DL/LD

Rock and Roll
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New

SUPERINTENDENT OF BROKERS
AND
019558 VANCOUVER STOCK EXCHANGE
(Development Company)

STATEMENT OF MATERIAL FACTS #39/89
EFFECTIVE DATE: JULY 25, 1989

THIOS RESOURCES INC.
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

Royal Trust Corporation, 505 Burrard Street, Vancouver, B.C., V6B 3R7
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.

O F F E R I N G : 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 Proceeds 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.

A D D I T I O N A L O F F E R I N G

The Agents have 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 Agents"). Any Units acquired by the Agents 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.

A G E N T S

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

Continental Securities
10th Floor, 1055 Dunsmuir Street
Vancouver, B.C., V7X 1L4

McDermid St. Lawrence Limited
#1000 - 601 West Hastings Street
Vancouver, B.C., V6B 5E2

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.

Sept-20/89

1. PLAN OF DISTRIBUTION

A. THE OFFERING

By Agreement dated for reference June 29, 1989 (the "Agency Agreement"), Thios Resources Inc. (the "Issuer") appointed the following as its agents (the "Agents") to offer through the facilities of the Vancouver Stock Exchange (the "Exchange") 1,000,000 Units of the Issuer at a fixed price in the amounts set opposite their respective names (the "Offering"):

Agents	No. of Units
Canarim Investment Corporation Ltd.	700,000
Continental Securities	200,000
McDermid St. Lawrence Limited	100,000

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 (the "Offering Price") 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, subject to the agreement of the Issuer and the Agents. 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 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.

The Issuer has agreed to notify the Agents 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 Agents 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

GEOLOGICAL REPORT
ON THE
ROCK AND ROLL MINERAL CLAIMS

Located in the Iskut River Area
Liard Mining Division
NTS 104B/11E
56°43' North Latitude
132°14' West Longitude

- Prepared for -

THIOS RESOURCES INC.

- Prepared by -

A. MONTGOMERY, Geologist
C.K. IKONA, P.Eng.

February, 1989

GEOLOGICAL REPORT on the ROCK and ROLL MINERAL CLAIMS

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1.0 INTRODUCTION

The Rock and Roll claims were staked in October 1988 to cover favourable ground located in the Iskut River gold camp in northwestern British Columbia. The claims are located 10 km northwest of Cominco/Delaware's Snip deposit and 15 km northwest of neighbouring Skyline's Stonehouse Gold deposit. Skyline reports reserves of 686,000 tons grading 0.570 oz/ton Au while recently reported reserves on the Snip deposit in all categories total 2,446,000 tons grading 0.648 oz/ton Au.

Late in 1988 a gold/silver/copper/lead vein was discovered 2 km southeast of the Thios property on Crest Resources/Magenta Developments ground. This significant discovery is hosted within volcanic and sedimentary rocks similar to those hosting the Skyline and Cominco/Delaware deposits and several other prospects in the Iskut River area. These units also underlie the Rock and Roll claims.

To date six man days of sampling on the Thios property has located rock chip and soil anomalies.

The following report is intended to summarize information available and work carried out on the property and recommends a follow-up work program for the 1989 season.

2.0 LIST OF CLAIMS

Records of the British Columbia Ministry of Energy, Mines and Petroleum Resources indicate that the following claims are owned by Prime Capital Corporation. Separate documents indicate that the claims are under option to Thios Resources Inc.

Claim Name	Record Number	No. of Units	Record Date	Expiry Date
Rock	5439	20	November 8, 1988	November 8, 1989
Roll	5440	20	November 8, 1988	November 8, 1989

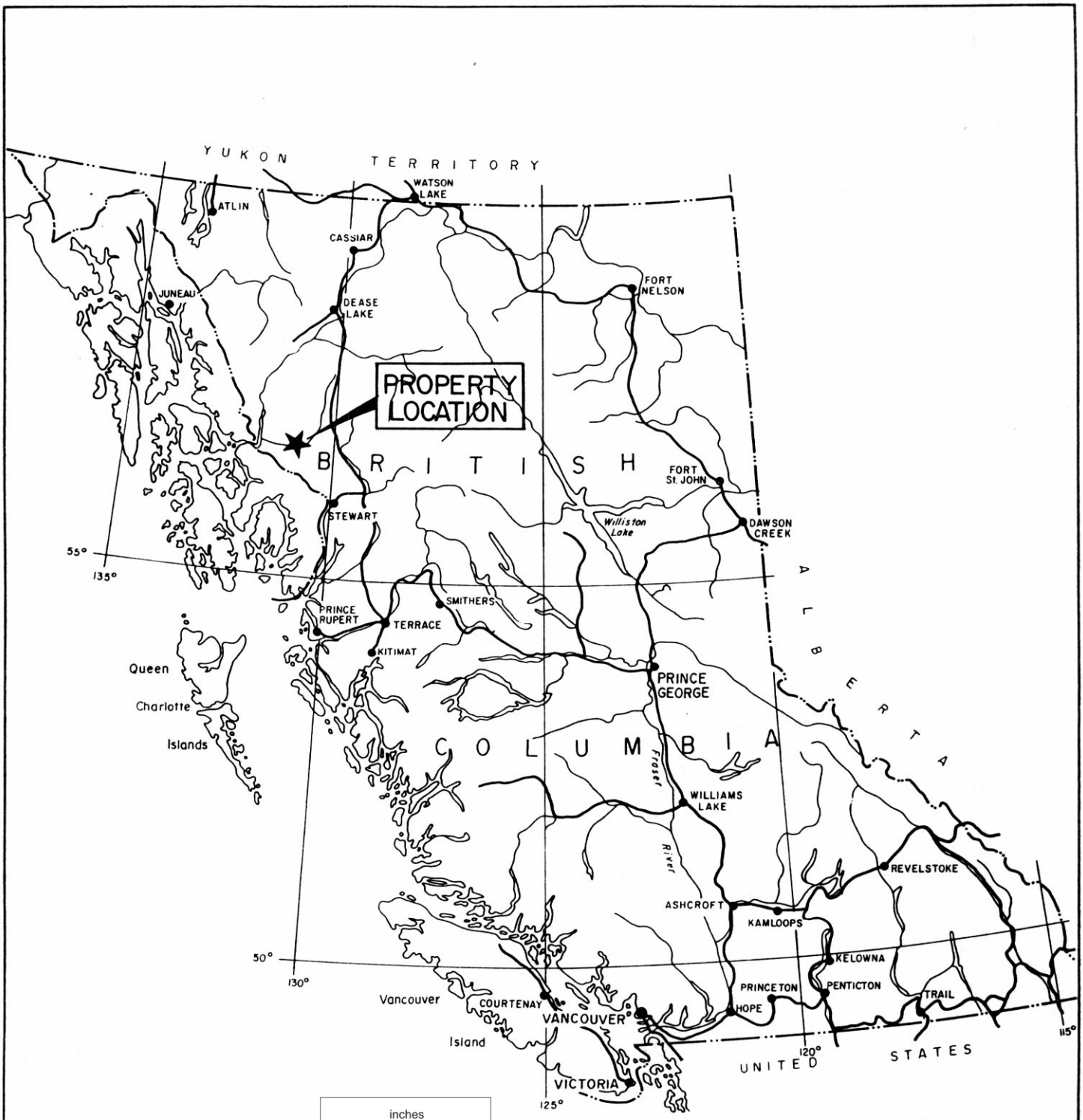
3.0 LOCATION, ACCESS AND GEOGRAPHY

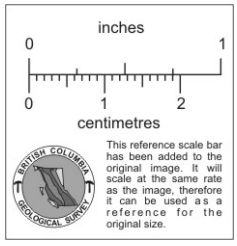
The Rock and Roll claims are located along the Iskut River in northwestern British Columbia (Figures 1 and 2), forming part of a developing region of mineral occurrences centred along the Iskut. The claims are situated about 65 kilometres northeast of Wrangell, Alaska and 125 kilometres northwest of Stewart, British Columbia centered at 56°43' north latitude and 132°14' west longitude falling under the jurisdiction of the Liard Mining Division. Bob Quinn Lake on the Stewart-Cassiar Highway is situated 65 kilometres to the northeast while Bronson Creek gravel airstrip (servicing Cominco/Delaware's Snip deposit and Skyline Exploration's Stonehouse Gold deposit) is located 8 kilometres to the east-southeast.

Access to the property is via helicopter from the Bronson Creek gravel airstrip, Bob Quinn Lake or the Forrest Kerr airstrip located 36 kilometres to the northeast at the headwaters of the Forrest Kerr River. Daily scheduled flights to the Bronson Creek strip from Smithers, B.C., Terrace, B.C. and Wrangell, Alaska have been available during the field season using a variety of fixed wing aircraft (Bronson strip was recently upgraded to handle Hercules aircraft).

The construction of a road 65 kilometres long has been proposed by C.K. Ikona of Pamicon Developments Ltd. on behalf of Skyline Explorations Ltd. The road would be situated on the south side of the Iskut Valley to connect the Stewart-Cassiar Highway with the Cominco/Delaware-Skyline gold mines at Bronson Creek.

Geographically, the property lies within the Iskut River valley covering an area of gentle topography. Maximum elevations of 450 metres asl occur at the base of Hoodoo Mountain in the northwest corner of the claim area with elevations dipping to about 60 metres along the Iskut River which flows east-west across the claims as a series of river channels and gravel bars. Lost Lake along the southeast claim boundary drains into tributaries of the Craig River along the property's south boundary. Vegetation includes a well





THIOS RESOURCES INC.

