

DL/LD

**SUPERINTENDENT OF BROKERS 019022
AND
VANCOUVER STOCK EXCHANGE
(Development Company)**

Virginia Lake
104 B/7,10
~~104 B/7,10~~
NEW

**STATEMENT OF MATERIAL FACTS #38/89
EFFECTIVE DATE: JULY 26, 1989.**

CONSOLIDATED REGAL RESOURCES LTD.

11th Floor, 808 West Hastings Street, Vancouver, B.C., V6C 2X6. Telephone: (604) 687-7463
NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

#100 - 200 Granville Street, Vancouver, B.C., V6C 1S4
ADDRESS OF REGISTERED AND RECORDS OFFICES OF ISSUER

Central Guaranty Trust Company, 800 West Pender Street, Vancouver, B.C., V6C 2V7
NAME AND ADDRESS OF REGISTRAR & TRANSFER AGENT FOR ISSUER'S SECURITIES IN BRITISH COLUMBIA

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

OFFERING: 1,000,000 UNITS

Each Unit consists of One Common Share and Two Series "A" Warrants, two such Warrants entitling the holder thereof who exercises such warrants to purchase one additional common share of the Issuer at any time up to the close of business within one year following the Offering Day at a price to be determined in accordance with the rules of the Vancouver Stock Exchange.

	Offering Price (estimated)*	Commission	Estimated Net Pro- ceeds to be Received by the Issuer
Per Unit	\$0.40	\$0.03	\$0.37
Total	\$400,000	\$30,000	\$370,000

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

ADDITIONAL OFFERING

The Agent has agreed to purchase (the "Guarantee") any of the Units offered hereby which have not been sold at the conclusion of the Offering (see "Consideration to Agent"). Any Units acquired by the Agent under the 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.

AGENT

**Canarim Investment Corporation Ltd.
#2200, 609 Granville Street
Vancouver, B.C.
V7Y 1H2**

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.

Sep. 19/89

1. PLAN OF DISTRIBUTION

A. THE OFFERING

By Agreement dated for reference April 28, 1989, as amended by Amending Agreement dated May 25, 1989 (the "Agency Agreement"), Consolidated Regal Resources Ltd. (the "Issuer") appointed Canarim Investment Corporation Ltd. as its agent (the "Agent") to offer through the facilities of the Vancouver Stock Exchange (the "Exchange") 1,000,000 Units of the Issuer at a fixed price (the "Offering").

The Offering will take place on the "Offering Day" which will be not more than one hundred and eighty (180) calendar days after the date this Statement of Material Facts is accepted for filing by the Exchange and the Superintendent of Brokers (the "Effective Date").

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"), subject to the agreement of the Issuer and the Agent. 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 Agent reserves 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 Agent under the Agency Agreement may be terminated prior to opening of the market on the Offering Day at its discretion on the basis of its assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events.

The Issuer has agreed to notify the Agent 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 Agent shall have the right of first refusal to provide such financing.

Except as set out in this Statement of Material Facts, there are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or other person or company in connection with the Offering. The directors, officers and other insiders of the Issuer may purchase Units from the Offering. The Agent does not own nor has any shares of the Issuer under its control.

**REPORT ON
VIRGINIA LAKE PROPERTY
ISKUT RIVER AREA, BRITISH COLUMBIA**

NTS 104B/7.10

**FOR
CONSOLIDATED REGAL RESOURCES LTD.**

**J. Chapman, F.G.A.C.
J.L. LeBel, P.Eng.
June 25, 1989**

OREQUEST



SUMMARY

The Virginia Lake property, under option to Consolidated Regal Resources Ltd., consists of 4 claims (61 units) and is located in the Iskut River area of northwestern British Columbia.

The Iskut River area is undergoing very active exploration and development at the present time and is the site of several recent new gold discoveries.

The Virginia Lake property occurs in the area bounded by the Johnny Mountain Mine and the Snip Deposit on the west, the Calpine Resources property on the north, the Sulphurets area on the east and the Magna Ventures, Doc property on the south. This area also incorporates the Inel Resources and the Gulf International Resources properties and the E & L Cu-Ni deposit.

Several samples collected during a regional silt sampling program returned anomalous gold values on the property up to 343 ppb. In addition regional mapping and a property visit in June 1989 indicated favourable geologic and structural features within the claims area. These include an apparent fault zone through the anomalous drainage flanked by sheared quartz sericite schists of the Unuk River Formation. Sulphides, predominantly pyrite and pyrrhotite with minor tetrahedrite? occurred in concentrations of up to 5% in highly altered volcanics.

Because of its strategic location the property warrants a thorough exploration program. A phased program of airborne geophysics and detailed mapping, prospecting and sampling followed by drilling as warranted is recommended. The ultimate cost of the program is estimated at \$400,000.

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J. Chapman, F.G.A.C.	
J.L. LeBel, P.Eng.	
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INTRODUCTION

This report, prepared on behalf of Consolidated Regal Resources Ltd., presents a geological evaluation of the 4 claim (61 units) Virginia Lake property and makes recommendations as to further work warranted on the property.

