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**SUPERINTENDENT OF BROKERS
AND VANCOUVER STOCK EXCHANGE**

STATEMENT OF MATERIAL FACTS #123/87
EFFECTIVE DATE: 8TH SEPTEMBER 1987

ANDRONE RESOURCES LTD. (A Development Company)
#1550, 609 Granville Street, Vancouver, B.C. V7Y 1C6 (604) 687-3303
NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

#100, 200 Granville Street, Box 25, Vancouver, B.C. V6C 1S4
ADDRESS OF REGISTERED AND RECORDS OFFICES OF ISSUER

GUARANTY TRUST COMPANY OF CANADA, 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 covering the risks involved may be obtained by reference to this document. Further clarification, if required, may be sought from a broker.

OFFERING: 400,000 UNITS

Each Unit consists of One Common Share and Two Series "A" Share Purchase Warrants.

	Estimated Price to Public*	Commission	Estimated Net Proceeds to be received by the Issuer
Per Unit	\$2.50	\$0.1875	\$2.3125
Total	\$1,000,000.00	\$75,000.00	\$925,000.00

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

ADDITIONAL OFFERING: 200,000 SHARES

The Agents will receive Agents' Warrants entitling them to purchase a total of 200,000 shares in consideration of guaranteeing the sale of the Units offered hereby. These shares are hereby qualified for sale. See "Consideration to Agents" for further information concerning the sale of these shares.

SHAREHOLDER OFFERING: 857,600 SHARES

This Statement of Material Facts also qualifies 857,600 shares of the Issuer for sale to the public through the facilities of the Vancouver Stock Exchange. Reference is made to the section captioned "Shareholder Offering" on page 2 for further information.

AGENTS

CANARIM INVESTMENT CORPORATION LTD.
#2200, 609 Granville Street
Vancouver, B.C.
V7Y 1H2

CONTINENTAL CARLISLE DOUGLAS
10th Floor, 1055 Dunsmuir Street
Vancouver, B.C.
V7X 1L4

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.

1. PLAN OF DISTRIBUTION

A. THE OFFERING

By Agreement dated for reference 22nd June 1987, (the "Agency Agreement"), ANDRONE RESOURCES LTD. (the "Issuer") appointed the following as its agents (the "Agents") to offer to the public through the facilities of the Vancouver Stock Exchange (the "Exchange") 400,000 Units of the Issuer at a fixed price in the amounts set opposite their respective names (the "Offering"):

<u>Agents</u>	<u>Number of Units</u>
Canarim Investment Corporation Ltd.	200,000
Continental Carlisle Douglas	200,000

The Offering will take place on the "Offering Day" which will not be more than 30 business 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"). 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 Agents reserve 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 Agents under the Agency Agreement may be terminated prior to the opening of the market on the Offering Day at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events; however, if any of the Units are sold, the Agents are obligated to act as agents pursuant to the Agency Agreement.

The Issuer has granted the Agents a right of first refusal with respect to any future public equity financing that it may require or propose to obtain during the twelve month period following the Effective Date.

The Directors, officers and other insiders of the Issuer may purchase Units from the Offering.

B. THE UNIT

Each Unit shall consist of one share and two Series "A" Share Purchase Warrants (the "Series "A" Warrants"). The Series

**GEOLOGICAL REPORT
ON THE
DAN 1 - 3 and BURNIE 1 - 4
MINERAL CLAIMS**

NTS 104B11/E

- Prepared for -

ANDRONE RESOURCES LTD.

- Prepared by -

CHARLES K. IKONA, P.Eng.

May, 1987

**GEOLOGICAL REPORT ON THE
DAN 1 - 3 AND BURNIE 1 - 4 MINERAL CLAIMS**

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1.0 INTRODUCTION

Androne Resources Ltd. holds the Dan 1 - 3 and Burnie 1 - 4 Mineral Claims under an option agreement with Skyline Explorations of Vancouver. These claim are contiguous to the south with Skyline's Reg Claim Group. Skyline is presently developing a high grade underground gold mining operation on the Reg Claims.

This report summarizes the existing information on the Androne option and recommends an exploration and development program for the claims.

The writer has been actively involved in the development of the Reg property for some six years although has not examined the Androne option ground specifically.

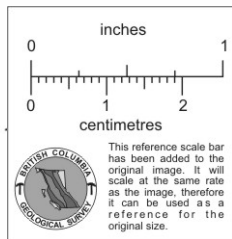
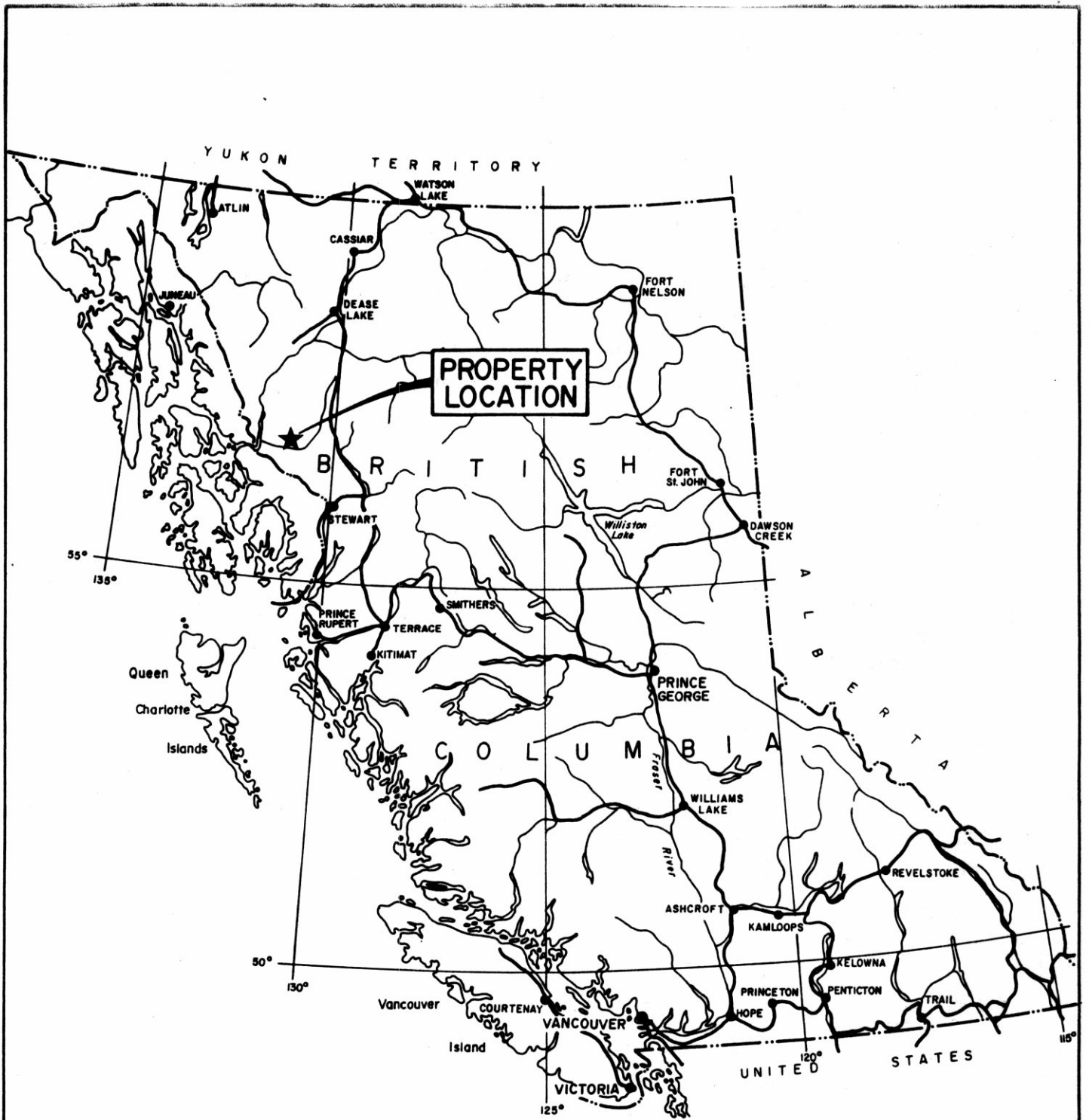
2.0 LIST OF CLAIMS