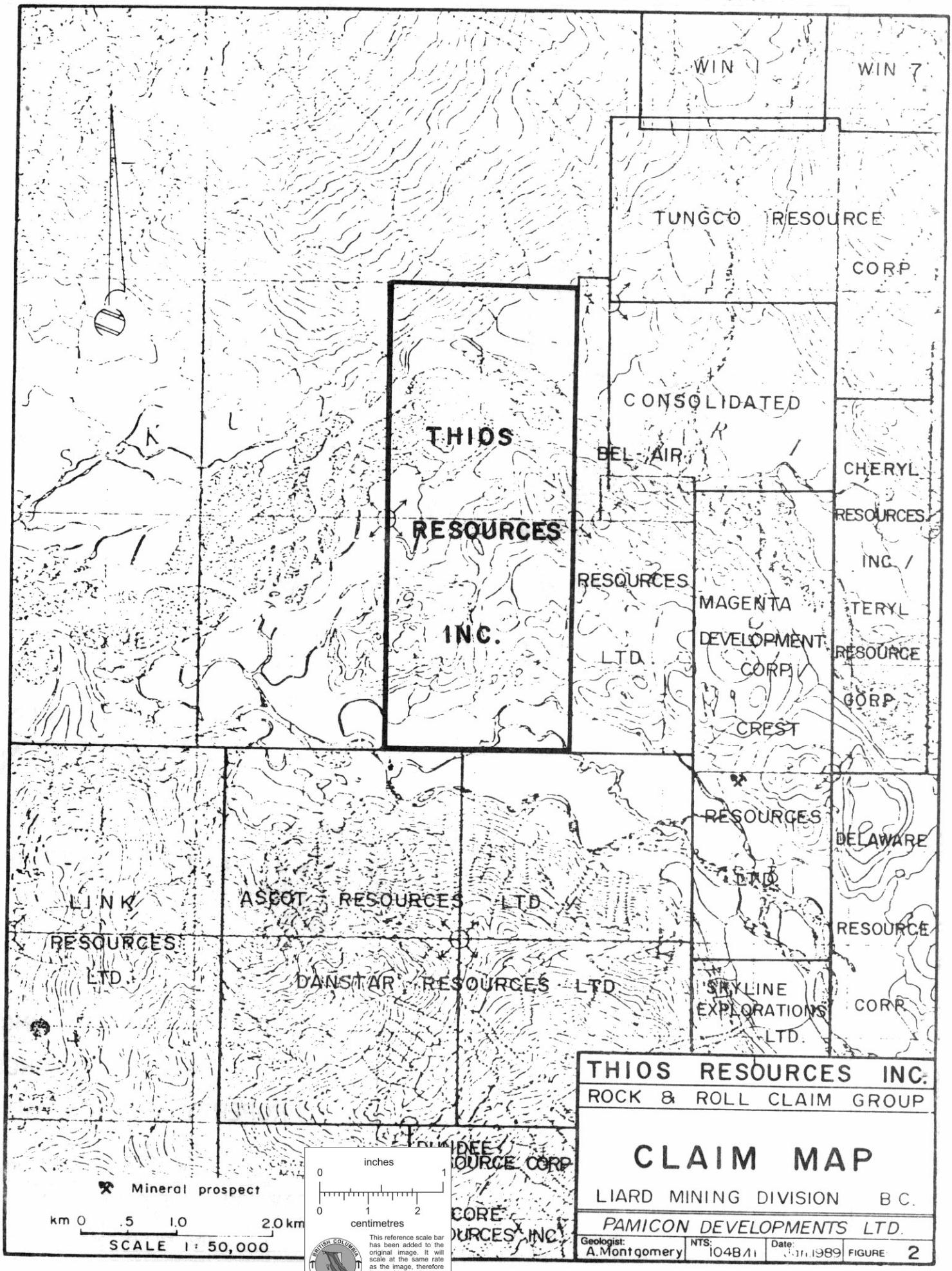
ROCK and ROLL CLAIM GROUP

PROPERTY LOCATION MAP

0 100 200 MILES
0 100 200 300 KILOMETRES

PAMICON DEVELOPMENTS LTD.

DRAWN	N.T.S.	DATE	FIG.
J. W.	104B/11E	Jan. 1989	1


WIN 1
WIN 7
TUNGCO RESOURCE CORP
CONSOLIDATED BEL AIR
THIOS RESOURCES INC.
CHERYL RESOURCES INC / TERYL RESOURCE CORP
RESOURCES LTD.
MAGENTA DEVELOPMENT CORP / CREST
RESOURCES LTD
DELAWARE RESOURCE CORP
LINK RESOURCES LTD.
ASCOT RESOURCES LTD
DANSTAR RESOURCES LTD
SKYLINE EXPLORATIONS LTD.
Mineral prospect
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THIOS RESOURCES INC.
ROCK & ROLL CLAIM GROUP
CLAIM MAP
LIARD MINING DIVISION B.C.
PAMICON DEVELOPMENTS LTD.
Geologist: A. Montgomery
NTS: 104B/11
Date: Jan. 1989
FIGURE 2

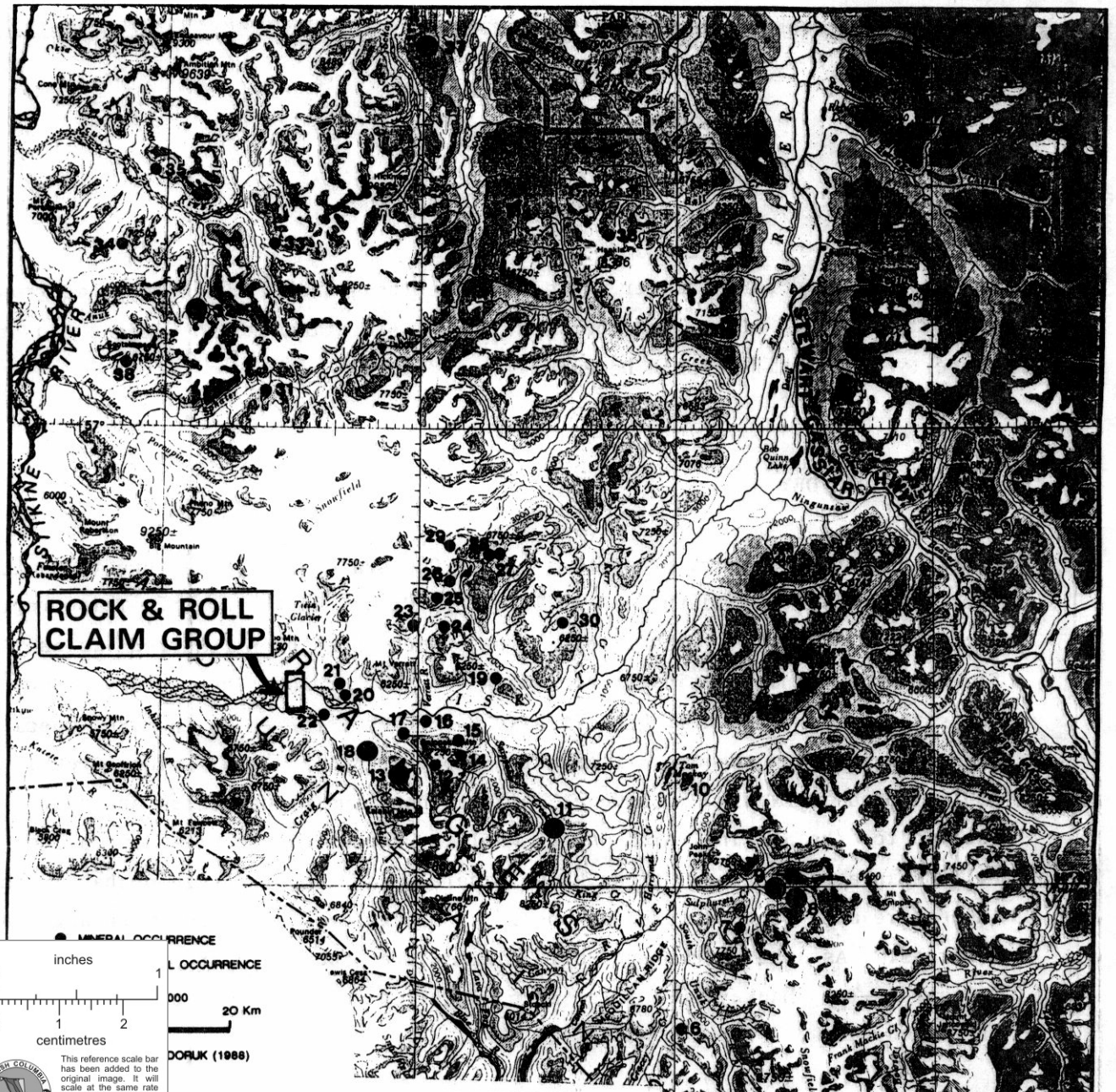
developed mature forest cover of spruce, hemlock and fir with an undergrowth of devils club, alder and berries. Low elevations allow access to the property from April through December.

4.0 AREA HISTORY

Figure 3 of this report presents a 1:500,000 scale area of northwestern B.C. from Stewart in the south to near Telegraph Creek in the north. This represents some 225 km. Within this area, which has been referred to as the Stikine Arch, mining activity goes back to the turn of the century. Due to the size of the region it historically has been referred to in more specific areas ranging from the Stewart area to Sulphurets, Iskut and Galore Creek. As can be noted in Figure 3, however, all of these individual camps appear to be related to the Stikine Arch as a whole. Recent discoveries appear to be filling in areas between these known mineralized camps. It is probable that the entire area be considered as one large mineralized province with attendant subareas. As the Rock and Roll claims are located near the Iskut and Sulphurets-Tom MacKay areas a more detailed history of these areas is presented below.