The Virginia Lake property is located in northwestern British Columbia in the Iskut River area. The Iskut Area has seen renewed exploration activity in the last few years and is the site of several recent gold discoveries.

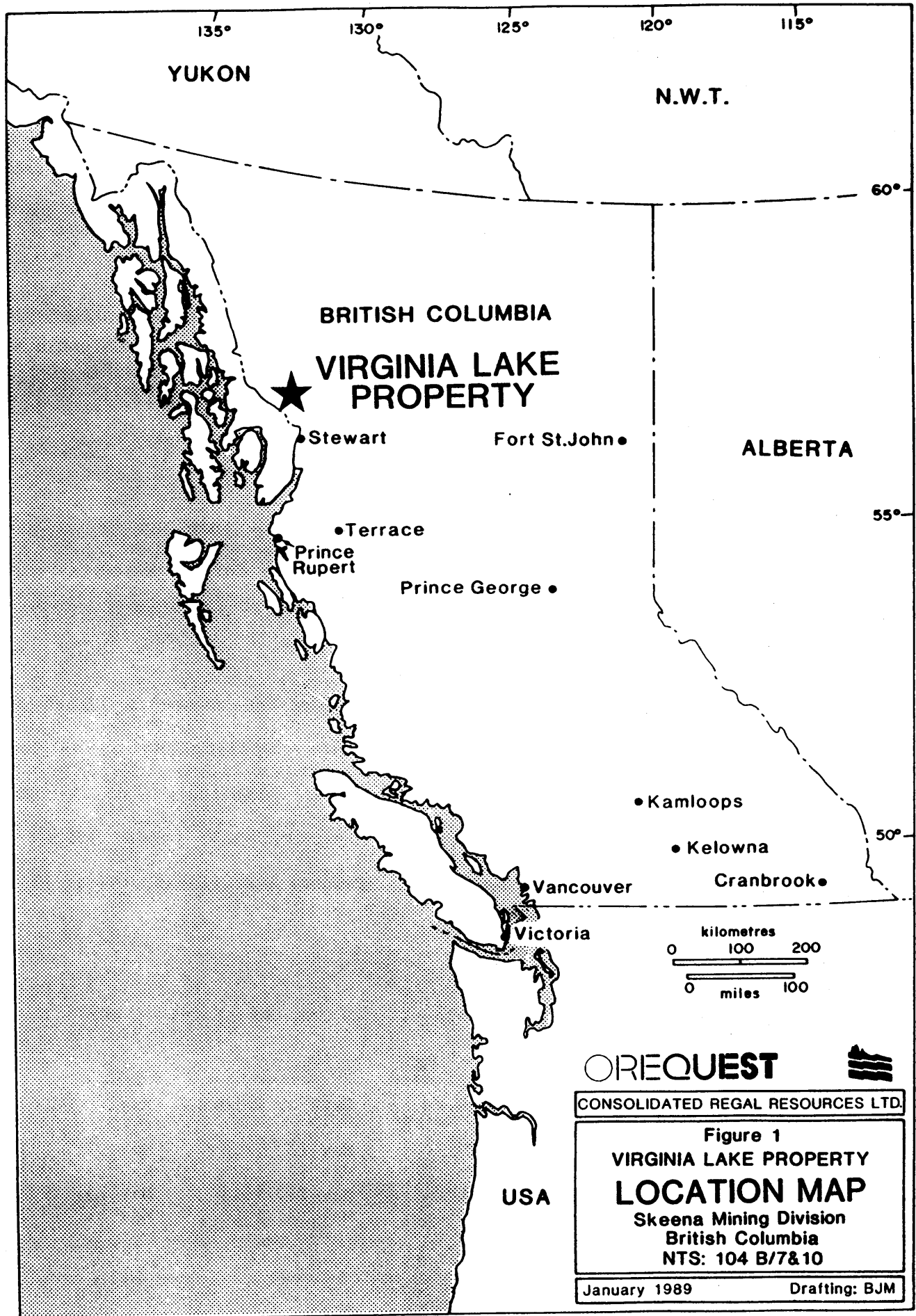
The property is located roughly midway between the Snip and Johnny Mountain deposits and the Sulphurets area and midway between the Calpine Resources property and the Magna Ventures, Doc property.

The information contained herein comes from the documents listed in the appended references and a property examination supplemented by an intimate familiarity with the Iskut area gained by OreQuest Consultants Ltd. through work conducted on behalf of various companies. (Dewonck, 1988; LeBel, 1987 & 1988; Dewonck & Barnes, 1988; Dewonck & Raven, 1988; Dewonck & McCrossan, 1988a, 1988b).

CLAIM STATUS

The Virginia Lake property consists of 4 claims the status of which is listed below:

Claim Name	No. of Units	Record No.	Date of Record	Expiry Date
JOJOM	15	6673	May 13, 1988	May 13, 1993
CARL J	20	6674	May 13, 1988	May 13, 1993
PATSY ANNE	6	6676	May 13, 1988	May 13, 1993
DWAYNE 1	20	6677	May 13, 1988	May 13, 1993



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Figure 1
VIRGINIA LAKE PROPERTY
LOCATION MAP
 Skeena Mining Division
 British Columbia
 NTS: 104 B/7&10

January 1989 Drafting: BJM

The claims are located on claim maps NTS 104B/7E and 104B/10E in the Skeena Mining Division and are centered at approximately 56° 31'N latitude and 130° 31'W longitude.