The Dan 1 - 3 Claims are owned by Tuksi Mining and Development Company Ltd., a subsidiary of Skyline Explorations. The Burnie 1 - 4 Claims are owned by Skyline Explorations Ltd. Separate documents indicate the claims are under option to Androne Resources Ltd.

<u>Claim Name</u>	<u>Record No.</u>	<u>Expiry Date</u>
Dan 1 - 3 incl.	3762, 3768-69	December 5, 1987
Burnie 1 - 4 incl.	2564 - 2567	September, 1987

The claim block consists of approximately 130 contiguous units containing some 3250 hectares.

The Burnie Claims are presently grouped with some of the adjacent Skyline claims. For simplicity in future assessment filing the claims should be regrouped to reflect present option agreements.



ANDRONE RESOURCES LTD.			
BURNIE 1-4, DAN 1-3			
PROPERTY LOCATION MAP			
PAMICON DEVELOPMENTS LTD.			
DRAWN J.W.	PROJECT	DATE MAY-1987	FIG. 1.

3.0 LOCATION, ACCESS AND TOPOGRAPHY

The claims are located on the east side of the Jekill River some 20 km upstream from its confluence with the Iskut River in west central British Columbia.

The City of Wrangell, Alaska is situated approximately 80 km to the west with Stewart, B.C. located approximately 100 km to the south. Coordinates of the claim area are 56° 38' north latitude and 130° 01' west longitude on NTS Map Sheet 104B11/E.

The property falls under the jurisdiction of the Liard Mining Division.

Three gravel airstrips presently service the area. The closest is the Skyline strip on Mount Johnny some 5 km to the north. At present the strip is capable of servicing small aircraft but is anticipated to be upgraded in 1987 to accommodate Hercules aircraft.

Casual helicopters are based in the area and would be employed in accessing the property from these strips.

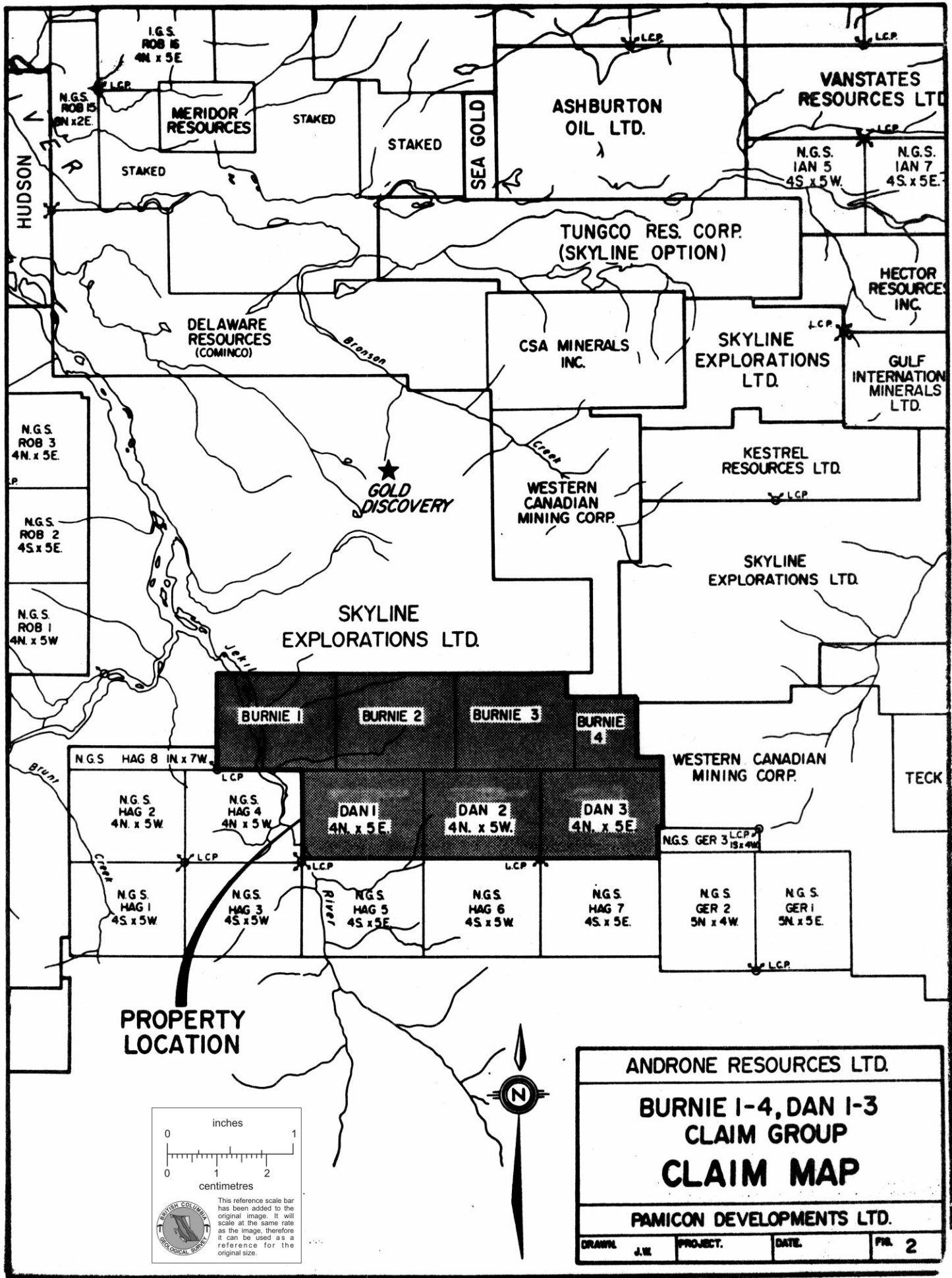
Topography is rugged and ranges between 500 to 6,000 feet above sea level.