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 Mountain. Iskut Mining Company subsequently worked crown granted claims along Bronson Creek and on the north slope of Johnny Mountain. Up to 1920, a 9 metre 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.'s Stonehouse Gold deposit. The claims were worked and subsequently allowed to lapse.



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● MINERAL OCCURRENCE

L OCCURRENCE

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DORUK (1988)

RTY OWNER

MINERAL RESERVES AND/OR ELEMENTS

1.	Westmin Resources Ltd./Silbak Premier Mines	5,900,000 tonnes 0.063 oz/ton Au, 2.3 oz/ton Ag
2.	Westmin Resources Ltd./Tournigan Mining Explorations Ltd.	1,600,000 tonnes 0.110 oz/ton Au, 0.84 oz/ton Ag
3.	Boranda (Todd Creek Project)	Au
4.	Scottie Gold Mine	Au
5.	Granduc	10,090,000 tons 1.79% Cu
6.	Echo Bay Mines/Hagan Ventures/Silver Princess Resources (Doc Project)	470,000 tons 0.27 oz/ton Au, 1.31 oz/ton Ag
7.	Western Canadian Mining (Kerr Project)	Cu, Au
8.	Catear Resources Ltd.	291,916 tons 0.835 oz/ton Au, 2.44 oz/ton Ag
9.	Benhawk/Lacana/Granduc (Sulphurets Project)	2,000,000 tons 0.462 oz/ton Au, 31.78 oz/ton Ag
10.	Calpine/Consolidated Stikine Silver Ltd. (Eskay Creek Project)	Au, Cu, Ag
11.	Consolidated Silver Standard Mines Ltd. (E & L Deposit)	3,200,000 tons 0.80% Ni, 0.60% Cu
12.	Inel Resources Ltd.	Au, Ag, Cu, Pb, Zn
13.	Skyline Explorations Ltd. (Stonehouse Gold Deposit)	1,100,000 tonnes 0.700 oz/ton Au, 1.0 oz/ton Ag, 1% Cu
14.	Kestrel Resources Ltd.	Au, Ag, Cu, Pb, Zn
15.	Hector Resources Inc. (Golden Spray Vein)	Au, Ag
16.	Tungco Resources Corp.	Au, Ag, Cu, Pb, Zn
17.	Vimslow	Au, Ag, Cu, Pb, Zn
18.	Cominco/Delaware Resource Corp. (Snip Deposit)	1,200,000 tons 0.700 oz/ton Au
19.	Pezgold Resource Corp.	Ag, Au
20.	Meridor Resources Ltd.	Au
21.	Delaware Resource Corp./American Ore Ltd./Golden Band	Au
22.	Magenta Development Corp./Crest Resources Ltd.	Au, Ag, Cu, Pb
23.	Ticker Tape Resources Ltd. (King Vein)	Au
24.	Pezgold Resource Corp.	Au
25.	Consolidated Sea-Gold Corp.	Au
26.	Gulf International Minerals Ltd. (Northwest Zone)	Au, Ag, Cu
27.	Kerr Claims	Ag, Cu, Au
28.	Pezgold Resource Corp. (Cuba Zone)	Ag, Pb, Zn
29.	Pezgold Resource Corp. (Ken Zone)	Cu, Au
30.	Forrest Project	Au, Ag, Cu
31.	Pass Lake Resources Ltd. (Trek Project)	Cu, Au
32.	Galore Creek	125,000,000 tonnes 1.06% Cu, 0.397 g/t Au, 7.94 g/t Ag
33.	Continental Gold Corp.	Au, Ag, Cu
34.	Bellex Resources Ltd./Barabat Resources Ltd. (Jack Wilson Project)	Au, Cu
35.	Pass Lake Resources Ltd. (JD Project)	Au, Cu
36.	Lac Minerals (Hankin Peak Project)	Au
37.	Schaft Creek	910,000,000 tonnes 0.30% Cu, 0.026% Mo, 0.113 g/t Au, 0.992 g/t Ag
38.	Paydirt	200,000 tons 0.120 oz/ton Au

THIOS RESOURCES INC.

ROCK & ROLL CLAIMS

Regional Mineral Occurrence Map

Liard Mining Division BC

PAMICON DEVELOPMENTS LIMITED
#711-675 West Hastings St., Vancouver, B.C. V6B 1N4 (604) 684-5901

Geologist:	NTS:	Date:	FIGURE:
A. Montgomery	103, 104	JAN. 1989	3

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 Snippaker 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.

During 1972, Newmont Mining Corporation of Canada Limited carried out a field program west of Newmont Lake on the Dirk claim group. Skarn-type mineralization was the target of exploration. Work consisted of airborne and ground magnetic surveys, geological mapping and diamond drilling. One and one-half metres grading 0.220 ounces gold per ton and 15.2 metres of 1.5% copper was intersected on the Ken showing.

In 1980 Dupont Canada Explorations Ltd. staked the Warrior claims south of Newmont Lake on the basis of a regional stream sediment survey. In 1983, Skyline Explorations Ltd. and Placer Developments Ltd. optioned the Warrior claims from Dupont. Efforts were directed at sampling and extending several narrow quartz-pyrite-chalcopyrite veins with values ranging from 0.1 to 3.0 oz/ton gold. Geophysics and coincident geochemical values indicated a significant strike length to the mineralized structure. The Warrior claims were allowed to lapse in 1986, at which time, Gulf International Minerals Ltd. acquired the McLymont claims covering much the same area.

Assays of interest from recent Gulf drilling are listed below (Gulf International Minerals Ltd., Annual Report, 1987 and news releases):

Drill Hole	Interval (feet)	Length (feet)	Copper (%)	Silver (oz/ton)	Gold (oz/ton)
87-25	343.0-373.0	30.0	0.23	0.11	0.404
	409.3-412.0	2.7	0.55	0.35	0.250
	470.2-473.8	3.6	0.42	0.19	1.520
87-29	167.0-170.0	3.0	0.001	0.01	0.140
	205.0-241.5	36.5	0.97	39.73	1.605
88-28	213.9-229.0	15.1			0.810
	260.5-276.6	16.1			0.645
	354.0-363.2	9.2			0.319

(average grade = 149.0 feet of 0.207 oz/ton gold)

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 460 metres 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. With production commencing in August, 1988 a total of 196,927 lbs. copper, 19,329 oz silver and 9,894 oz gold were produced up to the end of 1988. Remaining reserves reported to date in all categories are 686,000 tons grading 0.570 oz/ton gold.

On the Cominco/Delaware Snip claims immediately north of the Stonehouse Gold deposit, approximately 20,000 metres of diamond drilling has been carried out defining the Twin Zone gold deposit. Three thousand metres of underground development work has also been completed as the project readies for production. As of January, 1989, reserves on the Twin Zone were reported as:

	Au (oz)	Tons
Total Inferred	0.648	2,446,000

During 1987, Inel Resources Ltd. commenced an underground drifting and diamond drilling program along the main cross-cut intent on intersecting the Discovery Zone which hosts gold-bearing polymetallic massive sulphide mineralization. Underground drilling on the centre section of workings has returned in U88-3 a grade of 0.769 oz/ton gold for 4.1 metres (September, 1988). As of November, 1988, 730 metres of underground development has been completed in the area of the Discovery zone.

Western Canadian Mining Corp. in 1987 drilled tested to Khyber Pass massive sulphide showing on their Gossan claims in the Iskut area while in 1988 drilling was carried out on their Kerr project copper-gold porphyry deposit in the Sulphurets camp to the southeast.

Tungco Resources Corporation has drill tested four main gold/copper quartz vein targets; the Bluff, No. 7, Swamp and Gold Bug Zones. The Bluff Zone has been delineated 70 metres along strike and 60 metres downdip with better intersections grading up to 0.243 oz/ton gold across 2.45 metres. The No. 7 Vein returned 1.12 metres of 0.651 oz/ton gold. Drill testing was also carried out near the western edge of the claims on the Boot Zone lead/zinc/copper/silver/gold prospect.

During 1988 Pezgold Resource Corp./International Prism Exploration drill tested the old Newmont Ken Zone magnetite/chalcopyrite/gold skarn zone north of Gulf International Minerals' Northwest Gold Zone. High grade silver-lead-zinc was also found on the eastern side of the property.

In late 1988, Calpine Resources Incorporated/Consolidated Stikine Silver announced several exciting drill holes on their Eskay Creek Project at Tom

McKay Lake. Drill hole CA88-6 reported values of 0.730 oz/ton gold across 96.5 feet.

