DL/LD 019428 Mikey, Lisa, Ralphus claims 104B/7E

THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY MAY BE LAWFULLY OFFERED FOR SALE AND ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES. NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

Gravey Ck.? 104 B 221(?)

PROSPECTUS DATE: AUGUST 8, 1989 **EFFECTIVE DATE: AUGUST 17, 1989**

SOUTH UNUK GOLD CORPORATION

11th and Brightwell,
Stewart, British Columbia
V0T 1W0

(the "Issuer")

NEW ISSUE

625,000 Common Shares [1]

(the "Offering")

[1] The offering may be increased by up to 93,750 shares pursuant to the greenshoe option. See the heading "Plan of Distribution" herein.

	Price to the public	Commission [1]	Net Proceeds to [2] be Received by the Issuer
Per Common Share	$0.40	$0.05	$0.35
Total	$250,000	$31,250.00	$218,750.00

(1) The Agent has been granted a warrant to acquire 156,250 shares of the Issuer up to two years from the day the shares are listed, posted and called for trading, at a price of $0.40 per share during the first year and $0.46 per share during the second year. Further references should be made to the heading "Appointment of Agent" herein.

(2) Before deduction of the costs of the issue, including applicable Vancouver Stock Exchange and Regulatory fees, estimated to be $25,000.00.

There is no market through which these securities may be sold. The price of this issue was established by the Issuer in negotiations with the Agent. The issue price to the public per share exceeds the net book value per share following completion of this Offering by $0.2467 representing a pro-forma dilution of 61.67% after giving effect to the Offering.

The Agent has agreed to purchase any of the shares offered hereby which have not been sold at the conclusion of the Offering (the "Guarantee"), and, as consideration for the Guarantee, has been granted the Agent's Warrant.

The Agent's Warrant will be distributed to the Agent under this Prospectus. Any shares acquired by the Agent under the Agent's Warrant will also be distributed under this Prospectus through the facilities of the Vancouver Stock Exchange at the market price at the time of sale. See the heading "Plan of Distribution" herein.

A purchase of the shares offered by this Prospectus must be considered speculative. All of the properties in which the Issuer has an interest are in the exploration and development stage only and are without a known body of commercial ore. No survey of any property of the Issuer has been made and therefore in accordance with the laws of the jurisdiction in which the properties are situate, their existence and area could be in doubt. See also the heading "Risk Factors" herein. With respect to the expenditure or the diversion of funds by the Issuer see the heading "Use of Proceeds" herein.

The Vancouver Stock Exchange has conditionally listed the shares being offered pursuant to this Prospectus. Listing is subject to the Issuer fulfilling the listing requirements of the Vancouver Stock Exchange on or before February 13, 1990, including prescribed distribution and financial requirements.

No person is authorized by the Issuer 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 Issuer.

Upon completion of this Offering this issue will represent 29.27% of the shares then outstanding as compared to 38.88% that will then be owned by the controlling persons, promoters, directors and senior officers of the Issuer. Refer to the heading "Principal Holders of the Securities" herein for details of shares held by controlling persons, promoters, directors and senior officers of the Issuer.

Directors and officers of the Issuer have or may have an interest, direct or indirect, in other natural resource companies. Reference should be made to the heading "Conflicts of Interest" herein and "Directors and Officers" herein for a comment as to the resolution of possible conflicts of interest.

We, as Agent, conditionally offer these shares subject to prior sale, if, as and when issued by the Issuer and accepted by us in accordance with the conditions contained in the agency agreement referred to under the heading "Plan of Distribution" herein.

AGENT

CANARIM INVESTMENT CORPORATION LTD.

2200 - 609 Granville Street
Vancouver, British Columbia
V7X 1H2

Rwd 10/04/89

APPENDIX A

REPORT ON MIKEY 1, LISA 1 AND RALPHUS CLAIMS
STEWART, BRITISH COLUMBIA
SKEENA MINING DIVISION
NTS 104B 7E
LATITUDE 56° 27'
LONGITUDE 103° 30'

BY

E.R. KRUCHKOWSKI, B.Sc., P.Geol.,
CONSULTING GEOLOGIST

PREPARED FOR: SOUTH UNUK GOLD CORPORATION
Stewart, B.C.

PREPARED BY: E.R. KRUCHKOWSKI CONSULTING LTD.
23 Templeside Bay N.E.
Calgary, Alberta
T1Y 3L6

DATED: November, 1988

FILE: SUNUK

SUMMARY

The Mikey 1, Lisa 1 and Ralphus Claims owned by South Unuk Gold Corporation are located about 70 km northwest of Stewart, B.C. along the South Unuk River near its junction with Gracey Creek. The claims cover an area of volcanic sandstones and tuffs in contact with the Coast Range Batholith. The property is underlain by massive pyrrhotite, magnetite and chalcopyrite lenses conformable to bedding.