River bottoms are heavily timbered with timberline below 3,000 feet. Permanent ice fields are located in some areas above 5,000 feet.

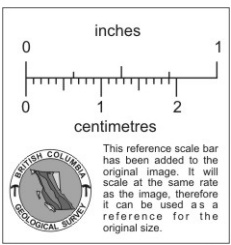
Both summer and winter temperatures are generally moderate with snow between October and May. Up to 200 cm of precipitation can be expected in any one year.

4.0 AREA HISTORY

The first recorded work done in the Iskut region occurred in 1907 when a prospecting party from Wrangell, Alaska staked nine claims north of Johnny



PROPERTY LOCATION



ANDRONE RESOURCES LTD.			
BURNIE 1-4, DAN 1-3 CLAIM GROUP			
CLAIM MAP			
PAMICON DEVELOPMENTS LTD.			
DRAWN	J.W.	PROJECT.	DATE.
			PAGE 2

Mountain. Iskut Mining Company subsequently worked Crown granted claims along Bronson Creek and on the north slope of Johnny Mountain. Up to 1920, a 30-foot adit revealed a number of veins and stringers hosting galena and gold-silver mineralization.

In 1954, Hudsons Bay Mining & Smelting located the Pick Axe showing and high grade gold-silver-lead-zinc float on the open upper slopes of Johnny Mountain, which today is part of Skyline Explorations Ltd. Reg deposit. The claims were worked and subsequently allowed to lapse.

During the 1960s, several major mining companies conducted helicopter-borne reconnaissance exploration programs in a search for porphyry-copper-molybdenum deposits. Several claims were staked on Johnny Mountain and on Sulphurets Creek.

Between 1965 and 1971, Silver Standard Mines, and later Sumitomo, worked the E + L prospect on Nickel Mountain at the headwaters of Sulphurets Creek. Work included trenching, drilling and 460 metres of underground development work. Reserves include 3.2 million tons of 0.80% nickel and 0.60% copper.

In 1969 Skyline staked the Inel property after discovering massive sulphide float originating from the head of the Bronson Creek glacier.

After restaking the Reg property in 1980, Skyline carried out trenching and drilling for veined high grade gold and polymetallic massive sulphide mineralization on the Reg and Inel deposits between 1981 and 1985.

In 1986, drilling and 1,500 feet of underground cross-cutting and drifting on the Stonehouse Gold Zone confirmed the presence of high grade gold mineralization with additional values in silver and copper over mineable widths with good lateral and depth continuity.

Grove, in his summary of mineral reserves for the Stonehouse deposit in a report dated January 12, 1987, presents the following:

	<u>Au</u> (oz)	<u>Ag</u> (oz)	<u>Cu</u> (%)	<u>Tons</u>
Total Measured	1.328	1.91	1.50	79,848
Total Drill-Indicated	0.671	0.97	0.78	153,598
Total Inferred	<u>0.670</u>	<u>0.70</u>	<u>0.67</u>	<u>705,000</u>
Total	0.730	0.85	0.76	938,446

Grove also indicates the possible presence of substantial additional reserves from geological potential.

5.0 REGIONAL GEOLOGY

Government mapping of the general geology in the Iskut River area (Kerr, 1948, GSC Memoir 246, "Operation Stikine," GSC Maps 9-1957 and 1418-1979, "Iskut River") has proved to be incomplete and unreliable. Subsequent mineral exploration studies have greatly enhanced the lithologic and stratigraphic knowledge of this area defined as the Stewart Complex (Grove, 1986) (Figure 3).

Grove (1986) defines the Stewart Complex in the following manner:

"The Stewart Complex lies within the Intermontane tectonic belt along the contact 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."

Within the Stewart Complex, Paleozoic crinoidal limestone overlying metamorphosed sedimentary and volcanic members are the oldest rock group. Correlation has been made between this oceanic assemblage and the Cache Creek group.

Unconformably overlying the Paleozoic limestone unit are Upper Triassic Hazelton Group island arc volcanics and sediments. These rocks have informally been referred to as the "Snippaker Volcanics." Grove (1981)