South of Calpine's Eskay Creek Project and in the Sulphurets Gold Camp several properties are quickly moving into production phases as listed below:

Project	Mineral Reserves
Newhawk/Granduc/Lacana Mine	2,000,000 of 0.462 oz/ton Au, 21.78 oz/ton Ag
Catear Resources Ltd. Mine	291,916 of 0.835 oz/ton Au, 2.44 oz/ton Ag
Echo Bay Mines/Magna/ Silver Princess Project	470,000 of 0.270 oz/ton Au, 1.31 oz/ton Ag

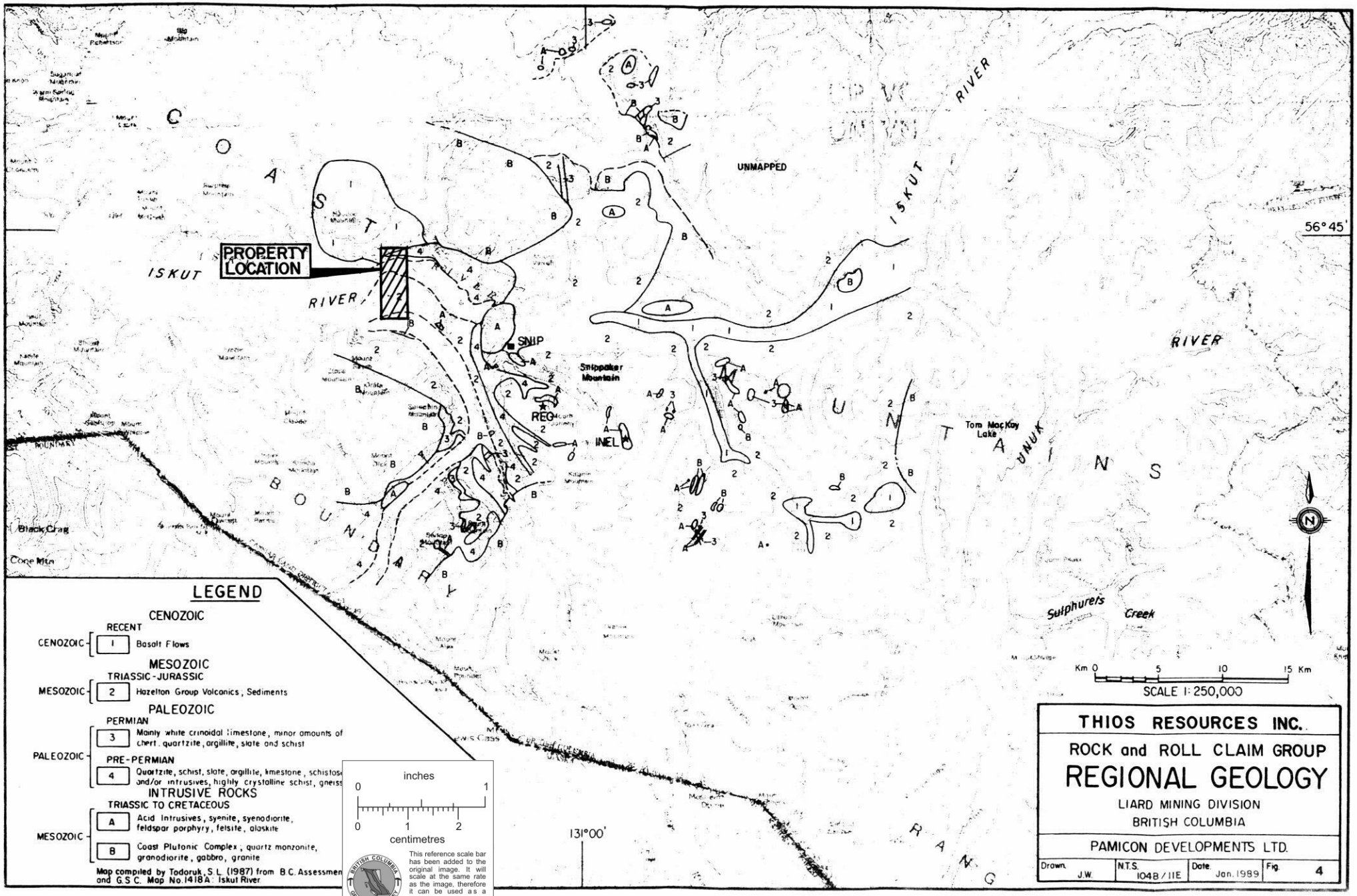
Crest Resources Ltd./Magenta Development Corp. also discovered an exciting gold/silver/copper/lead quartz vein in 1988 on the Rob claims approximately 2.0 km south of Thios' Rock and Roll property with values in trenches up to 2.567 oz/ton Au across 9.8 feet including 7.394 oz/ton Au across 3.3 feet.

East of the Crest/Magenta property, an American Ore Ltd./Golden Band Resources/Delaware joint venture has discovered a gold zone near the north-western corner of the Meridor Resource Corp. Iskut 1 and 2 mineral claims which Meridor has also intersected.

5.0 REGIONAL GEOLOGY

Regional geology is represented in Figure 4.

The following regional geological interpretation is taken from B.C. Geological Survey Branch publication, in press, Exploration in British Columbia 1987 by D.V. Lafebure and M.H. Gunning.


PROPERTY LOCATION
ISKUT RIVER
UNMAPPED
ISKUT RIVER
56°45'
SNIP
Snippaker Mountain
REG
INEL
Tom MacKay Lake
TAUNUK
RIVER
Black Crag
Cone Mtn
Sulphurets Creek
131°00'
Km 0 5 10 15 Km
SCALE 1: 250,000
N
LEGEND
CENOZOIC
RECENT
CENOZOIC 1 Basalt Flows
MESOZOIC
TRIASSIC-JURASSIC
MESOZOIC 2 Hazelton Group Volcanics, Sediments
PALEOZOIC
PERMIAN
PALEOZOIC 3 Mainly white crinoidal limestone, minor amounts of chert, quartzite, argillite, slate and schist
PRE-PERMIAN
PALEOZOIC 4 Quartzite, schist, slate, argillite, limestone, schistos and/or intrusives, highly crystalline schist, gneiss
INTRUSIVE ROCKS
TRIASSIC TO CRETACEOUS
MESOZOIC A Acid Intrusives, syenite, syenodiorite, feldspar porphyry, felsite, alaskite
MESOZOIC B Coast Plutonic Complex, quartz monzonite, granodiorite, gabbro, granite
Map compiled by Todoruk, S.L. (1987) from B.C. Assessmen and G.S.C. Map No.1418A: Iskut River
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THIOS RESOURCES INC.
ROCK and ROLL CLAIM GROUP
REGIONAL GEOLOGY
LIARD MINING DIVISION
BRITISH COLUMBIA
PAMICON DEVELOPMENTS LTD.
Drawn. J.W.
N.T.S. 104B/11E
Date. Jan. 1989
Fig. 4

A northwest-trending belt of Permian to Lower Jurassic volcanic and sedimentary rocks and their metamorphic equivalents trends northward from Alice Arm to Telegraph Creek and forms part of Stikinia. It is bounded to the west by the Coast Complex and is overlapped to the east by the clastic sediments of the Bowser Basin.

The dominant lithologies in the Bronson Creek area are clastic sediments and volcanics with minor carbonate lenses which are intruded by a diverse suite of intrusive rocks, most commonly granitic and syenitic. The sedimentary rocks are sandstones (typically greywackes), siltstones, shales, argillites, conglomerates and minor limestones. Volcanic rocks vary in composition from mafic to felsic and display a wide variety of igneous, pyroclastic and volcaniclastic textures.

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

Kerr (1948) correlated most of the rocks along Bronson Creek with Triassic volcanics that he had seen farther to the north and northwest. These volcanics consist of intensely folded and sheared tuffs, agglomerates, lavas, rare pillow lavas and bedded sediments. He believed that the volcanics are overlain by Triassic argillites with lenses of limestone. The lower northern and western slopes of Johnny Mountain are underlain by pre-Permian metamorphosed shale, sandstone and limestone.

Exploration geologists have defined stratigraphic columns for specific properties (Birkeland and Gifford, 1972; Sevensma, 1981) and for the area as a whole (Parsons, 1965; Bending, 1983). Bending defined a stratigraphic column with black argillite conformably overlain by banded siltstone which underlies a green volcanic unit composed principally of intermediate to felsic rocks. The green volcanic unit has an irregular upper contact with the "Upper Tuffaceous Sedimentary Unit," a sequence of limestones, tuffaceous sandstones, argillites and siltstones with lenses of conglomerate near the upper contact.

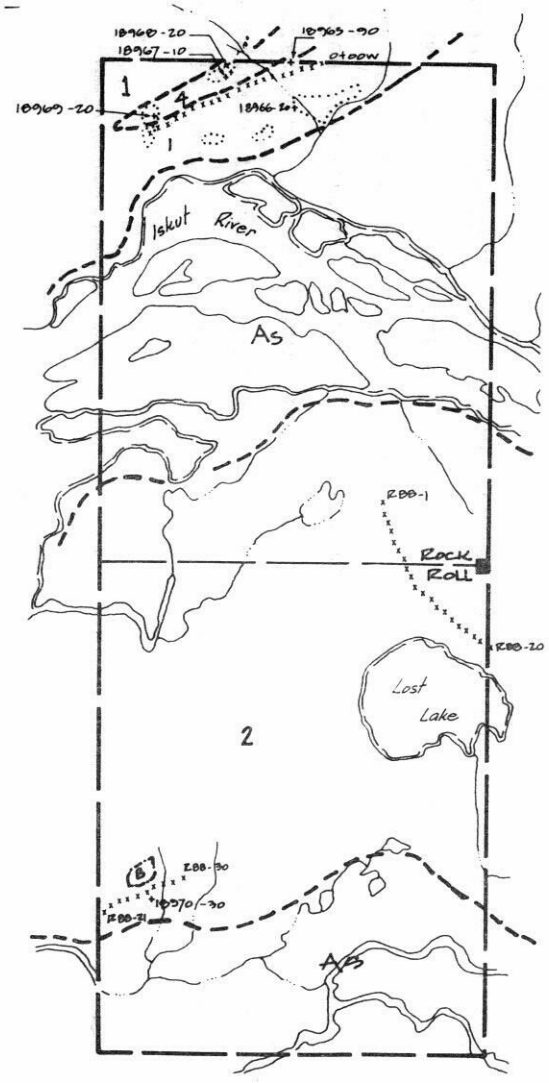
At the top of Bending's sequence is hornblende-biotite andesite tuff and subordinate breccia. Based on descriptions by Kerr (1930, 1948), Bending correlated the basal argillite and siltstone with the upper Paleozoic, the green volcanic unit with the Triassic and the upper tuffaceous sediments with the lower Jurassic. Fossils collected from 350 metres southwest of Snippaker Peak have been determined as Lower Jurassic, probably Toarcian age, by H.W. Tipper of the Geological Survey of Canada (Graf, 1985).