The claims are within a belt of Jurassic rocks extending from south of Stewart to north of the Stikine River. This belt is host to numerous gold deposits including the Premier - Big Missouri, Scottie Gold, Newhawk ore bodies, Catear's Goldwedge, the Snip, Stonehouse and Doc. In addition numerous significant gold-silver showings have been reported by operators along this belt of rocks. In November, Calpine Resources announced some spectacular results from the Eskay property a short distance north of the South Unuk property.

Echo Bay Mines also have announced a large work program on the Doc claims adjacent to the South Unuk property.

During June 1988, a geochemical rock and silt program was initiated on the claims to evaluate the gold-silver potential. A total of 139 rock and silt samples were collected on the property and analyzed for gold, silver and copper.

Results of the survey indicate highly anomalous gold, silver and copper values on the property. Gold values up to 3380 ppb or 0.1 opt were obtained in the silt samples while silver values ranged up to 9.1 ppm or .26 opt. The anomalous copper are related to some skarn showings while the source of the gold-silver values has yet to be determined. The 1987 B.C. Department of Mines geochemical survey indicates that many of the South Unuk values varying from 59 ppb gold or greater fall in the upper 10% of the government survey. The

distribution of the gold-silver would indicate a possible shear zone source. The presence of anomalous gold and silver silt samples, favourable geology and location make this property an excellent exploration target.

Further work is recommended on the property and should consist of line cutting, mapping, soil sampling and trenching. This program is expected to cost approximately $150,000.

INTRODUCTION

During June, 1988 South Unuk Gold Corp. conducted a rock and silt geochemical survey and prospecting over the Mikey and Lisa 1 Claims.

This report was prepared on data accumulated during the work program as well as previous surveys in the area and from data the author has accumulated in the general area.

The work was conducted by E.R. Kruchkowski Consulting personnel, Limar Industries personnel and DJ & J Enterprises personnel.

All analyses were performed by Acme Analytical Laboratories in Vancouver, B.C.

Location and Access

The claims in the property are contiguous and are located along the west slope of South Unuk River approximately 19 km west of Brucejack Lake and approximately 70 km northwest of Stewart, B.C. The area is 56°30' west longitude on NTS Sheet 104B87E in the Skeena Mining Division.

Access to the property at the present time is by helicopter from Stewart. Access for mobilization is probably best done by helicopter from the Tide Lake Airstrip which is approximately a 20 minute trip into the South Unuk Area. Figure 1 shows the property location.

Physiography and Topography

The area of the property encompasses steep mountain slopes typical of the Coast Range region of British Columbia. Ice caps and small glaciers occupy high mountain alleys and ridges, tributary to the small creeks draining into the Main U-shaped South Unuk River.

Most of the area is covered by alder and hemlock vegetation with good outcrop exposure along the creeks and gulleys.

Property Ownership

The property consists of 3 claim blocks containing 42 units as follows:

Name	Record No.	Date of Recording
Mikey 1	6247	June 22, 1987
Lisa 1	6246	June 22, 1987

Terry Heinricks staked the Mikey 1 and Lisa 1 claims and subsequently sold them to J. Marx by Bill of Sale dated September 18, 1987. The claims were then sold to South Unuk Gold Corp. by Bill of Sale on October 3, 1988.

Ralphus	6675	May 13, 1988

Terry Heinricks staked the Ralphus claim and sold it to South Unuk Gold Corp. on October 3, 1988.

The author did not examine the posts and cannot verify the quality of staking. The exact location of these claims would be subject to further surveys. (Figure 2)

Personnel and Operations

Personnel involved during the 1988 program on the property were as follows:

E.R. Kruchkowski Consulting Personnel		
K. Konkin	geologist	13 days
E.R. Kruchkowski	geologist	8 days
B. Krutow	geologist	16 days
D. Lund	assistant	11 days
A. Reimer	assistant	14 days
T. Bonenfant	assistant	7 days
D. Funk	assistant	14 days
J. Paquette	assistant	5 days
A. Hoffman	assistant	5 days

Limar Industries Inc. and DJ & J Enterprises personnel are not listed.