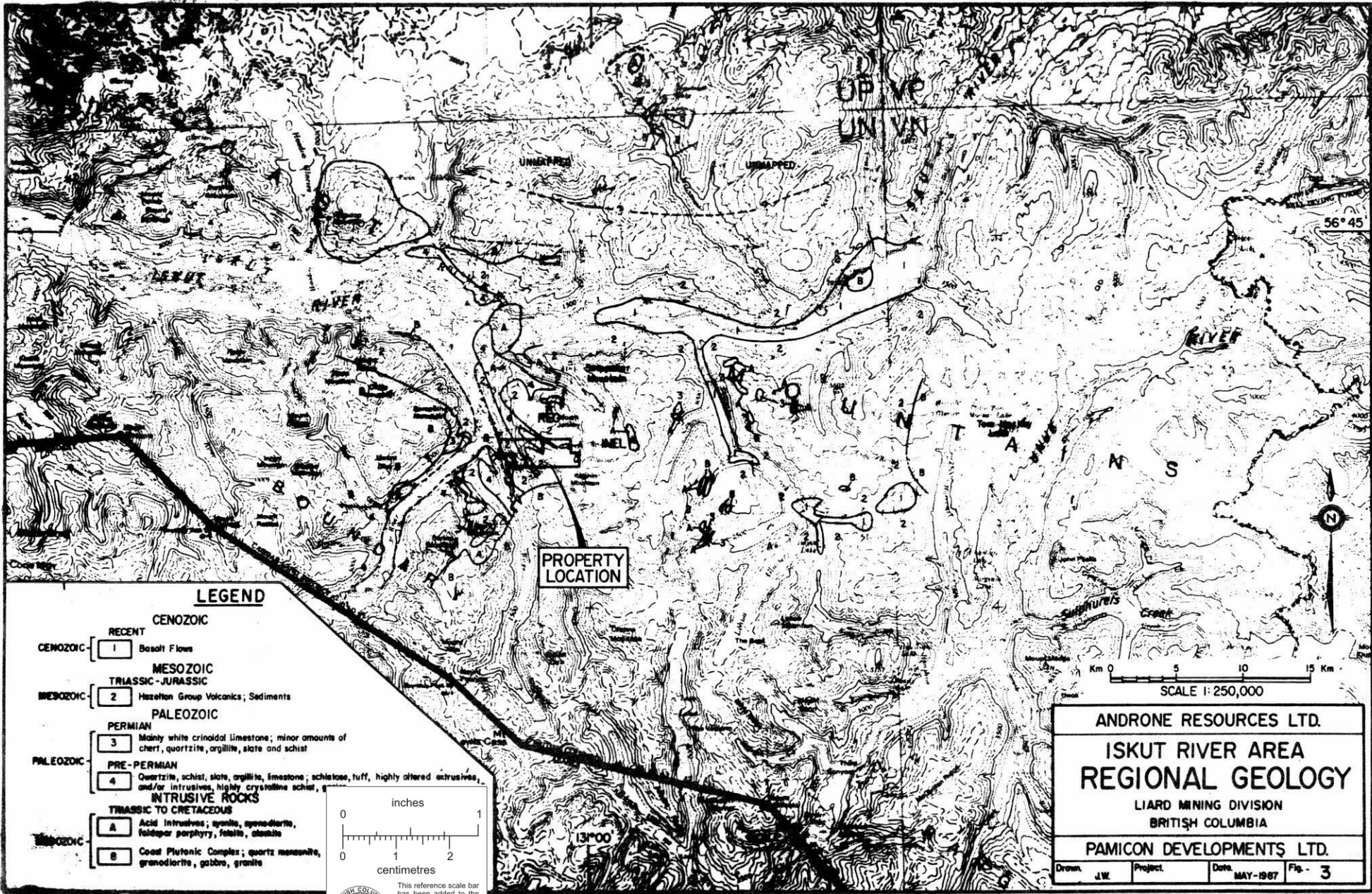
correlates this assemblage to the Unuk River Formation of the Stewart Complex whereas other writers match this group with the time equivalent Stuhini Volcanics. Monotis fossils have been recognized on the north slope of Snippaker Peak and west of Newmont Lake, 20 km to the north, giving an age dating of Upper Triassic. It is within these rocks that Skyline's Reg and Inel gold deposits occur.

Grove reports an unconformable contact between Carboniferous and Middle Jurassic strata on both sides of Snippaker Ridge, north of Snippaker Peak. The same unconformable relationship between these major rock units appears to extend from Forrest Kerr Creek west, along the Iskut River, to the Stikine River junction. Present interpretation suggests an east-west trending thrust along the axis of the Iskut River which, like the King Salmon Thrust Fault, pushed up and over to the south.

Following the Iskut River thrust faulting, the entire region was overlain by Middle Jurassic Hazelton Group volcanic-sedimentary rocks named the Betty Creek Formation by Grove (1973, 1982). It is believed that the Betty Creek rocks act as a mineralizing trap and as such are useful in delineating underlying older units such as the Unuk River Formation.

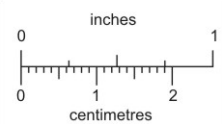
Intrusion of the batholithic Coast Plutonic Complex in the Iskut region of Cretaceous and Tertiary age followed. Composition varies from quartz monzonite, granodiorite to granite. Important in many instances to the localization of mineralization are satellite facies of epizonal or subvolcanic acidic porphyries.

Quaternary and Tertiary volcanics occur at Hoodoo Mountain, along the Iskut River near Forrest Kerr Creek, and in several localities along Snippaker Creek.



LEGEND

- CENOZOIC**
- RECENT
- CENOZOIC - [1] Basalt Flows
- MESOZOIC**
- TRIASSIC - JURASSIC
- MESOZOIC - [2] Hazelton Group Volcanics; Sediments
- PALEOZOIC**
- PERMIAN
- [3] Mainly white crinoidal limestone; minor amounts of chert, quartzite, argillite, slate and schist
- PALEOZOIC - PRE-PERMIAN
- [4] Quartzite, schist, slate, argillite, limestone; schistose, tuff, highly altered extrusives, and/or intrusives, highly crystalline schist, INTRUSIVE ROCKS
- TRIASSIC TO CRETACEOUS
- [A] Acid Intrusives; granite, granodiorite, feldspar porphyry, felsite, diatrite
- PALEOZOIC - [B] Coast Plutonic Complex; quartz monzonite, granodiorite, gabbro, granite



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ANDRONE RESOURCES LTD.

ISKUT RIVER AREA REGIONAL GEOLOGY

LIARD MINING DIVISION
BRITISH COLUMBIA

PAMICON DEVELOPMENTS LTD.

Drawn: J.W.	Project:	Date: MAY-1987	Fig. - 3
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6.0 PROPERTY GEOLOGY

Figure 4 presents preliminary geological mapping of the claim area by Anaconda in 1984. This shows most of the claims to be underlain by Lower to Middle Jurassic rocks of the Unuk River and Betty Creek formation. These rocks correspond to the underlying formations of the main Reg deposit and range from argillites, sandstones and greywackes to andesites, tuffs, conglomerates and volcanic breccias.