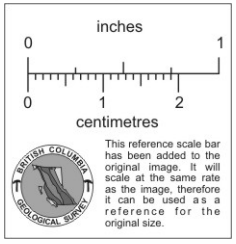
Grove (1986b) subdivided the sedimentary and volcanic rocks on the top of Mount Johnny into the Unuk River and Betty Creek formations of the Hazelton Group, based on correlations with his work to the east.

6.0 PROPERTY GEOLOGY

The Rock and Roll claims are underlain by Mesozoic volcanics and sediments, altered intrusives, pre-Permian metasediments and Recent basalt flows.

Regional mapping suggests that most of the property is underlain by Mesozoic Hazelton Group volcanics and sediments including volcanoclastics and pyroclastics, greywacke, siltstones, shales, argillites, conglomerates and minor limestone (Figure 5). Intrusive rocks outcrop in the southwest corner of the property. Weakly pyritic chlorite, sericite, epidote altered sheared diorite (?) of probable Mesozoic age appears to intrude Hazelton Group rocks near the west boundary of the claims. In the northwest corner of the property Recent Hoodoo basalt flows overlay pre-Permian argillite and quartzite. This area represents the perimeter of a circular basalt flow emitted from Hoodoo Mountain to the northwest. Lavas are coarsely porphyritic with subparallel aligned clear feldspar phenocrysts to 1 cm in length set in a very fine grained dark brown to black matrix. Kerr (1948) describes these lavas as pahoehoe type with large sanidine phenocrysts. Locally flows are reworked forming a poorly consolidated very porous earthy conglomerate. Underlying finely laminated dark grey silicious argillite and interbedded light grey





SOIL SAMPLE RESULTS

Sample Number:	Au (ppb)	Ag (ppm)	Cu (ppm)	Sample Number:	Au (ppb)	Ag (ppm)	Cu (ppm)
RBB-1	10	1.1	117	RBB-27	10	.4	18
2	5	1.1	52	28	25	.5	192
3	10	.3	18	29	ND	.6	47
4	5	1.1	29	30	15	1.1	26
5	10	.4	19	BASE of 30 to 30 MRD	5	.5	29
6	10	.3	12	L500 0+00W	10	.4	18
7	10	.1	22	0+50W	10	.4	17
8	10	1.1	27	1+00W	15	.2	11
9	10	.6	18	1+50W	5	.5	15
10	20	1.2	30	2+00W	15	.1	11
11	15	1.1	22	2+50W	15	.1	5
12	10	1.1	21	3+00W	5	.1	6
13	10	.6	29	3+50W	15	.6	15
14	ND	.5	17	4+00W	10	.1	10
15	15	1.1	26	4+50W	5	.5	21
16	10	.5	22	5+00W	10	.5	21
17	5	1.1	23	5+50W	ND	.2	11
18	15	.6	17	6+00W	10	.7	16
19	5	.8	19	6+50W	10	.2	11
20	20	.8	30	7+00W	5	.1	21
21	5	1.1	32	7+50W	5	.2	12
22	15	.6	39	8+00W	5	.1	11
23	10	1.1	40	8+50W	ND	.2	19
24	10	.6	255	9+00W	ND	.1	19
25	——	NS	——	9+50W	10	.4	16
26	5	.6	80				

LEGEND ~

SYMBOLS

x - Contour line soil sample

$18970 +_{30}$ - Rock chip sample / ppb Au

- Geological contact; approx., assumed

- Outcrop

10° - Bedding; dip

TABLE of GEOLOGY

CENOZOIC

QUATERNARY
- As - Alluvial river and creek gravels and mud

RECENT
- 1 - Lava flows; porphyritic basalt

MESOZOIC

TRIASSIC - JURASSIC
- 2 - Hazelton Group volcanics; Sediments

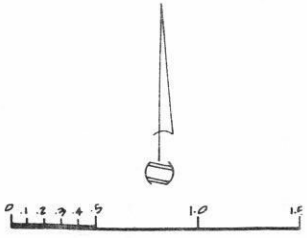
PALEOZOIC

PRE-PERMIAN
- 4 - Quartzite, schist, slate, argillite, limestone, schistose tuff, highly altered extrusives, and or intrusives, highly crystalline schist, gneiss

INTRUSIVES

MESOZOIC

TRIASSIC TO CRETACEOUS
- B - Diorite, sheared, chlorite, sericite altered.



Scale 1:25,000

THIOS RESOURCES INC.

ROCK and ROLL CLAIMS

PROPERTY GEOLOGY
ROCK CHIP and SOIL SAMPL
LOCATIONS and RESULTS
LIARD MINING DIVISION BC

PAMICON DEVELOPMENTS LTD

weakly limonite altered quartzite is exposed along cliffs where lava flows have been eroded.

A geological contact between pre-Permian metasediments to the north and Hazelton Group rocks to the south likely lies along the Iskut River, proposed by Grove (1986) to represent a regional east-west trending thrust pushing up and over to the south.

7.0 MINERALIZATION

The Rock and Roll property lies within close proximity to several significant gold prospects including Skyline's Stonehouse Gold deposit (now in production) and Cominco/Delaware's Snip deposit which is nearing production. Initial prospecting efforts on the Rock and Roll property have located anomalous copper and gold and favourable host rock.

Thios' Rock and Roll claims are situated approximately 10 km northwest of Cominco/Delaware's Snip deposit and 15 km northwest of Skyline's Stonehouse Gold mine. Both deposits are hosted within Jurassic Hazelton Group volcanics and sediments which apparently extend westward over much of the Thios property. Seven kilometres east of the Rock and Roll claims Meridor Resources Inc. and an American Ore/Golden Band/Delaware joint venture are drill testing a promising sulphide rich gold-bearing structure also thought to occur within Jurassic volcanics and sediments. Late in 1988 a gold/silver/copper/lead quartz vein was discovered 2 km southeast of the Rock and Roll claims on Crest Resources Ltd./Magenta Development Corp.'s joint venture property (Figure 3). Chip sampling across surface trenches recovered assays to 2.567 oz/ton Au across 9.8 feet including 7.394 oz/ton Au across 3.3 feet. This vein is hosted within a package of cataclastically deformed volcanic and sedimentary rocks with associated quartz monzonite and diorite of probable Jurassic age. Deformation is assumed to have resulted from thrust faulting along the Iskut River.

Limited contour soil sampling and rock chip sampling on the Rock and Roll claims has located anomalous copper in the southwest corner of the property and anomalous gold along the north boundary of the property (Figure 5). Soil samples collected from the southwest corner of the property assayed to 255 ppm Cu. An assay of 1,572 ppm Cu was recovered from rock chip sampling of light grey silicious sediments (?) containing up to 10% fine to medium grained pyrite. Along the north property boundary rock chip sampling of Hoodoo basalt assayed 90 ppb Au.

8.0 DISCUSSION AND CONCLUSIONS

Thios' Rock and Roll claims are situated immediately to the northwest of Skyline's Stonehouse Gold mine and Cominco/Delaware's Snip deposit covering ground with a good potential for similar type mineralization. The Thios property is part of a large area of staking that has occurred in response to Skyline and Cominco/Delaware's impressive high grade gold discoveries. A promising gold-bearing quartz vein was recently discovered 2 km to the southeast of Thios' property hosted within this volcanic/sedimentary package on Crest/Magenta joint venture ground. This latest discovery holds promise for the nearby Rock and Roll claims.

Initial exploration efforts have located favourable lithologies and soil and rock chip anomalies. In the southwest claim area rock chip sampling recovered an assay of 1,572 ppm Cu from pyrite-bearing silicious sediments. Weakly pyritic, altered and sheared intrusives also outcrop in the area. Contour soil samples assayed to 255 ppm Cu. These initial finds provide some encouragement and a starting point for additional work on the Rock and Roll claims. To the north, along the north boundary of the claims an isolated rock chip assayed 90 ppb Au. This sample was collected from Hoodoo Mountain lava flows overlying pre-Permian metasediments. Further sampling should be carried out to determine the significance of this anomaly.

9.0 RECOMMENDATIONS

The Thios property warrants a thorough follow-up exploration program. It is recommended that a $125,000 Phase I program include:

- establishment of a grid with cut lines (400 m line spacings)

- soil sampling (25 m spacing) over the established grid

- prospecting, rock chip sampling and reconnaissance geological mapping

Contingent upon the results of this work a Phase II program of trenching may be warranted. Contingent upon the results of this Phase II program possible Phase III and Phase IV programs of diamond drilling may be warranted. A breakdown of costs is enclosed in Appendix IV.

Respectfully submitted,

A. Montgomery

Allan T. Montgomery, Geologist

Charles K. Ikona, P.Eng.

APPENDIX I

BIBLIOGRAPHY

BIBLIOGRAPHY

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Scroggins, E.A. and C.K. Ikona (1989): Geological Report on the Phiz Project, Rob 13 and 14 Claims, in press, Crest Resources Ltd./Magenta Development Corp.

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Skyline Explorations Ltd.: Annual Report 1988.

Tungco Resources Corporation: News release dated December 1, 1987.

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Western Canadian Mining Corp.: News release dated November 12, 1987.