The claims are currently registered to Terry Heinrichs, Box 311, Stewart, B.C., VOT 1W0, and are in good standing with the minerals title office. No claim posts were found during the property visit as they are located in heavy forest cover.

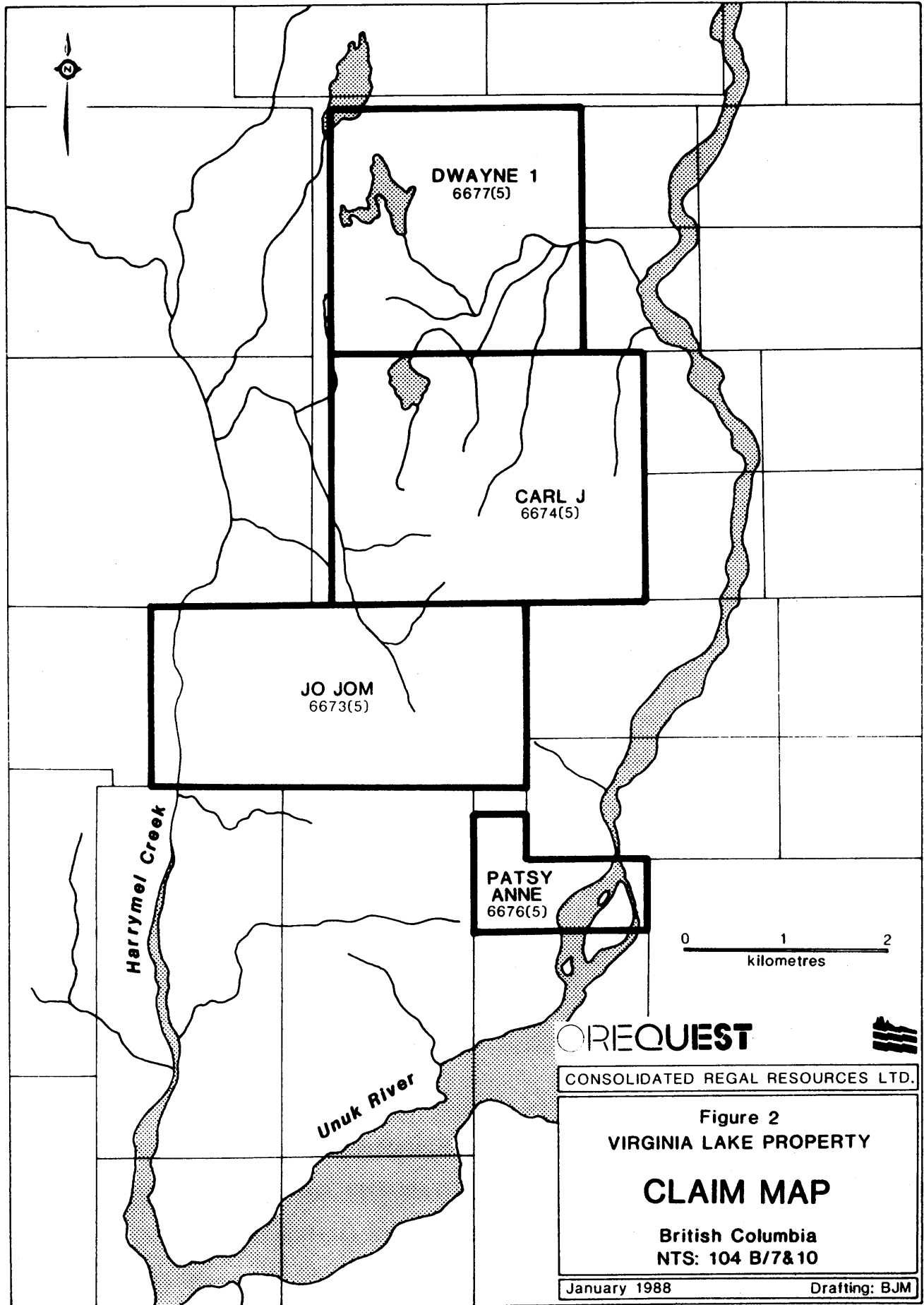
The Patsy Anne claim is not contiguous with the rest of the claims and must be considered as a separate entity for assessment work and other claims maintenance procedures.

LOCATION AND ACCESS

The Virginia Lake property is located in the Iskut River area about 80 km northwest of Stewart in northwestern British Columbia. It is situated on NTS maps 104B/7E and 104B/10E centered at about 56° 31'N latitude and 130° 31'W longitude. The claims incorporate an area between the Iskut River and Harrymel Creek.

Access to the claims is via helicopter. There are airstrips located at the Johnny Mountain Mine and on Bronson Creek at the Snip deposit 37 km to the northwest. The Snippaker Creek airstrip is located approximately 15 km to the northwest.

