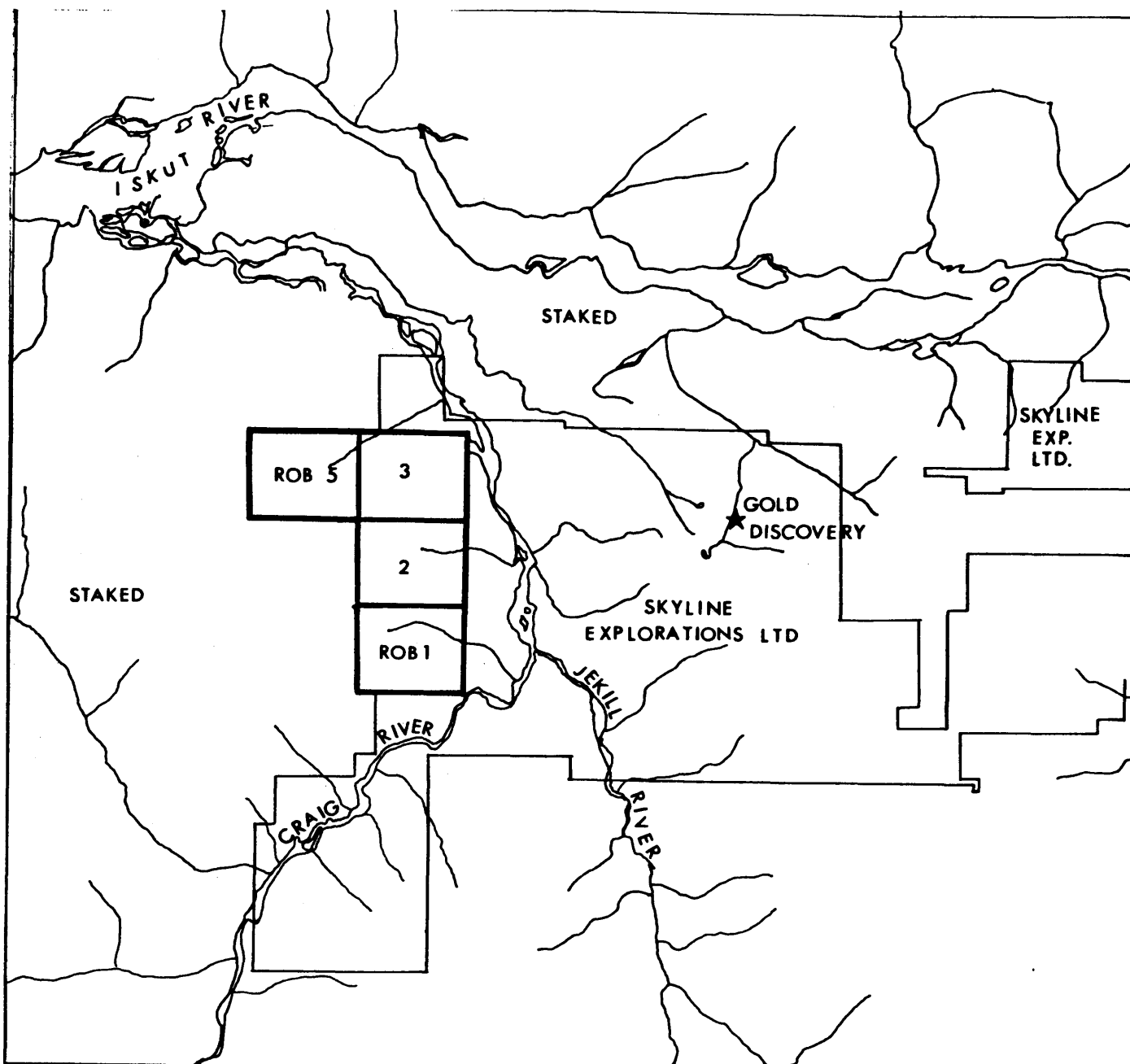


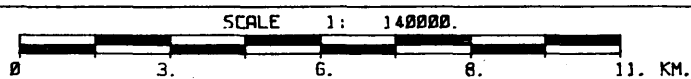
FIGURE 4-1

DUNDEE RESOURCES CORP.

CRAIG RIVER

PROJECT # 875K1

CLAIM MAP



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5.0 HISTORY OF THE AREA

The earliest recorded mineral exploration in the general area (MMAR, 1906) was of prospectors searching for placer gold deposits on the lower Iskut River. In the following year (MMAR, 1907), some claims were staked on Johnny Mountain.

In 1911, Iskut Mining Co. of Wrangell, Alaska did considerable work on their Johnny Mountain claims. This work (MMAR, 1908 to 1911) included stripping and tunneling on several showings containing gold, silver, lead and copper. These showings constitute the present holdings of Skyline Explorations Ltd. which are described in more detail in Section 6.0. Additional work was done on these showings in the 1950's by Hudson Bay Mining, by Cominco in the 1960's and by Texas Gulf in the 1970's.

Skyline did major exploration and development work on their Johnny Mountain gold property during the period 1980 to 1987. This work resulted in a reserve estimate of 900,000 tons with an average grade of 0.73 oz/ton and a potential of 4,000,000 tons grading 0.5 oz/ton gold.

Several other mineralized showings are known within the general area: the JON property is located about nine kilometers west of the ROB claims and consists of a quartz vein erratically mineralized with tetrahedrite. The vein is found at a contact between limestone and volcanic rocks. Granduc Mines Ltd. worked on the claims in 1963.

The IN property is located at the headwaters of Inhini River about 10 kilometers southwest of the ROB claims. Mineralization occurs in a quartz vein and consists of galena, sphalerite and chalcopyrite.

The JOHNSON property is located on the north side of Iskut River on the south flank of Mt. McGrath about 17 kilometers northwest of the ROB claims. It was first staked in 1929 and some work was done on a galena-sphalerite-chalcopyrite showing.

The CRAIG RIVER prospect is located on the southeastern flank of Seraphim Mountain (approximately at the southeastern corner of ROB 1 claim). It has been reported by Kerr (1948) to contain coarsely crystalline galena and chalcopyrite in Permian limestone.

Numerous additional showings occur in the same rock suites to the northeast and east of Johnny Mountain.

6.0 GEOLOGY AND MINERALIZATION

6.1 Regional Geology

The regional geology of the area has been compiled by Souther, Brew and Okulitch (1974). The relevant portion of their geological map is reproduced in Figure 6-1. The locations of the ROB claims, the CRAIG RIVER prospect and Skyline's gold discovery are shown on the map.

According to Souther, et. al, the ROB claims are situated along the eastside of the Coast Plutonic Complex in the Iskut Belt, a part of the Cordilleran Intermontane Belt.

They describe the Coast Plutonic Complex as "an axial zone of mainly foliated quartz diorite, granodiorite and migmatite associated with amphibolite gneiss, discontinuous screens of schist, and lenses of marble. It is flanked on the east by large, discreet stocks and batholiths of uniform granodiorite and quartz monzonite that exhibit sharp cross-cutting intrusive contacts with both foliated and gneissic rocks of the central plutonic complex and with unmetamorphosed stata along the highly irregular eastern boundary."

They also state that "Upper Triassic to Middle Jurassic volcanic and sedimentary rocks on the flanks of the (Stikine Arch) and in the adjacent Iskut Belt are either unmetamorphosed or of low greenschist grade. -- Southeast of Stikine Arch, Middle Jurassic sedimentary and volcanic rocks of Iskut Belt are discomformably overlain by symmetrically folded marine and non-marine, coal-bearing, clastic rocks."

The rock units of interest (as defined by Kerr) on the ROB claims and on the adjoining ZEEHAN and REG claims are:

- Unit uTs-** Upper Triassic; siltstone, chert, and sandstone and tuff.
- Unit CPsn-** Carboniferous Permian; schist and gneiss.



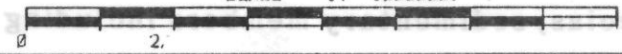
FIGURE 6-1

DUNDEE RESOURCES CORP.

CRAIG RIVER PROJECT # 87SK1

REGIONAL GEOLOGY

SCALE 1: 1000000.



MONTGOMERY CONSULTANTS LIMITED

APRIL 10, 1987

Unit CPsv- Carboniferous-Permian; greenstone limestone, shale and clastic sediments.

Unit ETqm- Early Tertiary; quartz monzonite.

More recent work on the general area of interest has been done by Grove (1986) in conjunction with the exploration and development of Skyline's gold properties. He has redefined some of the structural and stratigraphic elements giving us a clearer picture of the relationship between geology and mineralization.

Grove (1986) has defined the "Stewart Complex" as the structural complex which occupies the region 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. The latter three boundaries are high angle normal faults.

He has described three main stratigraphic units within the Stewart Complex in the Iskut River area. These are: the Unuk River Formation of Lower Jurassic age; the Betty Creek Formation of Middle Jurassic age and Carboniferous shales and carbonates.

The Unuk River Formation is described by Grove as "a stratified volcanic sedimentary sequence composed of volcanoclastics, siltstone, greywacke, porphyry, carbonate and rhyolite. It is part of the Hazelton Group and unconformably overlies Triassic and older units and is, in turn overlain by the younger members of the Hazelton Group with angular unconformity."

The Betty Creek Formation is described by Grove as "a distinct volcanoclastic unit composed of rhyolite breccia, sandstone tuff, volcanoclastics, conglomerate, carbonate and volcanics. It is characterized by the common intercalation of planar bedded bright red and green volcanoclastics, with intercalated, andesitic volcanic flows, pillow lavas, tuffs, breccias, sedimentary members including chert, and carbonate

lenses."

Grove further states that "the Betty Creek sequence can be used as a marker horizon because of its common occurrence as structural remnants. He also believes that the Betty Creek strata formed lithostructural traps for mineralizing fluids at Silbak Premier, Big Missouri and Sulphurets Creek."

The Carboniferous strata are highly deformed shales and limestone which have been overthrust from the north along Iskut River fault to overlie unconformably the Hazelton Group rocks.

Mineralization on Skyline's Stonehouse Gold Zone occurs in brecciated altered feldspar porphyry and volcanic conglomerate which is in contact with volcanoclastics. These host rocks are part of Unuk River Formation and lie below Betty Creek Formation and the regional unconformity which separate the two units. Mineralization occurs in quartz-feldspar veins and consists of pyrite, chalcopyrite, native gold and electrum and other sulfides. Alteration envelopes are extensive and contain quartz, K-feldspar, calcite, biotite, sericite, epidote and chlorite.

6.2 Local Geology

Little is known of the geology underlying the ROB claims other than that mapped regionally and compiled by Souther, et al. The property straddles the boundary between the Coast Plutonic Complex on the west and the Stewart Complex on the east. Grove (1986) has identified some of the overthrust Carboniferous strata on the westside of Craig River.

Outcrop examined by the writer just north of the ROB claims consisted of fine-grained andesite.

The only known mineralization on the property occurs at or near the southeast corner of ROB 1. It is described by Kerr (1948) as being coarsely crystalline galena and chalcopyrite in Permian limestone.

7.0 RECOMMENDATIONS

The ROB claims straddle the boundary between the Coast Plutonic Complex on the west and the "Stewart Complex" on the east. The latter is a structural and stratigraphic complex which incorporates the Unuk River Formation and the Betty Creek Formation, both of which are units of Hazelton Group rocks, and the overthrust Carboniferous strata. The Unuk River Formation contains the strata in which the extensive gold showings on the adjacent Skyline Exploration Ltd. property are found.

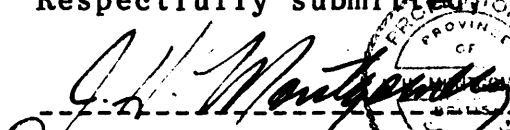
Some lead-copper mineralization has been noted near the southeast corner of the property in carbonates.