APPENDIX II

GEOCHEMICAL DATA SHEETS

PAMICON DEVELOPMENTS LIMITED

Geochemical Data Sheet - SOIL SAMPLING

Sampler BRIAN & GLENN
Date DEC 5 1988

Project THEOS
Property -

NTS
Location Ref
Air Photo No

SAMPLE NO.	LOCATION	Depth	Horiz	DESCRIPTION			SLOPE	VEG	ADDITIONAL OBSERVATIONS / REMARKS	ASSAYS					
				Colour	Texture	Drainage									
R-88-1		5cm	B	LB			35°								
R-88-2		30cm	B	OB			25°								
R-88-3		35	B	DB			30°								
R-88-4		25	B	OB			20°								
R-88-5		40	B	LB			10°								
R-88-6		30	B	DB			10°								
R-88-7		35	B	OB			5°								
R-88-8		25	B	DB			20°		crossed west claim line						
R-88-9		20	B	OB			5°								
R-88-10		15	B	DB			10°								
R-88-11		5	B	DB			Flat								
R-88-12		20	B	OB			Flat								
R-88-13		15	B	OB			5°								
R-88-14		15	B	OB			10°								
R-88-15		25	B	OB			Flat								
R-88-16		20	B	OB			Flat								
R-88-17		30	B	OB			Flat								
R-88-18		20	B	OB			5°								
R-88-19		40	B	OB			30°								
R-88-20		5	B	OB			35°								

PAMICON DEVELOPMENTS LIMITED

Geochemical Data Sheet - SOIL SAMPLING

Sampler BRIAN + GLENN
Date DEC 6 1988

Project THEOS
Property

NTS
Location Ref
Air Photo No

SAMPLE NO.	LOCATION	Depth	Horiz	DESCRIPTION			SLOPE	VEG	ADDITIONAL OBSERVATIONS / REMARKS	ASSAYS					
				Colour	Texture	Drainage									
R-88-21		15cm	B	RB			30°								
R-88-22		35cm	B	RB			30°								
R-88-23		20cm	B	DB			30°		rocky						
R-88-24		10cm	B	MB			30°		mineralized rock sample						
R-88-25		30cm	B	RB			30°		rocky						
R-88-26		15cm	B	DB			30°		rocky						
R-88-27		20cm	B	DB			35°		rocky						
R-88-28		15cm	B	LB			35°		below outcrop rocky						
R-88-29		20cm	B	RB			25°		rocky						
R-88-30		20cm	B	LB			25°		rocky						

PA[illegible]C[illegible] DEVELOPMENTS LIMITED

Geochemical Data S[illegible] - SOIL SAMPLING

Sampler: J. N[illegible]/K. [illegible] Project: Theb[illegible] NTS:
Date: Dec 06/88 Property: Rock & Roll Location Ref:
Air Photo No:

SAMPLE NO.	LOCATION	Depth CM	Horiz	DESCRIPTION Colour	Texture	Drainage	SLOPE (°)	VEG	ADDITIONAL OBSERVATIONS / REMARKS	ASSAYS					
L500	0+00W	35	B	Drk br			F	spruce/ hemlock, fir, alder, devils club							
"	0+50W	30	B	light br.			10								
"	1+00W	35	B	r.d. br			5								
"	1+50W	40	B	"			5								
"	2+00W	40	B	light br			10								
"	2+50W	45	B	grey			F								
"	3+00W	35	B	dark br			5								
"	3+50W	30	B	light br			10								
"	4+00W	35	B	Red Br			F								
"	4+50W	20	C	"			15								
"	5+00W	40	B	light br			10								
"	5+50W	45	B?	dark br			F								
"	6+00W	40	B	light br			F								
"	6+50W	35	B	"			10								
"	7+00W	30	B	"			10								
"	7+50W	30	B	"			10								
"	8+00W	25	B	light grey br			5								
"	8+50W	40	B	light br			F								
"	9+00W	30	B	dark br			5								
"	9+50W	35	B	light br			[illegible]								

Printed in Canada

* Samples 0+00 → 7+00 along line [illegible] 240° then ~ contour [illegible]

FAMICO DEVELOPMENTS LIMITED

Geochemical Data Sheet - ROCK SAMPLING

NTS _____

Sampler AL MONTGOMERY Project Theos Location Ref _____

Date DEC 06/88 Property Rock + Roll Air Photo No _____

SAMPLE NO.	LOCATION	SAMPLE TYPE	Sample Width / True Width	DESCRIPTION			ADDITIONAL OBSERVATIONS	ASSAYS					
				Rock Type	Alteration	Mineralization							
18965	n. of Iskut	grab		porph mafic volc flow	–	–	hoodoo volcanics probably						
18966	"	"		"	weak iron	–	"						
18967	"	"		argillite	–	–	dark grey siliceous weakly banded.						
18968	"	"		quartzite	weak limonite	–	interbedded with argillite; light tan, v.f. grain						
18969	"	"		chert	–	–	light green-grey faintly banded aphanitic (interbedded ?)						
18970	S. of Iskut	"		int. volc or sed	mod. limonite	5% py	py as diss. + bands; argillite(?) host silicified + chl., ser alt'n.						

PRINTED IN CANADA

APPENDIX III

ASSAY CERTIFICATES

VGC VANGEOCHEM LAB LIMITED

MAIN OFFICE
1988 TRIUMPH ST.
VANCOUVER, B.C. V5L 1K5
● (604) 251-5656
● FAX (604) 254-5717

BRANCH OFFICES
PASADENA, NFLD.
BATHURST, N.B.
MISSISSAUGA, ONT.
RENO, NEVADA, U.S.A.

GEOCHEMICAL ANALYTICAL REPORT

CLIENT: PAMICON DEVELOPMENT LTD.
ADDRESS: 711 - 675 W. Hastings St.
: Vancouver, B.C.
: V6B 1N4

DATE: Dec 13 1988
REPORT#: 881869 GA
JOB#: 881869

PROJECT#: THEOS
SAMPLES ARRIVED: Dec 9 1988
REPORT COMPLETED: Dec 13 1988
ANALYSED FOR: Au (FA/AAS) ICP

INVOICE#: 881869 NA
TOTAL SAMPLES: 6
SAMPLE TYPE: SOILS
REJECTS: DISCARDED

SAMPLES FROM: BRONSON CAMP
COPY SENT TO: PAMICON DEVELOPMENT LTD.

RECEIVED
DEC 19 1988

PREPARED FOR: MR. STEVE TODORUK

ANALYSED BY: VGC Staff

SIGNED: _____

GENERAL REMARK: None

VGC VANGEOCHEM LAB LIMITED

MAIN OFFICE
1988 TRIUMPH ST.
VANCOUVER, B.C. V5L 1K5
● (604) 251-5656
● FAX (604) 254-5717

BRANCH OFFICES
PASADENA, NFLD.
BATHURST, N.B.
MISSISSAUGA, ONT.
RENO, NEVADA, U.S.A.

REPORT NUMBER: 881869 GA JOB NUMBER: 881869 PAMICON DEVELOPMENT LTD.

SAMPLE #	Au ppb
18965	90
18966	20
18967	10
18968	20
18969	20
18970	30

DETECTION LIMIT 5
nd = none detected -- = not analysed is = insufficient sample

VANGEOCHEM LAB LIMITED

MAIN OFFICE: 1988 TRIUMPH STREET, VANCOUVER B.C. V5L 1K5 PH:(604)251-5656 TELEX:04-352578
BRANCH OFFICE: 1630 PANDORA STREET. VANCOUVER B.C. V5L 1L6 PH:(604)251-7282 FAX:(604)254-5717

ICAP GEOCHEMICAL ANALYSIS

A .5 GRAM SAMPLE IS DIGESTED WITH 5 ML OF 3:1:3 HCL TO HNO3 TO H2O AT 95 DEG. C FOR 90 MINUTES AND IS DILUTED TO 10 ML WITH WATER.
THIS LEACH IS PARTIAL FOR SN,MN,FE,CA,P,CR,MG,BA,PD,AL,NA,K,W,PT AND SR. AU AND PD DETECTION IS 3 PPM.
IS= INSUFFICIENT SAMPLE, ND= NOT DETECTED, -= NOT ANALYZED

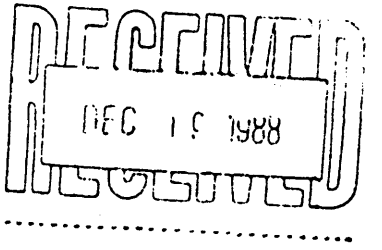
COMPANY: PAMICON DEVE
ATTENTION:
PROJECT:

REPORT#: 881869 PA
JOB#: 881869
INVOICE#: 881869 NA

DATE RECEIVED: 88/12/09
DATE COMPLETED: 88/12/16
COPY SENT TO:

ANALYST

SAMPLE NAME	AG PPM	AL %	AS PPM	AU PPM	BA PPM	BI PPM	CA %	CD PPM	CO PPM	CR PPM	CU PPM	FE %	K %	MG %	MN PPM	MO PPM	NA %	NI PPM	P %	PB PPM	PD PPM	PT PPM	SB PPM	SN PPM	SR PPM	U PPM	W PPM	ZN PPM
18965	.3	1.54	9	ND	10	ND	.14	.8	4	14	16	2.44	.10	.06	706	4	.45	21	.01	32	ND	ND	ND	5	6	ND	ND	223
18966	.6	2.34	13	ND	21	ND	.23	1.2	5	20	20	3.95	.17	.17	983	7	.85	32	.02	40	ND	ND	ND	10	4	ND	ND	248
18967	.1	1.34	16	ND	81	ND	.38	.5	8	34	25	2.10	.12	.54	640	3	.10	64	.06	19	ND	ND	ND	4	22	ND	ND	97
18968	.1	.32	51	ND	34	ND	.07	.1	2	21	23	1.02	.04	.06	354	1	.09	12	.01	8	ND	ND	ND	1	14	ND	ND	25
18969	.5	.94	15	ND	52	ND	.54	.2	6	53	39	1.69	.13	.69	627	2	.05	20	.04	12	ND	ND	ND	2	17	ND	ND	61
18970	1.1	.79	9	ND	20	3	.49	1.4	60	40	1572	6.34	.31	.38	130	2	.03	60	.05	19	ND	ND	ND	6	55	ND	ND	16
DETECTION LIMIT	.1	.01	3	3	1	3	.01	.1	1	1	1	.01	.01	.01	1	1	.01	1	.01	2	3	5	2	2	1	5	3	1



VGC VANGEOCHEM LAB LIMITED

MAIN OFFICE
1988 TRIUMPH ST.
VANCOUVER, B.C. V5L 1K5
• (604) 251-5656
• FAX (604) 254-5717

BRANCH OFFICES
PASADENA, NFLD.
BATHURST, N.B.
MISSISSAUGA, ONT.
RENO, NEVADA, U.S.A.