Personnel involved in the project were accomodated in a fly camp located on the Mikey 1 Claim and utilized a Vancouver Island Bell 205

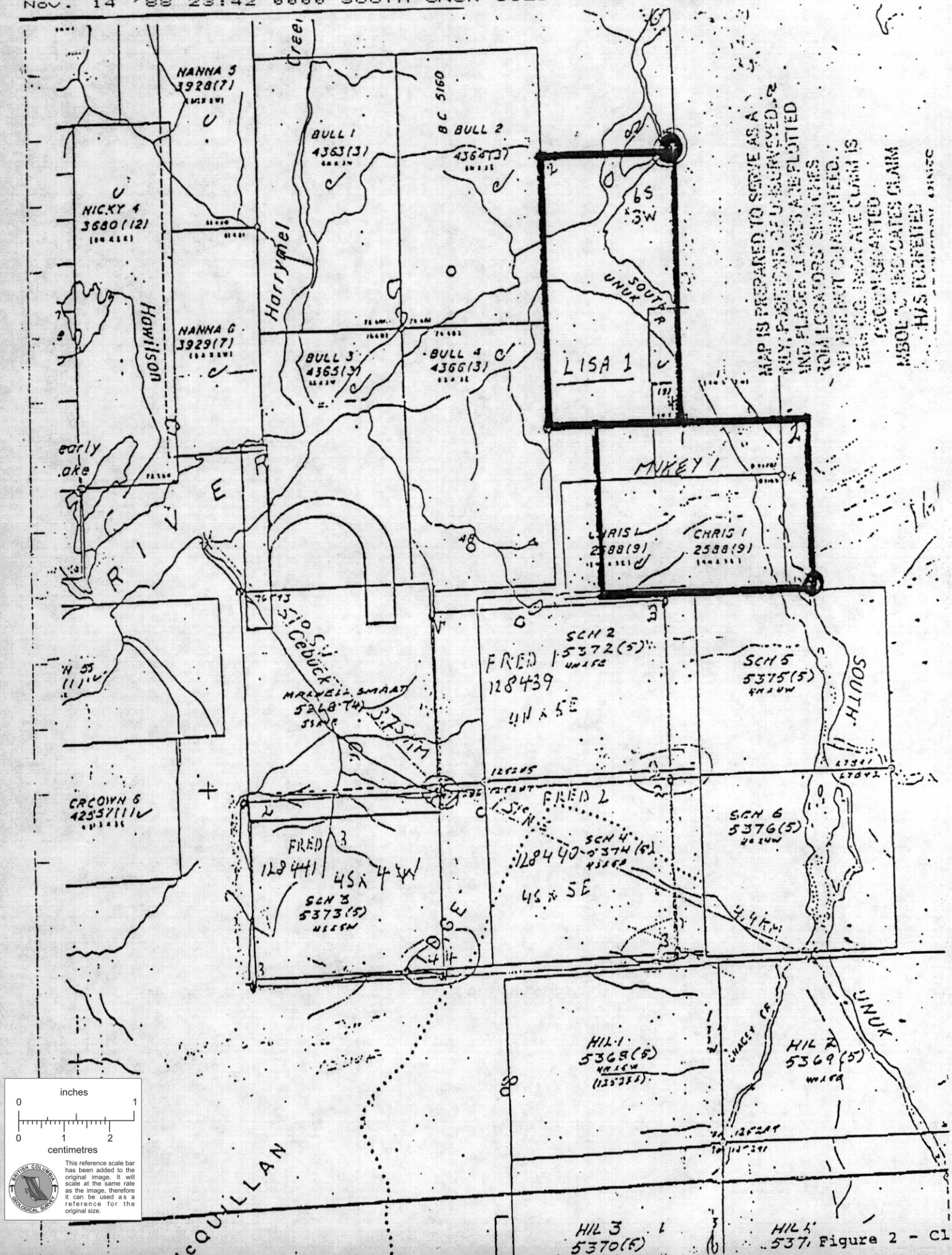

NANNA 3
3928(7)
BULL 1
4363(3)
BC 5160
BULL 2
4364(3)
NICKY 4
3680(12)
Harrymel Creek
Hawilson
NANNA 6
3929(7)
BULL 3
4365(3)
BULL 4
4366(3)
LISA 1
MAP IS PREPARED TO SERVE AS A KEY. POSITIONS OF UNSURVEYED AND FLOATING CLAIMS ARE PLOTTED FOR LOCATORS' SKETCHES. NO ARE NOT GUARANTEED. GROUND SURVEY IS THE ONLY ACCEPTABLE PROOF OF LOCATION. MBOL "A" INDICATES CLAIM HAS FORFEITED
MNKEY 1
CHRIS 1
2588(9)
CHRIS 1
2588(9)
SCH 2
5372(5)
FRED 1
128439
SCH 5
5375(5)
SOUTH
SCH 6
5376(5)
FRED 2
128440
SCH 4
5374(5)
FRED
128441
SCH 3
5373(5)
CRCROWN 6
4255Y(11)
HIL 1
5368(6)
HIL 2
5369(5)
HIL 3
5370(6)
HIL 4
5371
UNUK
inches
centimetres
This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.