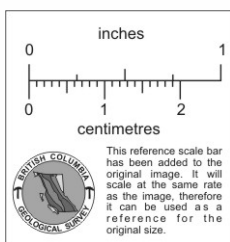
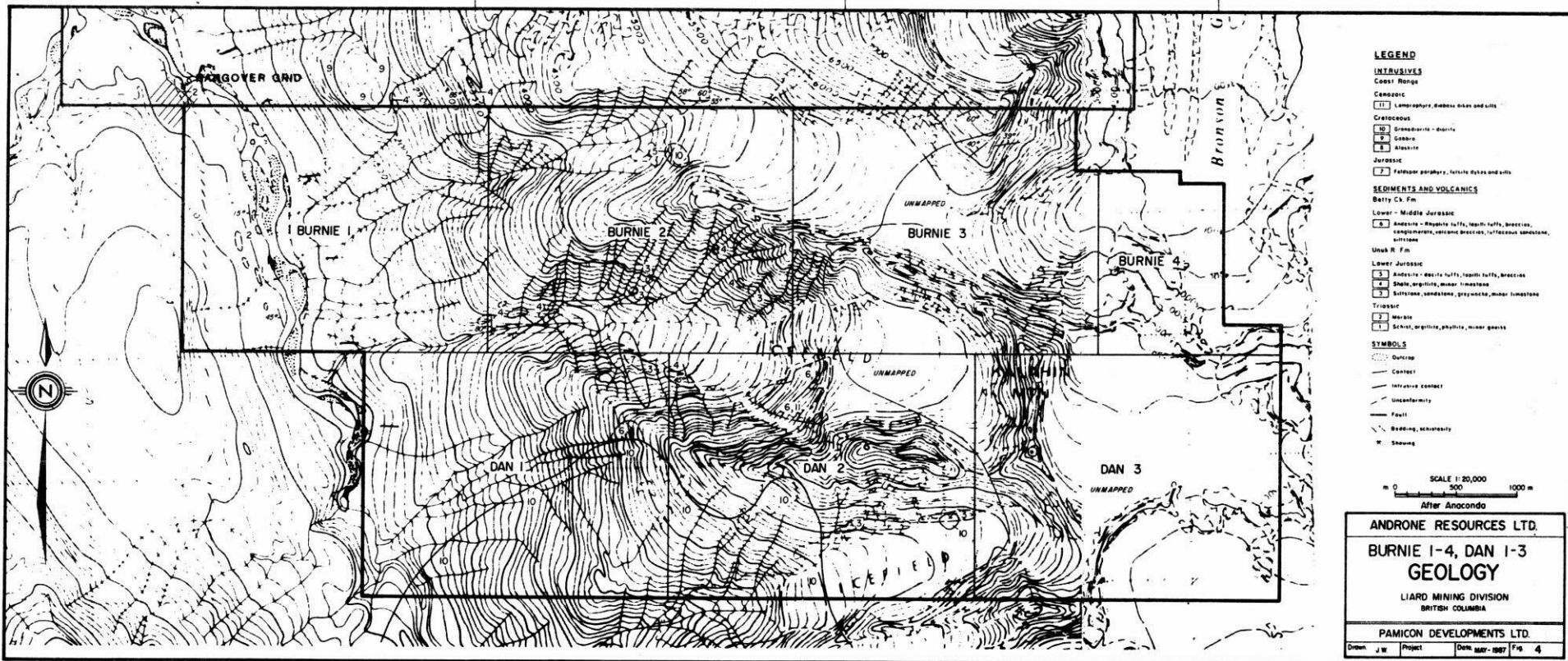
A small Jurassic intrusive complex is mapped in the south central portion of the claims with a Cretaceous granodiorite-diorite contact near the southern boundary of the claims. This possibly corresponds to the main coast range intrusive system.

The Anaconda mapping indicates the lithology in the eastern portion of the claim to consist of a homogeneous sequence of fine-grained fractured and brecciated volcanic rocks. The upper section contains intervals of vesicular/amygdaloidal basaltic flows. The volcanic rocks are intruded by numerous dykes and sills ranging in composition from basalt to rhyodacite. In the vicinity of the Jekill River valley the rocks consist of a thick sequence of sedimentary rocks comprising arenite, greywacke, argillite and minor carbonate. These dip moderately to the west and have been regionally metamorphosed to the upper greenschist facies.

Quartz-filled fractures with variable amounts of carbonate and pyrite are common in most of the rocks. Alteration consisting of epidotization and carbonatization is pervasive in the sequence of volcanic rocks. Numerous limonitic and rusty zones occur in the sedimentary and volcanic rocks near the contacts of the dykes and sills.

7.0 MINERALIZATION

Results from Anaconda's sampling program are presented in the accompanying tables (Appendix I) with sample locations shown on Figure 5. It can be



noted from the small number of samples that the area has received only cursory work to date. Results of the program were:

- one silver showing adjacent to the northwest corner of the property was identified

- silt geochemistry demonstrated the presence of:
 - two areas of strongly anomalous gold
 - an area with anomalous gold, copper and arsenic
 - an area with anomalous bismuth with enriched rock chip geochemistry in copper, lead, zinc, silver and gold

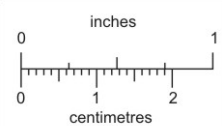
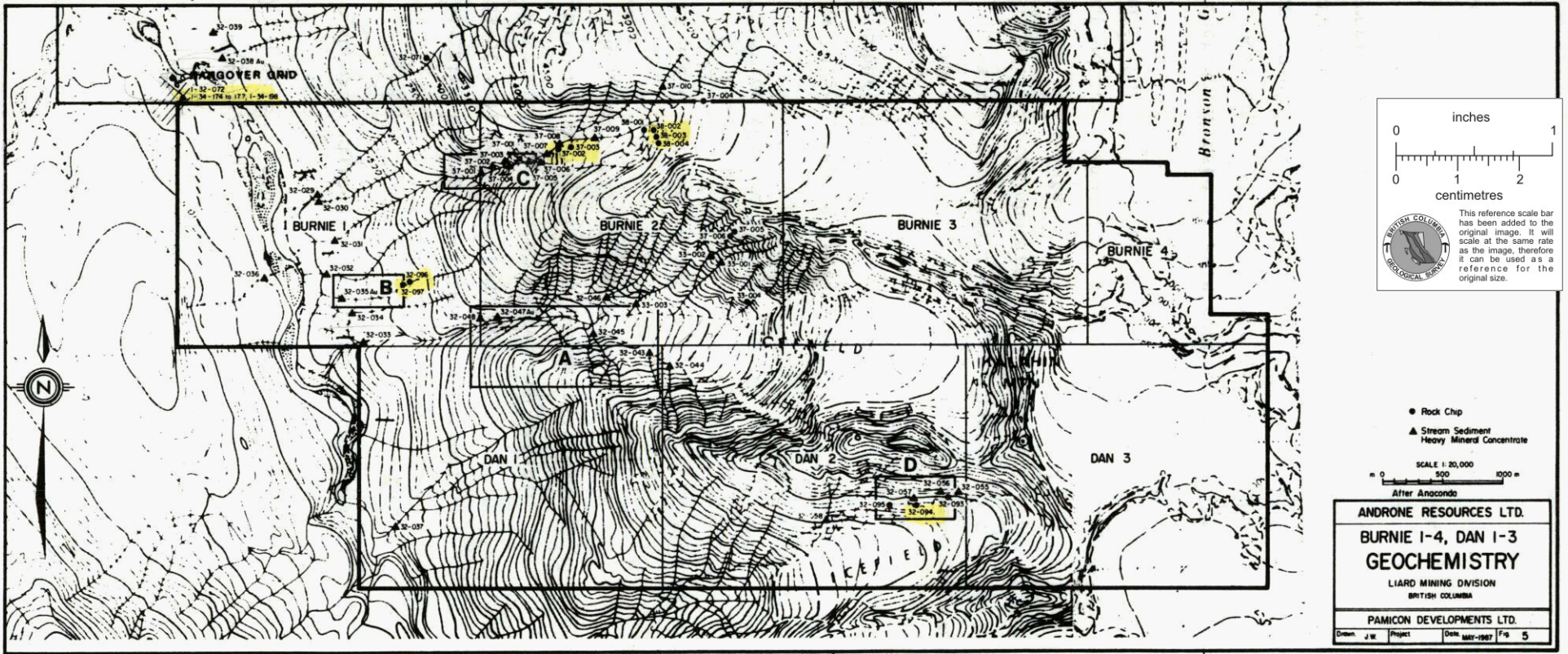
These results are discussed in more detail in the following sections.

