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Effective Date: JANUARY 31, 1990

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AMENDMENT NO. 1 DATED JANUARY 9, 1990
TO THE STATEMENT OF MATERIAL FACTS DATED OCTOBER 10, 1989
AND BEARING AN EFFECTIVE DATE OF OCTOBER 17, 1989

OF

SIB Group ✓

SILVER BUTTE RESOURCES LTD.
(the "Issuer")
Suite 1201, 900 West Hastings Street
Vancouver, British Columbia
V6C 1E5

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The Statement of Material Facts of the Issuer dated October 10, 1989 and bearing an Effective Date of October 17, 1989 is amended as follows:

FRONT PAGE

The table on the Front Page is deleted and the following table is substituted therefor:

	Offering (Estimated)*	Commission	Estimated Net Proceeds to be Received by the Issuer
Per Unit	\$0.65	\$0.04875	\$0.60125
Total	\$455,000.00	\$34,125.00	\$420,875.00

PAGE 2

The name of the Agent on page 2 is amended to read L.O.M. WESTERN SECURITIES LTD.

PAGE 3

PLAN OF DISTRIBUTION

The first line following the first paragraph under "THE OFFERING", page 3, the name of the Agent is deleted and L.O.M. WESTERN SECURITIES LTD. is substituted therefor.

HOW THE NET PROCEEDS OF THE ISSUER ARE TO BE SPENT

The first paragraph following the heading is deleted and the following is substituted therefor:

Although it is not possible to determine the actual net proceeds from the Offering, in the event that all of the seven hundred thousand (700,000) Units are sold at an estimated price of sixty-five cents (\$0.65) per

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Unit, the proceeds would be four hundred and fifty-five thousand dollars (\$455,000.00) less commissions of thirty-four thousand one hundred and twenty-five dollars (\$34,125.00) to net the Issuer four hundred and twenty thousand eight hundred and seventy-five dollars (\$420,875.00) which, when added to the Issuer's cash on hand as at November 30, 1989, of approximately fifty-four thousand and eight hundred dollars (\$54,800.00) and seven hundred and twenty-one thousand three hundred and seventy-six dollars (\$721,376.00) in treasury bills and term deposits would make approximately one million one hundred and ninety-seven thousand and fifty-one dollars (\$1,197,051.00) available to the Issuer on completion of the Offering.

In addition, the "Use of Proceeds" of tables on page 6 are deleted and the following substituted therefor:

The principal purposes for which the total available funds are to be allocated in order of priority are as follows:

(a)	To pay the estimated costs of this Issue:	\$ 50,000.00
(b)	To fund its initial portion of the anticipated Joint Venture:	\$ 300,000.00
(c)	To general working capital:	<u>\$ 847,051.00</u>
	TOTAL:	<u>\$1,197,051.00</u>

If the Joint Venture is not formed, the Issuer will apply the total available funds as follows:

(a)	To pay the estimated costs of this Issue:	\$ 50,000.00
(b)	To pay the estimated costs of the programmes on the Chester, Osway and Yeo Townships Properties, recommended in the report of Walter E. Clarke, dated May 31, 1989:	\$ 250,250.00
(c)	To pay the estimated costs of the programme on the Moose and Ruby Groups, recommended in the report of Walter E. Clarke, dated May 31, 1989:	\$ 65,000.00
(d)	To general working capital:	<u>\$ 831,801.00</u>
	TOTAL:	<u>\$1,197,051.00</u>

PAGE 9

1. SIB CLAIM GROUP UNUK RIVER AREA, SKEENA
MINING DIVISION, BRITISH COLUMBIA

The disclosure on page 9 is amended by adding the following paragraph to the bottom of page 9:

American Fibre Corporation's 1989 geochemical soil sampling program along 35 kilometres of grid lines on the Company's SIB claims, which are adjacent to the Calpine/Stikine property in the Eskay Creek area, British Columbia, outlined nine multi-element (precious and base metals) anomalies that form a semi-continuous anomaly some 3.5 kilometres in length. Auriferous surface showings in three of these anomalies, the North, Central and 1,100 anomalies, have been subject to preliminary testing by rock sampling of the trenching done by others and 1,831 metres of diamond drilling in 15 holes. Also an induced polarization 2.5 line kilometre test survey was conducted in the area of the Central anomaly. The other six soil anomalies identified this summer have only received cursory investigation.

The following table summarizes the drill core intersections in the 15 hole drill program that assayed 0.035 plus ounces of gold per ton:

<u>Hole</u>	<u>Interval Metres</u>	<u>Intersection Metres</u>	<u>Ounces Gold Per Ton</u>
1	21.0 - 23.0	2.0	0.036
	30.0 - 32.3	2.3	0.057
2	12.0 - 14.0	2.0	0.042
3	47.0 - 48.0	1.0	0.050
4	22.0 - 23.0	1.0	0.039
	26.0 - 27.0	1.0	0.038
	38.0 - 39.0	1.0	0.036
	43.0 - 44.0	1.0	0.079
5	57.0 - 58.0	1.0	0.055
6	8.0 - 12.0	4.0	0.057
	55.0 - 56.1	1.1	0.074
7	50.0 - 53.0	3.0	0.092
8	13.0 - 14.0	1.0	0.070
	60.0 - 61.0	1.0	0.143

<u>Hole</u>	<u>Interval Metres</u>	<u>Intersection Metres</u>	<u>Ounces Gold Per Ton</u>
10	79.0 - 80.0	1.0	0.118
11	105.0 - 107.0	2.0	0.040
	114.0 - 115.0	1.0	0.038
12	27.0 - 31.0	4.0	0.053
	42.0 - 43.8	1.8	0.252
13	96.0 - 97.0	1.0	0.054

It is reported that two other holes were drilled during the 1989 exploration program, however, gold values in both holes generally vary from one part per billion to thirty parts per billion and can be considered as background.

The 1989 exploration program, that has earned American Fibre Corporation a 50% interest in the Issuer's SIB claims, has disclosed a number of anomalous precious and base metal anomalies and zones of alteration along a linear extent of some 3.5 kilometres. It is reported that the results of American Fibre Corporation's July 1989 surface sampling program could not be correlated with the drill hole assays due to:

- (i) the erratic nature of epithermal mineralization,
- (ii) the highly faulted, broken nature of the rock units, and
- (iii) drill holes running sub-parallel to previously unrecognized controlling structures.

PAGE 22

4. PARTICULARS OF NON-RESOURCE ASSETS

The disclosure on page 22 is amended by deleting the first three full paragraphs on that page and substituting the following therefor:

As at January 5, 1990: The Issuer owns two thousand six hundred and twenty-eight (2,628) shares of Stikine Resources Limited (formerly Consolidated Stikine Silver Ltd.) having a market value of approximately one hundred and seven thousand seven hundred and forty-eight dollars (\$107,748.00).

The Issuer owns one thousand (1,000) shares of American Fibre Corporation having a market value of approximately five hundred and fifty dollars (\$550.00).