Figure 2 - C1

and 206 helicopter for transportation to and from the project area. Supplies for the program were purchased in Stewart, B.C.

Previous Work

The first discovery of minerals in the Unuk River area is credited to a prospector named O'Hara who is said to have come out of the Unuk in 1893 with Placer Gold. A chronology of the precious metals exploration in the South Unuk River area is as follows:

1898 - H.W. Ketchum staked an area situated on the Mount Madge ridge - slope to the south side of Sulphurets Creek about 2 miles from its mouth.

1900 - H.W. Ketchum sold his claims to the Unuk River Mining and Dredging Company who then carried out some development work, including driving two short adits. Attempts to transport machinery failed and operations ceased.

1932 - a prospecting expedition into the Ketchum Creek area, was undertaken by T.S. MacKay, A.H. Melville, and W.A. Prout representing a syndicate of Premier, British Columbia interest. This resulted in the discovery of a wide area of mineralization in which gold values occur.

1933 - 1935 further exploration of these discoveries was undertaken by the MacKay Syndicate and by the Premier Gold Mining Company.

1935 - a representative sample taken from a dump of about 15 tons at the portal of the Mount Madge adit assayed: gold, 0.26 oz/ton; silver, 2.4 oz/ton; copper, 0.3 percent; lead, 3 percent; zinc 10 percent.

1959 - 1967 in this period, Granduc Mines Ltd. located and drilled the Max iron ore deposit. this deposit consists of 11,000,000 tons of 42% iron and 0.3% copper.

1980 - Dupont undertook regional geochemical work in the area. No geochemical samples were taken from the area underlain by the South Unuk Gold property.

1986 - in the area to the south of Mount Madge, near the South Unuk River, Silver Princess Resources Inc. and Magna Ventures Ltd. commenced a drilling program. Results document two significant intersections: One drill hole intersects 17.7 feet of 0.728 oz/ton gold and another intersects 14.6 feet of 0.701 oz/ton gold. As a result of ths drilling, a very strong structure over a strike length of 1,200 feet and to depths of 440 feet was identified. Based on these excellent

results, Silver Princess and Magna Ventures announced an underground program.

1986 - 1987 - a soil sampling, prospecting and rock geochemistry program was undertaken on the Mount Madge project area by Bighorn Development Corporation resulting in the discovery of numerous gold showings.

GEOLOGICAL SURVEYS

Regional Geology

The Mikey 1, Lisa 1 and Ralphus Claims lie in the Stewart area along the east edge of the Coast Crystalline Complex and near the western boundary of the Bowser Basin. Rocks in the area belong to the Mesozoic Hazelton Group and have been intruded by plugs of both Cenozoic and Mesozoic age.

At the base of the Hazelton Group is the Lower Jurassic marine (submergent) and non-marine (emergent) volcaniclastic Unuk River Formation. This is overlain at steep discordant angles by a second, lithologically very similar, Middle Jurassic volcanic cycle (the Betty Creek Formation), in turn overlain by Middle and Upper Jurassic non-marine and marine sediments (with minor volcanics) of the Salmon River and Nass Formations.

The oldest rocks in the area belong to the Lower Jurassic Unuk River Formation which forms a north-northwesterly trending belt extending from Alice Arm to the Iskut River. It consists of green, red and purple volcanic breccia, volcanic conglomerate, sandstone and siltstone with minor crystal and lithic tuff, limestone, chert and coal. Also included in the sequence are pillow lavas and volcanic flows.

In the property area the Unuk River Formation is unconformably overlain by Lower Middle and Middle Jurassic rocks from the Betty Creek and Salmon River Formations, respectively. The Betty Creek Formation is another cycle of trough-filling submarine pillow lavas, broken pillow breccias, andesitic and basaltic flows, green, red, purple and black volcanic breccia, with self erosional conglomerate, sandstone and siltstone, and minor crystal and lithic tuffs, chert, limestone and lava. The overlying Salmon River Formation is a late to post volcanic episode of banded, predominately dark coloured, siltstone, greywacke, sandstone, intercolated calcarenite, minor

limestone, argillite, conglomerate, littoral deposits, volcanic sediments and minor flows.