Frequent scheduled and charter flights from Smithers, 330 km to the southeast, to the Bronson Creek strip service the exploration and mining activity in the area. The Johnny Mountain airstrip is serviced regularly from Terrace. The condition of the Snippaker Creek airstrip to handle fixed wing aircraft is unknown.



PHYSIOGRAPHY AND VEGETATION

The property spans a moderate to steep-sided, north/south ridge which separates the Iskut River and Harrymel Creek.

Elevations vary from 300 m to 1000 m above sea level. Valley slopes are vegetated by slide alder, devils club, willows and mature conifers. At upper elevations vegetation gives way to stunted spruce and finally subalpine and alpine vegetation above the tree line at around 1200 m. Precipitation in the area is quite heavy and snow usually persists at higher elevations until early July.

REGIONAL GEOLOGY AND MINERALIZATION

The area is underlain by the Stewart Complex (Grove 1971, 1986). The Stewart Complex encompasses some late Paleozoic rocks and Mesozoic rocks confined by the Coast Plutonic Complex to the west, the Bowser Basin to the east, Alice Arm to the south and the Iskut River to the north.

The oldest units in the Stewart Complex are Upper Triassic epiclastic volcanics, marbles, sandstones and siltstones. These, in turn, are overlain by sedimentary and volcanic rocks of the Jurassic Hazelton Group. The Hazelton Group has been subdivided (Grove, 1986); into the Early Jurassic Unuk River Formation, the Middle Jurassic Betty Creek and Salmon River Formations, and the Upper Jurassic Nass Formation.

The Unuk River Formation consists predominantly of volcanic rocks and sediments which include lithic tuffs, pillow lavas with carbonate lenses and some thin bedded siltstones. It forms an angular unconformity with the underlying Late Triassic

Rocks. Betty Creek rocks are characterized by bright red and green volcanoclastic agglomerates with sporadic intercalated andesitic flows, pillow lavas, chert, and some carbonate lenses. They unconformably overlie the Unuk River Formation. The Salmon River Formation is a thick assemblage of intensely folded colour banded siltstones and lithic wackes that form a conformable to disconformable contact with the underlying Betty Creek Formation. The Nass Formation of weakly deformed dark coloured argillites unconformably overlies the Salmon River Formation.

These volcanic and sedimentary successions were intruded by the Coast Plutonic Complex during the Cretaceous and Tertiary periods. A wide variety of intrusive phases are present including granodiorite, quartz monzonite, and diorite. Small satellite plugs from the main batholith can be important for localizing mineralization.

Major structural features of the Stewart Complex include the western boundary contact with the Coast Intrusive Complex. The northern boundary is at the Iskut River where extensive deformation has thrust Paleozoic strata south across Middle Jurassic and older units. Younger faulting has also occurred around the Iskut. A line of Quaternary volcanic flows mark the southern limit of the complex and the Meziadin Hinge defines the eastern border.

The Stewart area has been mined actively since the early 1900's and is one of the most prolific mining districts in British Columbia (Grove, 1971).

Grove (1986) classifies the mineralization in the Stewart area into 3 categories: fissure veins and replacement veins, massive sulphide deposits and porphyry deposits.

More recent exploration and development activity has focussed on vein and fissure vein gold mineralization in the northern part of the Stewart Complex in the Iskut River area where several new discoveries have been made, namely; the Skyline, Johnny Mountain Mine, the Delaware/Cominco, Snip deposit, the various deposits under development by Newhawk and its partners in the Sulphurets area, the Magna Ventures, Doc property and recent discoveries by Calpine and Inel.

Mineralization has been known and worked sporadically on Johnny Mountain since 1907. In 1980 Skyline Explorations staked the property. Since 1981 various exploration programs have been conducted for high grade gold and polymetallic massive sulphides including program operated by Placer Development Co. Ltd. In 1986, drilling and underground work on the Stonehouse zone outlined gold, silver and copper mineralization. Present reserves at Johnny Mountain (Skyline, 1988) are as follows:

Category	Grade	Tonnage
Measured	1.246	121,000
Drill Indicated	0.556	236,875
Inferred	0.57	700,000