In view of the above facts it is believed that a program of reconnaissance exploration is warranted for the property. Such a program is recommended to consist of geological mapping and prospecting, a heavy mineral survey of all drainages and a rock/soil geochemical survey. A cost estimate for the proposed program is presented in the following section. Approximately two months will be required to complete this initial phase of exploration.

8.0 COST ESTIMATE

1.	PERSONNEL	
	(a) Senior Geologist 40 days @ \$300	12,000.00
	(b) Junior Geologist 40 days @ \$150	6,000.00
2.	TRANSPORTATION	
	(a) Truck Rental - 1 month	1,000.00
	(b) Truck Maintenance	500.00
	(c) Helicopter - 25 hrs @ \$600	15,000.00
3.	ACCOMMODATION	
	(a) Camp - 2 man	1,500.00
	(b) Meals - 60 man-days @ \$25	1,500.00
4.	GEOCHEMICAL ANALYSES	
	(a) Heavy Mineral - 50 @ \$10.40	520.00
	(b) Soil Samples - 200 @ \$7.35	1,470.00
	(c) Rock Samples - 500 @ \$9.00	4,500.00
5.	EXPEDITING	4,000.00
	Sub-Total	----- \$47,990.00
6.	ENGINEERING & SUPERVISION-10%	4,799.00
	Sub-Total	----- \$52,789.00
7.	CONTINGENCIES-(approx. 14%)	7,211.00
	TOTAL:	----- \$60,000.00

Respectfully submitted



J.H. Montgomery, Ph.D., P.Eng.
April 10, 1987
Vancouver, BC



9.0 BIBLIOGRAPHY

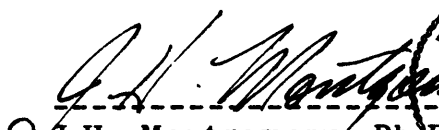
1. **Kerr, F.A. (1929)** - Geological Survey of Canada Memoir 246.
2. **Grove, E.W. (1986)** - "Geological Report, Exploration and Development Proposal on the Skyline Exploration Ltd.'s REG Property"; unpub. eng. report.
3. Geological Survey of Canada Map No.9-1957: Operation Stikine (1956)
4. Geological Survey of Canada Map No. 1418A: Iskut River (1979)
5. **Todoruk, S.L. & Ikona, C.K. (1987)** - "Geological Report on the FOR 1 and 2 Mineral Claims"; unpub. eng. report.
6. B.C. Minister of Mines Annual Report (MMAR)-1906
7. B.C. Minister of Mines Annual Report (MMAR)-1907
8. B.C. Minister of Mines Annual Report (MMAR)-1908
9. B.C. Minister of Mines Annual Report (MMAR)-1909
10. B.C. Minister of Mines Annual Report (MMAR)-1910
11. B.C. Minister of Mines Annual Report (MMAR)-1911

10.0 CERTIFICATE

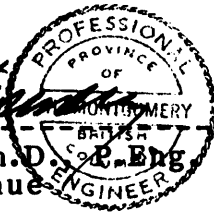
I, J.H. Montgomery, of Vancouver, British Columbia hereby certify that:

1. I am a geological engineer and reside at 4153 West 11th Avenue, Vancouver, B.C.
2. I am a graduate of the University of British Columbia; B.Sc. in 1959, M.Sc. in 1960, Ph.D. in 1967.
3. I have practiced my profession since 1959.
4. I am a member of the Association of Professional Engineers of British Columbia and of Yukon Territory.
5. I have no interest, direct or indirect, in Dundee Resources Corp., nor in the ROB claims, nor do I expect to receive any.
6. I have based this report on a personal visit to the general area of the ROB claims and to the Stonehouse Gold Deposit and on a study of all available data pertaining to the property including previous reports and government publications.
7. This report may be used by Dundee Resources Corp. or their agents for a Prospectus, Statement of Material Facts, Shareholders' Newsletter, etc., in whole or in part.

DATED at Vancouver, B.C. this 10th day of April, 1987.



J.H. Montgomery, Ph.D., P.Eng.
4153 West 11th Avenue
Vancouver, B.C.



January 27, 1988

Dundee Resources Corp.
1710-1177 West Hastings Street
Vancouver, BC

Dear Sirs:

Re: ROB claims (Craig River Project)

I have studied the report entitled "1987 Geological and Geochemical Report on the Craig River Project" dated October 31, 1987. This report, was prepared for Dundee Resources Corp. by Mr. M.J. Burson, B.Sc., F.G.A.C. of Taiga Consultants Ltd.

The report summarizes all of the work done during the 1987 field season. This work consisted of running several reconnaissance lines along ridge tops and stream courses, taking soil, rock, heavy mineral and stream sediment samples for geochemical analysis and also geological mapping. The work was done under the field supervision of Mr. M.J. Burson.

A geological sketch was produced which shows that a major portion of the claim block is underlain by granodiorite and diorite of Coast Plutonic Complex. These rocks are in contact on the east and north with volcanic and volcanoclastic rocks and on the southeast with sediments, mainly carbonates.

The geochemical surveys showed several high gold values in stream sediments on ROB 5 (see Figure 1 attached to this letter). This creek drains the ridge to the northwest on which a high grade float boulder was discovered. The float boulder, which contained galena, quartz and secondary copper minerals, assayed over 500 oz./ton silver. The easterly flowing creek on ROB 1 also contains anomalous gold values in stream sediments. (see Figure 1).

In my original report (page 14) entitled "Report on the ROB 1, 2, 3 and 5 Mineral Claims" and dated April 10, 1987, I recommended a

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Dundee Resources Corp.
January 27, 1988

program of reconnaissance exploration for the property to consist of geological mapping and prospecting, a heavy mineral survey of all drainages and a rock/soil geochemical survey. A small part of this has been done by Taiga Consultants and the results of their work have confirmed that the property warrants exploration.

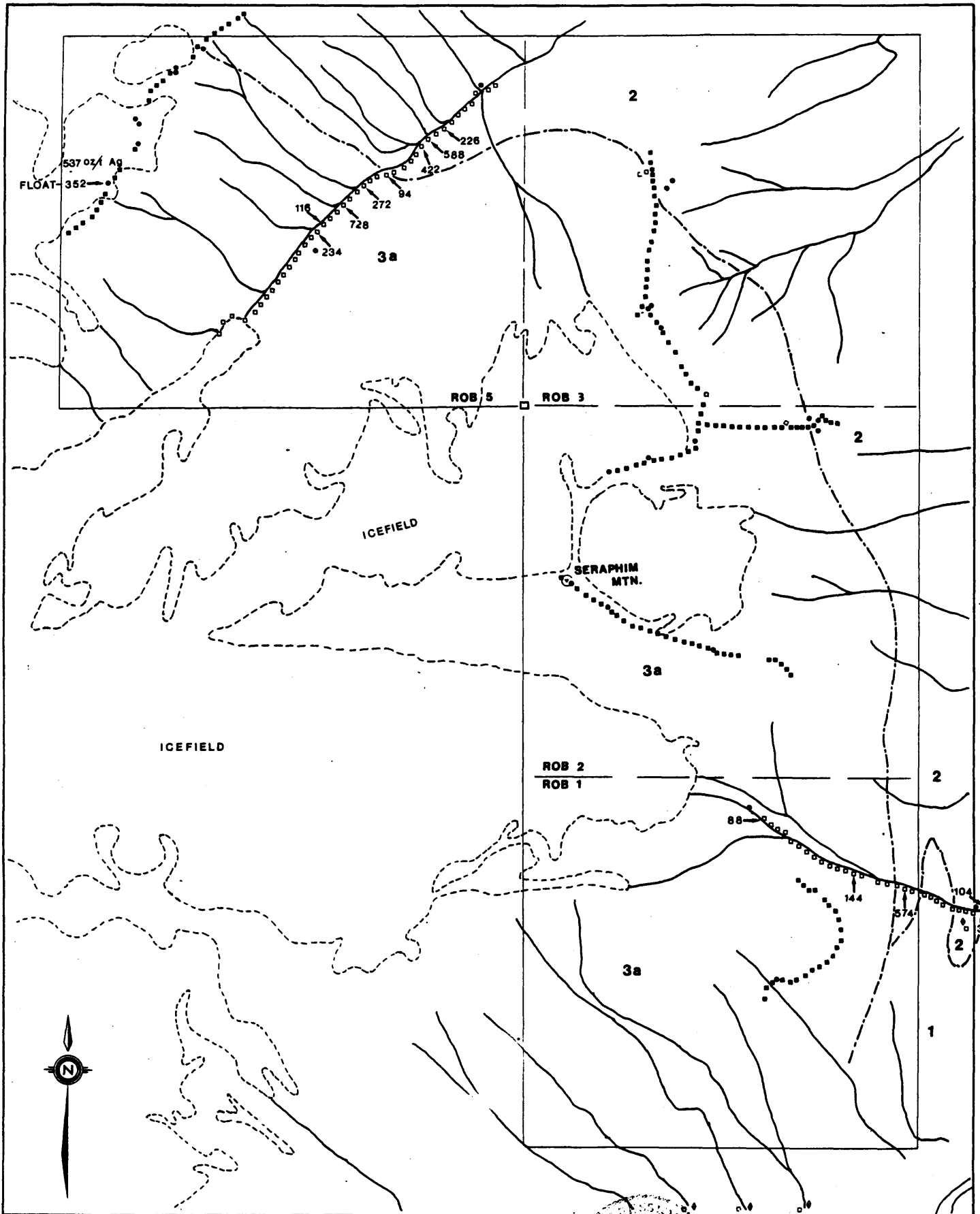
It is now recommended that the remaining creeks and their tributaries be sampled for heavy mineral analyses. Particular attention should be paid to the search for the source of the high grade float boulder and the gold-anomalous stream and tributaries draining the ridge on which the float was found (ROB 5 claim). The gold stream sediment anomaly on ROB 1 claim should also be followed up. In addition, some reconnaissance prospecting should be done within the Coast Plutonic rocks.

My original report has been revised slightly to reflect the new data and the budget remains at \$60,000.00. Taiga's report has been included as an appendix and their maps (1 to 4) have been combined and redrafted to conform to a size and format suitable for a prospectus (Figure 1).

Respectfully submitted,


J. H. Montgomery, Ph.D., P. Eng.
Vancouver, BC





- SOIL ◯ SILT ● ROCK ◆ HEAVY MINERAL SAMPLE — Au PPB
- ① LIMESTONE ③a GRANODIORITE
- ② VOLCANICS ③b DIORITE

0 .5 1K

FIGURE 1

REPORT ON
THE
ROB 1, 2, 3 & 5
MINERAL CLAIMS
LIARD MINING DIVISION
BRITISH COLUMBIA
on behalf of
DUNDEE RESOURCES CORP.
VANCOUVER, BRITISH COLUMBIA

by

J. H. Montgomery, Ph.D., P.Eng.

January 25, 1988

A handwritten signature in cursive script, reading "J. H. Montgomery", is written over a circular stamp. The stamp is partially obscured by the signature and contains some illegible text and a grid pattern.

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1.0 SUMMARY AND CONCLUSIONS

Dundee Resources Corp. of Vancouver, British Columbia holds title to the ROB 1, 2, 3 & 5 (80 units) mineral claims located on Mt. Seraphim in the Liard Mining Division of British Columbia. The claims are bordered on the east by the ZEEHAN and REG claims owned by Skyline Explorations Ltd. Their gold discovery, known as the Stonehouse Gold Deposit, is located about 7 kilometers east of the ROB claims.

Currently, access to the property is by helicopter only. Supply bases are available at a gravel airstrip on Snippaker Creek about 15 kilometers to the east of the Stewart Cassiar Highway about 80 kilometers to the east.

The ROB 1, 2, 3 & 5 claims are in good standing until December 5, 1988.