According to E.W. Groves, the majority of the rocks from the Hazelton Group were derived from the erosion of andesitic volcanoes subsequently deposited as overlapping lenticular beds varying laterally in grain size from breccia to siltstone.

There are various intrusives in the area. The granodiorites of the Coast Plutonic Complex largely engulf the Mesozoic volcanic terrain to the west. East of these (in the property area), smaller intrusive plugs range from quartz monzonite to granite to highly felsic; some are, likely, related late phase offshoots of the Coast Plutonism, others are synvolcanic or tertiary.

Double plunging, northwesterly-trending synclinal folds of the Salmon River and underlying Betty Creek Formations dominate the structural setting of the area. These folds are locally disrupted by small east-overthrusts (Tippy Lake, Knipple Lake) on strikes parallel to the major fold axis, cross-axis steep wrench faults which locally turn beds, selective tectonization of tuff units, and major northeast faults which turn beds.

Local Geology

The 1988 program relied upon the surveys conducted by D.E. Allen and D.R. MacQuarrie in 1981. Outcrops noted during the 1988 work consisted of tuffs variably intruded by granodiorite dykes.

A description of the rock types is drawn from their work as follows:

"Main rock types on the property are volcaniclastics persumably Jurassic Age. The rocks have a uniform north-northwest trend. Dips vary from easterly to westerly, indicating some degree of folding.

The most abundant rock types on the property are fine to medium grained chloritic tuff and tuffaceous siltstone and minor massive greenstone. The tuff is usually thin bedded to laminated and has a weak to locally strong foliation usually parallel to bedding.

Feldspathic sandstone occurs interbedded with the tuffaceous units. The rock commonly has a gneissic appearance and consits of 1-2 mm tightly-packed feldspar grains in a chloritic matrix.

Limestone occurs as a few thin beds up to 10 metres thick interbedded with the volcaniclastics. The limestone in the thicker beds is grey in color, has a fine-grained sugary texture and is laminated. The narrow beds which host the sulfides consist of fine-grained green chloritic limestone.

Felspar porphyry contains abundant 0.5 cm light grey feldspar phenocrysts in a dark green fine-grained groundmass. It occurs as a conformable sill or flow in the volcaniclastics.

Intrusive rocks are rare in the claim area. Two outcrops of fine-grained diorite were encountered. Several narrow andesite dykes were noted locally."

These rock types are similar to those on the Max iron ore deposit 2 kilometres to the west. A large stock of fine-grained granodiorite is present along the north end of Lisa 1.

Economic Geology

The property is adjacent to the Max iron ore deposit consisting of 11,000,000 tons of 42% iron and 0.3% copper. On the property semi-massive to massive magnetite and pyrrhotite with chalcopyrite occur in one to three limestone horizons. Magnetite occurs as layers in the relatively pure limestone units whereas the sulfides occur in thin beds of green chloritic limestone that have been almost completely replaced. The mineralized horizons range in thickness from 0.5 metres to at least 7 metres thick within the limestone horizons up to 10 m in thickness. The magnetite tends to occur as massive lenses and pods ranging from a few cm up to 1 m in length. Where the magnetite occurs, the grade in the previous trenches up to 2 m wide would average 10-15% magnetite. The zone of magnetite bearing limestone has been traced for a strike length of at least 350 m. and up to a width of 100 m. Sampling in 1981 by Allen and MacQuarrie indicated few localities with iron content greater than 10%. This sampling indicated copper values in the range from 0.1 - 0.4%.

Chalcopyrite occurs as streaks and disseminations in massive magnetite and pyrrhotite and locally in commonly siliceous tuff units that underlie the massive sulfide layers. Pyrite and pyrrhotite occur as fine disseminations locally in the volcaniclastics especially where they appear to have been silified. Sampling in 1988 indicates a

maximum value of .23% copper in the mineralized limestone horizon. Low gold and silver values are indicated in the skarn and mineralized limestone.

The mineralized zone is defined by samples BKR 8-10, 12-14, 20-25, 27-29, 31-35 on figures 3-5. This zone is located between stream 1N to stream 6N.

The 1981 work indicated quartz veins and quartz cemented breccia in some of the fault zones noted. These zones trend northeast - southwest and appear to displace the mineralized horizons. Unexplained gold and silver anomalies were obtained in silts during the above work. These anomalies up to 200 ppb gold and 4.8 ppm silver may be related to the quartz filled shears.

Some of the magnetite-rich beds are vuggy and partly converted to limonite, indicating that some of the sulfides may have been leached out by weathering.