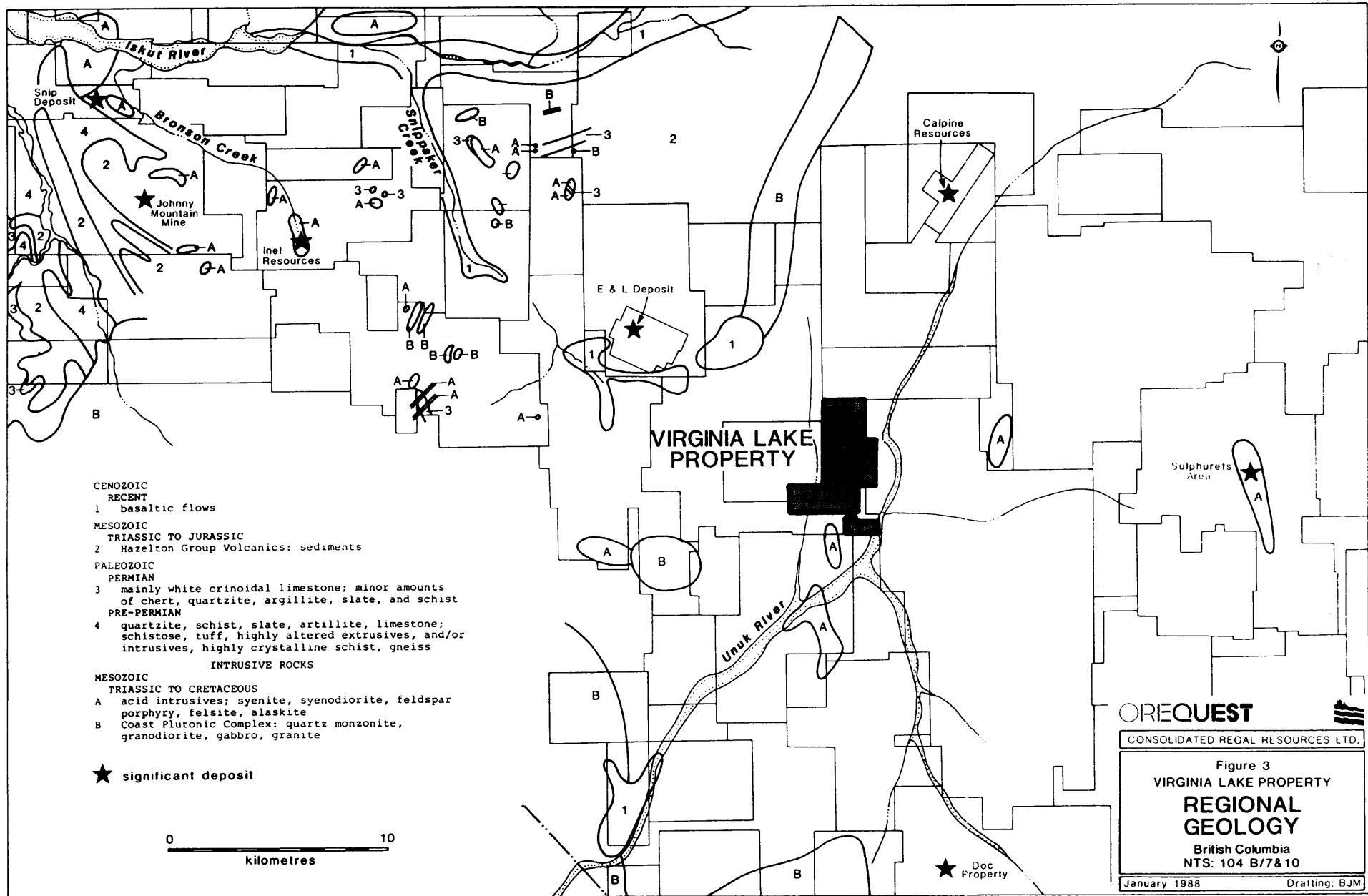
Mineralization on the jointly held ground of Cominco Ltd. and Delaware Resources Corp. was discovered in 1965 but was not developed until recently. Gold occurs in quartz veins in a shear zone. Reserves at the Twin Zone are 1.21 million tons grading 0.70 oz/t gold (Vancouver Stockwatch, 1987).

The Sulphurets Creek area about 30 km east of the Virginia Lake property incorporates a wide variety of gold mineralization. In the Bruce Jack Lake area, the West Zone is reported to contain 1.5 million tons grading 0.506 oz/t gold and 20.17 oz/t silver (Northern Miner, 1988) in a structurally controlled quartz vein stockwork.

The Magna Ventures, Doc deposit located to the south of the Virginia Lake property hosts 470,000 tons grading 0.27 oz/t gold and 1.31 oz/t silver. This property has been recently optioned by Echo Bay Mines.

The most recently discovered gold mineralization occurs on the Calpine Resources, Eskay Creek property (Northern Miner, 1988b). Gold grading up to 0.73 oz/t over 96.5 ft occurs in several distinct lithologies in a 100 m wide fault zone at the contact between volcanics and sediments.

Massive sulphide float originating from the headwaters of Bronson Creek lead to the staking of the Inel property in 1969. Since then Inel Resources Ltd. has driven an exploratory adit below the Main Sulphide Zone on their property. The North, Center, and South underground working have crosscut nine distinct quartz-sulphide gold veins to date. One vein contains 1.46 oz/t gold (over 2.3 feet) and another carries 0.26 oz/t gold (over 7.5 feet). During 1988, underground drilling intersected 0.769 oz/t gold over 13.3 feet (U88-3) and surface drilling on the Ridge Zone, located 250 m east of the Center section working, reported 0.868 oz/t gold over 7.4 feet (S88-12). Previous drill results from 1984 returned gold values up to .940 oz/t over 6.9 feet and silver values as high as 20.22 oz/t over 4.3 feet (Inel, 1988).