The earliest recorded mineral exploration in the general area was in 1906 when prospectors searched for gold on the Lower Iskut River. Subsequent work was sporadic and was centered mainly on Johnny Mountain where Skyline now has a reported 900,000 tons reserve of 0.73 oz/ton gold with a potential of 4,000,000 tons at 0.5 oz./ton gold. The major work on Skyline's gold properties was done during the period 1980 - 1987.

Grove (1986) has described recently the geology of the general area and the relationship between geology and the mineralization of Stonehouse Gold Deposit currently being developed by Skyline Explorations Ltd.

The major geological entity in the general area of interest is the "Stewart Complex" which, in this area, is composed of three main stratigraphic units, the Unuk River Formation (Lower Jurassic), the Betty Creek Formation (Middle Jurassic) and Carboniferous shales and carbonates.

Mineralization on Skyline's gold properties occurs in brecciated and

altered feldspar porphyry of Unuk River Formation and consists of pyrite, chalcopyrite, other sulfides, gold and electrum. Accompanying alteration includes silicification and K-feldspathization with varied amounts of calcite, biotite, sericite, epidote and chlorite.

The ROB property straddles the boundary between the Coast Plutonic Complex on the west and the Stewart Complex on the east. Some lead-copper mineralization occurs in carbonate at the southeast corner of the ROB claims.

Work done on the ROB claims during 1987 field season showed anomalous gold in two streams. Also, a galena-quartz float boulder containing over 500 oz./ton silver was found on ROB 5.

A program of exploration is recommended for the property to consist of geological mapping and prospecting, a heavy mineral survey, and rock/soil geochemistry. Approximately two months will be required to complete the program at an estimated cost of \$60,000.00.

2.0 INTRODUCTION

Dundee Resources Corp. of 1710 - 1177 West Hastings Street Vancouver, British Columbia has retained me to make an examination of a group of claims known as the ROB 1, 2, 3 & 5 (80 units) which are located about 4.0 kilometers northwest of the junctions of Craig and Jekill Rivers in Liard Mining Division, British Columbia. They are bordered on the east by claims owned by Skyline Explorations Ltd. and lie about 7 kilometers to the west of Skyline's gold discovery.

The area was visited by helicopter on March 18, 1987 in the company of Mr. I. Hagemoen of Surrey, British Columbia who staked the claims on November 24, 1986 and recorded them on December 5, 1986.

Although much of the area was snow-covered, a number of exposed outcrops were visited on the ROB and other claims in the area. As well, a conducted tour of the Skyline workings was taken in the company of Mr. Bob Gifford, director of the company and chief geologist at the mine, in order to gain first hand knowledge of the geology and mineralization of the major gold discovery in the area.

The following report is based upon that visit, and on a study of available government and private publications related to the area. A study was also made of geological and geochemical data supplied by M.J. Burson of Taiga Consultants Ltd. The data were obtained from a preliminary exploration program in 1987.

3.0 LOCATION AND ACCESS

The ROB gold prospect is located about 85 kilometers east of Wrangell, Alaska and about 110 kilometers northwest of Stewart, British Columbia in the Liard Mining Division of British Columbia.

The property is located on the northwest side of Craig River which joins Jekell Rier and flows northerly to the Iskut River, which lies about 8 kilometers to the north. See Figure 3-1. The N.T.S. Reference for the claims is Map 104B/11; Latitude - $56^{\circ}38'N$; Longitude - $131^{\circ}08'W$.

The claims straddle the north and western flanks of Seraphim Mountain which forms part of the Boundary Ranges along the Alaska-B.C. border. Topographic relief is high with elevations ranging from 500 feet (150 meters) to 5000 feet (1500 meters). A portion of the claims is under permanent glacier ice.

Access to the property is currently by helicopter only. The closest access spot is a gravel airstrip on Snippaker Creek about 15 kilometers to the east. An alternative access spot is the Stewart-Cassiar Highway which lies about 80 kilometers to the east and provides road access from Terrace and Stewart to the helicopter link.

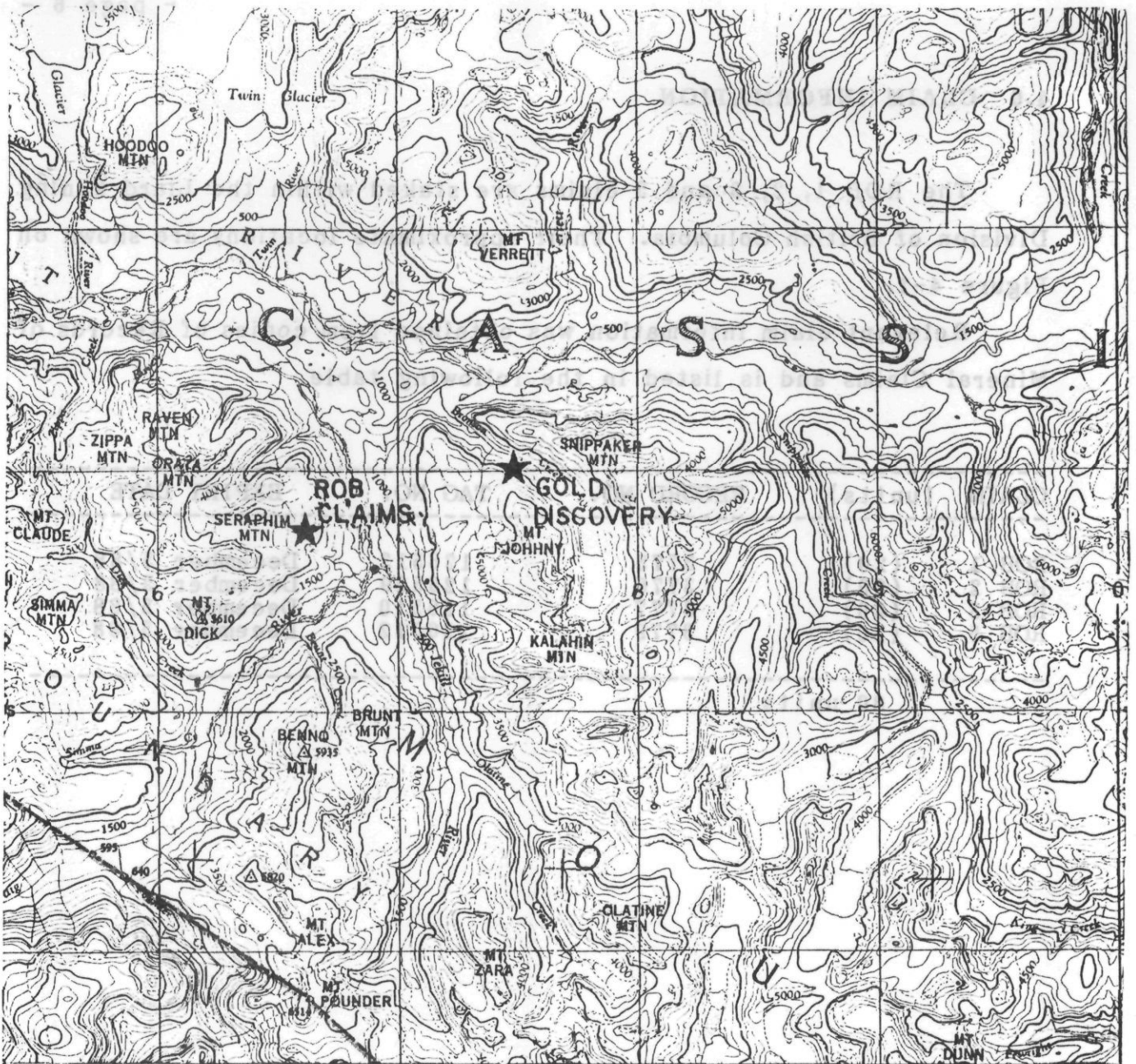


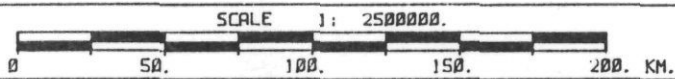
FIGURE 3-1

DUNDEE RESOURCES CORP.

CRAIG RIVER

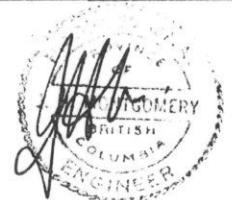
PROJECT # 87SK1

LOCATION MAP



MONTGOMERY CONSULTANTS LIMITED

APRIL 10, 1987



4.0 CLAIM INFORMATION

The ROB 1, 2, 3 and 5 claims are staked within the Liard Mining Division of British Columbia. Their approximate locations are shown on Figure 4-1.

Relevant claim information was obtained from copies of Records of Mineral Claims and is listed in the following table.

CLAIM	(units)	RECORD NO.	TAG NO.	EXPIRY DATE
ROB 1	(20)	3775	126513	December 5/88
ROB 2	(20)	3776	126509	December 5/88
ROB 3	(20)	3777	126510	December 5/88
ROB 5	(20)	3779	126512	December 5/88
80 units				

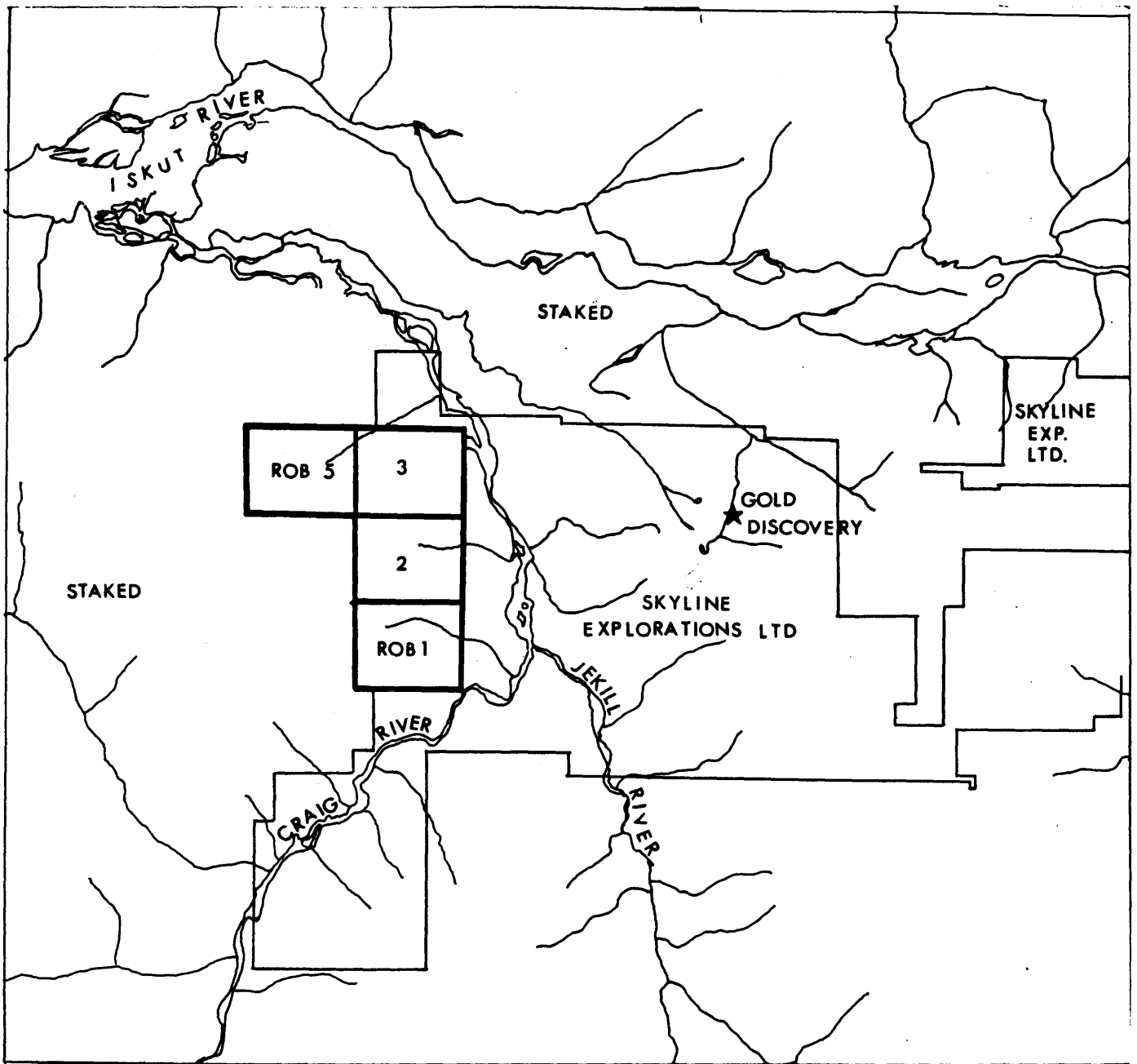


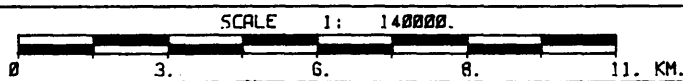
FIGURE 4-1

DUNDEE RESOURCES CORP.