GEOCHEMICAL ANALYTICAL REPORT

CLIENT: PAMICON DEVELOPMENT LTD.
ADDRESS: 711 - 675 W. Hastings St.
: Vancouver, B.C.
: V6B 1N4

DATE: Dec 16 1988
REPORT#: 881870 GA
JOB#: 881870

PROJECT#: THEOS
SAMPLES ARRIVED: Dec 9 1988
REPORT COMPLETED: Dec 16 1988
ANALYSED FOR: Au ICP

INVOICE#: 881870 NA
TOTAL SAMPLES: 50
SAMPLE TYPE: 50 SOIL
REJECTS: DISCARDED

SAMPLES FROM: BRONSON CAMP
COPY SENT TO: PAMICON DEVELOPMENT LTD.

RECEIVED
DEC 22 1988

PREPARED FOR: MR. STEVE TODORUK

ANALYSED BY: VGC Staff

SIGNED: _____

GENERAL REMARK: None

VGC VANGEOCHEM LAB LIMITED

MAIN OFFICE
1988 TRIUMPH ST.
VANCOUVER, B.C. V5L 1K5
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BATHURST, N.B.
MISSISSAUGA, ONT.
RENO, NEVADA, U.S.A.

REPORT NUMBER: 881870 GA JOB NUMBER: 881870 PAMICON DEVELOPMENT LTD.

SAMPLE #	Au ppb
R-88-1	10
R-88-2	5
R-88-3	10
R-88-4	5
R-88-5	10
R-88-6	10
R-88-7	10
R-88-8	10
R-88-9	10
R-88-10	20
R-88-11	15
R-88-12	10
R-88-13	10
R-88-14	nd
R-88-15	15
R-88-16	10
R-88-17	5
R-88-18	15
R-88-19	5
R-88-20	20
R-88-21	5
R-88-22	15
R-88-23	10
R-88-24	10
R-88-26	5
R-88-27	10
R-88-28	25
R-88-29	nd
R-88-30	15
BHOR RB 250 30 CM ROCKY	5
L 500 0+00W	10
L 500 0+50W	10
L 500 1+00W	15
L 500 1+50W	5
L 500 2+00W	15
L 500 2+50W	15
L 500 3+00W	5
L 500 3+50W	15
L 500 4+00W	10
DETECTION LIMIT	5

nd = none detected -- = not analysed is = insufficient sample

VGC VANGEOCHEM LAB LIMITED

MAIN OFFICE
1988 TRIUMPH ST.
VANCOUVER, B.C. V5L 1K5
• (604) 251-5656
• FAX (604) 254-5717

BRANCH OFFICES
PASADENA, NFLD.
BATHURST, N.B.
MISSISSAUGA, ONT.
RENO, NEVADA, U.S.A.

SAMPLE #	Au ppb
L 500 4+50W	5
L 500 5+00W	10
L 500 5+50W	nd
L 500 6+00W	10
L 500 6+50W	10
L 500 7+00W	5
L 500 7+50W	5
L 500 8+00W	5
L 500 8+50W	nd
L 500 9+00W	nd
L 500 9+50W	10

DETECTION LIMIT 5

nd = none detected -- = not analysed is = insufficient sample

MAIN OFFICE: 1988 TRIUMPH STREET, VANCOUVER B.C. V5L 1K5 PH:(604)251-5656 TELEX:04-352578
BRANCH OFFICE: 1630 PANDORA STREET. VANCOUVER B.C. V5L 1L6 PH:(604)251-7282 FAX:(604)254-5717

ICAP GEOCHEMICAL ANALYSIS

A .5 GRAM SAMPLE IS DIGESTED WITH 5 ML OF 3:1:3 HCL TO HNO3 TO H2O AT 95 DEG. C FOR 90 MINUTES AND IS DILUTED TO 10 ML WITH WATER.
THIS LEACH IS PARTIAL FOR SN,MN,FE,CA,P,CR,MG,BA,PD,AL,NA,K,W,PT AND SR. AU AND PD DETECTION IS 3 PPM
IS= INSUFFICIENT SAMPLE, ND= NOT DETECTED, -= NOT ANALYZED

COMPANY: PAMICON DEVE
ATTENTION: S TODORUK
PROJECT: THEOS

REPORT#: 881870 PA
JOB#: 881870
INVOICE#: 881870 NA

DATE RECEIVED: 88/12/09
DATE COMPLETED: 88/12/20
COPY SENT TO:

ANALYST

SAMPLE NAME	AG PPM	AL %	AS PPM	AU PPM	BA PPM	BI PPM	CA %	CD PPM	CO PPM	CR PPM	CU PPM	FE %	K %	MG %	MN PPM	MO PPM	NA %	NI PPM	P %	PB PPM	PD PPM	PT PPM	SB PPM	SN PPM	SR PPM	U PPM	W PPM	ZN PPM
R-88-1	1.1	4.83	13	ND	82	ND	.08	2.1	19	45	117	5.05	.17	.38	366	7	.01	60	.02	53	ND	ND	ND	4	6	ND	ND	334
R-88-2	1.1	6.01	5	ND	44	ND	.15	1.2	7	32	52	4.41	.16	.20	239	4	.01	28	.05	61	ND	ND	ND	4	7	ND	ND	232
R-88-3	.3	1.12	12	ND	55	ND	.16	.6	4	16	18	2.15	.10	.10	378	2	.01	12	.02	28	ND	ND	ND	3	11	ND	ND	106
R-88-4	1.1	5.65	ND	ND	50	ND	.07	1.2	4	19	29	3.98	.14	.10	159	4	.02	14	.03	60	ND	ND	ND	3	7	ND	ND	141
R-88-5	.4	1.89	11	ND	47	ND	.08	.5	3	17	19	3.12	.10	.11	190	3	.01	10	.03	40	ND	ND	ND	4	9	ND	ND	94
R-88-6	.3	.87	11	ND	32	ND	.02	.1	2	9	12	1.37	.05	.05	83	2	.01	5	.01	28	ND	ND	ND	5	7	ND	ND	31
R-88-7	.1	2.78	10	ND	38	ND	.05	.6	2	20	22	3.79	.13	.05	171	3	.01	7	.02	52	ND	ND	ND	6	9	ND	ND	68
R-88-8	1.1	9.80	ND	ND	48	ND	.01	1.3	6	22	27	4.99	.16	.11	310	2	.01	11	.05	68	ND	ND	ND	ND	3	ND	ND	202
R-88-9	.6	3.41	10	ND	54	ND	.05	.5	3	15	18	2.83	.10	.08	150	3	.01	6	.02	48	ND	ND	ND	3	7	ND	ND	98
R-88-10	1.2	7.71	ND	ND	62	ND	.01	1.1	6	19	30	4.64	.15	.10	214	4	.01	13	.03	74	ND	ND	ND	2	3	ND	ND	238
R-88-11	1.1	6.97	ND	ND	51	ND	.02	1.2	10	9	22	5.00	.17	.10	838	6	.01	8	.03	83	ND	ND	ND	4	2	ND	ND	208
R-88-12	1.1	3.91	8	ND	68	ND	.03	.5	4	18	21	3.69	.13	.10	310	3	.01	9	.03	54	ND	ND	ND	4	6	ND	ND	116
R-88-13	.6	4.50	3	ND	53	ND	.05	.8	4	20	29	3.83	.13	.10	218	4	.01	8	.05	60	ND	ND	ND	5	8	ND	ND	101
R-88-14	.5	2.08	10	ND	49	ND	.05	.2	2	18	17	3.04	.10	.08	165	3	.01	3	.01	41	ND	ND	ND	4	8	ND	ND	55
R-88-15	1.1	4.67	5	ND	66	ND	.03	.3	4	19	26	3.38	.10	.08	260	3	.01	7	.05	58	ND	ND	ND	3	8	ND	ND	81
R-88-16	.5	2.87	11	ND	60	ND	.05	.5	3	21	22	3.29	.10	.10	239	3	.01	5	.03	49	ND	ND	ND	4	9	ND	ND	64
R-88-17	1.1	3.92	14	ND	52	ND	.02	1.1	3	20	23	4.42	.15	.10	137	5	.01	6	.01	65	ND	ND	ND	5	5	ND	ND	87
R-88-18	.6	1.52	17	ND	50	ND	.07	.6	2	17	17	3.87	.14	.05	86	4	.01	2	.01	53	ND	ND	ND	7	7	ND	ND	45
R-88-19	.8	2.65	20	ND	52	ND	.02	.6	3	15	19	3.45	.10	.10	151	4	.01	6	.03	60	ND	ND	ND	6	4	ND	ND	80
R-88-20	.8	5.56	11	ND	47	ND	.01	1.2	9	11	30	4.73	.15	.19	899	7	.01	12	.03	81	ND	ND	ND	8	2	ND	ND	254
R-88-21	1.1	6.08	3	ND	101	ND	.25	1.2	10	20	32	4.67	.20	.15	464	5	.01	49	.15	83	ND	ND	ND	5	10	ND	ND	167
R-88-22	.6	1.70	18	ND	37	3	.20	1.1	11	24	39	4.16	.16	.57	277	3	.01	23	.19	50	ND	ND	ND	9	44	ND	ND	89
R-88-23	1.1	1.04	20	ND	18	ND	.15	.3	7	9	40	2.00	.08	.66	164	2	.01	15	.07	35	ND	ND	ND	5	16	ND	ND	49
R-88-24	.6	2.03	20	ND	28	3	.31	1.1	22	15	255	3.50	.15	1.66	206	2	.01	18	.08	37	ND	ND	ND	7	27	ND	ND	57
R-88-26	.6	1.97	19	ND	19	3	.21	1.5	13	9	80	4.31	.17	1.62	193	4	.01	14	.07	33	ND	ND	ND	6	28	ND	ND	60
R-88-27	.4	.88	16	ND	19	ND	.10	.2	5	8	18	1.93	.07	.51	95	1	.01	8	.10	24	ND	ND	ND	3	12	ND	ND	39
R-88-28	.5	1.89	20	ND	19	3	.17	2.1	23	5	192	4.16	.15	1.62	291	4	.01	12	.17	52	ND	ND	ND	3	9	ND	ND	245
R-88-29	.6	1.29	19	ND	26	ND	.11	.2	6	9	47	2.24	.08	.38	113	1	.01	5	.07	30	ND	ND	ND	5	20	ND	ND	50
R-88-30	1.1	.56	16	ND	18	ND	.10	.1	3	3	26	1.24	.05	.10	101	1	.01	2	.05	21	ND	ND	ND	3	9	ND	ND	25
BHORRB25030CMRD	.5	2.00	10	ND	13	ND	.10	.8	5	5	29	4.09	.15	.36	77	3	.01	3	.10	38	ND	ND	ND	4	25	ND	ND	79
L 500 0+00W	.4	2.59	10	ND	62	ND	.01	.1	1	10	18	2.95	.10	.05	160	2	.01	2	.02	43	ND	ND	ND	3	4	ND	ND	65
L 500 0+50W	.4	1.91	10	ND	66	ND	.07	.1	2	3	17	1.97	.07	.05	271	1	.01	5	.01	37	ND	ND	ND	3	19	ND	ND	112
L 500 1+00W	.2	.46	14	ND	24	ND	.01	.1	1	3	11	2.24	.07	.01	182	1	.01	1	.01	26	ND	ND	ND	4	3	ND	ND	59
L 500 1+50W	.5	1.72	10	ND	101	ND	.01	.2	1	8	15	3.48	.11	.02	237	2	.01	1	.01	44	ND	ND	ND	5	2	ND	ND	83
L 500 2+00W	.1	.62	15	ND	27	ND	.02	.1	1	5	11	2.36	.07	.02	166	2	.01	ND	.01	27	ND	ND	ND	4	5	ND	ND	66
L 500 2+50W	.1	.31	10	ND	11	ND	.01	.1	ND	2	5	.81	.01	.01	56	ND	.01	ND	.01	9	ND	ND	ND	3	5	ND	ND	25
L 500 3+00W	.1	.36	11	ND	16	ND	.05	.1	ND	3	6	.62	.01	.03	63	ND	.01	ND	.02	5	ND	ND	ND	1	6	ND	ND	42
L 500 3+50W	.6	2.88	7	ND	74	ND	.01	.3	2	2	15	2.92	.10	.01	321	2	.01	1	.01	47	ND	ND	ND	4	8	ND	ND	128
L 500 4+00W	.1	.76	10	ND	25	ND	.02	.1	ND	6	10	2.23	.07	.01	134	1	.01	ND	.01	23	ND	ND	ND	3	5	ND	ND	43
DETECTION LIMIT	.1	.01	3	3	1	3	.01	.1	1	1	1	.01	.01	.01	1	1	.01	1	.01	2	3	5	2	2	1	5	3	1

CLIENT: PANICON DEVE JOB#: 881870 PROJECT: THEOS REPORT: 881870 PA

SAMPLE NAME	AG PPM	AL %	AS PPM	AU PPM	BA PPM	BI PPM	CA %	CD PPM	CO PPM	CR PPM	CU PPM	FE %	K %	MG %	MN PPM	MO PPM	NA %	NI PPM	P %	PB PPM	PD PPM	PT PPM	SB PPM	SN PPM	SR PPM	U PPM	W PPM	ZN PPM
L 500 4+50W	.5	2.27	6	ND	48	ND	.05	.5	4	14	21	3.81	.13	.04	172	5	.02	17	.02	47	ND	ND	ND	7	6	ND	ND	71
L 500 5+00W	.5	3.12	4	ND	79	ND	.03	.5	3	[illegible]	[illegible]	3.95	.14	.02	242	3	.04	10	.02	50	ND	ND	ND	5	3	ND	ND	80
L 500 5+50W	.2	.65	10	ND	23	ND	.09	.1	2	9	11	.92	.04	.06	66	1	.02	9	.03	10	ND	ND	ND	3	9	ND	ND	38
L 500 6+00W	.2	.76	8	ND	40	ND	.04	.1	4	8	16	2.01	.07	.05	110	4	.02	7	.01	25	ND	ND	ND	7	8	ND	ND	43
L 500 6+50W	.1	.81	7	ND	42	ND	.03	.1	2	8	11	1.04	.04	.04	51	1	.02	7	.02	18	ND	ND	ND	4	7	ND	ND	21
L 500 7+00W	.2	2.10	11	ND	51	ND	.08	.1	4	19	21	2.57	.10	.15	219	3	.01	9	.05	33	ND	ND	ND	5	10	ND	ND	63
L 500 7+50W	.2	1.02	8	ND	51	ND	.11	.1	3	12	12	1.49	.06	.10	74	1	.01	6	.02	19	ND	ND	ND	4	11	ND	ND	33
L 500 8+00W	.1	.80	5	ND	52	ND	.14	.1	2	12	11	1.16	.06	.11	153	1	.01	8	.04	9	ND	ND	ND	2	12	ND	ND	35
L 500 8+50W	.2	1.64	6	ND	52	ND	.07	.1	3	13	19	2.48	.09	.07	206	2	.01	6	.04	25	ND	ND	ND	4	8	ND	ND	74
L 500 9+00W	.1	.96	11	ND	101	ND	.12	.1	12	16	19	2.30	.10	.23	935	2	.01	9	.08	21	ND	ND	ND	2	16	ND	ND	69
L 500 9+50W	.4	1.10	15	ND	72	ND	.13	.1	10	21	16	2.47	.10	.34	871	3	.02	10	.06	26	ND	ND	ND	4	17	ND	ND	62
DETECTION LIMIT	.1	.01	3	3	1	3	.01	.1	1	1	1	.01	.01	.01	1	1	.01	1	.01	2	3	5	2	2	1	5	3	1

APPENDIX IV

RECOMMENDED BUDGETS

RECOMMENDED BUDGETS

PHASE I BUDGET

Wages			
Senior Geologist - 4 days @ $400	$ 1,600		
Field Geologist - 10 days @ $300	3,000		
Prospector - 6 days @ $265	1,590		
Samplers - 2 x 10 days @ $225	4,500		
		$10,690	
Project Supervision		6,015	
			$ 16,705
Line Cutting - 18 line km @ $1,200			21,600
Man Day Camp Cost			14,375
Expenses			
Fixed Wing		$ 3,000	
Freight		2,000	
Communications		1,000	
Travel and Accommodation		4,000	
Equipment and Supplies		4,000	
Assays			
18 km x 40 - 720 soils @ $17.50	$12,600		
75 rocks @ $20	1,500		
		14,100	
			28,100
Helicopter - 30 hours @ $600			18,000
			98,780
Contingency - 10%			9,878
			108,658
Management Fee - 15%			16,298
Total Estimated Budget - Phase I			$124,956

PHASE II BUDGET - Trenching and Sampling $125,000

PHASE III BUDGET - Diamond Drilling $250,000

PHASE IV BUDGET - Diamond Drilling $500,000

APPENDIX V

STATEMENT OF QUALIFICATIONS

STATEMENT OF QUALIFICATIONS

I, ALLAN T. MONTGOMERY, of 4764 Moss Street, Vancouver, in the Province of British Columbia, DO HEREBY CERTIFY:

1. THAT I am a Geologist in the employment of Pamicon Developments Limited, 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 Bachelor of Science Degree in Geology (Honours).

3. THAT my primary employment since 1985 has been in the field of mineral exploration.

4. THAT my experience has encompassed a wide range of geologic environments and has allowed considerable familiarization with prospecting, geophysical, geochemical and exploration drilling techniques.

5. THAT this report is based on data generated by myself, under the direction of Steve L. Todoruk, Geologist and Charles K. Ikona, Professional Engineer.

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 receive any such interest.

7. THAT I hereby grant permission to Thios Resources Inc. for the use of this report in any prospectus or other documentation required by any regulatory authority.

DATED at Vancouver, B.C., this 1st day of February, 1989.

A Montgomery

Allan Montgomery, Geologist