CENOZOIC
 RECENT
 1 basaltic flows

MESOZOIC
 TRIASSIC TO JURASSIC
 2 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

MESOZOIC
 TRIASSIC TO CRETACEOUS
 A acid intrusives; syenite, syenodiorite, feldspar porphyry, feldspar, alaskite
 B Coast Plutonic Complex: quartz monzonite, granodiorite, gabbro, granite

★ significant deposit

0 10
 kilometres

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Figure 3
 VIRGINIA LAKE PROPERTY
REGIONAL GEOLOGY
 British Columbia
 NTS: 104 B/7&10

January 1988 Drafting: BJM

The E & L Deposit is also situated in the area just to the west of the property. This deposit was worked in the 1960's and early 1970's by trenching, drilling and 460 m of underground development and has proven reserves of 3.2 million tons of 0.8% nickel and 0.6% copper (MEMPR). Mineralization consisting of disseminated pyrrhotite, chalcopyrite with minor pentlandite, pyrite and bornite occurs in a small stock of altered coarse grained gabbro.

HISTORY AND PREVIOUS WORK

There is no record of exploration work directly on the claims.

Three samples of a 1987 reconnaissance stream sediment program (GSC & MEMPR, 1988) were collected from the claim group. Of these, one sample from a creek draining the JOJOM claim is highly anomalous returning 343 ppb Au. A sample from a creek ultimately draining both the Dwayne 1 and Carl J claims returned 14 ppm Au.

Exploration work in the immediate area of the property has also been limited.

An airborne survey covering about 50 square miles between Unuk River, the South Unuk River and Gracey Creek and Border Lake (Klein & Crosby, 1965) to the south of the property recorded a number of weak electromagnetic conductors with coincident magnetic anomalies. Geological, geochemical and geophysical work was conducted on former properties located to the south and west of the Virginia Lake property (Norman, 1960a & b). The above work was done by Granduc Mines Ltd. and probably focussed on base metal massive sulphides rather than gold.

Work on previous and existing properties to the west and south of the Virginia Lake property summarized by Dewonck (1988) and LeBel (1989) found favourable geological and structural features in the area but no significant gold mineralization.

PROPERTY GEOLOGY AND GEOCHEMISTRY

There is no detailed geological mapping available for the property. The property geology shown on Figure 4 is taken from Grove (1986).

The property is primarily underlain by Unuk River Formation variably coloured volcanic breccia, conglomerate, sandstone and siltstone. Locally the conglomerate may be the predominant lithology. A sliver of limestone occurs along the southern margin of the JOJOM claim.

The Unuk River Formation is in contact with Tahla Group, siltstone, sandstone and conglomerate and volcanically derived equivalents along Harrymel Creek in the southern part of the property on the JOJOM claim. Further to the south this contact is a thrust fault along which deformation may have created structural preparation and traps for gold mineralization. A small intrusion of subconformable Triassic granodiorite in part underlies the southwest corner of the property on the JOJOM claim.

Three sediment samples were collected from streams draining the claims (MEMPR). Of these samples; one from a stream draining the west side of either the Dwayne or Carl J claims returned 1 ppb gold, another sample from a creek with headwaters in the east part of the Dwayne 1 and Carl J claims returned an anomalous 14 ppb Au and

the third sample from a creek with origins most likely in the JOJOM claim returned a highly anomalous result of 343 ppb Au.

CONCLUSIONS

The Virginia Lake property is located in the Iskut area, where exploration and development is proceeding on several recent gold discoveries.