7.1 Silver Showing (Figure 5)

The following discussion of this showing is excerpted from the Anaconda report of November 1984.

"At the end of the summer a follow-up program to evaluate the anomalous silver-base metal showing hosted in a felsitic rock was carried out. This showing, the Hangover showing, was trenched and blasted to a total length of 17 m and width of 5 m and was then mapped and sampled. Additionally, a VLF geophysical survey was run in the vicinity of the showing.

The trenching exposed a pale buff to grey fine to medium grained felsic rock, composed of a fine grained allotriomorphic granular intergrowth of feldspar and quartz overgrown by abundant secondary carbonate. The fine grained character of the feldspar makes microscopic identification impossible. The rock is cut by abundant 10 cm long by 1/2 cm wide iron-rich carbonate veinlets which weather a rusty colour. Mineralization consisting of pyrite, pyrrhotite and abundant freibergite with lesser chalcopyrite,



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malachite and azurite occurs in the wall rock and on the margins of three major 1 cm quartz veins which transect the trench.

In addition to the original sample 1-32-072, five grab samples were taken during the trenching. Results of this sampling are given in Table 1. All of the samples had significant amounts of Ag, from 1.02 o.p.t. to 23.93 o.p.t. Of the base metals, Cu was consistently enriched and in samples which assayed high silver generally exhibited a positive correlation. Zn and Pb both showed variable enrichment. Gold assays were low; the highest assay was 0.005 o.p.t.

The line to line correlation of the Hangover VLF data generally indicates flat responses. The absence of a strong EM response suggests this area to be distinct from the Digem conductor located just to the north. A single cross over indicated at L 50E/9S is not present on any of the adjacent profiles. Mapping at the Hangover showing indicated the presence of a sulfide bearing felsic dyke (?). If the dyke is related to this response then a 045° trend may be inferred on this dyke and perhaps guide follow-up work."

Table 1
Hangover Trench - Grab Sample Assays
Claim Group 83-2

<u>Sample No.</u>	<u>Au</u> (oz/t)	<u>Ag</u> (oz/t)	<u>Cu</u> (ppm)	<u>Pb</u> (ppm)	<u>Zn</u> (ppm)
1-32-072	0.005*	20.70*	10,450	3,700	1,810
1-34-174	<0.002*	1.37	1,385	9	279
1-34-175	0.002*	20.97*	10,740	1,500	1,990
1-34-176	0.002*	3.89*	1,715	290	312
1-34-177	0.003*	23.93*	14,650	1,000	2,500
1-34-178	<0.002*	1.02	850	500	194

*results by assay, all others by geochemical methods

This showing is located on the Stanley 7 Claim adjacent to the northwest corner of the Burnie 1 Claim.

7.2 Geochemistry

During the Anaconda program a total of 75 heavy mineral concentrate silt samples and 158 rock chip samples were taken from the area. Of these 34 silts and 19 rock chip samples were collected from the claims subject to this report. Results from these are presented in Appendix I with locations shown on Figure 5.

In the 1984 report Anaconda presents some statistical summaries derived from these samples. The wide variation in numbers from this program combined with the relatively small number of samples in the program have caused the statistics to produce some rather bizarre results. For example in the gold silt results one standard deviation is in excess of 40,000 ppb.

In the writer's opinion based on experience in the area the survey results available to date should be interpreted more pragmatically with all of the higher results worthy of further investigation.

Geochemical results to date suggest four areas indicated by the silt and rock chip program which should be pursued. These are discussed in more detail in the following sections of this report. In addition a more extensive and comprehensive silt geochemical program should be conducted for the area.

7.2.1 Area A (Figure 5)

This area shows strongly anomalous gold results from stream sediments heavy mineral concentrates on the Burnie 2 and Dan 1 Claims. Values reported are tabulated below.

<u>Sample No.</u>	<u>Au</u> (ppb)	<u>Pb</u> (ppm)
32-043	3,010	412
-045	6,910	19
-047	14,200	162
-048	3,120	85

7.2.2 Area B (Figure 5)

Strongly anomalous gold silt (hmc) of 7,860 ppm Au from stream draining Burnie 1 Mineral Claim along with elevated base metal values in rock chip samples 32-096 and 32-097 (Appendix I).

7.2.3 Area C (Figure 5)

Anomalous values in copper, antimony and arsenic on Burnie 2 Claim with a moderately anomalous gold value (3,960 ppb) from lower in the creek draining this area. Sample values from the area are tabulated below:

<u>Sample No.</u>	<u>Au</u> (ppb)	<u>Ag</u> (ppm)	<u>Cu</u> (ppm)	<u>Pb</u> (ppm)	<u>Zn</u> (ppm)	<u>As</u> (ppm)	<u>Sb</u> (ppm)	<u>Bi</u> (ppm)
37-001	60	4.7	1,148	55	172	187	10	2
-002	50	7.3	1,394	60	180	168	18	2
-003	1	3.5	501	50	154	79	7	2
-004	125	2.6	197	111	278	107	2	2
-005	1	4.7	480	279	442	2,109	9	3
-006	1	4.7	333	64	157	94	12	2
-007	1,212	2.7	202	198	327	180	2	2
-008	440	2.1	175	116	231	131	2	2

7.2.4 Area D (Figure 5)

Increased bismuth values from silts possibly reflect the area of mineral enrichment on the Dan 2 Claim where the rock geochemical analysis shows an area of enrichment in copper, lead, zinc, silver and gold. Results are tabulated below.

<u>Sample No.</u>	<u>Au</u> (g/t)	<u>Ag</u> (g/t)	<u>Cu</u> (ppm)	<u>Pb</u> (%)	<u>Zn</u> (%)
32-094	0.38	32.0	2,500	1.5	3.06
-095	0.86	30.0	280	1.37	11.80

Additional samples from this area are noted in Figure 5 with results listed in Appendix I.