In addition the property is tied on to the Doc property which has reported reserves of 470,000 tons grading 0.27 opt gold and 1.31 opt silver. These reserves are in quartz veins located along shear zones.

Echo Bay Mines has committed to spend $8,000,000 to earn 50% on the Dor property.

Approximately 19 km west Newhawk has reported the following:

	Tons	Gold opt	Silver opt
West Zone	1,504,488	.506	20.17
Shore Zone	539,776	.263	27.23
Gossan Hill Zone	27,639	1.94	3.51
	2,071,903	.462	21.78

Catear's Goldwedge property adjacent to Newhawk has reported the following:

	Tons	Gold opt	Silver opt
Golden Rocket Zone	291,000	.837	2.56
Discovery	50,000	.8	3.0
Goldridge	10,000	.106	.26

The property is also adjacent to Bighorn's Mount Madge project where numerous gold showings have been located.

Calpine Resources has also reported .96 feet of 0.7 opt gold on their property a short distance north of the South Unuk property. A 10,000 - 15,000 foot drill program is presently being conducted.

In addition the Unuk Jumbo showings are near the southwest corner of the property. The only available information on this showing indicates gold and barite mineralization related to a contact zone of the Coast Batholith with volcanic rocks. The gold-barite association is very prevalent in the Brucejack Lake ore bodies of Catear and Newhawk. As well, gold and barite are also associated on the Cumberland Crown Grant group a short distance east of the property.

The close proximity of the property to known deposits, the presence of favourable geology, and anomalous gold and silver in silts makes the property an excellent exploration target.

GEOCHEMICAL SURVEYS

Rock Geochemistry

A total of 30 rock geochemical samples were collected from Lisa 1 and Mikey 1 claims during June - July, 1988. The samples obtained were generally 3-4 pounds of unweathered material. They were selected on the basis of mineralization or alteration. In Appendix I, samples with a R notation signifies a rock geochemical sample.

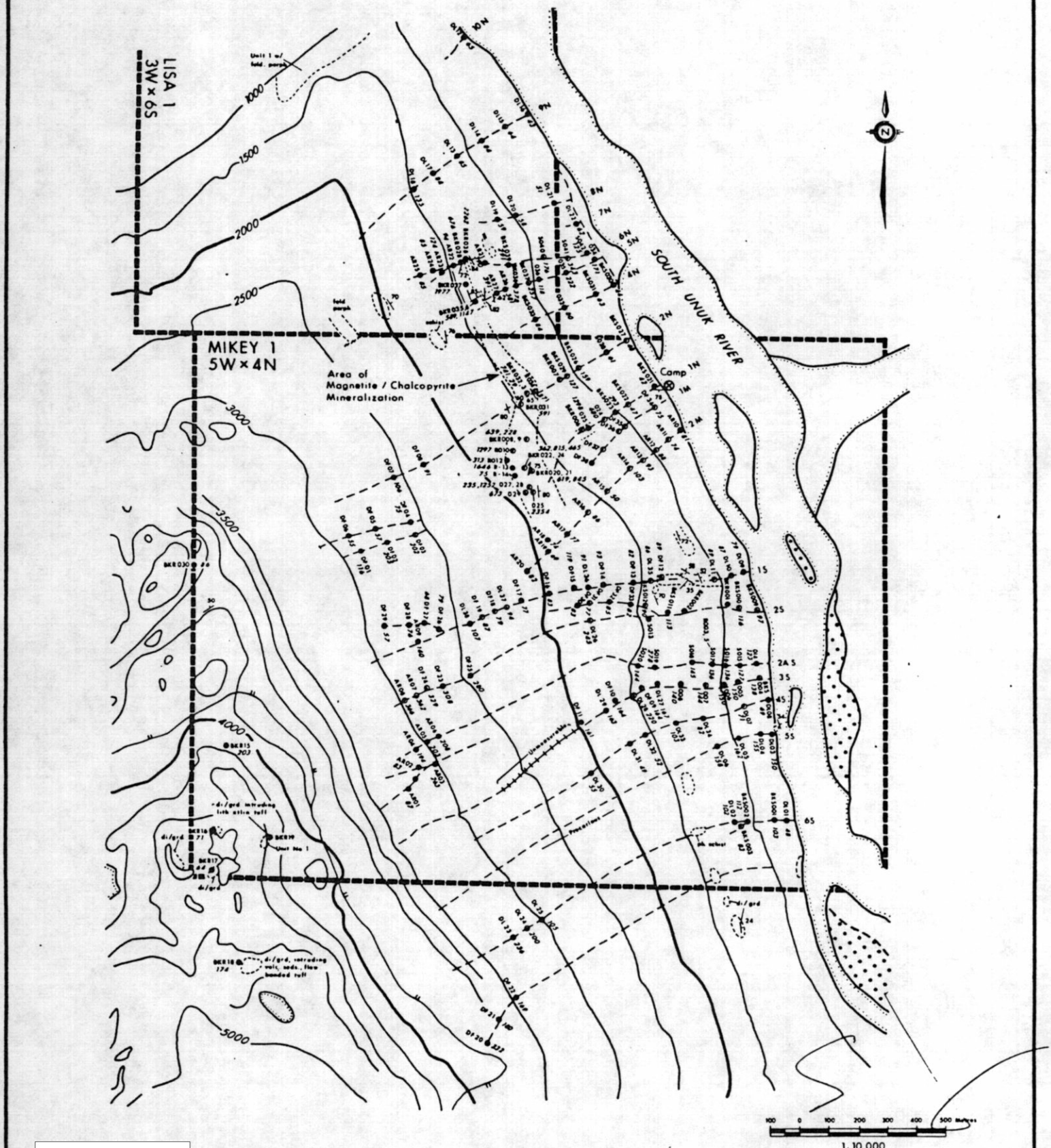
Th samples were shipped to Acme Analytical Laboratories Ltd. of Vancouver, B.C. where they were crushed, split and ground to a -80 mesh. The samples were then analyzed using standard geochemical methods for gold, silver and copper.