CRAIG RIVER

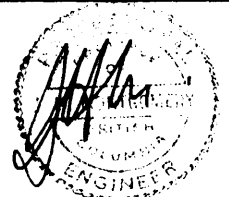
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CLAIM MAP



MONTGOMERY CONSULTANTS LIMITED

APRIL 10, 1987



5.0 HISTORY OF THE AREA

The earliest recorded mineral exploration in the general area (MMAR, 1906) was of prospectors searching for placer gold deposits on the lower Iskut River. In the following year (MMAR, 1907), some claims were staked on Johnny Mountain.

In 1911, Iskut Mining Co. of Wrangell, Alaska did considerable work on their Johnny Mountain claims. This work (MMAR, 1908 to 1911) included stripping and tunneling on several showings containing gold, silver, lead and copper. These showings constitute the present holdings of Skyline Explorations Ltd. which are described in more detail in Section 6.0. Additional work was done on these showings in the 1950's by Hudson Bay Mining, by Cominco in the 1960's and by Texas Gulf in the 1970's.

Skyline did major exploration and development work on their Johnny Mountain gold property during the period 1980 to 1987. This work resulted in a reserve estimate of 900,000 tons with an average grade of 0.73 oz/ton and a potential of 4,000,000 tons grading 0.5 oz/ton gold.

Several other mineralized showings are known within the general area: the JON property is located about nine kilometers west of the ROB claims and consists of a quartz vein erratically mineralized with tetrahedrite. The vein is found at a contact between limestone and volcanic rocks. Granduc Mines Ltd. worked on the claims in 1963.

The IN property is located at the headwaters of Inhini River about 10 kilometers southwest of the ROB claims. Mineralization occurs in a quartz vein and consists of galena, sphalerite and chalcopyrite.

The JOHNSON property is located on the north side of Iskut River on the south flank of Mt. McGrath about 17 kilometers northwest of the ROB claims. It was first staked in 1929 and some work was done on a galena-sphalerite-chalcopyrite showing.

The CRAIG RIVER prospect is located on the southeastern flank of Seraphim Mountain (approximately at the southeastern corner of ROB 1 claim). It has been reported by Kerr (1948) to contain coarsely crystalline galena and chalcopyrite in Permian limestone.

In 1987, a preliminary program of exploration was carried out. Several reconnaissance lines were run along ridges and valleys for the purposes of geological mapping and geochemical sampling. A geological sketch was produced and two gold-anomalous streams were detected. In addition, a high grade silver float boulder was discovered on the claims. The source is still unknown. Details are given in Section 6.2.

6.0 GEOLOGY AND MINERALIZATION

6.1 Regional Geology

The regional geology of the area has been compiled by Souther, Brew and Okulitch (1974). The relevant portion of their geological map is reproduced in Figure 6-1. The locations of the ROB claims, the CRAIG RIVER prospect and Skyline's gold discovery are shown on the map.

According to Souther, et. al, the ROB claims are situated along the eastside of the Coast Plutonic Complex in the Iskut Belt, a part of the Cordilleran Intermontane Belt.

They describe the Coast Plutonic Complex as "an axial zone of mainly foliated quartz diorite, granodiorite and migmatite associated with amphibolite gneiss, discontinuous screens of schist, and lenses of marble. It is flanked on the east by large, discrete stocks and batholiths of uniform granodiorite and quartz monzonite that exhibit sharp cross-cutting intrusive contacts with both foliated and gneissic rocks of the central plutonic complex and with unmetamorphosed stata along the highly irregular eastern boundary."

They also state that "Upper Triassic to Middle Jurassic volcanic and sedimentary rocks on the flanks of the (Stikine Arch) and in the adjacent Iskut Belt are either unmetamorphosed or of low greenschist grade. -- Southeast of Stikine Arch, Middle Jurassic sedimentary and volcanic rocks of Iskut Belt are discomformably overlain by symmetrically folded marine and non-marine, coal-bearing, clastic rocks."

The rock units of interest (as defined by Kerr) on the ROB claims and on the adjoining ZEEHAN and REG claims are:

- Unit uTs-** Upper Triassic; siltstone, chert, and sandstone and tuff.
- Unit CPsn-** Carboniferous Permian; schist and gneiss.

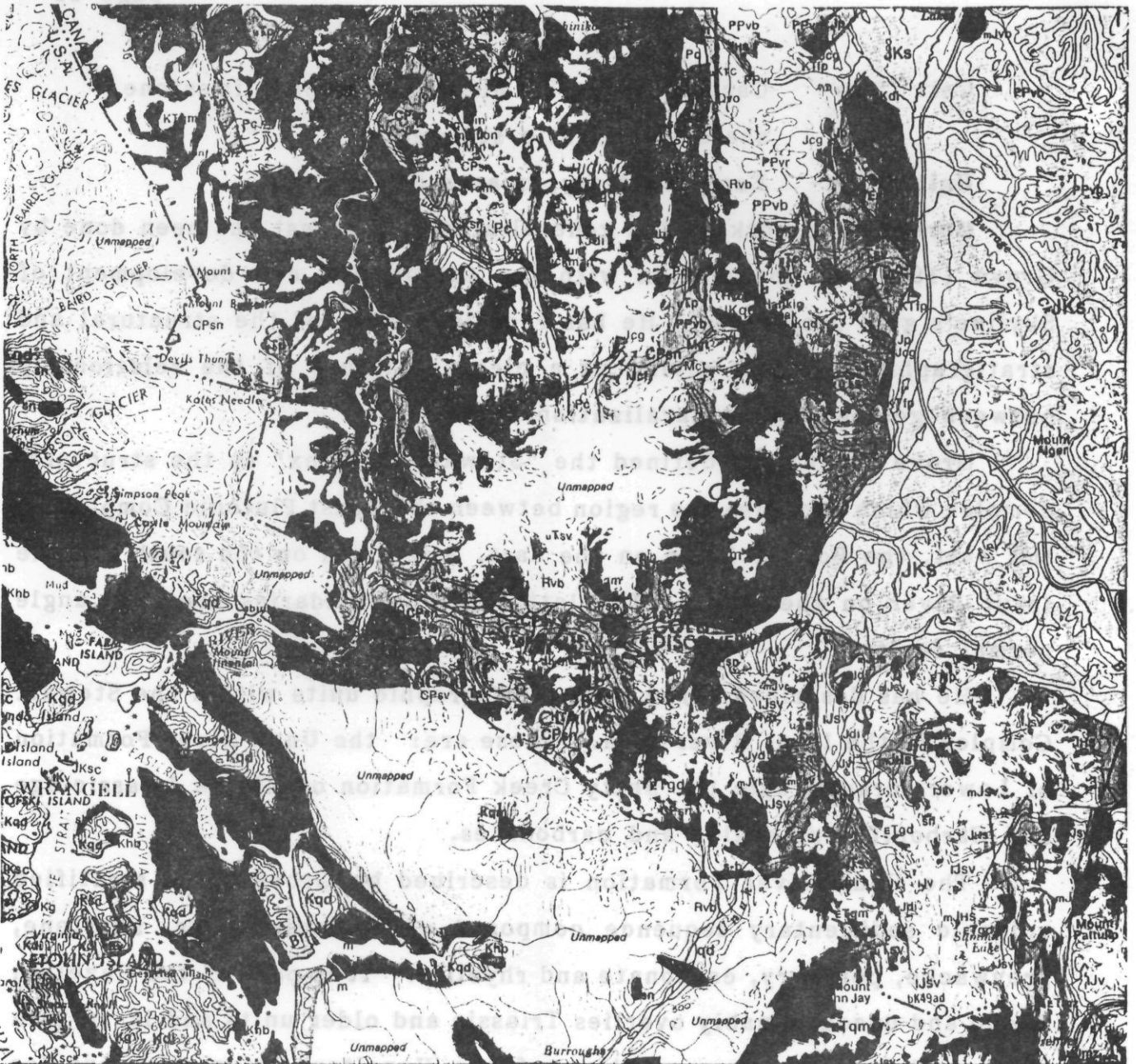


FIGURE 6-1

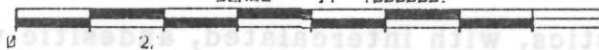
DUNDEE RESOURCES CORP.

CRAIG RIVER

PROJECT # 87SK1

REGIONAL GEOLOGY

SCALE 1: 1000000



MONTGOMERY CONSULTANTS LIMITED

APRIL 10, 1987

A handwritten signature in the bottom right corner, overlaid on a circular stamp that is partially obscured.

Unit CPsv- Carboniferous-Permian; greenstone limestone, shale and clastic sediments.

Unit ETqm- Early Tertiary; quartz monzonite.

More recent work on the general area of interest has been done by Grove (1986) in conjunction with the exploration and development of Skyline's gold properties. He has redefined some of the structural and stratigraphic elements giving us a clearer picture of the relationship between geology and mineralization.

Grove (1986) has defined the "Stewart Complex" as the structural complex which occupies the region 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. The latter three boundaries are high angle normal faults.

He has described three main stratigraphic units within the Stewart Complex in the Iskut River area. These are: the Unuk River Formation of Lower Jurassic age; the Betty Creek Formation of Middle Jurassic age and Carboniferous shales and carbonates.

The Unuk River Formation is described by Grove as "a stratified volcanic sedimentary sequence composed of volcanoclastics, siltstone, greywacke, porphyry, carbonate and rhyolite. It is part of the Hazelton Group and unconformably overlies Triassic and older units and is, in turn overlain by the younger members of the Hazelton Group with angular unconformity."

The Betty Creek Formation is described by Grove as "a distinct volcanoclastic unit composed of rhyolite breccia, sandstone tuff, volcanoclastics, conglomerate, carbonate and volcanics. It is characterized by the common intercalation of planar bedded bright red and green volcanoclastics, with intercalated, andesitic volcanic flows, pillow lavas, tuffs, breccias, sedimentary members including chert, and carbonate

lenses." Grove further states that "the Betty Creek sequence can be used as a marker horizon because of its common occurrence as structural remnants. He also believes that the Betty Creek strata formed lithostructural traps for mineralizing fluids at Silbak Premier, Big Missouri and Sulphurets Creek."

The Carboniferous strata are highly deformed shales and limestone which have been overthrust from the north along Iskut River fault to overlie unconformably the Hazelton Group rocks.

Mineralization on Skyline's Stonehouse Gold Zone occurs in brecciated altered feldspar porphyry and volcanic conglomerate which is in contact with volcanoclastics. These host rocks are part of Unuk River Formation and lie below Betty Creek Formation and the regional unconformity which separate the two units. Mineralization occurs in quartz-feldspar veins and consists of pyrite, chalcopyrite, native gold and electrum and other sulfides. Alteration envelopes are extensive and contain quartz, K-feldspar, calcite, biotite, sericite, epidote and chlorite.