8.0 DISCUSSION AND CONCLUSIONS

The Androne Claims discussed in this report directly adjoin Skyline's Reg group where a 200 to 400 ton per day high grade underground gold deposit is presently being developed. Preliminary mapping by Anaconda indicates the Androne Claims are underlain by the same rock units which are host to the Skyline deposit. Anaconda's work in 1984 yielded several areas on the claims which have demonstrated gold values in geochemical stream samples and rock chip analyses with highly anomalous gold, silver, lead and zinc. These results should be the subject of detailed investigation.

As can be noted from Figure 5 of this report the Anaconda survey was of a preliminary nature with large areas of the property not examined. The survey should be continued to cover the entire claim block.

A program consisting of geological mapping, prospecting, geochemical sampling and geophysical surveying employing a VLF-EM unit is recommended in the next section of this report.

These techniques were found to be suitable on Skyline's property in its early exploration stage.

9.0 RECOMMENDED PROGRAM

STAGE I

Claim Investigation

Preliminary survey of claims to accurately locate property boundaries.

Geochemical Survey

Detailed silt geochemical sampling in areas of previously reported high values and extension of reconnaissance survey to all drainages on the property.

Geological Mapping

Continuing the geological mapping of the area started by Anaconda and presented in Figure 4 of this report.

Prospecting

Detailed prospecting of the claim for any mineralization and follow up on geochemical anomalous areas.

Geophysics

VLF-EM on any mineralization encountered. Mineralization in the area is generally structurally controlled and VLF has proven to be effective in defining structures in this camp.

The above Stage I program is anticipated to require 30 days to complete at a cost of \$170,000.

Detailed cost estimate of this program is presented in Appendix II.

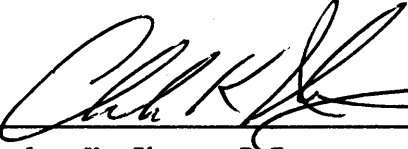
Subject to results of the Stage I program a Stage II program may be warranted. It is anticipated that this would involve trenching, sampling, geological interpretation and possibly a small drill program. Detailed

cost estimate for such a program is not possible at this time, however some \$150,000 should be available if required.

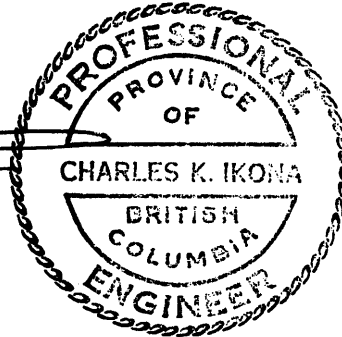
Total Estimated Cost

Stage I	\$170,000
Stage II	<u>150,000</u>
	<u>\$320,000</u>

Respectfully submitted,



Charles K. Ikona, P.Eng.



APPENDIX I

1

STREAM SEDIMENT - HEAVY MINERAL CONCENTRATES
(From Anaconda's Program)

<u>Sample No.</u>	<u>Au</u> (ppb)	<u>Ag</u> (ppm)	<u>Cu</u> (ppm)	<u>Pb</u> (ppm)	<u>Zn</u> (ppm)	<u>As</u> (ppm)	<u>Sb</u> (ppm)	<u>Bi</u> (ppm)
32-029	1,530	4.8	338	258	408	235	4	3
-030	115	0.6	143	23	90	29	2	3
-031	3,960	2.2	173	148	241	175	2	3
-032	170	0.6	42	25	59	25	2	2
-033	675	1.5	187	278	138	74	0	2
-034	75	0.5	61	17	64	26	2	2
-035	7,860	1.7	54	14	40	24	2	2
-036	14	0.8	126	22	74	36	2	2
-037	90	1.0	122	22	61	63	2	2
-038	8,120	0.3	41	15	79	19	2	2
-039	155	1.0	135	39	196	89	2	2
-043	3,010	3.8	187	412	549	126	2	2
-044	10	0.7	110	12	63	11	2	2
-045	6,910	1.0	89	19	66	23	2	2
-046	285	0.8	101	14	65	20	2	2
-047	14,200	2.6	186	21	162	60	2	2
-048	3,120	1.7	135	15	85	112	2	2
-055	16	0.5	55	83	101	20	3	2
-056	11	0.3	51	21	28	2	2	11
-057	29	1.6	183	94	199	12	2	9
-058	40	0.3	70	15	76	17	6	2
37-001	60	4.7	1,148	55	172	187	10	2
-002	50	7.3	1,394	60	180	168	18	2
-003	1	3.5	501	50	154	79	7	2
-004	125	2.6	197	111	278	107	2	2
-005	1	4.7	480	279	442	2,109	9	3
-006	1	4.7	333	64	157	94	12	2
-007	1,212	2.7	202	198	327	180	2	2
-008	440	2.1	175	116	231	131	2	2
-009	275	2.6	194	119	277	130	2	2
-010	275	5.6	519	650	734	262	7	2
33-001	35	2.8	441	96	181	64	2	2
-002	1,460	1.2	233	36	119	23	2	2
-003	1,730	1.5	114	10	75	18	2	2

APPENDIX I

2

ROCK CHIP GEOCHEMISTRY
(From Anaconda's Program)

<u>Sample No.</u>	<u>Cu</u> (ppm/%)	<u>Pb</u> (ppm/%)	<u>Zn</u> (ppm/%)	<u>Ag</u> (g/t)	<u>Au</u> (g/t)
37-001	250	102	126	3.4	0.17
-002	20	72	330	.7	0.07
-003	66	104	1,680	.7	0.07
-004	8	6	54	.2	0.07
-005	4	40	92	2.5	0.07
-006	20	25	57	.3	0.07
38-001	51	30	13	.8	0.07
-002	85	9	55	.6	0.07
-003	63	9	70	.5	0.07
-004	57	76	20	3.4	0.14
32-071	85	3,800	5,800	90.5	1.93
-072	1.05%	3,700	1,820	709.7	0.17
-073	85	280	65	8.9	0.07
-093 ✓	7	179	500	1.0	0.07
-094 ✓	2,500	1.50%	3.06%	32.0	0.38
-095	280	1.37%	11.80%	30.0	0.86
-096	73	101	480	.8	0.07
-097	30	60	360	1.8	0.07
33-004	138	122	235	1.8	0.17

APPENDIX II

BURNIE-DAN PROJECT
ANDRONE RESOURCES LTD.