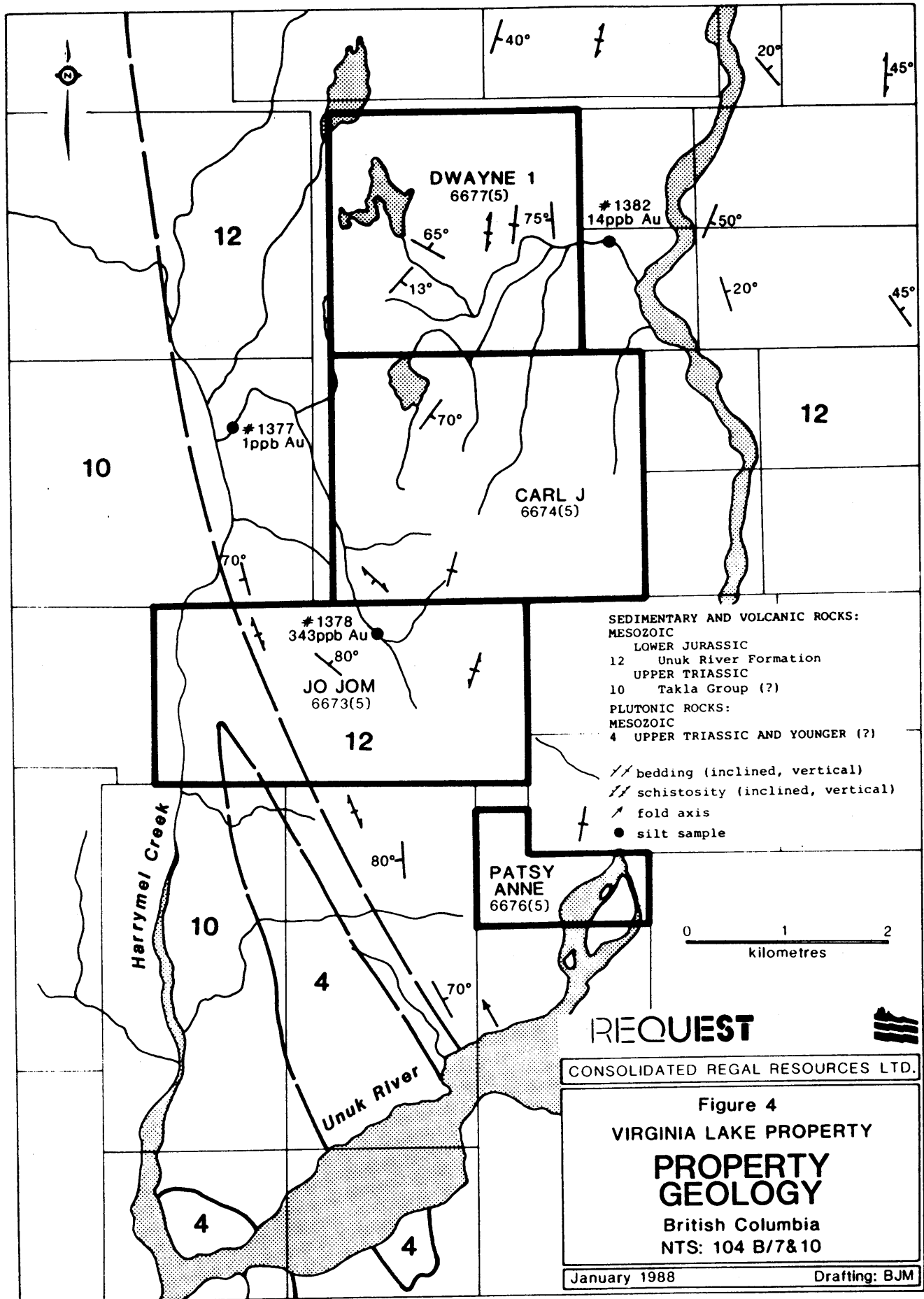
The property is situated 35 km southeast of the Johnny Mountain deposit, 40 km southeast of the Snip deposit, 25 km from the Inel Resources Ltd. property, approximately 20 km west of the Sulphurets area, approximately 20 km northwest of the Doc property and about 12 km south of the Calpine Resources property.

No previous exploration appears to have been conducted on the property. Of three sediment samples collected from streams draining the property one was non-anomalous in gold, one returned weakly anomalous gold and another returned very anomalous gold.

There is no known gold mineralization on the property but the regionally mapped geological and structural features are similar to those which host the known gold mineralization in the Iskut River area.

RECOMMENDATIONS

Because of its strategic location and the absence of previous work, the Virginia Lake property warrants a comprehensive exploration program to look for gold mineralization.



40°

20°

45°

12

DWAYNE 1
6677(5)

#1382
14ppb Au

65°

13°

20°

45°

10

#1377
1ppb Au

70°

CARL J
6674(5)

12

70°

#1378
343ppb Au

JO JOM
6673(5)

12

80°

SEDIMENTARY AND VOLCANIC ROCKS:
 MESOZOIC
 LOWER JURASSIC
 12 Unuk River Formation
 UPPER TRIASSIC
 10 Takla Group (?)
 PLUTONIC ROCKS:
 MESOZOIC
 4 UPPER TRIASSIC AND YOUNGER (?)

// bedding (inclined, vertical)
 // schistosity (inclined, vertical)
 + fold axis
 ● silt sample

Harrymel Creek

10

PATSY ANNE
6676(5)

80°

0 1 2
kilometres

4

70°

Unuk River

4

4

REQUEST

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Figure 4
 VIRGINIA LAKE PROPERTY
PROPERTY GEOLOGY
 British Columbia
 NTS: 104 B/7&10

January 1988 Drafting: BJM

Since traversing the rugged terrain in the Iskut River area by foot is often difficult, an initial evaluation of the property by airborne geophysical methods with emphasis on locating shear vein systems hosted by faults is recommended. Secondary targets such as massive sulphides and skarns should also be considered.

Work on the ground should consist of reconnaissance stream sediment sampling, prospecting and mapping and detailed mapping and sampling of targets generated by the airborne geophysics.

Estimated cost of the Phase I airborne geophysics and ground follow-up is \$100,000. Estimated cost of subsequent Phases II and III, as warranted, are \$100,000 and \$200,000 respectively.

BUDGET ESTIMATE

Phase I: Airborne Geophysics/Ground Follow Up

Airborne Geophysics 340 km @ \$100/km	\$ 34,000
Mob/Demob	3,000
Personnel:	
Geologist 15 days @ #350/day	5,250
Prospector 15 days @ \$300/day	4,500
Technician 15 days \$200/day	3,000
Helicopter 15 days @ \$625/hr	9,375
Analysis: Soils/silts 200 @ \$15/sample	3,000
Rocks 100 @ \$20/sample	2,000
Accommodation/Food 45 mandays @ \$150/manday	6,750
Freight/Communications	1,000
Miscellaneous Supplies/Rentals	2,000
Report/Supervision	5,125
Contingency (@ 10%)	8,000
Subtotal	<u>\$ 87,000</u>
Management Fee @ 15%	13,000
Total Phase I	<u>\$100,000</u>