Results of the survey, indicate no apparent anomalous gold and one anomalous silver value in the area of the Lisa 1 and Mikey 1 claims. Anomalous values were determined using the 1974 - 1976 rock geochemical results by Granduc Mines Ltd. on the Newcana Joint Venture ground. In the Granduc Survey, any value over 100 ppb gold and 1 ppm silver were considered anomalous. The rock samples collected in the Lisa 1 and Mikey 1 claims indicate low values in gold and silver. These sample sites are shown on Figures 3 - 5.

Silt Geochemistry

A total of 109 silt samples were collected from the Lisa 1 and Mikey 1 claims during June - July, 1988. The samples were screened through a -20 mesh screen and placed in a numbered Kraft sample bag.

The samples were shipped to Acme Analytical Laboratories Ltd. of Vancouver, B.C. where they were dried, crushed, split and ground to a -80 mesh. The samples were then analyzed using standard geochemical methods for gold, silver and copper.



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BRITISH COLUMBIA GEOLOGICAL SURVEY

LEGEND

Sample No. — DL36 ● 107 — Cu (PPB)

E.R. KRUSHKOWSKI CONSULTING

SOUTH UNUK GOLD LTD.

COPPER VALUES

Figure 5

July, 1988

CONCLUSIONS

1. The property is underlain by Jurassic age volcanic rocks. This belt of rocks hosts numerous gold-silver deposits in the Stewart-Sulphurets area.

2. The property is adjacent to the gold deposit on the Doc claims and to the Mount Madge project with numerous gold showings.

3. Numerous anomalous gold and silver silt samples are indicated for the property. Values up to 3380 ppb gold (.1 opt Au) and 9.1 ppm silver (.26 opt Ag) were obtained.

4. The property presents an excellent exploration target for a gold-silver deposit. Further work consisting of the line cutting, mapping, soil sampling and trenching is recommended. This program is expected to cost approximately $150,000.

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Stockwatch News Releases - November 12, 1986

Unpublished Drill Data - Catear Resources Ltd.

SAMPLE#	Cu PPM	Ag PPM	Au* PPB
BK 88R 008	639	.2	4
BK 88R 009	228	.4	1
BK 88R 010	1297	1.1	35
BK 88R 012	313	.7	1
BK 88R 013	1646	.9	9
BK 88R 014	75	.1	1
BK 88R 015	203	.3	1
BK 88R 016	71	.2	1
BK 88R 017	64	.1	1
BK 88R 018	174	.6	1
BK 88R 019	124	.2	1
BK 88R 020	619	.2	1
BK 88R 021	845	.2	2
BK 88R 022	362	.1	1
BK 88R 023	815	.2	5
BK 88R 024	465	.3	4
BK 88R 025	2354	.4	4
BK 88R 026	235	.2	6
BK 88R 027	1252	.6	5
BK 88R 028	676	.3	1
BK 88R 029	673	.3	1
BK 88R 030	86	.2	3
BK 88R 031	591	.2	4
BK 88R 032	741	.3	1
BK 88R 033	29	.1	1
BK 88R 034	879	.9	4
BK 88R 035	589	.1	1
BK 88R 036	1147	.2	1
BK 88R 037	1977	.2	5
BK 88R 038	2262	.2	3
STD C/AU-R	57	7.2	500

No further exploration activity took place in the Unuk River area until 1959-1967 when Granduc Mines Ltd. located and drilled the Max Iron Ore deposit. This deposit consisted of 11 million tons of 42% iron and 0.3% copper.