COST ESTIMATE, STAGE I

STAGE I

Wages

Geologists (2 x 30 days @ \$300/day)	\$18,000
Prospector (30 days @ \$225/day)	6,750
Assistants (2 x 30 days ea @ \$175/day)	<u>10,500</u>

\$ 35,250

Communications and Telephone

850

Accounting

600

Professional Fees and Contracts

Surveying and Grid Preparation	\$ 6,000
Computer Analysis, Geochem	<u>2,000</u>

8,000

Travel, Accommodation and Meals

4,000

Automobile Expense

300

Helicopter Support (50 hours @ \$550/hour)

27,500

Fixed Wing Support (8 trips @ \$800/trip)

6,400

Technical Information - Airphoto, Maps, etc.

3,500

Camp

Building and Equipment	\$ 6,500
Food (6 men x 30 days @ \$20/man day)	3,600
Fuel	<u>500</u>

10,600

Commercial Freight

2,000

Expediting

500

Expendibles

500

Equipment Rental

2,250

Assays and Geochemical Analyses

Assays: Cu, Pb, Zn, Ag, Au (200 @ \$32.50)	\$ 6,500
Geochem: Cu, Pb, Zn, Ag, Au, As (750 @ \$20)	<u>15,000</u>

21,500

Report Preparation

10,000

Contingency

10,000

Management Fee (15%)

25,500

\$169,250

TOTAL STAGE I, say

\$170,000

APPENDIX III

BIBLIOGRAPHY

Geological Survey of Canada Map No. 9-1957: Operation Stikine (1956).

Geological Survey of Canada Map No. 1418A: Iskut River (1979).

Grove, E.W. (1985): Geological Report and Work Proposal on the Skyline Exploration Ltd.'s Inel Property.

Grove, E.W. (1986): Geological Report, Exploration and Development Proposal on the Skyline Exploration Ltd.'s Reg Property.

Kerr, F.A. (1929): Geological Survey of Canada Memoir No. 246.

Sawiuk, Burlington, Kikauka: Geological, Geochemical, Geophysical Report on the Burnie 1 - 4, Stanley 7 and Reg 10 Claims, November 1984.

Appendix IV
ENGINEER'S CERTIFICATE

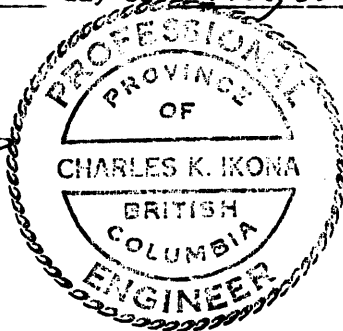
I, CHARLES K. IKONA, of 5 Cowley Court, Port Moody, in the Province of British Columbia, DO HEREBY CERTIFY:

1. THAT I am a Consulting Mining Engineer with offices at Suite 711, 675 West Hastings Street, Vancouver, British Columbia.
2. THAT I am a graduate of the University of British Columbia with a degree in Mining Engineering.
3. THAT I am a member in good standing of the Association of Professional Engineers of the Province of British Columbia.
4. THAT this report is based on all available information on the Burnie 1 - 4 and Dan 1 - 3 claim groups.
5. THAT I have not examined the property reported on, but have had extensive experience in the area and have been associated with the development of Skyline's adjoining Reg claim group since 1981.
6. THAT I have no interest in the property described herein, nor in securities of any company associated with the property, nor do I expect to acquire any such interest.
7. THAT I consent to the use by Androne Resources Ltd. of this report in a Prospectus or Statement of Material Facts or any other such document as may be required by the Vancouver Stock Exchange or the Office of the Superintendent of Brokers.

DATED at Vancouver, B.C., this 28th day of August, 1987.



Charles K. Ikona, P.Eng.



STATUTORY RIGHTS OF RESCISSION

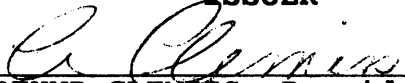
The British Columbia Securities Act provides purchasers with the right to rescind a contract for the purchase of securities where the statement of material facts and any existing amendments thereto either contain a misrepresentation or are not delivered to the purchaser before delivery of the written confirmation of sale. For further information concerning these rights, and the time limits within which they must be exercised, refer to Sections 66, 114 and 118 of the Securities Act or consult a lawyer.

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.

22nd June 1987
(Date)

ISSUER


ARTHUR CLEMIS, President and
Chief Executive Officer

ON BEHALF OF THE BOARD OF DIRECTORS


D. WILLIAM CAMPBELL, Director


ELENORE KEAYS, Director

AGENTS


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.

22nd June 1987
(Date)

CANARIM INVESTMENT CORPORATION
LTD.

Per: 
Peter M. Brown, President

CONTINENTAL CARLISLE DOUGLAS

Per: 
Robert Fay, President

CERTIFICATE of QUALIFICATIONS



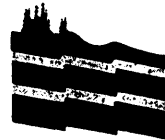
I, George Cavey, of 6891 Wiltshire Street, Vancouver, British Columbia hereby certify:

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 Fellow of the Geological Association of Canada.
5. I am a member of the Canadian Institute of Mining and Metallurgy.
6. I visited the Skyline Camp between June 16-18, 1987, this letter is based on; my past experience, information gained during the examination of the mineral occurrences in the Skyline camp, detailed knowledge of the Skyline geology as a result of the supervision of two extensive exploration programs in the area and a personal property examination on June 17, 1987.
7. Neither OreQuest Consultants Ltd. nor myself have or expect to receive direct or indirect interest in the property nor in the securities of Androne 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.


George Cavey
Consulting Geologist

DATED at Vancouver, British Columbia, this 28th day of August, 1987.

OREQUEST



August 28, 1987.
Androne Resources Ltd.
1550 - 609 Granville Street
Vancouver, B.C.
V7Y 1C6

Dear Sirs:

RE: SKYLINE PROJECT

I have reviewed the report entitled "Geological Report on The Dan 1-3 and Burnie 1-4 Mineral Claims" by Charles K. Ikona, P. Eng., dated May, 1987.

I visited the Skyline Camp from June 16-19, 1987 and at that time had the opportunity to visit many of the known mineral showings in the area, and go on an underground tour of the Skyline Stonehouse gold zone. During the three day visit to the area I briefly visited the Androne Property.

Based on my past experience, coupled with the information I gained during the three day examination of the mineral occurrences in the area, and based on the knowledge I have since gained as a result of completing the supervision of two extensive exploration programs in the Skyline Camp, I concur with the conclusions, recommendations and cost estimates that are contained in the above mentioned report.

If you have any further questions please contact me.

Yours truly,


George Cavey
Consulting Geologist

encl.: 1

GC/kf