6.2 Local Geology

Little is known of the geology underlying the ROB claims other than that mapped regionally and compiled by Souther, et al and that mapped by Burson (1987) during a preliminary exploration program. The property straddles the boundary between the Coast Plutonic Complex on the west and the Stewart Complex on the east. Grove (1986) has identified some of the overthrust Carboniferous strata on the westside of Craig River.

According to Burson (1987), the claims are underlain mainly by granodiorite and diorite of Coast Range Complex. These rocks are in contact with volcanic and volcanoclastic rocks on the north and east and by sediments, mainly carbonates on the southeast.

Mineralization on the ROB claims consists of several high geochemical gold values (100-700 ppb) in two stream sediments. A galena-quartz float boulder found on a ridge on ROB 5 assayed 537 oz./ton silver.

7.0 RECOMMENDATIONS

The ROB claims straddle the boundary between the Coast Plutonic Complex on the west and the "Stewart Complex" on the east. The latter is a structural and stratigraphic complex which incorporates the Unuk River Formation and the Betty Creek Formation, both of which are units of Hazelton Group rocks, and the overthrust Carboniferous strata. The Unuk River Formation contains the strata in which the extensive gold showings on the adjacent Skyline Exploration Ltd. property are found.

Stream sediment analyses showed the presence of two streams with significant anomalous gold values. High grade silver float is present on the claims.

Some lead-copper mineralization has been noted near the southeast corner of the property in carbonates.

In view of the above facts it is believed that an additional program of exploration is warranted for the property. Such a program is recommended to consist of geological mapping and prospecting, a heavy mineral survey of all remaining drainages not covered in 1987 and a rock/soil geochemical survey. A cost estimate for the proposed program is presented in the following section. Approximately two months will be required to complete this initial phase of exploration.

8.0 COST ESTIMATE

1. PERSONNEL			
(a)	Senior Geologist	40 days @ \$300	12,000.00
(b)	Junior Geologist	40 days @ \$150	6,000.00
2. TRANSPORTATION			
(a)	Truck Rental - 1 month		1,000.00
(b)	Truck Maintenance		500.00
(c)	Helicopter - 25 hrs. @ \$600		15,000.00
3. ACCOMMODATION			
(a)	Camp - 2 man		1,500.00
(b)	Meals - 60 man-days @ \$600		1,500.00
4. GEOCHEMICAL ANALYSES			
(a)	Heavy Mineral - 50 @ \$10.40		520.00
(b)	Soil Samples - 200 @ \$7.35		1,470.00
(c)	Rock Samples - 500 @ \$9.00		4,500.00
5. EXPEDITING			4,000.00

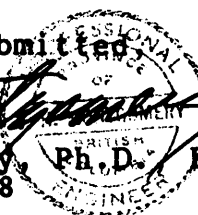
Sub-Total			\$47,990.00
6. ENGINEERING & SUPERVISION - 10%			4,799.00

Sub-Total			\$52,789.00
7. CONTINGENCIES - (approx. 14%)			7,211.00

TOTAL:			\$60,000.00

Respectfully submitted

J. H. Montgomery
J. H. Montgomery, Ph.D., P.Eng.
January 25, 1988
Vancouver, BC



9.0 BIBLIOGRAPHY

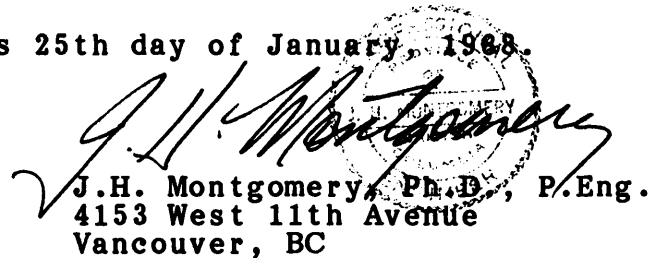
1. **Kerr, F.A. (1929)** - Geological Survey of Canada Memoir 246.
2. **Grove, E.W. (1986)** - "Geological Report, Exploration and Development Proposal on the Skyline Exploration Ltd.'s REG Property"; unpub. eng. report.
3. Geological Survey of Canada Map No.9-1957: Operation Stikine (1956)
4. Geological Survey of Canada Map No. 1418A: Iskut River (1979)
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6. B.C. Minister of Mines Annual Report (MMAR)-1906
7. B.C. Minister of Mines Annual Report (MMAR)-1907
8. B.C. Minister of Mines Annual Report (MMAR)-1908
9. B.C. Minister of Mines Annual Report (MMAR)-1909
10. B.C. Minister of Mines Annual Report (MMAR)-1910
11. B.C. Minister of Mines Annual Report (MMAR)-1911

10.0 CERTIFICATE

I, J.H. Montgomery, of Vancouver, British Columbia hereby certify that:

1. I am a geological engineer and reside at 4153 West 11th Avenue, Vancouver, B.C.
2. I am a graduate of the University of British Columbia; B.Sc. in 1959, M.Sc. in 1960, Ph.D. in 1967.
3. I have practiced my profession since 1959.
4. I am a member of the Association of Professional Engineers of British Columbia and of Yukon Territory.
5. I have no interest, direct or indirect, in Dundee Resources Corp., nor in the ROB claims, nor do I expect to receive any.
6. I have based this report on a personal visit to the general area of the ROB claims and to the Stonehouse Gold Deposit and on a study of all available data pertaining to the property including previous report and government publications.
7. This report may be used by Dundee Resources Corp. or their agents for a Prospectus, Statement of Material Facts, Shareholders' Newsletter, etc., in whole or in part.

DATED at Vancouver, B.C. this 25th day of January, 1968.


J.H. Montgomery, Ph.D., P.Eng.
4153 West 11th Avenue
Vancouver, BC

APPENDIX I

**1987 GEOLOGICAL AND GEOCHEMICAL REPORT
on the
CRAIG RIVER PROJECT**

**N.T.S. 104-B/11
Latitude 56°38' North
Longitude 131°11' West**

FOR

**DUNDEE RESOURCES CORP.
Vancouver, B.C.**

October 31, 1987

**by: M.J. Burson, B.Sc., F.G.A.C.
Taiga Consultants Ltd.
800 - 900 West Hastings St.
Vancouver, B.C. V6C 1E5**

SUMMARY

During 1987 a Taiga Consultants Ltd. field crew, under contract to Dundee Resources Corp., completed an exploration program designed to evaluate the gold and other mineral potential of the ROB 1-3, 5 claims, located in the Iskut River area of British Columbia.

The property is underlain predominantly by granodiorite of the Coast Plutonic Complex which intrudes volcanic flows and tuffs and carbonates of Triassic and older age.

A total of 257 soil, silt, rock and heavy mineral samples were analyzed for gold and silver. Several areas have returned results with elevated gold values and require more detailed evaluation. Option payments should be deferred until this evaluation is completed.

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Regional Geology	3
Local Geology	6
Geochemistry	6
Conclusions and Recommendations	8
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Statement of Qualifications	11
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APPENDIX II:	Rock Descriptions

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FIGURE 2:	Claim Location	4
FIGURE 3:	Snippaker Volcanic Belt	5

M A P S

MAP 1:	Sample Location
MAP 2:	Gold Geochemistry (ppb)
MAP 3:	Silver Geochemistry (ppm)
MAP 4:	Geology

INTRODUCTION

Dundee Resources Corp. has acquired four mineral claims (80 units) in the Iskut River area, 60 kilometers west of Bob Quinn Lake on the Stewart-Cassiar highway (see Figure 1).

This report summarizes the results of a prospecting/geochemical field program during July and August, 1987. The main objective of this work was to delineate areas of high geochemical background which might lead to discoveries of mineralization similar to those found within the Skyline Exploration and Delaware/Cominco properties, 7 kilometers to the east.

LOCATION AND ACCESS

The ROB claims are located south of the Iskut River at 56°38' north latitude and 131°11' west longitude. Access is by fixed-wing aircraft from Terrace or Smithers, 160 kilometers to the southeast, to the Snippaker Creek airstrip, 30 kilometers east of the claims and thence by helicopter to the property. More proximal airstrips exist on the Skyline property and on the Delaware property, but they are private facilities requiring permission for use by outsiders.

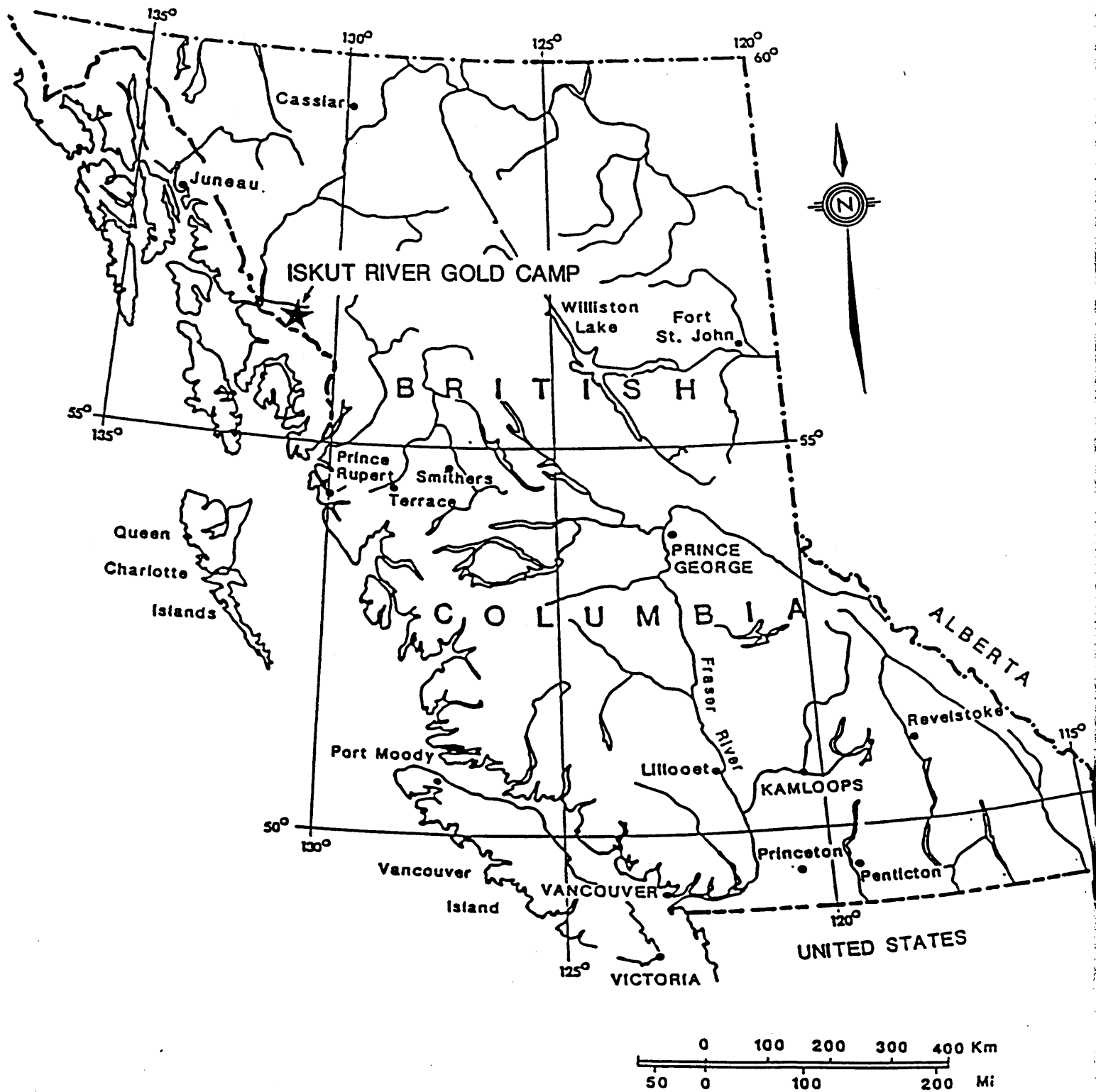
Future road access to the area will likely follow the Iskut River Valley from Bob Quinn Lake. The site of B.C. Hydro's planned development of a hydroelectric generating facility on the Iskut River is about 20 kilometers upstream from the property.