Phase II: Diamond Drilling

Diamond Drilling (all inclusive)	
500 m @ \$150/m	\$ 75,000
Contingency	<u>12,000</u>
Subtotal	\$ 87,000
Management Fee @ 15% (say)	<u>13,000</u>
Total Phase II	\$100,000

Phase III: Diamond Drilling

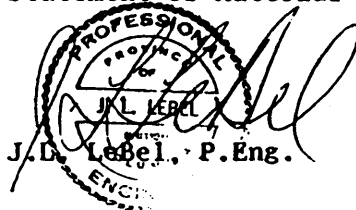
Diamond Drilling (all inclusive)	
1000 m @ \$150/m	\$150,000
Contingency	<u>24,000</u>
Subtotal	\$174,000
Management Fee (@ 15%)	<u>26,000</u>
Total Phase III	\$200,000

GRAND TOTAL PHASE I, II & III**\$400,000**

CERTIFICATE of QUALIFICATIONS

I, J. L. LeBel, of 2684 Violet Street, North Vancouver, British Columbia hereby certify:

1. I am a graduate of the Queens University (1971) and the University of Manitoba (1973) and hold a BSc. degree in geological engineering and a MSc. degree in geophysics.
2. I am a Professional Engineer registered with the Association of Professional Engineers of British Columbia, Vancouver, British Columbia.
3. I have been employed in mining exploration with various companies since 1972.
4. The information contained in this report was obtained from the documents listed in the references.
5. I own no direct, indirect and do not expect to receive any contingent interests in the subject property or shares or securities of Consolidated Regal Resources Ltd.
6. I consent to and authorize the use of the attached report and my name in the Company's Prospectus, Statement of Material Facts or other public document.

A circular professional seal for J. L. LeBel, P. Eng. The seal features the text "PROFESSIONAL ENGINEER" around the perimeter and "J. L. LeBEL" in the center. A handwritten signature is written over the seal.
J. L. LeBel, P. Eng.

DATED at Vancouver, British Columbia, this 25th day of June, 1989.

CERTIFICATE of QUALIFICATIONS

I, Jim Chapman, of 580 West 17th Avenue, Vancouver, British Columbia hereby certify:

1. I am a graduate of the University of British Columbia (1976) and hold a BSc. degree in geology.
2. I am presently employed as a consulting geologist with OreQuest Consultants Ltd. of 404-595 Howe Street, Vancouver, British Columbia.
3. I have been employed in my profession by various mining companies since graduation.
4. I am a Professional Geologist with the Association of Professional Engineers, Geologists and Geophysicists of Alberta.
5. I am a Fellow of the Geological Association of Canada.
6. The information contained in this report was obtained from a review of data listed in the bibliography, a property examination and knowledge of the area.
7. I have no interest, direct or indirect or in the securities of Consolidated Regal Resources Ltd.
8. I consent to and authorize the use of the attached report and my name in the Company's Prospectus, Statement of Material Facts or other public document.


Jim Chapman
Consulting Geologist

FELLOW

DATED at Vancouver, British Columbia, this 25th day of June, 1989.

REFERENCES

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1988: Report on the King-Consoat Claims for Corptech Industries Inc., unpublished report.

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INEL RESOURCES

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KLEIN, J. CROSBY, R.O

1965: Report on Airborne Geophysical Surveys on the Harmax Group of Mineral Claims, Unuk River Area, Northwestern British Columbia on behalf of Granduc Mines Ltd., MEMPR A.R. 1835.

LEBEL, J.L.

1987: Report on the Todd Creek Property, Stewart Area, Skeena Mining Division, B.C. for Golden Nevada Resources Inc., unpublished report.

1989: Report on Julian Lake Property, Iskut River Area, British Columbia, NTS 104B/7,10 for Golden Nevada Resources Inc., unpub. rpt.

MEMPR

Revised Mineral Inventory Map 104B (M1).

NORMAN, G.W.H.

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1960b: Report on Geological, Geophysical and Geochemical Surveys, Fox and Ox Groups, Skeena Mining Division for Granduc Mines Ltd., MEMPR A.R. 347.

NORTHERN MINER

1988a: Mining Reserve Calculations Begin, Vol. 74, No. 32, p-20, October 17.

1988b: Calpine Results Verify Potential, Vol 74, No. 41, p-1, December 19, 1988.

SOUTHER, J.G., BREW, D.A., OKULITCH, A.V.

1979: GSC Map 1418A, Iskut River.

VANCOUVER STOCKWATCH

1987: Delaware Resource Corp. News Release, December 7, 1987.

CERTIFICATES

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts as required by the Securities Act and its regulations.

July 20, 1989.

ISSUER


Leslie Rees MacConnell
President

ON BEHALF OF THE BOARD OF DIRECTORS


Nell Dragovan
Director


Gerald McInarney
Director


AGENT

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

July 20, 1989.

CANARIM INVESTMENT CORPORATION LTD.

Per: _____

A handwritten signature in dark ink, appearing to be "D. R. B.", written over a horizontal line.