In recent years, Silver Princess Resources Inc. ("Silver Princess") and Magna Ventures Ltd. ("Magna") began a drilling program on an area near the South Unuk River. Two significant intersections were discovered: One drill hole intersected 17.7 feet of 0.728 oz/ton gold and another intersection 14.6 feet of 0.701 oz/ton gold. Based on these results, a very strong structure over a strike length of 1200 feet and to depths of 440 feet was identified and Silver Princess and Magna then announced an underground program based on these excellent results.

In 1986-1987, Bighorn reported numerous gold showings from its soil sampling, prospecting, and rock geochemistry program.

Underground and Surface Plant and Equipment

There is no underground or surface plant or equipment on the Mikey and Lisa claims.

Mineralization

During June, 1988, geochemical rock and silt programs were carried out on the Property in order to evaluate its gold and silver potential. A total of 30 rock samples and 109 silt samples were collected and analyzed for gold, silver and copper. Results of the survey indicated numerous anomalous gold and silver sites on the Property. However, the two metals generally show poor correlation and could possibly be related to different sources. The silt samples showed gold values of up to 3380 ppb or 0.1 opt and silver values ranging up to 9.1 ppm or .26 opt. This type of value indicates a potential source of gold near the sample site. The anomalous copper values are related to skarn showings. A British Columbia Department of Mines silt sampling program in the area of the South Unuk Property indicated a high of 360 ppb gold. The distribution of the gold and silver anomalies indicate a possible shear zone source.

For further details of mineralization see the Engineering Report attached hereto as Appendix A.

Recommendations of Consulting Geologist

In the opinion of consulting geologist E.R. Kruchkowski, B.Sc., P.Geol., the presence of numerous anomalous gold and silver silt samples, favourable geology and location make the property an excellent prospect for gold and silver deposits.

The consulting geologist recommends an exploration program consisting of prospecting, geological mapping and geochemical surveys. It recommends that all structural features on the property be prospected and all gossaned zones be evaluated for all minerals associated with gold, particularly arsenopyrite and tetrahedrite. Mapping is recommended with a view to defining potential host rocks for epithermal deposits and/or shear related mineralization. Further rock and soil geochemistry, with samples taken along grid lines is also recommended. The total estimated cost of the above-described exploration program is $150,000.00.

THE MIKEY I, LISA I AND RALPHUS CLAIMS ARE WITHOUT A KNOWN BODY OF ORE AND THE PROPOSED PROGRAM IS AN EXPLORATORY SEARCH FOR ORE.

2. Jade and Jumbo Claims

By Agreement dated as of the 28th day of February, 1989 (the "Earn-out Agreement") between the Issuer and Ferdinand Schomig, the Issuer for consideration of $2,000.00 and the issuance of 100,000 common shares of the Issuer to Mr. Schomig, to be approved by the Exchange, acquired an undivided 100% interest in and to two mining claims (the "Jumbo and Jade Claims"). Fifty thousand of the common shares will be issued to Mr. Schomig on the Issuer's listing date and the remaining 50,000 shares will be issued upon the acceptance by the Exchange of an engineering report recommending further work on the Property. Mr. Schomig shall also be paid a royalty equal to 2% of the total net smelter returns received from the Property being in commercial production.

The Jumbo and Jade Claims are located in the Skeena Mining Division of British Columbia and are described as follows:

Claim Name	Record Number	No. of Units	Expiry Date
Jumbo 1	6731	20	June 27, 1992
Jade 1	6733	20	June 27, 1992

THE JUMBO AND JADE CLAIMS ARE WITHOUT A KNOWN BODY OF ORE.

THE ISSUER DOES NOT INTEND TO USE ANY OF THE PROCEEDS RAISED THROUGH THIS OFFERING TO DEVELOP THE JUMBO AND JADE CLAIMS.

USE OF PROCEEDS

The Issuer will receive net proceeds of $218,750.00 from the sale of Shares pursuant to this Prospectus. These proceeds, together with the working capital at June 30, 1989, of $31,215 will be utilized as follows:

(a)	to pay the estimated costs of this Offering, including applicable Exchange and Regulatory fees	$ 25,000