TOPOGRAPHY AND CLIMATE

The property covers the very rugged north and east facing slopes of Seraphim Mountain. Elevations range from 300 to 5500 feet, with permanent ice fields being common at the higher elevations.

Climate in the area typically consists of cold snowy winters and warm, wet summers. Snow at higher elevations would normally exceed 15 feet, whilst 3-5 feet would accumulate near the Craig River.

Vegetation ranges from mature conifer forest at the lower elevations to alpine meadow above tree-line. Much of the property is covered by slide alder and devils club.



PROPERTY LOCATION - LIARD, M.D.

CLAIM STATUS

The property consists of four modified grid claims (see Figure 2), comprising 80 units, staked within the Liard Mining Division. These include:

<u>Claim</u>	<u>No. of Units</u>	<u>Record No.</u>	<u>Expiry Date</u>
ROB 1	20	3775	December 5, 1987
ROB 2	20	3776	December 5, 1987
ROB 3	20	3777	December 5, 1987
ROB 5	20	3779	December 5, 1987

REGIONAL GEOLOGY

The regional geological setting consists of several sedimentary and volcanic series that are intruded by younger granitic rocks and, in places, are overlain by recent volcanic flows.

These occur within the Stewart Complex (Grove, 1986), an area of diverse rock types and complicated structure which is bounded on the west by the intrusive margin of the Coast Plutonic Complex, on the east by the Bowser Basin, the north by the Iskut River, and on the south by Alice Arm.

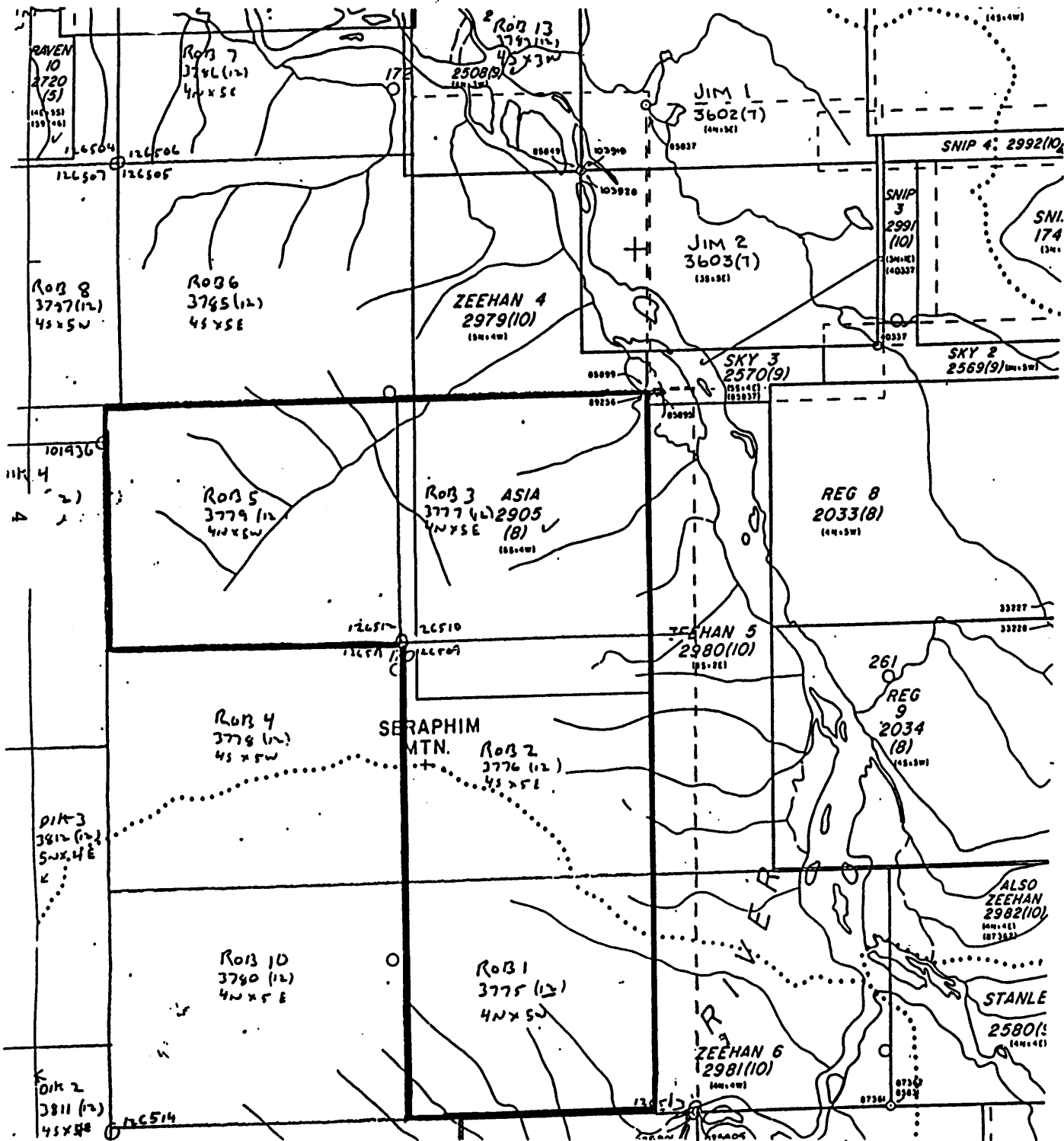
The oldest sequence comprises Permian to Lower Triassic limestones, siltstones, shales and conglomerates that overlie metamorphosed sedimentary and volcanic rocks.

In the Iskut Valley region, these rocks are extensively deformed and are thought to have been emplaced by thrust faulting which pushed up and over to the south across Middle Jurassic and older units.

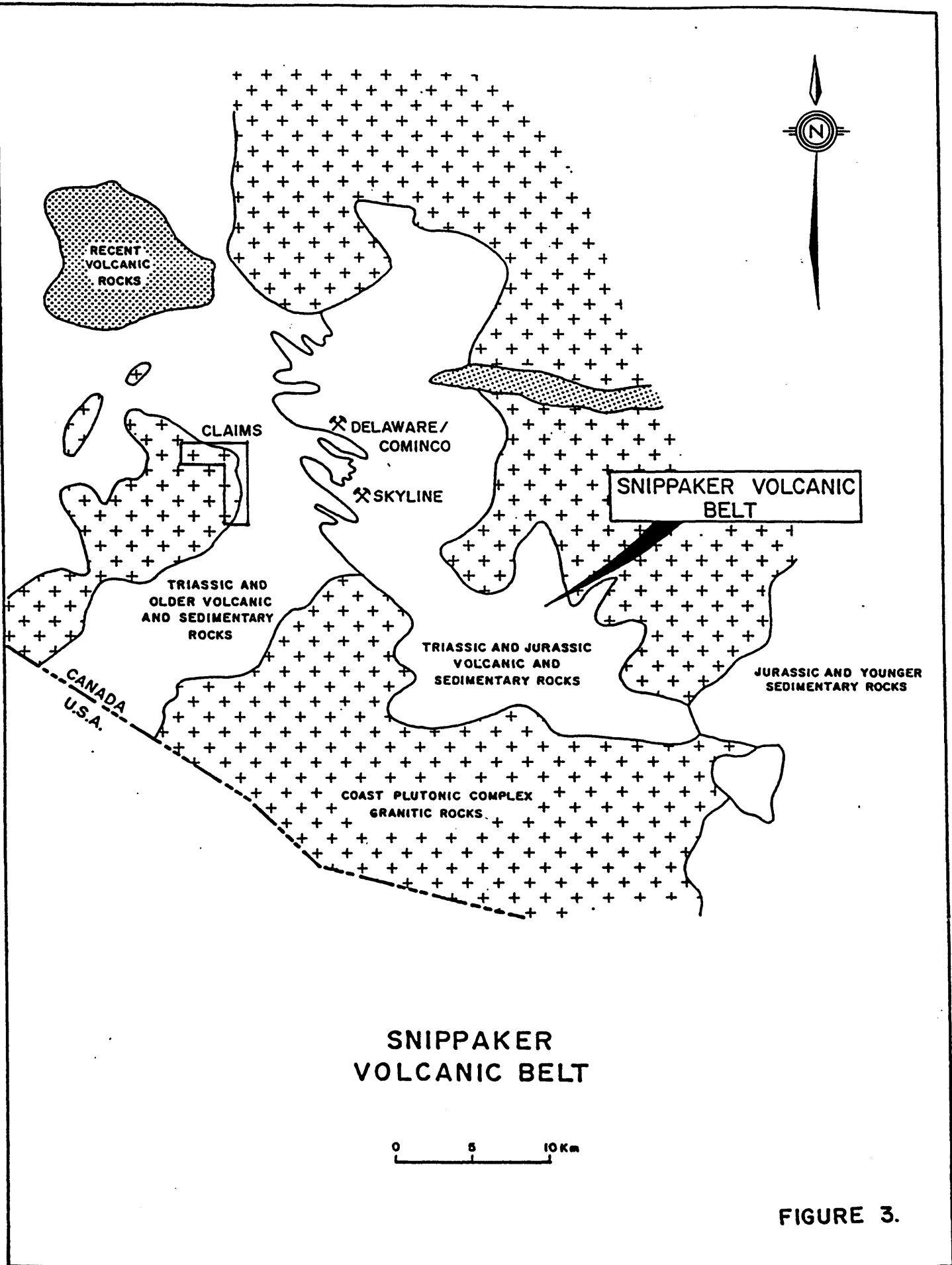
The Upper Triassic to Lower Jurassic section is comprised of miogeosynclinal volcanics and sediments which have been correlated with the Unuk River Formation of the Hazelton Group. Locally referred to as the "Snippaker Volcanics" (see Figure 3), these range compositionally from andesite to dacite and rhyolite. Breccias and tuff breccias are common and siliceous pyroclastic rocks are locally abundant.

The Middle Jurassic Betty Creek Formation comprises rhyolite breccia, volcanoclastics, conglomerate, carbonate chert, and volcanics which unconformably overlie the Unuk River Formation.

The Stewart Complex has been invaded by granitic rocks of the



CLAIM LOCATION
 104 B/II 1:50,000
 FIGURE 2.



Coast Plutonic Complex. Granodiorite is the predominant rock type of the major intrusions, although a large variety of rock types occur as smaller satellite diapiric stocks as well as dykes and sills.

Small Quaternary volcanic piles and flows are scattered throughout the Stewart Complex, the most prominent in the area being Hoodoo Mountain, a volcanic cone which has been built up over a period of time which continued nearly to the present.

LOCAL GEOLOGY

The predominant rock type is granodiorite which underlies approximately 80% of the claims and is mainly in contact with mafic volcanic flows. Minor limestone occurs in the extreme southeast.

The granodiorite is equigranular, medium-grained and is relatively unaltered except for localized concentrations of chlorite and occasional areas containing iron-rich quartz veins.

The volcanics consist of mainly andesite flows with minor amounts of mafic tuffs. These are often highly iron-stained at or near the intrusive contact, but returned only negative geochemistry.

The carbonates consist of limestone and argillaceous limestone which interfinger with the volcanics in the southeast corner. Kerr (1929) describes a mineral locality in the extreme southeast which consists of coarsely crystalline galena and chalcopyrite within the limestone. This showing was not located.

GEOCHEMISTRY

A total of 143 soil samples, 48 silt samples, 45 rock samples, and 9 heavy mineral samples were collected and analyzed for Au and Ag.

The sampling technique involved filling a 4"x6" kraft bag with B-horizon soils or fine silt from the active portion of the stream. Heavy mineral samples were obtained by screening the silt to a -10 mesh fraction (2mm x down) and panning this fraction in the field to obtain a concentrate of heavy minerals. Representative samples of all lithologies, as well as any vein material, alteration products and/or sulphide mineralization were routinely sent for analysis to Bondar-Clegg and Company Ltd., North Vancouver, B.C., or to Terramin Research Labs, Calgary, Alberta. Soil and silt samples were screened to obtain the -80 mesh fraction, while heavy mineral and rock samples were crushed to

-150 mesh. The elements Cu, Pb, Zn and Ag were analyzed using atomic absorption methods after a HNO₃ - HCl hot extraction, while Au was analyzed by conventional fire assay AA.

A number of areas have returned values which are anomalous with respect to gold but, in general, the silver values are very low.

The best values on the claims occur within silts taken from the major drainage bisecting the ROB 5 claim in the northwestern part of the claim group. Several values up to 728 ppb Au occur, beginning 500 meters upstream from the granite/volcanic contact. No apparent causes for the anomalies were observed, although quartz + pyrite veining (with negative values) does occur within the granodiorite on the ridge northwest of the creek. As well, the volcanics exhibit iron-staining at or near the intrusive contact, all of which suggests an increase in quartz + pyrite content in this area.

The easterly flowing creek draining the large icefield on the ROB 1 claim also has several gold anomalies up to 574 ppb. Although no quartz veins have been reported in this area, it is proximal to the contact with the intrusive and volcanic/limestone package and may represent a scenario similar to the above.

The only mineralization of consequence was found within a quartz boulder on top of the northwesternmost ridge on ROB 5. The boulder contained 65% massive and euhedral quartz with 35% euhedral and granular galena and minor malachite and azurite. A sample from this boulder returned values of 352 ppb gold and 537.3 oz/ ton silver. Several man-days were utilized searching for the source of the boulder with negative results.

CONCLUSIONS AND RECOMMENDATIONS

Initial reconnaissance has indicated a number of areas with elevated gold values which deserve some limited follow-up in the form of detailed prospecting and sampling.

While the results are encouraging, they can hardly be described as conclusive in determining the potential of the ROB claims and merely indicate areas for more detailed evaluation. To this end, it is recommended that option payments be deferred until such time that detailed analyses of the anomalous areas are completed.

BIBLIOGRAPHY

- Cathro, R.J. (1983), Summary Report on Mineral Occurrences and Geology of the Iskut Property, Apex Energy Corp. (private company report).
- Geological Survey of Canada (1956), Map No. 9-1957: Operation Stikine.
- Grove, E.W. (1986), Geology and Mineral Deposits of the Unuk River - Salmon River - Anyox Area.
- Kerr, F.A. (1929), Map 311-A, Stikine River Area, Cassiar District.
- Montgomery, J.H. (1987), Report on the Rob 1, 2, 3 & 5 Mineral Claims, Liard Mining Division, British Columbia.

STATEMENT OF EXPENDITURES

1. PREFIELD EXPENSES

(Crew assembly, prepare maps, program planning, order maps, equipment) - share:

Project Supervisor	0.5 days @ \$375	\$ 187.50	
Project Geologist	1.5 " @ \$325	<u>487.50</u>	\$ 675.00

2. TRANSPORTATION

Mobilization-Demobilization (airfare, hotel & misc. expenses)	1,446.98	
Northern Mountain Helicopters, 4.6 hrs @ \$580.56	2,670.58	
Central Mountain Air	566.04	
Share of Airstrip Construction	<u>5,000.00</u>	9,683.60

3. SALARIES AND CAMP SUPPORT

Project Supervisor	2.05 days @ \$375	768.75	
Project Geologist	4.48 " @ 325	1,456.00	
Prospectors	11.06 " @ 250	2,765.00	
Samplers	13.93 " @ 175	2,437.75	
Camp Support	29.23 " @ 85	<u>2,484.55</u>	9,912.05

4. ASSAYS & ANALYSES

Bondar Clegg	157.23	
Terramin Research Labs.	<u>2,097.46</u>	2,254.69

5. MISCELLANEOUS

(Disposable supplies, xerox, expediting, radio rental, courier, freight, etc.)

1,469.63

6. POST-FIELD EXPENDITURES

Project Geologist	3.95 days @ \$325	1,283.75	
Drafting	16.5 hrs @ \$24.20/hr	399.30	
Printing Maps		98.83	
Copying & Binding Reports		94.50	
Computer/Secretarial	3.5 hrs @ \$20	<u>70.00</u>	1,946.38

T O T A L \$ 25,941.35
=====

STATEMENT OF QUALIFICATIONS

I, Michael J. BURSON, of 7357 Celista Drive, Vancouver, British Columbia, do hereby certify that:

1. I am a Consulting Geologist with the firm of Taiga Consultants Ltd., with offices at #800 - 900 West Hastings Street, Vancouver, B.C. V6C 1E5.
2. I have attained a B.Sc. (Hons.) from the Faculty of Earth Sciences, University of Waterloo, in 1975.
3. I have practiced my profession continuously since graduation.
4. I am a Fellow of the Geological Association of Canada (F-5220).
5. I have done, or caused to be done, the work described within this report.
6. I have not received nor do I expect to receive any interest in the property described herein, nor in the securities of Dundee Resources Corp. in respect of services rendered.

Dated at Vancouver, British Columbia, this 31st day of October, 1987.



M. J. Burson, B.Sc., F.G.A.C.

CERTIFICATE

I, Lawrence John Nagy, of 3020 Abbott St., in the City of Kelowna in the Province of British Columbia, do hereby certify that:

1. I am a Consulting Geologist with the firm of L.J. Nagy and Associates Inc., with offices at 201 - 1433 St. Paul Street, Kelowna, British Columbia.
2. I am a graduate of the Faculty of Arts and Science, University of Saskatchewan, B.A. Geol.Sci. (1969).
3. I have practiced my profession worldwide, continuously since graduation, including 14 years as a Senior Project Geologist with Cominco Ltd.
4. I am a Fellow in good standing in the Geological Association of Canada.
5. I have done, or caused to be done, the work described within this report.
6. Other sources of information supplied in this report include data from published material, including assessment files, and from my own experience gained from involvement in several major exploration programs conducted in the Iskut - Stikine River areas, beginning in 1965-66.
7. I have not received, nor do I expect to receive, any interest (direct, indirect, or contingent) in the properties described herein, nor in the securities of Dundee Resources Corp. in respect of services rendered in the preparation of this report.

DATED at Vancouver, British Columbia, this 31st day of October, A.D. 1986.


L.J. Nagy, B.A. Geol. Sci., F.G.A.C.

PERMIT TO PRACTICE TAIGA CONSULTANTS LTD.
Signature <u>Richard K. [unclear]</u>
Date <u>Nov 13, 1987</u>
PERMIT NUMBER: P 2399
The Association of Professional Engineers, Geologists and Geophysicists of Alberta

APPENDIX I

G E O C H E M I C A L R E S U L T S



REPORT: 127-4232

PROJECT: KBC-7

PAGE 1

SAMPLE NUMBER	ELEMENT UNITS	Cu PPM	Pb PPM	Zn PPM	Ag PPM	Au PPB	
S1 DRC-0005-HM ✓		16	2	25	<0.1	70	HEAVY MINERAL
S1 DRC-0001-HM		28	3	63	<0.1	15	
S1 DRC-0002-HM		26	5	56	<0.1	<5	
S1 DRC-0003-HM		26	11	57	0.1	<5	
S1 DRC-0004-HM		20	5	17	0.1	150	
S1 DRC-0005-S ✓		16	2	31	<0.1	10	SILT
T1 DRC-0001-S		31	5	84	<0.1	<5	
T1 DRC-0002-S		32	9	95	<0.1	<5	
T1 DRC-0003-S		26	10	80	<0.1	<5	
T1 DRC-0004-S		26	5	21	<0.1	280	

Rock		Hu ppb	Hg ppm	Hg α/ton
	DR 4151	22	0.08	
	4152	2	3.10	
	4153	6	0.07	
	4154	2	0.05	
	4155	2	0.05	
	4156	4	0.06	
	4157	6	0.02	
	4158	8	0.07	
	4159	12	0.27	
	4160	2	0.12	
	4161	4	0.06	
	4162	8	1.78	
	4163	2	0.26	
	4164	4	0.34	
	4165	6	0.41	
	4166	24	11.7	
	4167	352	18400	537.3

TERRAMIN RESEARCH LABS LTD.

Job #: 87-304

Block

Sample Number	Au ppb	Ag ppm
DR 4138	2	0.02
4139	2	0.02
4140	2	0.01
4141	2	0.07
4142	4	0.20
4143	8	0.33
4144	6	0.18
4145	6	0.04
4146	2	0.09
4147	8	1.08
4148	2	0.04
4149	2	0.01
4150	4	0.15

TERRAMIN RESEARCH LABS LTD.

J: #: 87-305

Sample Number	Au ppb	Ag ppm
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Soil

DR 346	2	0.06
347	2	0.13
348	2	0.11
349	6	0.06
350	2	0.11
351	6	0.15
352	2	0.06
353	8	0.09
354	18	0.05
355	2	0.08
356	2	0.08
357	4	0.07
358	2	0.05
359	2	0.10

TERRAMIN RESEARCH LABS LTD.

Job #: 87-305

	Sample Number	Au ppb	Ag ppm
Soil	DR 360	2	0.03
	361	4	0.09
	362	6	0.21
	363	4	0.34
	364	8	0.08
	365	22	0.19
	366	4	0.15
	367	2	0.23
	368	2	0.37
	369	2	0.20
	370	2	0.18
	371	4	0.24
	372	4	0.22
	373	2	0.18
	374	2	0.13
	375	4	0.31
	376	6	0.21
	377	4	0.22
	378	10	0.18
	379	4	0.25
380	4	0.26	
381	2	0.21	
3499	6	1.21	
3500	10	0.35	

TERRAMIN RESEARCH LABS LTD.

Job #: 87-305

Sample Number	Au ppb	Ag ppm
<i>SILT</i> DR 382	6	0.20
383	2	0.16
2480	2	0.11
2481	88	0.11
2482	2	0.13
2483	2	0.15
2484	18	0.22
2485	2	0.18
2486	12	0.10
2487	2	0.10
2488	4	0.07
2489	6	0.09
2490	2	0.09
2491	18	0.10
2492	2	0.11
2493	2	0.08
2494	4	0.12
2495	116	0.09
2496	232	0.14
2497	4	0.13
2498	20	0.09
2499	728	0.17
2500	2	0.11
2501	4	0.13
2502	272	0.16
2503	6	0.22
2504	4	0.09
2505	94	0.14
2506	2	0.08
2507	2	0.17
2508	18	0.12
2509	4	0.07
2510	422	0.20
2511	588	0.12
2512	16	0.08
2513	226	0.13
2514	12	0.21
2515	40	0.08

TERRAMIN RESEARCH LABS LTD.

J#: 87-305

SILT

Sample Number	Au ppb	Ag ppm
DR 2516	2	0.06
2517	34	0.08
2518	4	0.23
2519	56	0.20
2520	44	0.05
3472	88	0.10
3473	14	0.07
3474	4	0.06
3475	4	0.07
3476	52	0.08
3477	16	0.07
3478	18	0.06
3479	22	0.08
3480	28	0.14
3481	4	0.05
3482	76	0.10
3483	10	0.10
3484	144	0.14
3485	28	0.09
3486	12	0.07
3487	32	0.10
3488	54	0.10
3489	574	0.26
3490	8	0.10
3491	14	0.14
3492	12	0.13
3493	18	0.13
3494	26	0.12
3495	44	0.11
3496	6	0.10
3497	4	0.13
3498	68	0.13
3501	404	0.12
3502	4	0.08

TERRAMIN RESEARCH LABS LTD.

J #: 87-305 Sample Au Ag
 Number ppb ppm

HEAVY MINERAL

(-80)	HM-DR-0384	14	0.25
(-10+80)	"	10	0.12
(-80)	HM-DR-3471	52	0.27
(-10+80)	"	8	0.09

TERRAMIN RESEARCH LABS LTD.

Job#: 87-324-B Sample Au Ag
Number ppb ppm

Soil	DR 0423	8	0.16
	424	4	0.19
	425	4	0.16
	426	16	1.72
	427	8	3.40
	428	8	0.64

TERRAMIN RESEARCH LABS LTD.

Job#: 87-324-B	Sample Number	Au ppb	Ag ppm
<i>Soil</i>	DR 429	2	1.04
	430	2	0.36
	431	2	0.07
	432	2	0.19
	433	2	0.16
	434	2	0.65
	435	2	0.46
	436	2	0.18
	437	6	1.78
	438	16	0.14
	439	2	0.16
	440	2	0.07
	441	8	0.08
	442	2	0.04
	443	2	0.14
	444	2	0.09
	2554	2	0.19
	2555	2	0.06
	2556	2	0.09
	2557	2	0.10
	2558	2	0.05
	2559	2	0.07
	2560	4	0.03
	2561	4	1.29
	2562	8	0.04
	2563	14	0.10
	2564	2	0.23
	2565	2	0.88
	2566	4	0.02
	2567	4	0.98
	2568	2	0.10
	2569	2	0.02
	2570	2	0.02
	2571	2	0.06
	2572	4	0.06
2573	4	0.14	
2574	6	0.05	
2575	4	0.02	
2576	4	0.02	
2577	2	0.02	

TERRAMIN RESEARCH LABS LTD.

Job#:87-324-B	Sample Number	Au ppb	Ag ppm
<i>Soil</i>	DR 2578	4	0.04
	3504	2	0.36
	3505	4	0.05
	3506	2	0.06
	3507	2	0.31
	3508	10	3.10
	3509	2	0.17
	3510	2	0.04
	3511	4	0.10
	3512	2	0.15
	3513	4	0.04
	3514	4	0.06
	3515	2	0.05
	3516	2	0.09
	3517	2	0.11
	3518	2	0.24
	3519	4	0.29
	3520	2	0.85
	3521	2	0.70
	3522	4	0.63
	3523	2	0.64
	3524	2	0.09
	3525	2	0.55
	3526	4	0.14
	3527	2	0.07
	3528	4	0.62
	3529	4	0.36
	3530	6	0.30
	3531	14	0.11
	3532	8	0.02
	3533	12	0.16
	3534	24	0.07
	3535	4	0.04
	3536	8	0.04
	3537	4	0.02
	3538	4	0.02
	3539	2	0.21
	3540	4	0.04
	3541	2	0.03
	3542	6	0.07

TERRAMIN RESEARCH LABS LTD.

Job#: 87-324-B	Sample Number	Au ppb	Ag ppm
<i>Soil</i>	DR 3543	2	0.08
	3544	2	0.04
	3545	2	0.07
	3546	2	0.07
	3547	2	0.14
	3548	2	0.10
	3549	2	0.14
	3550	4	0.23
	3551	2	0.83
	3553	4	0.04
	3554	2	0.38
	3555	2	0.14
	3556	2	0.12
	3557	2	0.16
	3558	6	0.22
	3559	6	0.18
	3560	4	0.17
	3561	2	0.28
	3562	2	0.44

APPENDIX II

ROCK DESCRIPTIONS

ROCK SAMPLE DESCRIPTIONS:

DUNDEE RESOURCES CORP.

SAMPLE #	NORTHING/EASTING	DESCRIPTION	COMMENT
DR-4138-R	78.75 66.05	Granodiorite; medium grained, contains quartz, plagioclase, K-spar, hornblende, magnetite, slightly magnetic; "salt & pepper" texture; no visible sulphides.	Slightly chloritized, saussuritized in parts.
DR-4139-R	79.38 65.90	Granodiorite, as above; with moderate to heavy Fe-staining throughout rock, no visible sulphides.	
DR-4140-R	79.50 65.84	Granodiorite, as 4138; slightly chloritized, epidotized, slightly magnetic, no visible sulphides.	
DR-4141-R	79.49 65.82	Granodiorite, highly altered to fine grained, heavily Fe-stained, very well fractured rock; also medium blue staining, reddish and yellowish staining; no visible sulphides.	Fault scarp.
DR-4142-R	79.49 65.82	Granodiorite, highly altered to dark green (chloritized), finer grained, well fractured rock; no visible sulphides.	Fault scarp.
DR-4143-R	80.13 65.96	Granodiorite, fine grained, dark blue-grey fresh surface, some large anhedral quartz crystals (ave. = 3 mm), slightly magnetic; no visible sulphides.	Chill margin (up to 25 m wide contact aureole).
DR-4144-R	80.17 65.99	Volcanic tuff, fine grained, dark blue fresh surface, light green weathered surface, highly gossan-stained for most part, non-magnetic, very fine-grained pyrite present.	
DR-4145-R	76.76 66.25	Granodiorite, medium-grained, (as 4138); slightly chlorite-altered in parts; no visible sulphides.	
DR-4146-R	76.19 67.29	Limestone, fine grained, well-bedded - shown by blue, beige-greenish layers; some euhedral crystals - glimmer like arsenopyrite; no visible sulphides.	

ROCK SAMPLE DESCRIPTIONS:

DUNDEE RESOURCES CORP.

<u>SAMPLE #</u>	<u>NORTHING/EASTING</u>	<u>DESCRIPTION</u>	<u>COMMENT</u>
DR-4147-R	76.18 67.37	<i>Volcanic flow, fine grained, intermediate composition, dark blue fresh surface, highly gossan-stained, well fractured throughout, slightly calcareous in parts, blue and yellowish staining; also, up to 5% pyrite.</i>	
DR-4148-R	76.15 67.44	<i>Diorite, medium grained; contains quartz, amphibole, plagioclase, biotite; blue-grey fresh surface, gossan-stained weathered surface; small, well-fractured outcrop, very minor pyrite.</i>	
DR-4149-R	79.90 64.05	<i>Granodiorite, as 4138; no visible sulphides.</i>	
DR-4150-R	80.72 64.99	<i>Volcanic flow, fine grained, intermediate composition, greenish-blue fresh surface, part of outcrop highly gossan-stained, minor pyrite.</i>	
DR-4151-R	78.02 65.35	<i>Granodiorite, medium grained, slightly saussuritized in part, no visible sulphides, slightly magnetic.</i>	
DR-4152-R	77.88 65.54	<i>Granodiorite, as above; with heavy Fe-staining throughout, no visible sulphides.</i>	
DR-4153-R	77.87 65.55	<i>Granodiorite, medium grained, with 2" dyke of fine grained, very quartz-rich intrusive cutting it; no visible sulphides.</i>	
DR-4154-R	77.62 66.09	<i>Granodiorite, heavily Fe-altered as well as possibly silicified in part - 3' wide zone on 100° trend; no visible sulphides (not traceable for more than 5 m).</i>	
DR-4155-R	75.82 66.34	<i>Granodiorite, medium grained, no visible sulphides, slightly magnetic.</i>	

ROCK SAMPLE DESCRIPTIONS:

DUNDEE RESOURCES CORP.

SAMPLE #	NORTHING/EASTING	DESCRIPTION	COMMENT
DR-4156-R	78.60 65.58	Granodiorite, medium grained, feldspars slightly altered to clay minerals - orangy to pinkish colour, rock softer as a result, non-magnetic, no visible sulphides.	
DR-4157-R	78.69 65.79	Granodiorite, medium grained, slightly saussuritized, in contact with 1/2" wide zone of mylonitized material (very fine grained) on face of shear at 360; no visible sulphides.	
DR-4158-R	78.85 66.68	Volcanic flow, intermediate composition, fine grained, dark blue-grey, quartz is coarser grained proximal to the intrusive contact, no visible sulphides.	At granodiorite contact.
DR-4159-R	78.85 66.72	Volcanic flow, intermediate composition, fine grained, dark blue-grey, purplish sheen on some surfaces, non-magnetic, slightly gossan-stained, no visible sulphides.	
DR-4160-R	78.85 66.72	Fine to medium-grained (and slightly more felsic) version of granodiorite; in small dykes (up to 2' wide) cutting volcanic flow, (also found in 2 m "aureole" at contact between granodiorite pluton and volcanic flow); lack of euhedral hornblende, approx. 45% quartz, non-magnetic, no visible sulphides.	
DR-4161-R	80.50 63.10	Granodiorite, medium grained, most hornblende altered to chlorite, chlorite/quartz veins (= 1 cm wide) cutting rock, more greenish fresh surface than unaltered granodiorite, no visible sulphides.	
DR-4162-R	80.63 63.14	Granodiorite, medium grained, chlorite-altered fresh surfaces, much goethite present, well-fractured, non-magnetic, no visible sulphides.	Minor quartz veining (1 cm wide veins).
DR-4163-R	80.66 63.11	Granodiorite, heavily gossan-stained (same as 4162).	

ROCK SAMPLE DESCRIPTIONS:

DUNDEE RESOURCES CORP.

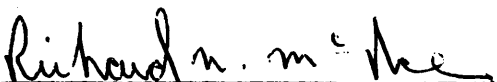
<u>SAMPLE #</u>	<u>NORTHING/EASTING</u>	<u>DESCRIPTION</u>	<u>COMMENT</u>
DR-4164-R	80.91 63.36	<i>Granodiorite, medium grained, heavily chloritized as well as silicified, also gossan-stained in parts; slightly magnetic on non-gossan-stained areas; no visible sulphides.</i>	
DR-4165-R	80.90 63.36	<i>Quartz from veining cutting volcanic flow, coarse grained, some fine-grained epidote, slight Fe-staining, no visible sulphides.</i>	<i>Quartz vein 10 cm wide.</i>
DR-4166-R	81.01 63.51	<i>Volcanic flow, fine grained, intermediate composition, dark blue-grey fresh surface; quartz is more visible (coarser grained) than volcanics further from contact, slightly magnetic, no visible sulphides.</i>	
DR-4167-R	80.23 63.02	<i>QUARTZ BOULDER (approx. 1' round), contains approx. 50% massive and euhedral quartz, 35% euhedral and granular galena, accessories include malachite, azurite, goethite, limonite.</i>	<i>BOULDER - found on top of northwestern-most ridge of Dundee property. (Location very approximate)</i>

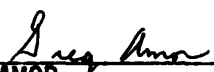
CERTIFICATES

Dated: May 9th 1988.

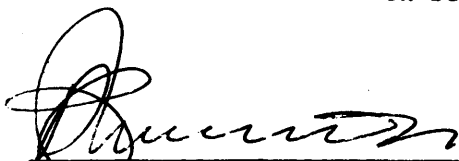
The Corporation

The foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part 7 of the Securities Act (British Columbia) and the respective regulations thereunder.


RICHARD N. McRAE
CHIEF EXECUTIVE OFFICER/PROMOTER/
DIRECTOR


GREG AMOR
CHIEF FINANCIAL OFFICER/DIRECTOR

On behalf of the Board of Directors


ROBERT SWENARCHUK - DIRECTOR

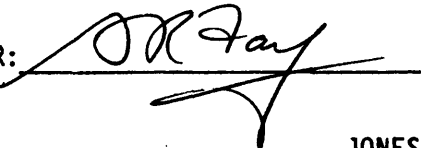

GLEN McRAE - DIRECTOR

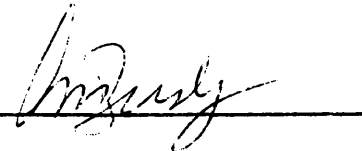
The Agents

To the best of our knowledge 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 Part 7 of the Securities Act (British Columbia) and the regulations thereunder.

CONTINENTAL CARLISLE DOUGLAS

DAVIDSON PARTNERS LIMITED

PER: 

PER: 

JONES GABLE & CO.

PER: 